



Goodyear, AZ

Hotel & Conference Center Market & Financial Feasibility Study

REPORT

NOVEMBER 07, 2023





Table of Contents

01	Executive Summary
02	Project Profile
03	Economic, Demographic & Destination Analysis
04	Conference & Meetings Market Analysis
05	Hotel Market Analysis
06	Recommendations
07	Demand & Financial Projections
08	Economic, Fiscal & Employment Impact Analysis

01

Executive Summary



SWOT Overview

The following SWOT analysis details the strengths, weaknesses, opportunities, and threats of the Project and Goodyear.

STRENGTHS



- Strong population growth
- Affordability for residents and businesses
- Established identity within the baseball industry at both the professional and youth levels
- Goodyear is a community with a Designation of Assured Water Supply – 100 years certified

WEAKNESSES



- Perceptions of East Valley vs. West Valley in terms of entertainment offerings
- Limited destination restaurant, retail, and entertainment in the market currently
- Arizona water supply perception

OPPORTUNITIES



- Creates a central node of activity within Goodyear
- Re-capture lost meetings demand to other areas within the metro and regionally

THREATS



- Failure to create a sense of place, causing development to lack uniqueness
- Development of the VAI Resort and New Desert Diamond Casino in West Valley
- Large number of meetings hotels in the East Valley

Headlines

TOURISM



There are a variety of attractions within the West Valley. Currently Glendale is the entertainment hub of the west side of the metropolitan area. With more development plans, Glendale is expanding its offerings while Goodyear is in the early stages of tourism and entertainment development.

Goodyear's tourism currently revolves around baseball. With a new walkable downtown, Goodyear can extend its identity to include more than just sports.

MEETINGS



There are very few options for meeting planners to host, stay and play in the West Valley. The Wigwam, the Renaissance and, soon enough, the VAI will be the only options within the market.

Many meeting planners, locally and regionally, do not choose the West Valley as a destination because of limited space and surrounding amenities.

HOSPITALITY



Hotels have been and are continuing to be developed in the Goodyear area. These hotels have little to no meeting space included in their plans. These hotels are built to cater to the growing employment base and sports tourism, but are not designed to cater to a new segment of meetings groups.

RETAIL



Goodyear lacks compelling retail opportunities. If developed correctly, the Project could bring unique dining, retail, and entertainment concepts that can make Goodyear a competitive proposition for meeting planners and event attendees.

Recommendations

Based on HSP’s analysis of the hotel and meetings market in the Phoenix metro, HSP recommends a 240-room select-service+ hotel be developed in Goodyear, AZ. HSP recommends a conference center be connected to the hotel and include approximately 21,600 SF of indoor function space. This recommended sizing is based on HSP’s findings on existing and potential West Valley demand, and what would be competitive to conference hotel products currently offered in the East Valley.

As the proposed RED / Globe development includes a number of walkable restaurants, HSP does not recommend including a full-service restaurant in the hotel itself but should include a catering kitchen to service the conference center.

The estimated parking needs for the recommended conference hotel include one space per hotel room plus additional spaces to accommodate meeting and event attendees.

Goodyear, AZ Conference Hotel Recommendations	
Rooms	240 keys
Ballroom	12,000 SF, divisible by 6
Jr. Ballroom	6,000 SF, divisible by 5
Meeting Rooms	3,600 SF, divisible by 3
Outdoor	5,000+ SF outdoor / rooftop event or F&B space
Parking	420 total spaces (240 for hotel, 180 for meeting space)
Source: Hunden Strategic Partners	

Conference Space Breakdown

The table to the right breaks down the recommended conference space by division.

A 12,000 SF ballroom would be able to accommodate up to 800 people seated at rounds. Smaller divisible breakout rooms are also recommended, totaling 9,600 SF. Five of these meeting rooms are blocked together as a 6,000 SF divisible junior ballroom with additional separate meeting rooms totaling 3,600 SF.

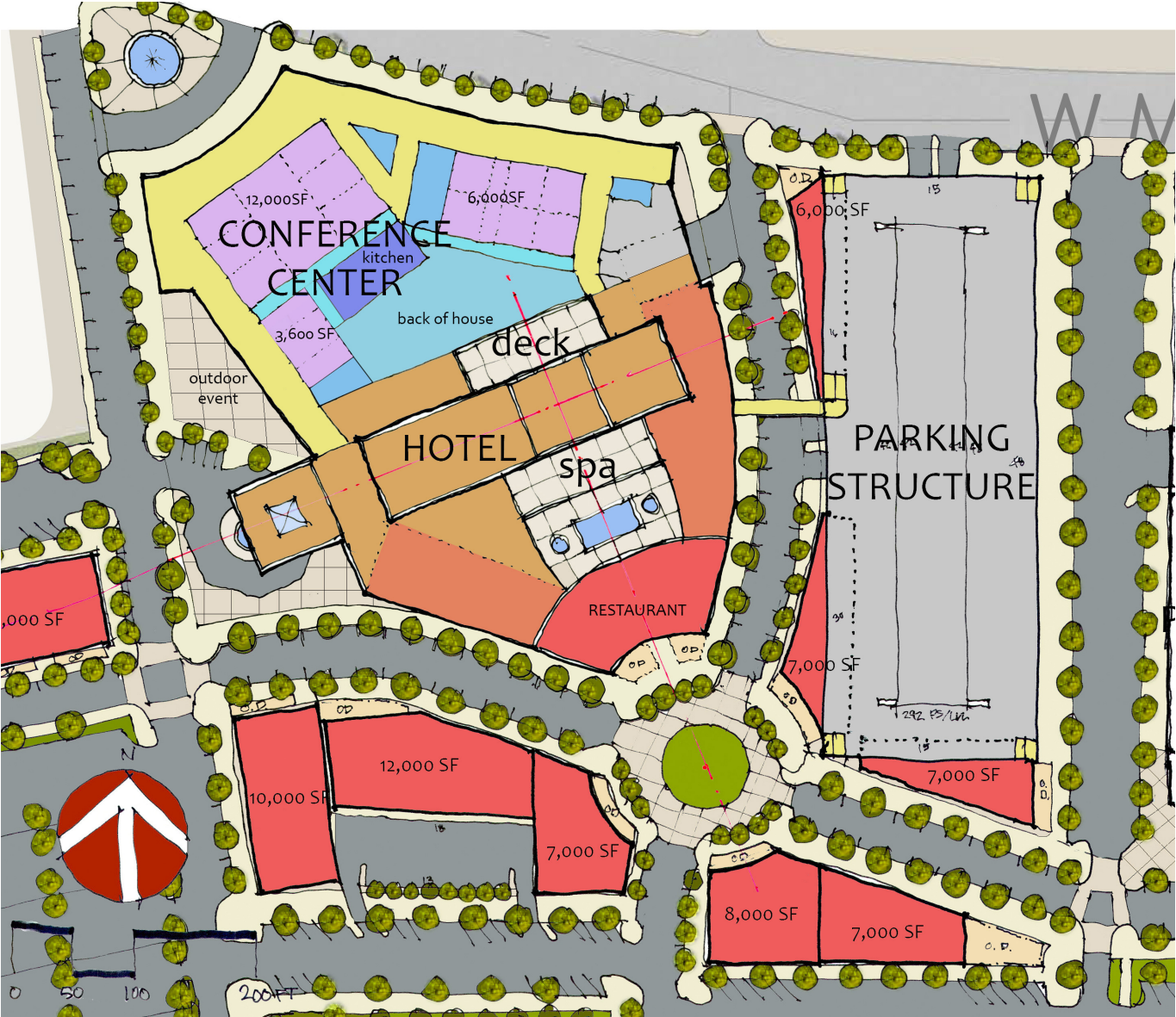
Goodyear Conference Space Breakdown			
	By Division		Divisions
	Total (SF)	(SF)	
Ballroom	12,000		6
A		2,000	
B		2,000	
C		2,000	
D		2,000	
E		2,000	
F		2,000	
Jr. Ballroom	6,000		5
1A		1,200	
1B		1,200	
1C		1,200	
1D		1,200	
1E		1,200	
Meeting	3,600		3
2A		1,200	
2B		1,200	
2C		1,200	
Total	21,600		14
Source: Hunden Strategic Partners			

Conference Hotel Site Layout & Costs

The visual to the right shows a more detailed possible layout of the recommended conference hotel. This includes a 240-key hotel, 12,000 SF divisible grand ballroom, 6,000 SF junior ballroom and 3,600 SF of additional meeting room space.

Gross square feet of the conference center is estimated at 50,000 SF, which includes front of house, back of house, and circulation space. A 420-space parking structure is included east of the conference hotel.

Order of magnitude costs for the hotel, conference center, and parking structure is estimated at \$130.2 million.



Component	Qty.	Unit	Unit Cost	Const. Cost	Soft Cost	Project Cost
Hotel	240	keys	\$ 290,000	\$ 69,600,000	\$ 17,400,000	\$ 87,000,000
Conference Center	50,000	SF	\$ 480	\$ 24,000,000	\$ 6,000,000	\$ 30,000,000
Parking Structure	420	PS	\$ 25,000	\$ 10,500,000	\$ 2,630,000	\$ 13,200,000



Summary of Impacts

Over 20 years the Project is expected to generate nearly \$587 million in net new spending to Goodyear, \$330 million in net new earnings supporting an average of 282 net new full-time equivalent jobs.

Over 20 years, the City of Goodyear will likely experience an additional \$26.15 million in tax revenues as a result of the development.

This analysis may underestimate the true impact of the Project as it would be a catalyst for additional development in the GSQ area and across Goodyear. This Project will be a staple in the overall GSQ vision.

But for the Project, these impacts would not exist.

20-Year Summary of Impacts Including Construction Proposed Goodyear, AZ Hotel	
Net New Spending	(millions)
Direct	\$338.47
Indirect	\$124.31
Induced	\$124.11
Total	\$586.89
Net New Earnings	(millions)
From Direct	\$136.43
From Indirect	\$96.16
From Induced	\$97.56
Total	\$330.14
Net New FTE	Average
From Direct	161
From Indirect	61
From Induced	60
Total	282
Net New Taxes	(millions)
Sales Tax	\$0.91
Restaurants & Bars	\$5.26
Transient Lodging & Sales Tax	\$8.90
Contracting/Construction Tax	\$0.61
Property Tax	\$10.47
Total	\$26.15
Source: Hunden Partners	

02

Project Profile



Goodyear Civic Square History

Goodyear Civic Square, which is located just north of I-10, currently comprises an \$87 million, two-story city hall building and library totaling 125,000 square feet, a \$15 million parking garage with four stories and a \$25 million office building totaling 103,629 square feet.

The Council Chamber can seat 150 people with elevated space and seating for elected officials and city leaders. The building also features large meeting rooms, open lobby areas and a "one-stop shop" area for most city services in addition to locally-made artwork and offices for various city departments.

The 24,000-square-foot library also offers large open spaces, seating areas and an outdoor patio, as well as a treehouse-themed children's area. Small businesses and entrepreneurs can also meet in the library's nine study rooms and Innovation Hub for business development resources.

The new office building, GEN1, which is the first of two to be built on the property, brought much needed Class A office space to the West Valley. Tying the buildings together is also a two-acre park with grass areas, seating, water features and public artwork.



Goodyear Civic Square (GSQ)

The initial phase of GSQ was completed in 2022, and included:

- Goodyear City Hall & Library – 125,000 SF
- Class A Office – 103,629 SF
- 1,160 space parking garage

Future phases of Civic Square at GSQ include restaurant / retail development, a hotel, additional Class A Office, and an additional parking garage.

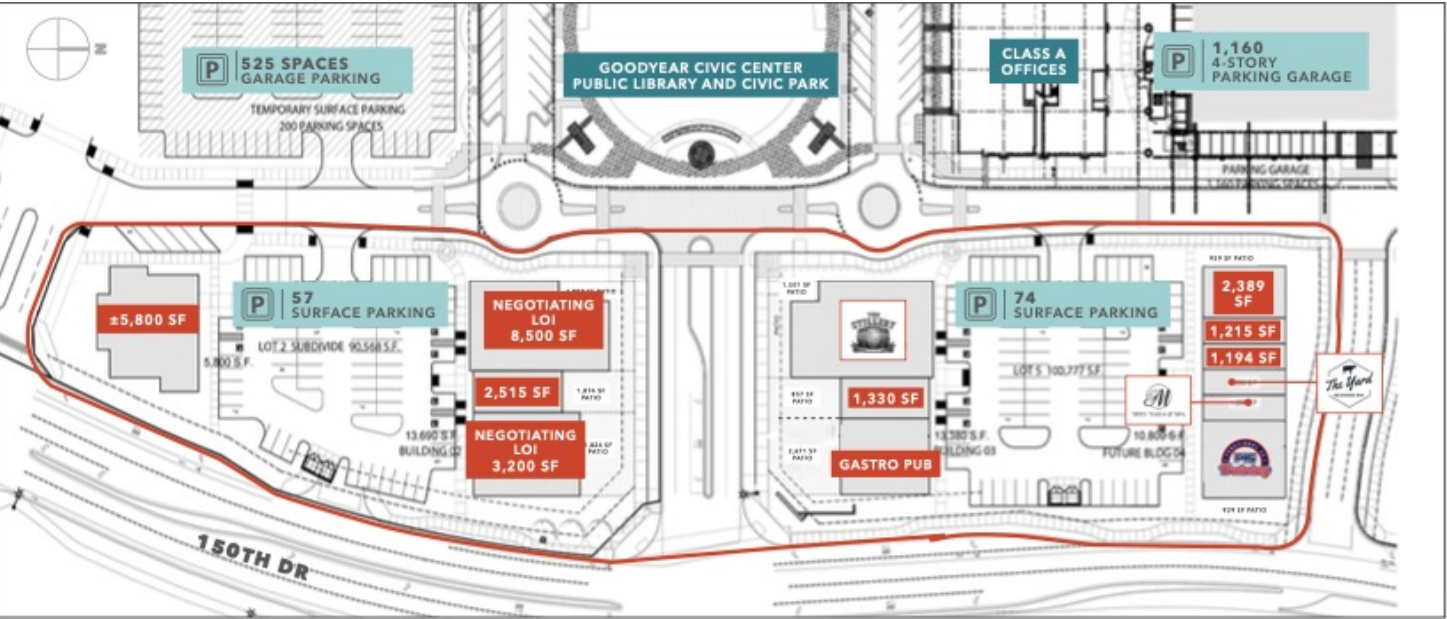
The map to the right outlines retail tenant agreements currently in process.



Civic Square at GSQ

Phase I Site Plan

The map below outlines the proposed site plan for Phase I of Civic Square at GSQ retail and restaurant development. Phase I includes over 43,000 SF of rentable space, with a number of leases and LOIs in process. Once GEN1 office is 66 percent rented, an identical office building called GEN2 is planned to be developed.



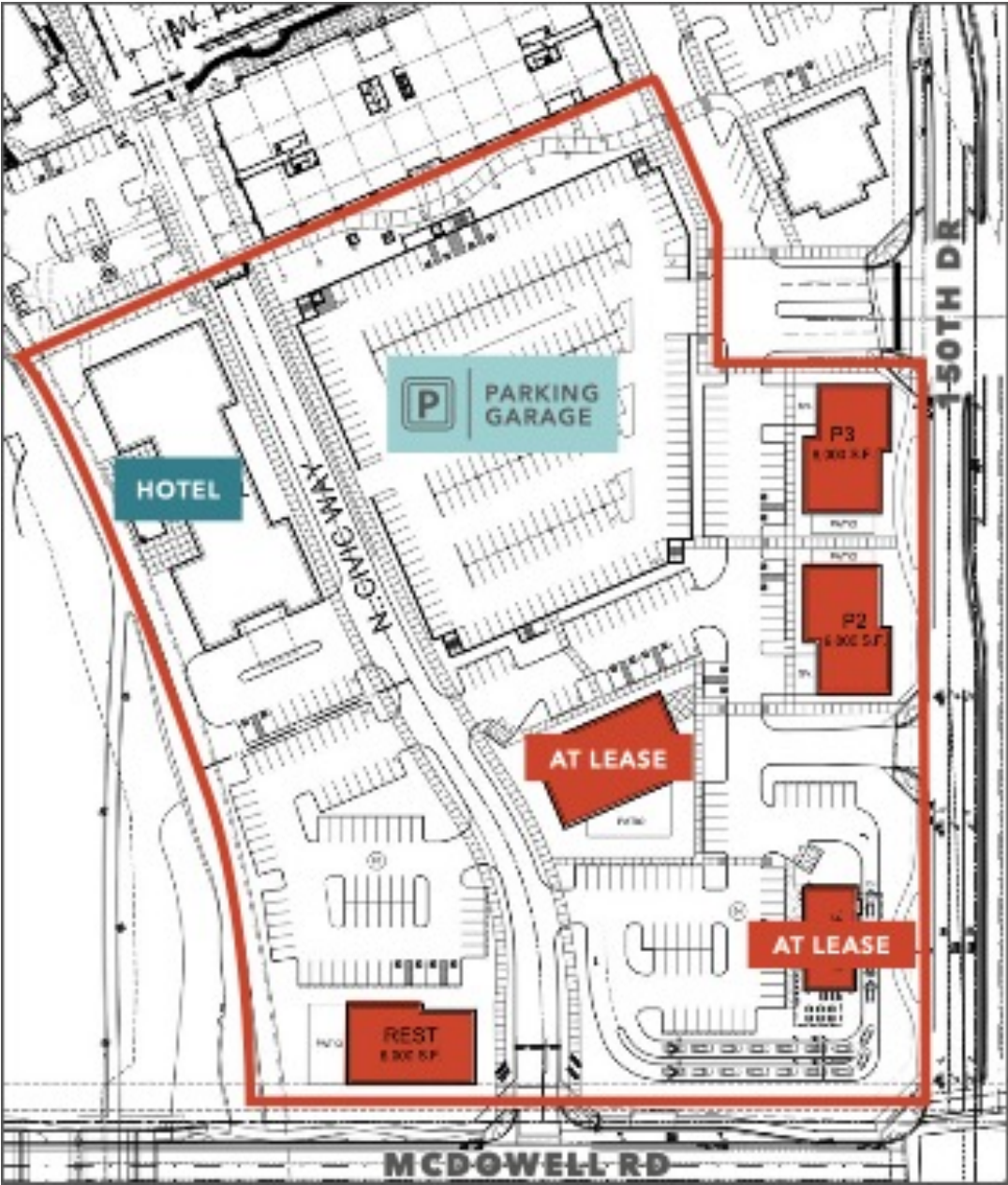
Goodyear Civic Square - Phase I	
	Square Feet
GEN2 Office	103,629
Pad 1	
F45 Training	3,070
The Yard Milkshake Bar	1,200
Miyu Nails & Spa	1,200
TBD	2,389
TBD	1,215
TBD	1,194
Total	10,268
Pad 2	
The Stillery	7,837
Gastro Pub Concept	4,220
TBD	1,330
Total	13,387
Pad 3	
TBA	8,500
TBA	3,200
TBD	2,515
Total	14,215
Pad 4	
Restaurant TBD	5,800
Total	5,800
Total Retail / Restaurant	43,670
Source: City of Goodyear	

Civic Square at GSQ

Phase II Site Plan

The map to the right outlines the proposed site plan for Phase II of the GSQ development, which includes an additional 28,500 SF of restaurants, a 106-room hotel, and an additional parking garage.

Goodyear Civic Square - Phase II	
	Square Feet
Drive-Thru Restaurant (TBA)	3,500
Restaurant (TBA)	7,000
Restaurant (TBD)	6,000
Restaurant / Retail (TBD)	6,000
Restaurant / Retail (TBD)	6,000
Total Retail / Restaurant	28,500
Hotel	106-key
Source: City of Goodyear	



RED Development

Globe Corp, who partnered with the city to build the city hall, library, and GEN1 office space, recently partnered with RED Development, a Phoenix-based commercial real estate company, to expand GSQ east of 150th Drive on approximately 150-acres.

The area currently has a top performing Harkins movie theatre and a high-performing BJ's Restaurant and Cheddar's. The goal of the project is to expanding on these established offerings and develop a dense walkable downtown. The developer aims to add unique entertainment concepts, high-end and fast-casual restaurants, big-box retail/specialty shops, multifamily residential, additional office space, as well as the proposed conference center and hotel part of this study.

Construction of this phase of the development is projected for 2024, with major retailer negotiations already underway.

The map to the right shows the location of the proposed mixed-use development compared to Phase I and Phase II of GSQ outlined in the prior slides.





Stakeholder Interviews

Globe Corp. & RED Development

HSP had the opportunity to speak with Globe Corp. (owner) & RED Development (developer) to get an understanding of the status of the broader planned commercial development as well as gain their perspective on the needs for a hotel or conference center. Key highlights from that discussion are included below:

- GEN1 brought in much needed Class A office to the area. As of March 2023, GEN1 office was 40 percent occupied with many prospects. Once two-thirds of GEN1 is leased, construction of the second identical office building will begin.
- **The team currently has a significant amount of prospective big-box and unique retail tenants amid discussions, and plans to make some major announcements related to this later this year. Harkins also performs very strongly at both an in-state and national level.**
- **Globe also has multiple hotel developers interested in a smaller ~100-key limited-service hotel that would be located adjacent to the new city hall.**
- The team doesn't see the need for a convention center with exhibit space, but more so a conference center that offers a unique alternative to the Wigwam and VAI development.
- **They also don't see the need for the hotel having its own full-service restaurant, given the planned dining to be developed throughout the Project site.**
- **Globe is also open to the possibility of a performing arts center on their development site.**

City of Goodyear

HSP spoke with a number of city staff and elected officials to understand the goals for the proposed Project and get their perspective on needs in the local market. A summary of key highlights from that discussion is outlined below:

- **There is a desire to create a more comprehensive and cohesive walkable downtown in Goodyear, with the proposed Globe / RED commercial development providing amenities that can differentiate itself from resort-style facilities in the market.**
- **There is no large meeting facility in the city, with many local facilities not purpose-built for both public and private meetings and events. Goodyear would like a facility that can host conferences as well as larger rotating state associations.**
- With only limited-service hotels in the pipeline, new hotel development will not help bridge that gap.
- **Due to lack of supply, business is being lost to facilities in the East Valley, and regional cities like Flagstaff and Tucson that can provide larger meeting spaces and room blocks of higher quality.**
- Goodyear can provide a higher level of safety compared to other communities in the area with a relatively low crime rate.
- There is a need for additional multi-functional indoor sports facilities, but would likely require its own dedicated facility without multi-functional exhibit space included in the proposed Project.
- A potential performing arts facility is also in discussion, but not at the Project site.
- Goodyear Ballpark and Estrella Mountains are major long-distance visitation drivers for Goodyear.

WESTMARC

HSP spoke with the President and CEO of WESTMARC which services 15 communities in the West Valley in economic development, job growth, and quality of life. Key highlights from that discussion are outlined below:

- Major drivers of tourism in the West Valley include spring training, NASCAR at the Phoenix Raceway in Avondale, and the White Tank Mountains.
- Non-local visitation is also derived from special events held throughout the year within the West Valley, and out-of-town artists, major events, and those visiting family.
- The West Valley benefits from strong demographics – education and income.
- The Wigwam and PHX Raceway are the only major facilities able to host larger groups in the West Valley, or the Renaissance Glendale that offers over 40,000 SF of ballroom space alone.
- The Glendale Civic Center has been neglected, and Westgate is now the focus of the community. The VAI Resort will likely be a major competitor in the future.
- **Though the West Valley has indoor sports facility needs, any new facility should be dedicated to this specific use type.**
- **There is an ongoing need for meeting and event facilities that can accommodate over 400 people.**
- **There will be price sensitivity with some SMERF (Social, Military, Educational, Religious, and Fraternal) groups at any new facility, but a new facility will likely induce significant West Valley corporate demand.**

Southwest Valley Chamber of Commerce

HSP also interviewed the President / CEO and VP of Partnerships of the Southwest Valley Chamber of Commerce. A summary of that interview is outlined below:

- **There is a big need for a conference center with an attached hotel in the West Valley.**
- **The Wigwam is overused and often not available. It also cannot host more than 600 people in a single indoor space.**
- The Avondale Conference Center also has limited capacity at under 150 people.
- **Population and employer growth in the West Valley has created the need for larger spaces.**
- **The Chamber would utilize a conference center often for 300+ people events.**
- They believe the hotel should be an upscale or boutique hotel in order to be competitive to facilities in the rest of the metro.
- RED / Globe's proposed development will elevate Goodyear to the next level, and be a great amenity to a hotel and conference center.
- Goodyear and the West Valley is different from Scottsdale and the East Valley and will attract different types of groups.
- Goodyear provides small-town charm in a safe and relaxed atmosphere.

City of Avondale

HSP interviewed the Destination Sales Manager and Economic Development and Tourism Director for the City of Avondale to gain their perspective on meeting space and hotel needs in the local area. Key highlights from that discussion are included below:

- The sports center in Avondale receives an estimated 600,000 visitors each year, and the Phoenix Raceway generating approximately 700,000 annual visitors.
- Avondale leads in occupancy and rate compared to other cities in the West Valley, though there are great partnerships amongst the local communities.
- **The Avondale Visitor and Conference Center has 2,311 SF of meeting space that breaks into two smaller meeting rooms.** The meeting rooms also opens up to an outdoor patio, providing a 400-capacity combined space.
- **The meeting spaces (80-person capacity seated in rounds) are mostly used for social events and banquets, with some corporate business.**
- The city does see a demand for a larger conference center in the West Valley, necessitated by the growth in the area.
- **There is high demand for space for corporate trainings, meetings, and social functions in the West Valley, though additional commercial development is needed to attract people to a new local facility.**
- **VAI resort will be a strong future competitor in the West Valley, though a Goodyear facility could offer a lower price point in the market.**



03

Economic, Demographic & Destination Market Analysis

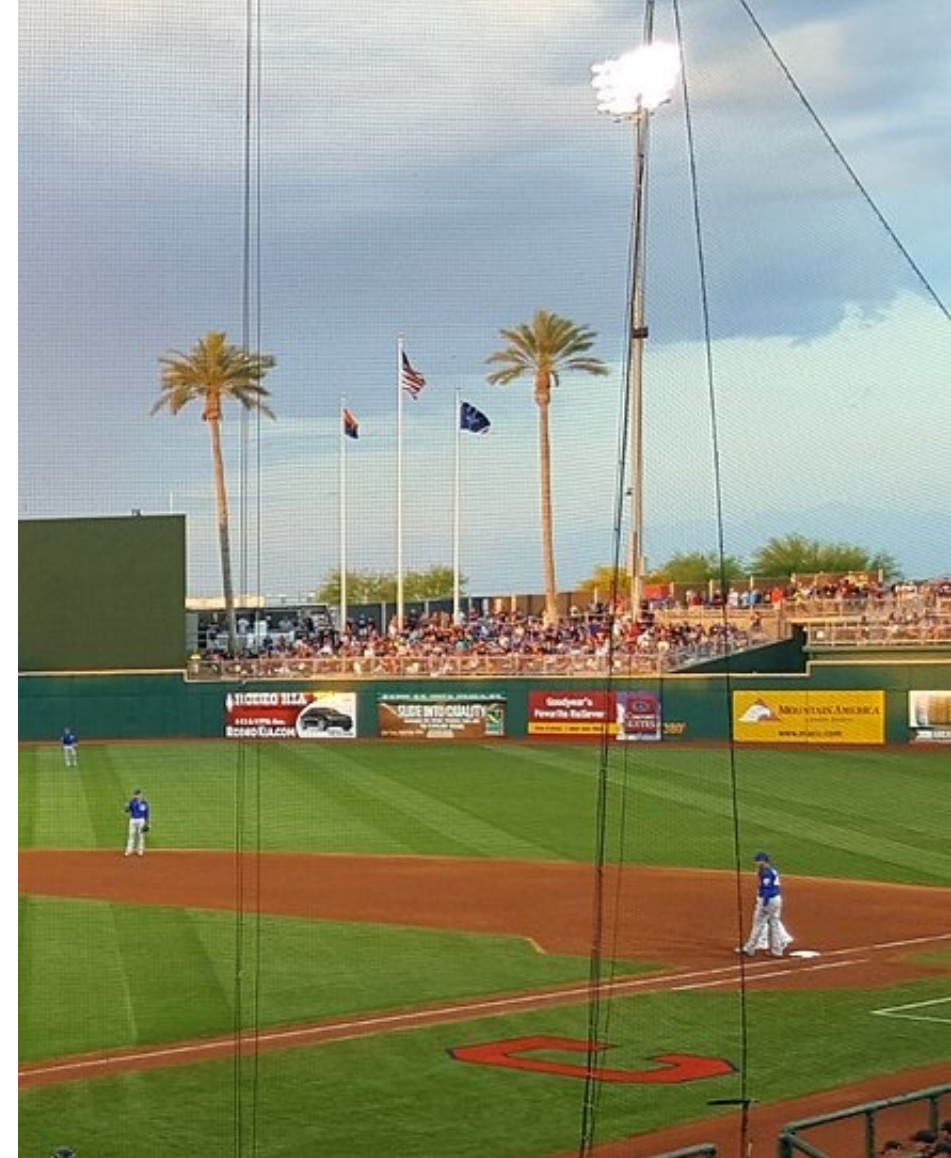


Goodyear Overview

Goodyear's namesake and history begins with the Goodyear Tire and Rubber Company. Historically, the area was used to cultivate cotton for vehicles. Today, Goodyear is an activated city with a booming population base and a growing hub of industrial, technology and business services.

Goodyear, Arizona offers an exceptional quality of life and tourism scene to residents and visitors. With the Estrella Mountains as its backdrop, the city captivates residents and visitors with its breathtaking natural beauty.

Many MLB teams host Spring Training across the Valley. The Cleveland Guardians and the Cincinnati Reds call Goodyear Ballpark their home from February to March each year, making it a popular destination for baseball enthusiasts.





Population & Growth

Population

Arizona’s population is growing at nearly twice the national average. The Phoenix MSA has captured a large percentage of this growth. Between 2010 and 2022, the MSA increased its population by over one million residents.

Goodyear is located in the West Valley of the Phoenix MSA. This area has seen sizable population growth in recent years. As urban sprawl has continued, Goodyear’s population has increased by nearly 60 percent from 2010 to 2022.

Looking at population and density, downtown Phoenix has a very dense, but a low-income population. As one drives farther from downtown, in any direction, population becomes less dense and incomes increase.

	Population and Growth Rates				Percent Change 2010 - 2022
	2010	2020	2022	2027 Projected	
United States	308,745,538	331,449,281	335,707,897	339,902,796	8.7%
Arizona	6,392,017	7,151,502	7,349,266	7,592,389	15.0%
Phoenix-Mesa-Chandler, AZ MSA	4,192,887	4,845,832	5,009,506	5,215,028	19.5%
Maricopa County, AZ	3,817,117	4,420,568	4,567,502	4,741,878	19.7%
Goodyear	66,436	95,294	106,017	113,429	59.6%

Source: U.S. Census Bureau

GOODYEAR, ARIZONA

Median Household Incomes & Population Density



SOURCE: ESRI



Downloaded from <http://ajph.org/> on November 10, 2015

The heaviest areas experiencing new urbanization are in Goodyear and Glendale, and along the I-10. Other primary areas of growth are to the southeast of Phoenix in San Tan Valley, and northwest, close to the 303 Loop.

den strategic partners



Education

There are many colleges within 25 miles of Goodyear. These higher education assets, aided by a strong job market which keeps young adults in the area after graduation, have contributed to a highly educated local population. Nearly 45 percent of adults have a degree from a university or college, slightly surpassing the national average of 44 percent.

Education level often provides insight into potential incomes and levels of disposable income.

Goodyear Area Colleges & Universities				
Institution	Location	Distance from 85395	Highest Degree Offered	Enrollment
Estrella Mountain Community College	Avondale	2.2 miles	Associates	8,516
Ottawa University-Surprise	Surprise	13.6 miles	Doctorate	972
Glendale Community College	Glendale	15.0 miles	Associates	13,882
Arizona Christian University	Glendale	17.4 miles	Bachelors	1,053
Phoenix College	Phoenix	18.0 miles	Associates	9,050
Ottawa University-Phoenix	Phoenix	18.7 miles	Doctorate	938
Midwestern University-Glendale	Glendale	19.3 miles	Doctorate	3,890
South Mountain Community College	Phoenix	20.5 miles	Associates	3,597
GateWay Community College	Phoenix	20.5 miles	Associates	4,673
Paradise Valley Community College	Phoenix	25.3 miles	Associates	5,965
Total				52,536
Source: National Center for Education Statistics				

Educational Attainment - 2021				
Population Age 25+	United States	Arizona	Maricopa County	Goodyear
Did Not Complete High School	10.6%	11.0%	11.3%	8.5%
Completed High School	26.3%	23.5%	22.0%	20.1%
Some College	19.3%	23.7%	23.5%	26.6%
Completed Associate Degree	8.8%	9.4%	8.9%	11.5%
Completed Bachelor Degree	21.2%	19.8%	21.5%	20.6%
Completed Graduate Degree	13.8%	12.6%	12.8%	12.7%
Source: U.S. Census Bureau				



Accessibility

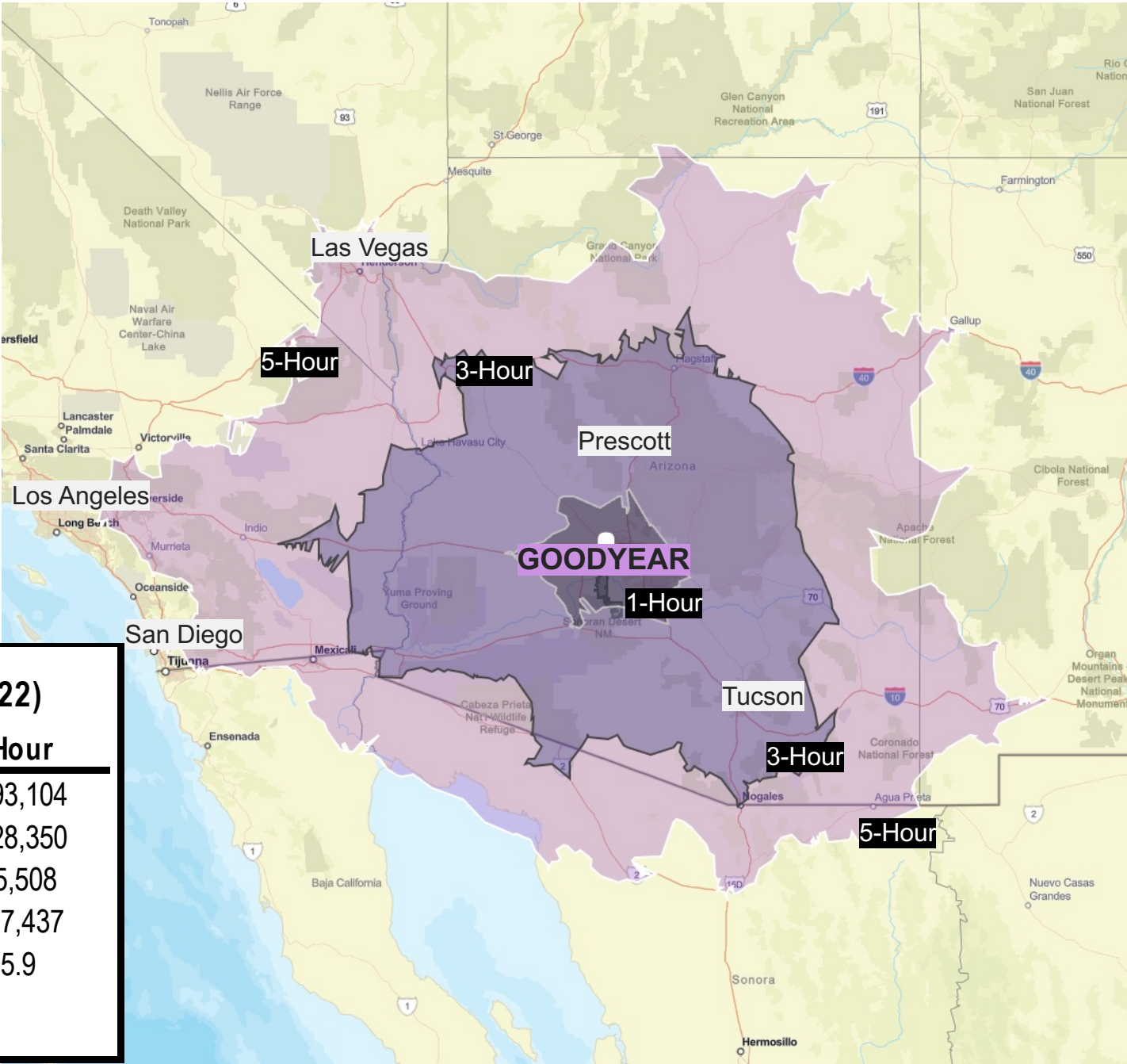
Drive-Times

Drive-times provide insight into the local and regional potential market for drive-in users of conference space. Within a one-hour drive of GSQ, there is a population of 4.6 million people. Expanding the drive-time radius to five hours reveals a population of nearly 8.4 million people who could drive to Goodyear for a conference. This is an opportunity area for Goodyear to be able to attract a significant population of individuals and groups in Arizona within a close drive to Goodyear who need conference center space. Longer drive times from coastal California population bases present a potential weakness/threat.

Estimated Drive-Time Statistics from Goodyear, AZ (2022)

	1-Hour	3-Hour	5-Hour
Population	4,609,943	2,286,481	8,393,104
Households	1,718,165	897,406	2,828,350
Median Household Income	\$75,974	\$60,740	\$75,508
Median Home Value	\$328,513	\$260,328	\$407,437
Median Age	36.6	40.3	35.9

Source: ESRI



Air Access

The Phoenix Goodyear Airport (GYR) does not service commercial airlines. The airport has a small group of tenants that use the facility. GYR is commonly used by military groups, cargo planes and private charters.

As relevant to the Project, the Phoenix Sky Harbor Airport (PHX) is the major airport out-of-market customers could use.

In 2022, PHX had over 20.7 million enplaned passengers, ranking it the 13th busiest airport in the United States.

In 2023, PHX has 140 non-stop destinations to four different countries, including 117 domestic flights. Goodyear's location along I-10 and proximity to the airport offers easy access for visitors which could help the viability of a hotel and conference center.

Phoenix Sky Harbor International Airport
Number of Domestic Passengers by Year

Year	Enplanements	Deplanements	Total Passengers	% Change
2015	20,190,284	20,214,507	40,404,791	—
2016	19,856,168	19,882,585	39,738,753	-2%
2017	20,143,593	20,156,922	40,300,515	1%
2018	20,579,524	20,615,150	41,194,674	2%
2019	21,374,749	21,358,542	42,733,291	4%
2020	10,118,751	10,133,685	20,252,436	-53%
2021	18,321,599	18,239,780	36,561,379	81%
2022	20,732,281	20,573,989	41,306,270	13%

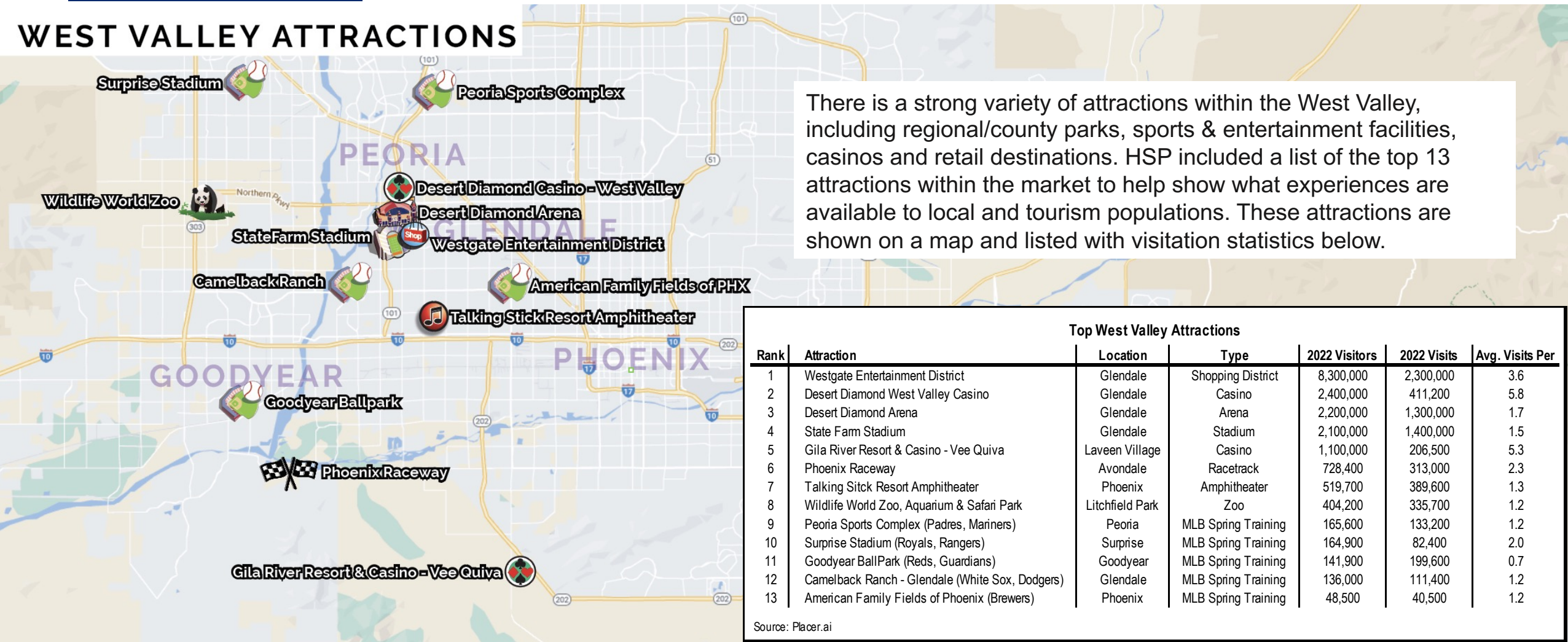
Source: Bureau of Transportation Statistics T-100 Market data.



| **Tourism**

West Valley Attractions

WEST VALLEY ATTRACTIONS

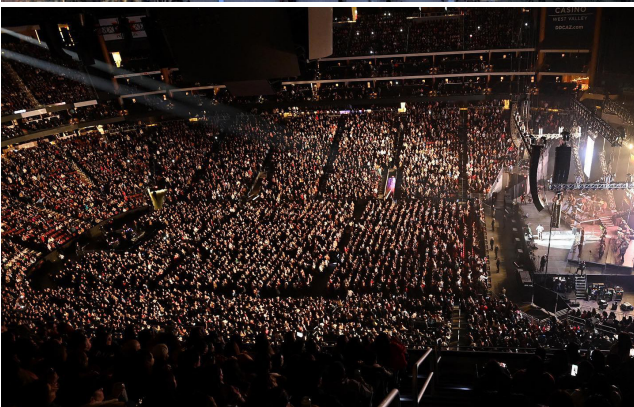


West Valley Attractions

Westgate Ent. District –
Glendale
8.3M 2022 Visitors



Desert Diamond Arena
Glendale
2.2M 2022 visitors



State Farm Arena
Glendale
2.1M 2022 visitors



Desert Diamond West Valley
Glendale
2.4M 2022 visitors

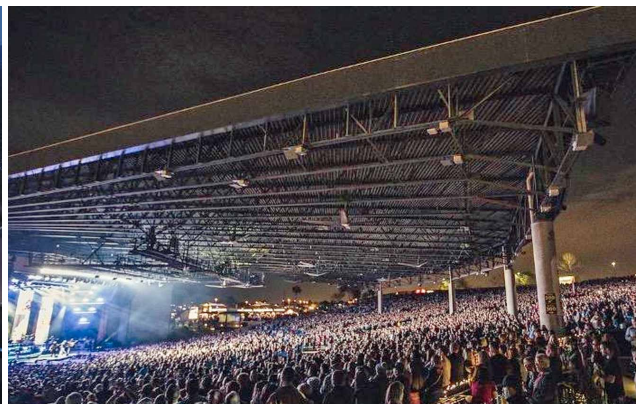


West Valley Attractions

Phoenix Raceway
Avondale
728K 2022 visitors



Talking Stick Resort Amph.
Phoenix
519K 2022 visitors



Goodyear Ballpark
Goodyear
141K 2022 visitors



Wildlife World Zoo
Litchfield Park
404K 2022 Visitors



Goodyear Ballpark Complex

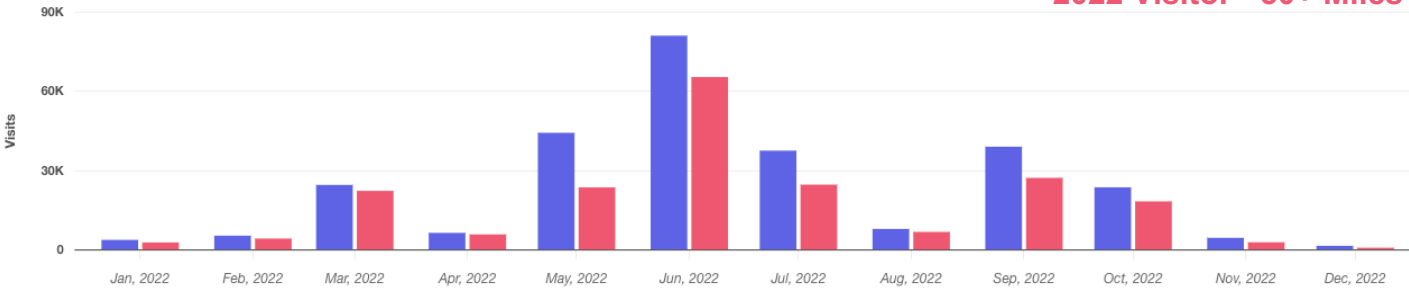
Built in 2009 for a construction cost of \$108 million, the Goodyear Ballpark Complex has a 10,000-seat stadium that is the current home to both the Cleveland Guardians and Cincinnati Reds.

Each team has two practice fields for their exclusive year-round use, while the other eight fields are used by the City of Goodyear for tournaments, Little League games and other games.

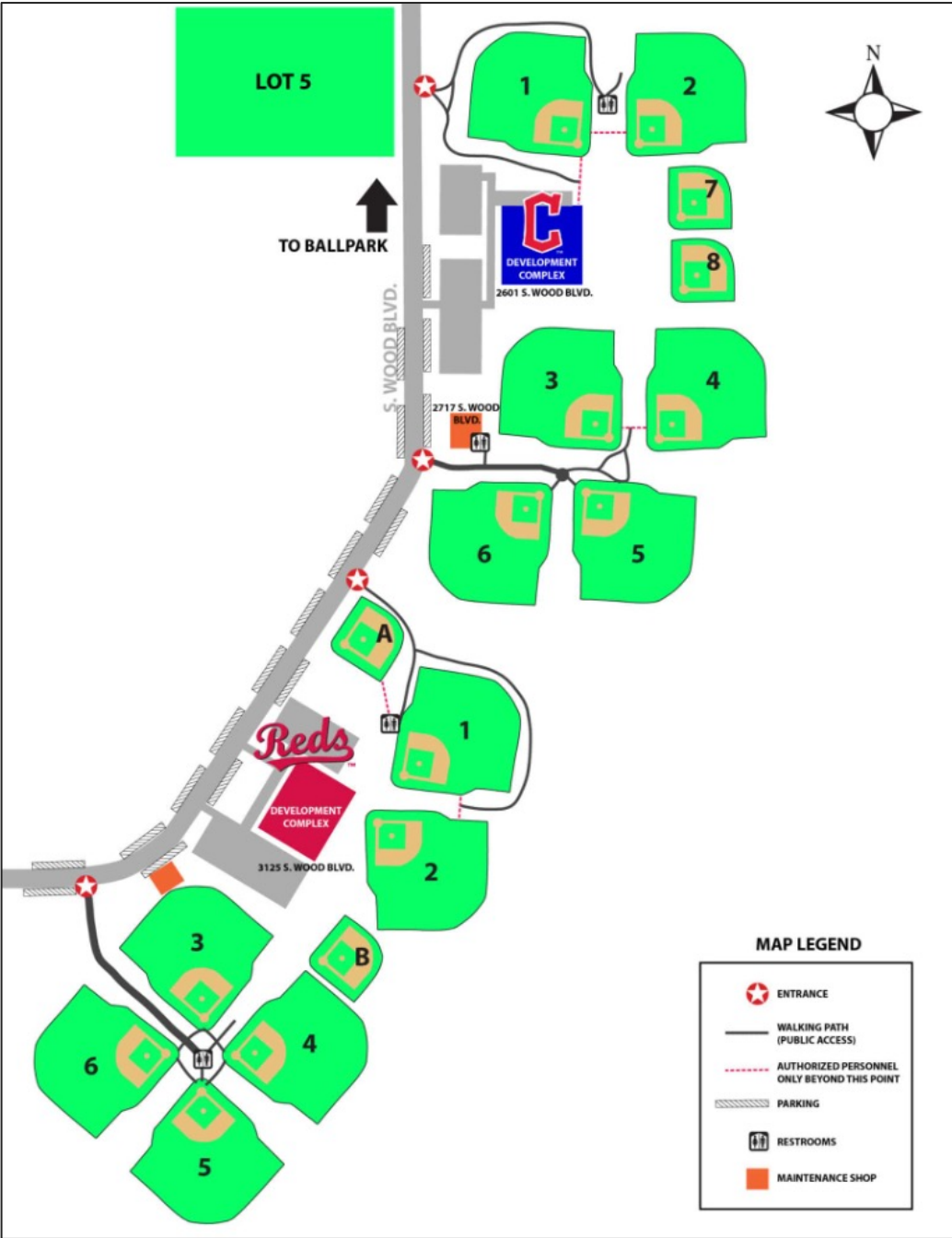
The graphic below shows timeliness of visitation to the baseball complex. The graphic shows all visitors to the Complex in blue and just visitors from over 50 miles in red.

Goodyear Baseball Complex Visitation

Visitors by Month - 2022



LEGEND
2022 Visitor – ALL
2022 Visitor - 50+ Miles



Source: GoodyearBP

Interview: Goodyear Parks & Rec

HSP spoke with Goodyear's Parks and Recreation Deputy Director to understand local sporting facility needs in the area. Key highlights from this interview are outlined below:

- The City of Goodyear owns the MLB Spring Training facilities, which provides opportunities for other year-round events compared to other team-owned facilities.
- Sports tourism revolves mostly around baseball, with other sports being more locally driven and serviced through the indoor recreation center and school district facilities.
- **Goodyear does not have sufficient capacity for indoor tournaments and an expansion of indoor space is not currently in the 10-year parks master plan.**
- **Indoor sports is a large and growing market, but Goodyear doesn't currently have the space to host local / regional tournaments.**
- Volleyball presents the biggest need in Goodyear, and it would be ideal to have room for at least 6-8 courts as a starting point in a new facility.

Interview: Goodyear Ballpark

HSP also spoke with the GM of Goodyear Ballpark to understand hotel demand related to spring training. A summary of that discussion is outlined below:

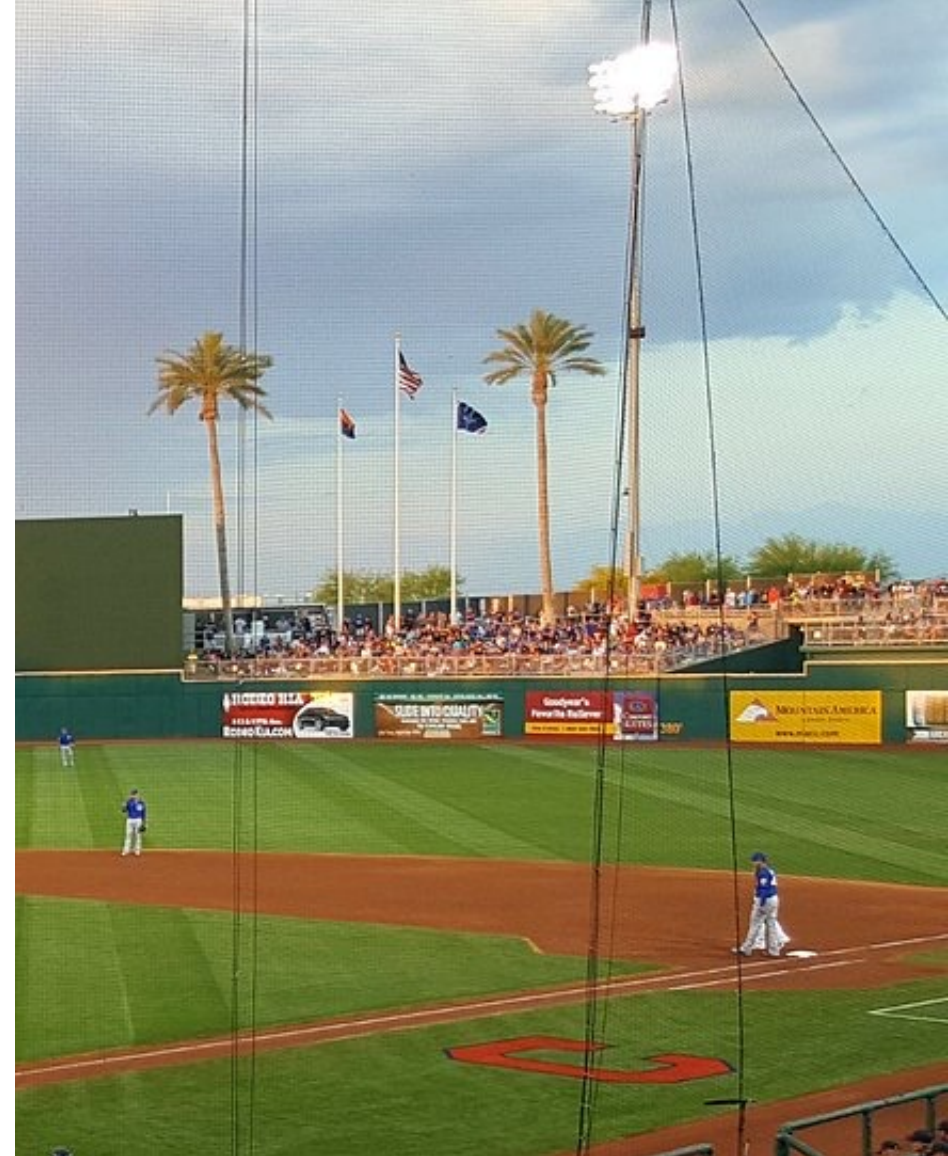
- An estimated 60-65 percent of Spring Training related visitors (from February – March) are non-local and require overnight accommodations.
- **There is a shortage of hotel rooms during spring training**, and the Reds are in process of developing their own housing like the Guardians have already done.
- The ballpark just signed an 18-month agreement with youth tournament operator **Perfect Game**, which will generate new demand outside the Spring Training season.
- **This new agreement is estimated to generate close to 100 event days, with over 110,000 in attendance, and approximately 15,000 room nights.**
- There is not a place to host Fantasy camps and other ballpark related events in Goodyear, as the ballpark facilities only have a capacity of around 100 people.
- The ballpark gets calls regularly inquiring about indoor event space at the ballpark. These groups are typically looking for space for 300-400 people banquet style or for smaller meetings / private event space for 100-150 people.

Economic, Demographic, & Tourism Implications

Due to its proximity to the Phoenix market and affordable cost of doing business, Goodyear is one of the fastest-growing cities in the U.S. This growth is expected to continue according to census data and increasing residential housing permits.

There are many attractions within the West Valley that help the market attract visitors over the East Valley, but the majority of West Valley attractions are located in or near the Glendale area.

Within Goodyear, sports are the biggest tourism driver. The Spring Training facilities and tournament baseball diamonds are great tourism assets, but Goodyear has the potential to increase its tourism assets. The Project would be a great first step for making Goodyear and more complete destination.



04

Conference & Meetings Market Analysis





Overview

This chapter analyzes meeting and lodging facilities that serve the Phoenix Metropolitan Area, including physical attributes and competitive amenities.

There is a robust supply of local conference hotels compared to other markets, though supply is significantly lacking in the West Valley.

An overview of conference and meeting market trends is also included in this chapter.



Conference & Meetings Market Trends

Conference & Meetings Industry Overview

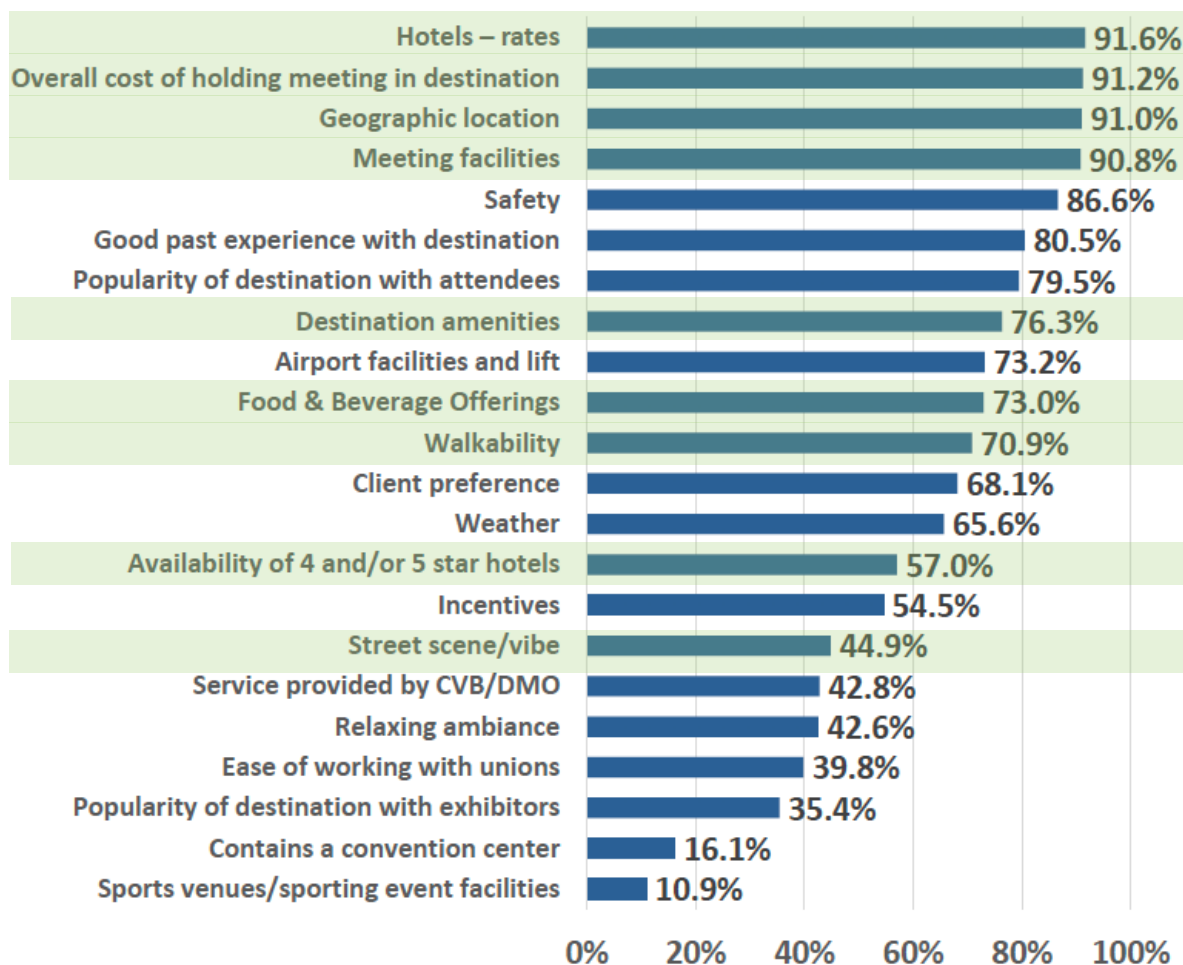
While the industry is ever-changing, the expectations for ease, convenience, and affordability have consistently increased, along with the demand for authenticity and high-quality flexible spaces. A single event may use many different types of spaces, including exhibit halls, ballrooms, and breakout meeting rooms, increasing the need for well-designed multi-purpose facilities. While the market for a smaller conference center with ballroom and meeting rooms is typically targeted towards smaller conferences, meetings, and social / banquet events, these facilities can also capture smaller trade shows, consumer shows, and assemblies.

Facility Types & Requirements for Various Event Types										
Event Types	Conventions with Exhibits	Conventions	Tradeshows	Consumer Shows	Assemblies	Sporting Events	Conferences	Meetings	Trainings	Banquets
Attendance Range	150 - 50,000	150 - 50,000	250 - 50,000	8,000 - 100,000	5,000 - 50,000	500 - 100,000	50 - 2,000	10 - 300	10 - 300	50 - 2,000
Primary Purpose	Info Exchange & Sales	Info Exchange	Sales	Advertising & Sales	Info Exchange	Sports	Info Exchange	Info Exchange	Training	Social, Business & Charity
Facility Requirements	Exhibit Halls, Ballroom, Meeting Rooms, Hotel Block	Ballroom, Meeting Rooms, Hotel Block	Exhibit Halls, Hotel Block	Exhibit Halls	Arena or Exhibit Halls, Hotel Block	Arena, Stadium or Exhibit Halls, Hotel Block	Ballroom, Meeting Rooms, Hotel Block	Meeting Rooms, Hotel Block	Meeting Rooms, Hotel Block	Ballroom
Typical Facility Used	Convention Center & Large Hotels	Convention Center & Large Hotels	Expo Facilities & Convention Centers	Expo Facilities & Convention Centers	Arenas or Convention Centers	Arenas, Stadiums, Convention Centers	Convention/Conference Centers and Hotels	Convention/Conference Centers and Hotels	Convention/Conference Centers and Hotels	Convention/Conference Centers and Hotels
Source: Hunden Strategic Partners								Project Related		

Importance of Destination Attributes

Highlighted below are key destination attributes relevant to the proposed Goodyear development.

Project Related

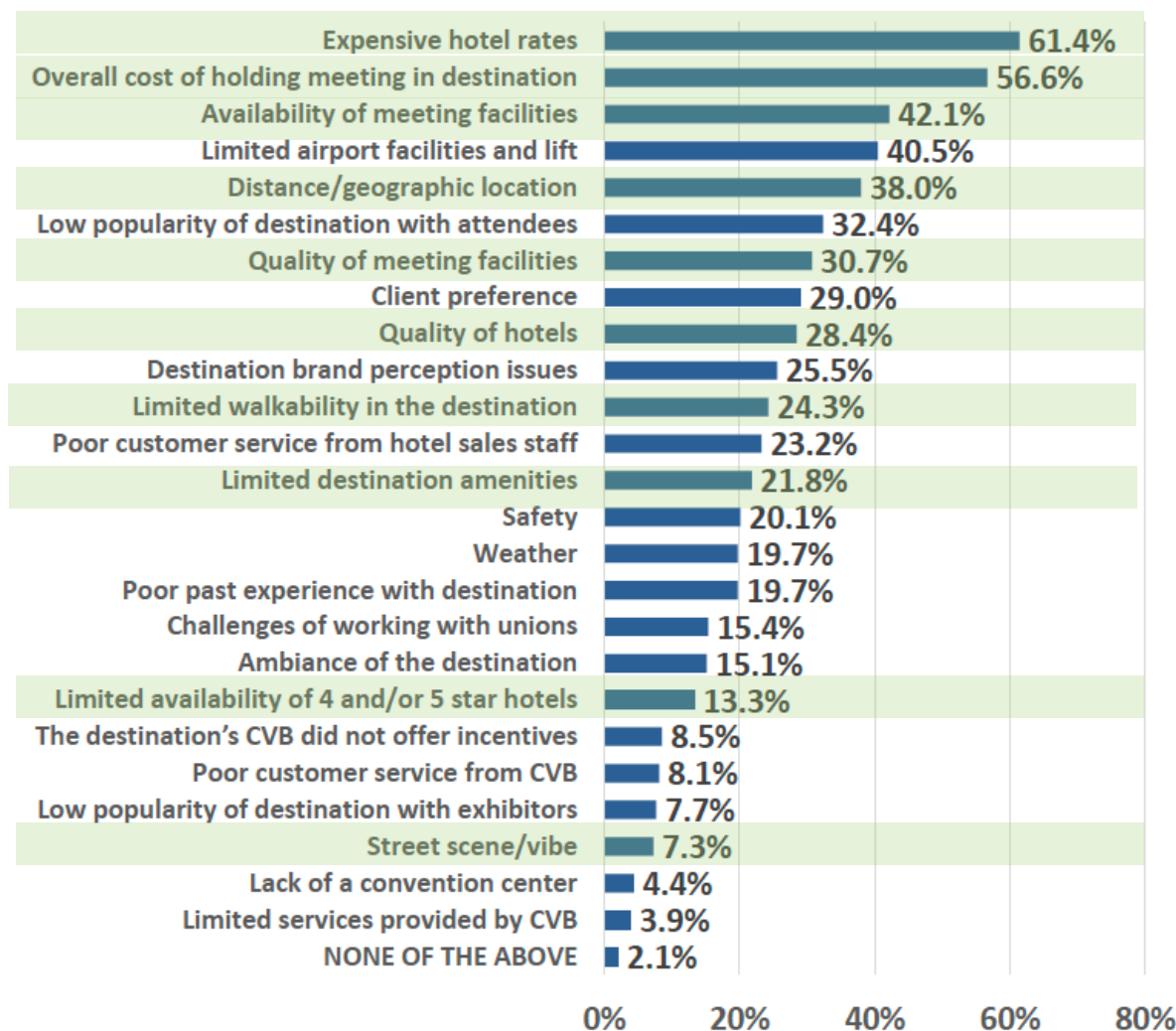


TOP TWO BOX SCORE	CORP.	3RD PARTY	ASSOC.	SMERF
Hotels – quality	95.3%	96.5%	93.0%	93.0%
Hotels – rates	91.3%	95.1%	95.2%	91.1%
Overall cost of holding meeting in destination	89.7%	95.1%	95.6%	93.0%
Geographic location	92.1%	95.1%	91.1%	89.7%
Meeting facilities	91.7%	95.1%	91.9%	91.1%
Safety	86.6%	89.5%	89.6%	87.8%
Good past experience with destination	82.6%	88.1%	82.2%	81.7%
Popularity of destination with attendees	81.0%	88.1%	83.3%	78.9%
Destination amenities (restaurants, entertainment, etc.)	80.6%	83.9%	79.3%	75.1%
Airport facilities and lift	77.1%	79.0%	74.4%	70.4%
Food & Beverage Offerings	78.7%	76.2%	74.8%	73.2%
Walkability	68.0%	69.2%	75.2%	69.0%
Client preference	78.7%	95.1%	71.9%	75.6%
Weather	71.5%	67.1%	67.4%	63.8%
Availability of 4 and/or 5 star hotels	69.2%	69.9%	57.8%	54.5%
Incentives	59.7%	69.9%	56.7%	58.2%
Street scene/vibe	46.2%	45.5%	46.3%	43.2%
Service provided by CVB/DMO	40.3%	55.2%	49.3%	50.7%
Relaxing ambiance	46.6%	44.8%	43.7%	47.4%
Ease of working with unions	44.3%	53.1%	44.1%	36.6%
Popularity of destination with exhibitors	39.9%	49.0%	40.4%	39.4%
Contains a convention center	14.2%	13.3%	17.8%	12.2%
Sports venues/sporting event facilities	16.6%	12.6%	8.5%	11.7%

Source: Destination Analysts – The CVB and the Future of the Meetings Industry

What Causes Groups to Go Elsewhere

Highlighted below are reasons for lost business that can be mitigated due to the proposed development.



Project Related

Expensive hotel rates	54.7%	64.3%	68.4%	66.2%
Overall cost of holding meeting in destination	51.6%	58.0%	62.9%	58.3%
Availability of meeting facilities	37.9%	39.2%	42.3%	40.7%
Limited airport facilities and lift	42.6%	43.4%	40.8%	40.3%
Distance/geographic location	34.4%	35.7%	39.3%	35.2%
Low popularity of destination with attendees	33.2%	42.0%	37.1%	37.5%
Quality of meeting facilities	29.3%	31.5%	33.1%	37.0%
Client preference	36.7%	53.1%	31.3%	34.7%
Quality of hotels	33.6%	32.9%	28.7%	29.6%
Destination brand perception issues	26.2%	37.1%	30.9%	27.8%
Limited walkability in the destination	18.0%	21.0%	27.6%	27.3%
Poor customer service from hotel sales staff	25.4%	27.3%	27.2%	29.2%
Limited destination amenities (restaurants, entertainment, etc.)	21.1%	21.0%	22.4%	24.1%
Safety	20.7%	21.7%	23.2%	20.8%
Poor past experience with destination	22.7%	26.6%	22.8%	25.9%
Weather	23.0%	27.3%	23.2%	21.8%
Challenges of working with unions	18.0%	18.9%	15.4%	12.0%
Ambiance of the destination did not fit the meeting	16.4%	16.1%	16.5%	13.4%
Limited availability of 4 and/or 5 star hotels	18.0%	17.5%	14.0%	13.0%
The destination's CVB did not offer incentives	7.0%	12.6%	11.4%	11.1%
Poor customer service from Convention & Visitors Bureau	7.8%	7.7%	8.5%	8.8%
Low popularity of destination with exhibitors	7.4%	9.1%	10.3%	7.9%
Street scene/vibe	6.6%	4.9%	9.6%	4.6%
Lack of a convention center	2.7%	3.5%	5.1%	3.2%
Limited services provided by Convention & Visitors Bureau	4.3%	4.2%	5.5%	5.1%

Meeting Venues

Attendees are much more likely to find unique and historic venues appealing for events, while planners find hotel / resort facilities more appealing. Unique attributes to a destination, including area amenities, are important to both planners and attendees.

	Attendees	Planning Professionals
Venues that are truly unique to a destination	78%	59%
Historic landmarks or facilities	73%	32%
Hotels & resort ballrooms and conference facilities	70%	87%
Convention centers	65%	55%
Sports venues (ex. stadiums, arenas, golf courses, etc.)	58%	18%

Source: MMGY Travel Intelligence, *A Portrait of Meeting & Convention Travel*

Industry Trends – Implications

Trends in the conference center industry indicate important factors in the decision-making process of choosing a meeting or event site. These should be considered for any proposed conference center or hotel development in order to be competitive among other local and regional facilities. These major factors include:

- **Availability of nearby hotel rooms**
- **Number and size of meeting spaces**
- Expanded meeting space technologies
- **Amenities and services**
- Health related protocols
- Contract flexibility

Costs related to these key elements are also a major consideration for meeting planners and attendees.



Local Relevant Supply

Local Relevant Supply

The table to the right outlines the relevant meeting space supply in the Phoenix Metropolitan Area for facilities that have 10-35K SF of function space.

Hotels that would be most competitive to the Project are highlighted and profiled in the following slides and are included in the hotel competitive set.

Most of the Phoenix metro consists of hotels and resorts with meeting space, though there are additional smaller conference and event centers in the market without attached or connected hotels.

On average, these facilities have approximately 18,000 SF of function space and, when part of a hotel, approximately 270 connected rooms. There are only a few properties in this range that offer over 10,000 SF of contiguous ballroom space.

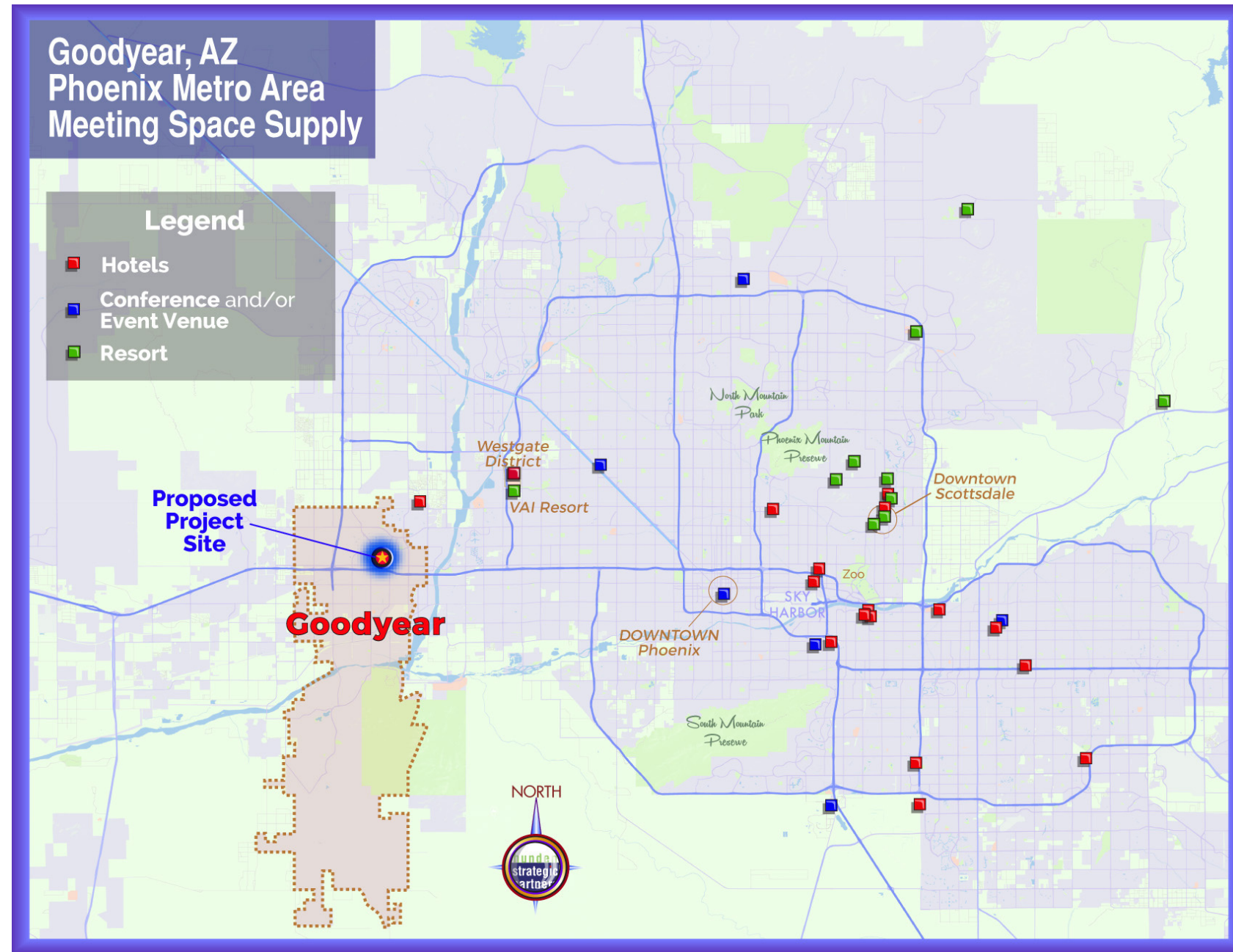
PHX Metropolitan Area Meeting Supply List (10K-35K SF)									
Venue	Type	Location	Miles from Site	Hotel Rooms	Total Function Space	Exhibit SF	Ballroom SF	Meeting SF	# of Meeting Rooms
The Wigwam	Hotel	Litchfield Park	2.5	331	33,306	0	21,274	12,032	18
Glendale Civic Center	Conference Center	Glendale	12.7	–	16,550	0	15,133	1,417	4
The Westin Phoenix Downtown	Hotel	Phoenix	18.0	242	10,150	0	6,948	3,202	4
Warehouse215 @ Bentley Projects	Event Venue	Phoenix	18.2	–	18,205	0	18,205	0	0
The Camby, Autograph Collection	Hotel	Phoenix	20.7	277	16,896	0	7,728	9,168	12
Mariott Phoenix Airport	Hotel	Phoenix	23.0	346	12,730	0	11,392	1,338	3
Desert Willow Conference Center	Conference Center	Phoenix	23.3	–	16,271	0	8,159	8,112	7
Chateau Luxe	Event Venue	Phoenix	23.9	–	21,441	0	21,441	0	0
Omni Scottsdale Resort & Spa at Montelucia	Resort	Scottsdale	24.2	293	20,046	0	13,806	6,240	9
Mariott Phoenix Resort Tempe at The Buttes	Hotel	Tempe	24.3	353	21,513	0	17,700	3,813	6
Embassy Suites by Hilton Phoenix Scottsdale	Hotel	Phoenix	24.6	270	12,518	0	6,018	6,500	8
DoubleTree by Hilton Hotel Phoenix Tempe	Hotel	Tempe	24.8	270	17,923	0	13,279	4,644	6
Tempe Mission Palms Hotel and Conference Center	Hotel	Tempe	25.9	303	23,867	0	13,004	10,863	14
Omni Tempe Hotel at ASU	Hotel	Tempe	25.9	330	21,020	0	16,889	4,131	5
The Westin Tempe	Hotel	Tempe	25.9	290	10,480	0	6,856	3,624	6
Hotel Valley Ho	Resort	Scottsdale	26.1	241	14,048	0	9,910	4,138	7
The Scott Resort & Spa	Resort	Scottsdale	26.6	204	14,258	0	11,300	2,958	3
Embassy Suites by Hilton Scottsdale Resort	Hotel	Scottsdale	26.7	312	21,152	0	18,936	2,216	5
DoubleTree Resort by Hilton Hotel Paradise Valley	Resort	Scottsdale	26.7	378	18,748	0	8,640	10,108	11
Hilton Scottsdale Resort & Villas	Resort	Scottsdale	26.9	235	16,829	0	14,612	2,217	2
Wild Horse Pass Hotel & Casino	Casino	Chandler	27.2	242	28,155	0	20,028	8,127	8
Sheraton Mesa Hotel at Wrigleyville West	Hotel	Mesa	29.3	180	15,888	0	12,480	3,408	5
Scottsdale Marriott at McDowell Mountains	Resort	Scottsdale	30.5	266	14,466	0	5,005	9,461	17
Mariott Phoenix Chandler	Hotel	Chandler	31.1	264	16,950	0	10,100	6,850	9
DoubleTree by Hilton Phoenix Mesa	Hotel	Mesa	31.1	266	15,096	0	7,200	7,896	12
Mesa Convention Center	Convention Center	Mesa	32.2	–	30,035	15,000	9,157	5,878	8
Delta Hotels Phoenix Mesa	Hotel	Mesa	32.3	274	11,788	0	9,072	2,716	5
Crowne Plaza Phoenix Chandler Golf Resort	Hotel	Chandler	33.3	249	12,707	0	8,100	4,607	7
Four Seasons Resorts Scottsdale at Troon North	Resort	Scottsdale	35.7	210	16,454	0	11,572	4,882	8
DoubleTree by Hilton Hotel Phoenix Gilbert	Hotel	Gilbert	38.4	121	15,252	0	14,627	625	1
Wekopa Resort & Conference Center	Resort	Scottsdale	41.2	246	22,160	0	18,000	4,160	6
Average				269	17,965	-	12,470	5,011	7
Other West Valley Meeting Facilities:									
Renaissance PHX Glendale Hotel & Spa	Hotel	Glendale	12.5	320	45,933	-	43,893	2,040	25
Source: CVENT, CoStar, Various									

Supply Map

The map to the right shows the location of facilities with meeting space between 10-35K of meeting space in the Phoenix Metropolitan Area. As shown, almost all facilities are located in or west of Phoenix.

With significant population and employer growth in the West Valley, there is a need for a dedicated conference hotel to service the needs of both the local population as well as outside groups. By developing the proposed Project along with the planned Globe / RED mixed-use development, Goodyear can become a more competitive destination within the larger metro area as well as help generate increased visitation, spending, and impacts to the city.

The following slides profile conference facilities and competitive conference hotels in the local market.



Group Business

The tables to the right outline the reported number of events, attendance, and space utilization for the hotel competitive set.

Approximately 74 percent of groups within these meetings hotels are corporate groups. These 1,232 groups reportedly had 194,200 attendees.

SMERF groups are the second strongest segment within the competitive set, followed by associations. The least popular group within the competitive set is government-related groups.

Attendance for events held at these hotels averaged 166 people.

The average group at the Wigwam requires nearly twice the amount of space as the next largest hotel. Across the competitive set, the average group uses 5,000 SF of space per event, or 28 percent of total function space.

The Wigwam hosted the highest number of groups and attendees within the competitive set, showing increased demand due to the lack of facilities in the West Valley.

Number of Groups at Competitive Meetings Hotels (Most Relevant Year*)										
Group Type	The Camby-Phoenix	DoubleTree Phoenix Gilbert	DoubleTree Phoenix Mesa	DoubleTree Phoenix Tempe	Marriott Phoenix Chandler	Marriott Tempe Buttes	Sheraton Mesa @ Wrigleyville	The Wigwam	Westin Tempe	Total
Association	23	4	28	37	9	17	2	45	8	173
Corporate	197	31	67	159	146	171	20	368	73	1,232
Government	2	2	0	5	1	4	1	28	1	44
SMERF	14	8	26	37	13	18	6	83	22	227
Total	236	45	121	238	169	210	29	524	104	1,676
*2019 or 2022, showing most relevant data set available Source: Knowland										
Estimated Group Attendance at Competitive Meetings Hotels (Most Relevant Year*)										
Group Type	The Camby-Phoenix	DoubleTree Phoenix Gilbert	DoubleTree Phoenix Mesa	DoubleTree Phoenix Tempe	Marriott Phoenix Chandler	Marriott Tempe Buttes	Sheraton Mesa @ Wrigleyville	The Wigwam	Westin Tempe	Total
Association	4,133	790	5,371	5,671	1,437	1,670	520	13,696	455	33,743
Corporate	25,982	4,424	11,672	17,600	14,992	28,602	2,886	84,263	3,851	194,272
Government	127	494	–	1,097	39	1,194	60	5,674	–	8,685
SMERF	2,041	2,864	5,577	5,217	1,243	3,780	1,707	17,433	1,856	41,718
Total	32,283	8,572	22,620	29,585	17,711	35,246	5,173	121,066	6,162	278,418
Attendance Per Event	137	190	187	124	105	168	178	231	59	166
*2019 or 2022, showing most relevant data set available Source: Knowland										
Average SF Required by Group Type at Competitive Meetings Hotels (Most Relevant Year*)										
Group Type	The Camby-Phoenix	DoubleTree Phoenix Gilbert	DoubleTree Phoenix Mesa	DoubleTree Phoenix Tempe	Marriott Phoenix Chandler	Marriott Tempe Buttes	Sheraton Mesa @ Wrigleyville	The Wigwam	Westin Tempe	Average
Association	4,859	6,829	5,952	6,345	5,089	2,076	4,160	16,080	5,557	6,327
Corporate	3,613	3,171	4,943	3,007	2,870	4,083	5,927	9,058	2,501	4,352
Government	1,524	5,495	–	4,572	625	6,525	971	8,317	–	4,004
SMERF	2,854	6,973	6,515	4,361	2,462	5,237	6,299	7,671	5,365	5,304
Average	3,212	5,617	5,803	4,571	2,761	4,480	4,339	10,282	4,474	5,060
Total Function Space	16,896	15,252	11,788	17,923	16,950	21,513	15,888	33,306	10,480	17,777
Space Utilization	19%	37%	49%	26%	16%	21%	27%	31%	43%	28%
*2019 or 2022, showing most relevant data set available Source: Knowland										

Conference Centers

Glendale Civic Center

Glendale Civic Center offers the flexibility of both indoor and outdoor meeting space for tradeshow, conferences, weddings, and performing arts. Built in 1999, the civic center offers updated technologies and in-house A/V, enhancement lighting, and high-speed WiFi. The space also features a large outdoor private terrace, courtyard, and flexible ballroom for weddings and receptions. Food and beverage service is provided by Arizona Catering.



Desert Willow Conference Center

Desert Willow Conference Center in Phoenix is mostly comprised of individual meeting rooms best suited for corporate events and business meetings and trainings. All rooms contain retractable screens, hard writing surfaces, wall charts, LCDs, and wireless and wired high speed internet. Food and beverage service is provided by Sodexo Food Services. The conference center was built in 2007.



Conference Hotels

Renaissance Phoenix Glendale – 320 rooms

Originally built in 2005, the Renaissance Phoenix Glendale Hotel & Spa was most recently renovated in 2015. The facility is the largest hotel within the Westgate Entertainment District. The facility not only has the greatest number of rooms, but also the greatest supply of meeting space.

With both indoor and outdoor components, the facility is flexible for the largest meetings within the West Valley. The Renaissance has over 45,000 SF of indoor meeting space, with the largest room being the ~29,000 SF Solana Ballroom.

This facility is a top hotel within the West Valley and is a top hotel for guest visiting the Desert Diamond Arena and State Farm Arena within the Westgate District.

The size of this facility makes it non-comparable and less competitive to the Project.



Function Space: 45,933 SF

Conference Hotels

The Wigwam – 331 rooms

Originally developed in 1929, The Wigwam now spans over 440 acres, and features over 30,000 SF of indoor meeting spaces along with 65,000 SF of outdoor spaces across 10 gardens and event lawns. The property is able to offer groups a diverse set of recreational activities compared to standard suburban conference hotels, such as golf, tennis, multiple outdoor pools, and games. The Wigwam recently announced a \$20 million rooms, grounds, and common areas upgrade project to be completed this year. F&B is provided in-house.



Function Space: 33,306 SF

The Camby, Autograph Collection – 277 rooms

The former 1988 Ritz-Carlton Phoenix was remodeled and rebranded into the lifestyle-oriented The Camby in 2015. The hotel is located a few miles east of the Camelback Mountains. The hotel's meeting space can accommodate up to 550 banquet style in its largest 7,728 SF Camby Ballroom. In-housing catering provide meal packages costing \$40-\$120 per attendee. The Camby was acquired by KHP Capital Partners in 2023 for \$110 million.



Function Space: 16,896 SF

Conference Hotels, cont'd.

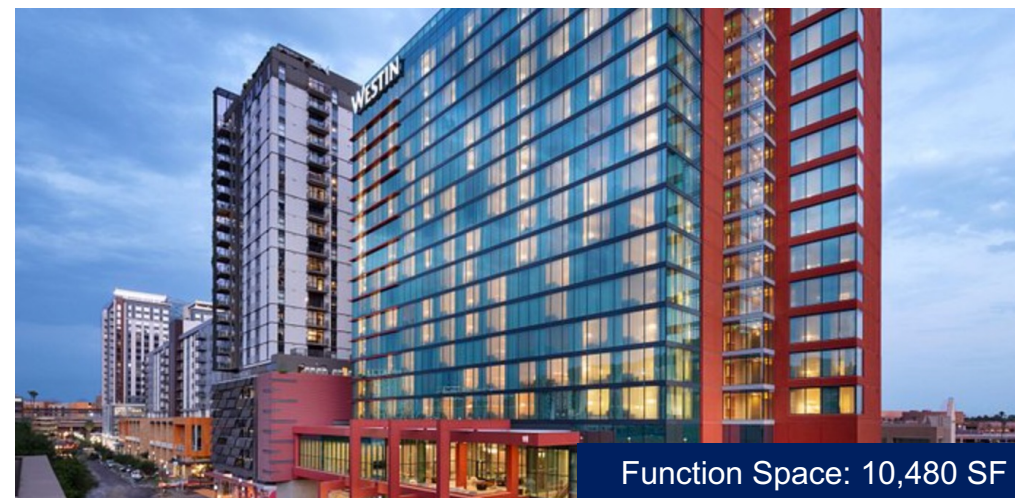
Marriott Phoenix Resort Tempe at The Buttes – 353 rooms

The resort's largest meeting space is the Kachina Ballroom at 9,000 SF with six divisions. The resort also contains the 8,700 SF Hopi Ballroom. The property features a 3,500 SF outdoor amphitheater with seating for 200 along with three other outdoor event venues. The hotel features Top of the Rock Restaurant and on-site Narande Spa. The property is located three miles from Sky Harbor airport. The hotel was originally built in 1987. Food and beverage services are provided in-house.



The Westin Tempe – 290 rooms

The Westin opened in 2021 in downtown Tempe and features the valley's highest open-air rooftop bar and lounge. The hotel is located near ASU's Sun Devil Stadium, Desert Financial Arena, and Wells Fargo Arena. The hotel cost over \$86 million to construct, which was secured by CAI Investments. The hotel's largest meeting spaces is the 4,960 SF Opal Ballroom with two divisions. Food and beverage services are provided in-house.



Conference Hotels, cont'd.

Sheraton Mesa Hotel at Wrigleyville West – 180 rooms

The Sheraton Mesa Hotel at Wrigleyville West was built in 2015 and is owned by River View Hotels. The largest meeting space available is the 12,480 SF Canyon Ballroom which can be divided into two flexible halls or eight equal meeting spaces. In addition, there are five other meeting rooms that range from approximately 300 SF to 1,000 SF. Other amenities available at the hotel include the Stats Sports Grill bar and restaurant, a heated outdoor pool and in-house F&B services. This hotel, along with the 129-room Mesa Courtyard is currently for sale.



DoubleTree by Hilton Phoenix Mesa – 266 rooms

The DoubleTree by Hilton Phoenix Mesa was originally built in 1985 as the Hilton Mesa and was renovated and rebranded in 2020. The property is owned by Linchris Hotel Corporation. The largest spaces available are the Red Mountain Ballroom that covers 7,200 SF and can be divided into 3 flexible halls, and the Atrium that covers 5,600 SF. In addition, there are five other meeting rooms that range from approximately 460 SF to 1,600 SF. Other amenities available at the hotel include the Atrium Bar, Starbucks Coffee Bar and an outdoor pool. Food & beverage services are provided in-house.



Conference Hotels, cont'd.

Marriott Phoenix Chandler – 264 rooms

This hotel opened in 2019 as Chandler's first full-service Marriott property and features the largest event space in the city's largest employment Price Corridor. The hotel offers Club level access, Proof 19 restaurant, and an over 10,000 SF ballroom and eight additional breakout rooms. The hotel is managed by an affiliate of the Pyramid Hotel Group. Food and beverage services are provided in-house



DoubleTree by Hilton Hotel Phoenix Gilbert – 121 rooms

This 2010 hotel is the one of only two hotels in the market with under 200 hotel rooms, and more than 10,000 SF of function space. The hotel's largest event space is the 9,801 SF Grand Ballroom with eight divisions also serving as meeting rooms. The hotel formerly planned to double in size and build a water resort, but those plans never came to fruition. The hotel was sold in 2022 for \$25.75 million. Two additional proposals are currently being reviewed in Gilbert for a 146-key Hilton Garden Inn and a 134-key Springhill Suites. F&B is provided in-house.



Financial Performance

There were four conference hotels from the supply list that reported historical financial performance to STR. Two of these hotels are non-branded hotels and would not have franchise fees as part of operating expenses. This includes:

- The Wigwam (non-branded) – 331 rooms
- DoubleTree Phoenix Tempe – 270 rooms
- Westin Phoenix Downtown – 242 rooms
- Tempe Missions Palms Hotel (non-branded) – 303 rooms

The table to the right shows a summary of this financial data per occupied room night from 2018-19 for these four properties.

Average ADR for these properties was north of \$160 with average occupancy at around 72-73 percent. Group business represented a significant portion of the hotels' overall business, at approximately 46 percent of total revenues, with significant F&B spend.

These hotels, on average, performed at an operating margin of approximately 24-25 percent. Operating margins for hotels vary by chain scale, amenities offered, and quality / age, ranging from 20-40 percent.

PHX HOST Report Summary (Per Occupied Room Night)

	2018	2019
Properties	4	4
Average Rooms	287	287
Occupancy	71.7%	73.3%
ADR	\$ 162.04	\$ 166.69
RevPAR	\$ 116.18	\$ 122.13
Group Revenue		
Rooms	\$ 68.13	\$ 68.00
Food & Beverage	\$ 47.05	\$ 48.62
Meeting Room Rental	\$ 2.48	\$ 1.85
Audiovisual	\$ 7.86	\$ 8.78
Service Charges	\$ 10.04	\$ 10.13
Total	\$ 135.56	\$ 137.38
<i>% of Total Revenue</i>	<i>46%</i>	<i>46%</i>
Non-Group Revenues	\$ 155.99	\$ 160.89
<i>% of Total Revenue</i>	<i>54%</i>	<i>54%</i>
Total Revenue	\$ 291.55	\$ 298.27
Total Expenses	\$ 220.04	\$ 226.83
<i>% of Total Revenue</i>	<i>75%</i>	<i>76%</i>
Net Operating Income	\$ 71.51	\$ 71.44
<i>% of Total Revenue</i>	<i>25%</i>	<i>24%</i>

Source: Smith Travel Research

Interview: The Wigwam

HSP interviewed the Managing Director and General Manager of The Wigwam to understand the types of business it generates in the West Valley. A summary of that discussion is highlighted below:

- The future VAI resort would be competitive to The Wigwam with its additional meeting and event spaces.
- The JW Scottsdale, Hilton, Arizona Grand, and Wildhorse Pass are The Wigwam's biggest competitors.
- Groups choose the The Wigwam for the resort-style atmosphere and outdoor offerings.
- **The Wigwam generates a lot of conference / conventions and private / social business, with additional SMERF business in the summer due to reduced costs and increased availability.**
- **There is significant unaccommodated demand at The Wigwam (minimal calendar availability) due to a lack of additional facilities nearby that provide comparable meeting and event spaces.**
- **There is a need for larger ballroom space in the market to accommodate larger groups and additional multi-purpose outdoor event space.**

Interview: The Camby

HSP spoke with the Group Sales Manager at The Camby to get their perspective on the meetings market in the Phoenix metro. Key highlights from these discussions are outlined below:

- Being located within the finance sector, The Camby receives strong corporate demand.
- The Camby also has strong SMERF business, with significant social events / banquets.
- **The Camby sees the need for additional ballroom space and additional breakout rooms at their hotel.**
- **A West Valley development is likely to capture local business that is currently having to source facilities in the broader metro area due to lack of supply.**
- **In order for a conference hotel to be successful in Goodyear, there needs to be additional things to do that can be competitive with Scottsdale / East Valley amenities (dining, shopping, nightlife, and entertainment).**
- **An ideal facility would have at least 10,000 SF of ballroom space, with a good number of smaller breakout rooms suited for groups under 50 people.**

VAI Resort

The new \$1 billion 60-acre VAI Resort is currently under construction in Glendale and is expected to open in 2024.

The resort will feature:

- 1,100+ rooms, suites, and villas
- 8,000 capacity 2,500-seat outdoor concert amphitheater
- Konos Island and Beach Oasis
- 12 signature restaurant, bars, and two-story nightclub venue
- 80,000 SF of retail
- Spa, fitness, and wellness center
- Hot air balloon
- 160,000 SF indoor adventure park with rides and attractions.

The facility will also include 40,000 SF of flexible ballrooms and meeting rooms and a 2,500 SF wedding venue. The larger spaces can host galas for more than 900 people.

As hotel rates are expected to range from \$500 on non-event days to over \$800 on concert / event days, VAI is not anticipated to be a direct competitor to the Project, similar to other resort-style properties. The Project is expected to generate demand from smaller conferences, meetings / trainings, and SMERF events.





Employer / Organization Interviews

Abrazo West Campus

HSP interviewed the CSO for the Abrazo hospital system whose biggest hospital is in Goodyear to get their take on corporate demand for meeting and event space in the West Valley. Key highlights from that discussion are included below:

- Population and demand has exploded in the West Valley.
- **Abrazo has some meeting space on campus for smaller meetings, but they regularly need larger, more formal spaces.**
- Size needs include 50-60 people for meetings, trainings, and larger social functions.
- **They see there being strong corporate demand for meeting space locally, with VAI seeing a similar need in Glendale.**
- The West Valley needs more commercial development, entertainment, and in the future, hotels.
- **Though there is a significant supply of meeting facilities in the metro area, more and more, consumers prefer options in their own communities that reduce travel and increase convenience.**

Litchfield Kiwanis

HSP spoke with the President of the Litchfield Kiwanis to understand their meeting and event space needs. A summary of that discussion is outlined below:

- **The club hosts a number of events including bi-weekly group meetings, student leadership meetings, and larger group dinners and a senior citizen prom.**
- Currently Kiwanis utilizes a conference room at the Goodyear Culver's, the Goodyear library, or larger spaces at Estrella Mountain Community College in Avondale.
- Due to prioritization of college meetings and events, there is sometimes a lack of availability to book larger events at the community college.
- **Group sizes range from 20-30 for meetings to an estimated 200 for annual dinners.**
- **Kiwanis would prefer to have a single meeting facility for their events, and would utilize the proposed conference facility.**
- **There are a number of non-profits that need a singular meeting and event venue in the West Valley, but would need a non-profit rate structure due to budget constraints.**
- Coordination between the West Valley communities and Chambers of Commerce would aid in generating meetings / event business from throughout the metro area.
- **The group also sees the need for additional hotel supply in the area and additional extended stay options.**

Franklin Pierce University

HSP also spoke with the Center Coordinator at Franklin Pierce University to gauge any university needs for meeting and event space. A summary of that discussion is included below:

- **The university currently host graduations and white coat ceremonies outdoors at the Goodyear Recreation Center. The university desires a large indoor space that is not contingent on weather conditions.**
- **These, along with other major annual events, range from 300 to over 500 attendees.**
- University classroom and conference space can accommodate smaller group meetings, though smaller rooms and banquet space to host off-campus events is preferable for faculty events.
- **The university prefers a facility that allows groups to bring in their own catering to reduce costs, as the university cannot often afford hotel F&B group rates.**
- Local hotels are mostly used for visiting faculty and staff, with students often utilizing local Airbnbs instead to reduce costs.
- **There is currently a lack of walkable amenities surrounding local hotels, and the proposed Globe / RED development would help provide additional dining and activities.**
- The university would also like to be able to utilize Goodyear City Hall's outdoor plaza space for events and gatherings.

Agua Fria Union High School District

HSP spoke with the Academics Department for the Agua Fria Union High School District to see if they had any meeting or event space needs. A summary of that discussion is included below:

- The five-school district serves the Goodyear, Buckeye, Avondale, Waddell, and Litchfield Park communities.
- **The district hosts numerous administration and staff retreats throughout the year. These retreats have a maximum of 50 people in attendance and span 2-3 days.**
- These retreats are often hosted within a portion of the Desert Diamond Arena and since local, do not require overnight accommodations.
- **The school district would like a divisible ballroom space that could be used for separate meetings and luncheons. There are not many facilities that can provide this in the immediate area.**
- Graduations are currently held at State Farm Stadium, all in one day.
- **The department sees a need for a conference style facility in the West Valley, and believes it could capture business from around the region given the strong local corporate presence.**
- In general, there is a need for more F&B alternatives within or surrounding local hotels.



Case Studies

Embassy Suites San Marcos Hotel & Conference Center

In 2005, the City of San Marcos agreed to a deal with John Q. Hammons Hotels to create a partnership to build the Embassy Suites Hotel & Conference Center in San Marcos. In exchange for the development of the 11-story, 250-room hotel costing \$40-\$50 million, the City agreed to build a \$15 million City-owned ~75,000 square foot adjacent conference center (41,000 square feet of meeting space).

As of 2023, this conference center is still owned by the City. The hotel and conference center is owned and managed by John Q. Hammons Hotels & Resorts.

Notes:

The Embassy Suites is the premier conference facility in Hays County/San Marcos. The facility frequently attracts rotating Texas association business.



Interview Feedback: Embassy Suites

HSP interviewed the Embassy Suites San Marcos to gain insights on the local convention, conference and meetings market. The following bullets summarize the key takeaways from that discussion:

- The Embassy Suites is under joint ownership with the City of San Marcos. The City paid for the meeting space, while the hotel was privately developed.
- The convention space at the venue primarily attracts association, government and SMERF business. Management is trying to attract larger conventions, but it is difficult because of the lack of needed space to host these events. The Embassy Suites attracts approximately 60% association, 30% leisure, and 10% corporate, government and SMERF business.
- The venue does not directly compete with Austin, which primarily attracts most of the higher-rated corporate business. The venue loses business to other strong association business properties such as the Omni in Corpus Christi, the Doubletree in North Austin, and San Antonio association hotels.
- The area needs more entertainment and things to do. Leisure is strong in the summer months due to the activities along the river.
- There is a strong supply of select service hotels in the area. San Marcos needs more quality hotel offerings.

Omni Tempe Hotel ASU

The Omni Tempe Hotel at ASU opened in April 2023 and reportedly cost an estimated \$125 million.

To finalize a deal with the Developer, the City voted to allow the Project to collect and essentially not pay sales taxes or bed taxes for as long as 30 years. Specifically, Tempe would rebate 100 percent of sales-tax and bed-tax collections for the first 10 years and 90 percent for the following 20 years, with the exception of 0.6 percent dedicated for transit and art.

Additionally, the hotel would have to pay no property tax because it would be on university-owned land.

These tax incentives were stipulated to not exceed \$21 million, or \$52 million when adjusting for inflation over the deal's term.

This deal came with a few stipulations for the hotel, one of which required the hotel to spend at least \$400,000 annually for 60 years to promote the hotel and tourism within Tempe.

In exchange for these incentives, the City of Tempe got a 330-room hotel and 30,000 square feet of conference space that would allow it to attract new meetings and groups that the area previously could not.



Interview Feedback: City of Tempe

HSP interviewed representatives of the City of Tempe to gain insights on the process of funding the Omni and how it may relate to a project in Goodyear. The following bullet points summarize the key takeaways from that discussion:

- Both the City of Tempe and ASU need new space for meetings in the market. While meetings can be held at various venues in the market, no larger conferences or conventions could be held. This new market opportunity was a catalyst for the motivation for the City and University to get a deal done.
- The process of getting tax incentives for the Omni Tempe was relatively easy. With the site being on **University-owned land**, property taxes were the first incentive agreed upon. City officials noted that **in Goodyear, there is no university-owned land within GSQ, but if the Project were located on City-owned land or if the area was rezoned to being a CBD, property taxes could be eliminated (from City-owned properties not paying property tax or through the GPLET program)**. The process of establishing a GPLET is an extensive process.
- There was one **lawsuit** brought by the Arizona Attorney General, Mark Brnovich, that delayed the development of the hotel. The lawsuit was brought up questioned the use of **utilizing tax-exempt land for a privately-owned project** that would be used by the Project.
- The Omni Tempe ASU would allow the City to attract new groups to the market, that otherwise could not have visited the market. With the agreements that the hotel would market the City (by marketing itself), hoteliers and tourism officials were all open to rebating sales taxes and hotel taxes to the hotel because the hotel would bring in net new groups.

DoubleTree Tucson Downtown CC

The Tucson Convention Center was built in the 1970s. In 2021 the 170-key DoubleTree Tucson Downtown Convention Center was built.

The \$38 million hotel was privately developed but made use of several public incentives to reach a finalized deal: TIFs and GPLET.

The hotel is located in a TIF district, established in 1999. The hotel is expected to capture \$2.5 million in City TIF revenues by 2034. This amount represents a portion of increased convention center revenues, as well as onsite sales and lodging taxes.

The hotel also made use of the Government Purchase Lease Excise Tax (GPLET) program. The 25-year value of this GPLET is estimated to be \$18.5 million.

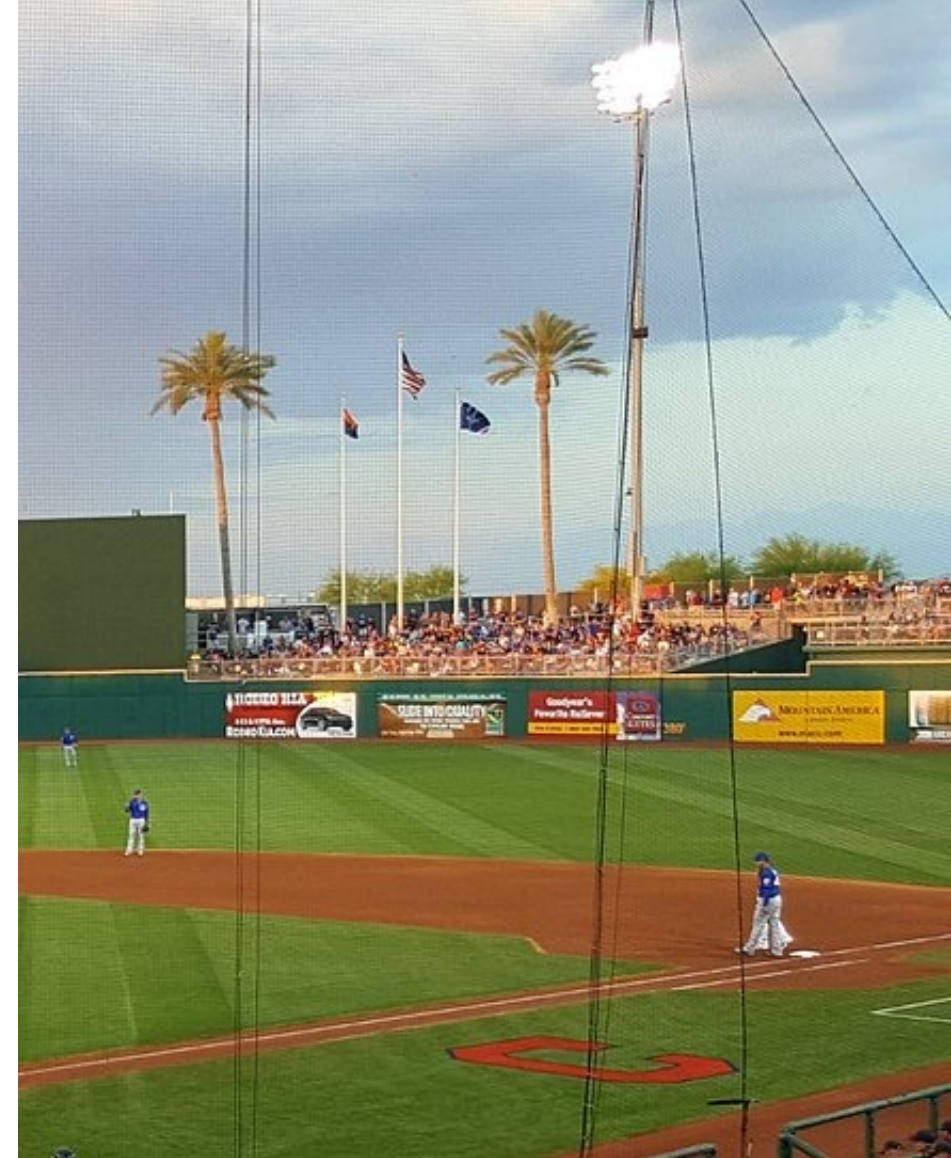
The six-story development includes 4,000 square feet of meeting space, two restaurants and a bar, and a second-story pool. The City offered to build a 350-space parking garage.





Implications

- There is a significant supply of smaller meeting facilities and conference hotels in the market; however, these are concentrated in the East Valley.
- Much of the market supply consists of resort-style hotels or facilities offering recreational activities, elements that the Project would likely not be able to compete with.
- Having unique, walkable amenities such as entertainment and dining offerings can help make a destination and facility more competitive.
- A significant amount of contiguous and divisible ballroom space is common in the market, along with additional breakout rooms and outdoor event and F&B spaces.
- In order to provide sufficient room blocks for larger regional events, the average number of keys for facilities offering 10-35K square feet of meeting and event space in the PHX metro is higher than other suburban markets across the United States that have fewer demand drivers. This shows the strength of the meetings market within Phoenix.



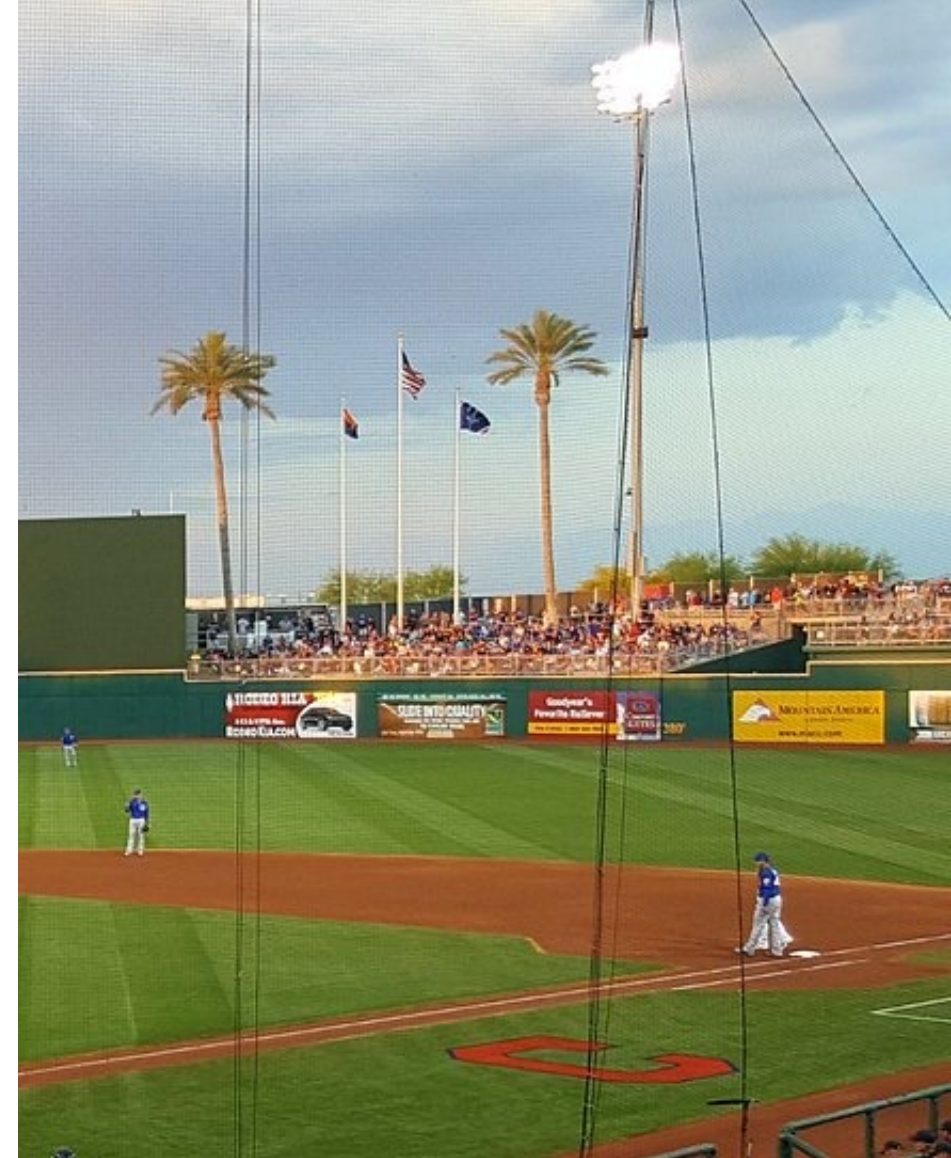
An aerial photograph of a city at sunset. The sky is filled with orange and yellow clouds. In the foreground, there are modern buildings, including a large one with a glass facade and another with a flat roof. A parking lot with several cars is visible. The left side of the image is covered by a dark blue semi-transparent overlay.

05

Hospitality Market Analysis

Overview

This chapter will provide an analysis of hotel trends, followed by an analysis of the local hotel market and an analysis of a competitive set of hotels within the Goodyear area.





National Trends **Hospitality**

Trends of Note



Brands Multiply. Worldwide, the expansion of brands continues to change the face of the competitive environment. Major brands are competing fiercely, as they are eager to show earnings growth and increased market share to Wall Street. Using multiple brand families clustered in the same corporate structure, proprietary reservation systems, and corporate programs all work in tandem to drive business. Comparing profit potential of a branded hotel to one without a brand is becoming a serious consideration for hotel owners. At the same time, the increased proliferation of brands means that fewer independents struggle for fair share and are using price as the preferred strategy to drive demand.

Boutique Brands. This seemingly incongruous phrase is a trend occurring in the industry. The largest brands have exhausted traditional market segments, so they are seeking to acquire and dominate the last strong hold of the industry: independent boutique hotels. By creating a boutique “collection” or also known as a “soft brand” that can benefit from (and provide distribution to) the primary brand family, both the hotel and brands can prosper. For example, with all traditional niches covered, Marriott has now entered the boutique market with the Autograph Collection. These hotels are neither owned nor operated by Marriott, and do not even carry a Marriott brand, per se, but use the Marriott reservation system to route travelers to these formerly independent hotels. Guests benefit by earning Marriott points and fulfillment of high-quality standards they have come to expect with the Marriott brand.

Companies Consolidate. The buyout/merger of Marriott and Starwood represents the highest peak in value of many brands and companies consolidating. In the past several years, many hotel companies have merged to improve scale and marketplace power, as well as take advantage of the current market dynamics.

Trends of Note



Lifestyle Brands/Retro Motels/Work from Anywhere. The newest trend from brands and independents are the lifestyle hotels targeting Millennials and Gen Z. These concepts focus on active public/social spaces indoors and outdoors, with minimalism ruling the rooms themselves. Active bar/light fare and game areas are also popular in these hotels. For owners/operators, the trend to smaller and spartan rooms with compact designs, as well as limited housekeeping service has helped mitigate rising construction costs, as well as rapidly increasing labor costs. This trend also includes the retro-modern motor lodge theme, with newly built or renovated motels that are targeted to a relaxed lifestyle. In addition, the ‘work-from-anywhere’ concept has soared, especially with younger professionals, and these hotels have benefitted. More and more people are blending work/leisure time by exploring the country and staying in these interesting properties, instead of only working from home.

Shared Spaces and Home/Apartment Rentals. The advent of Airbnb has transformed the lodging industry in the past few years, much as Uber and Lyft have done with the hired car industry. Home and apartment rentals through VRBO, Homeaway, and Airbnb add inventory to many compressed and expensive hotel markets. In some places like San Francisco, Silicon Valley and New York, residents rent their homes to travelers in order to pay the rising cost of rent. High occupancies and rising room night rates have made these options viable for travelers and residents.

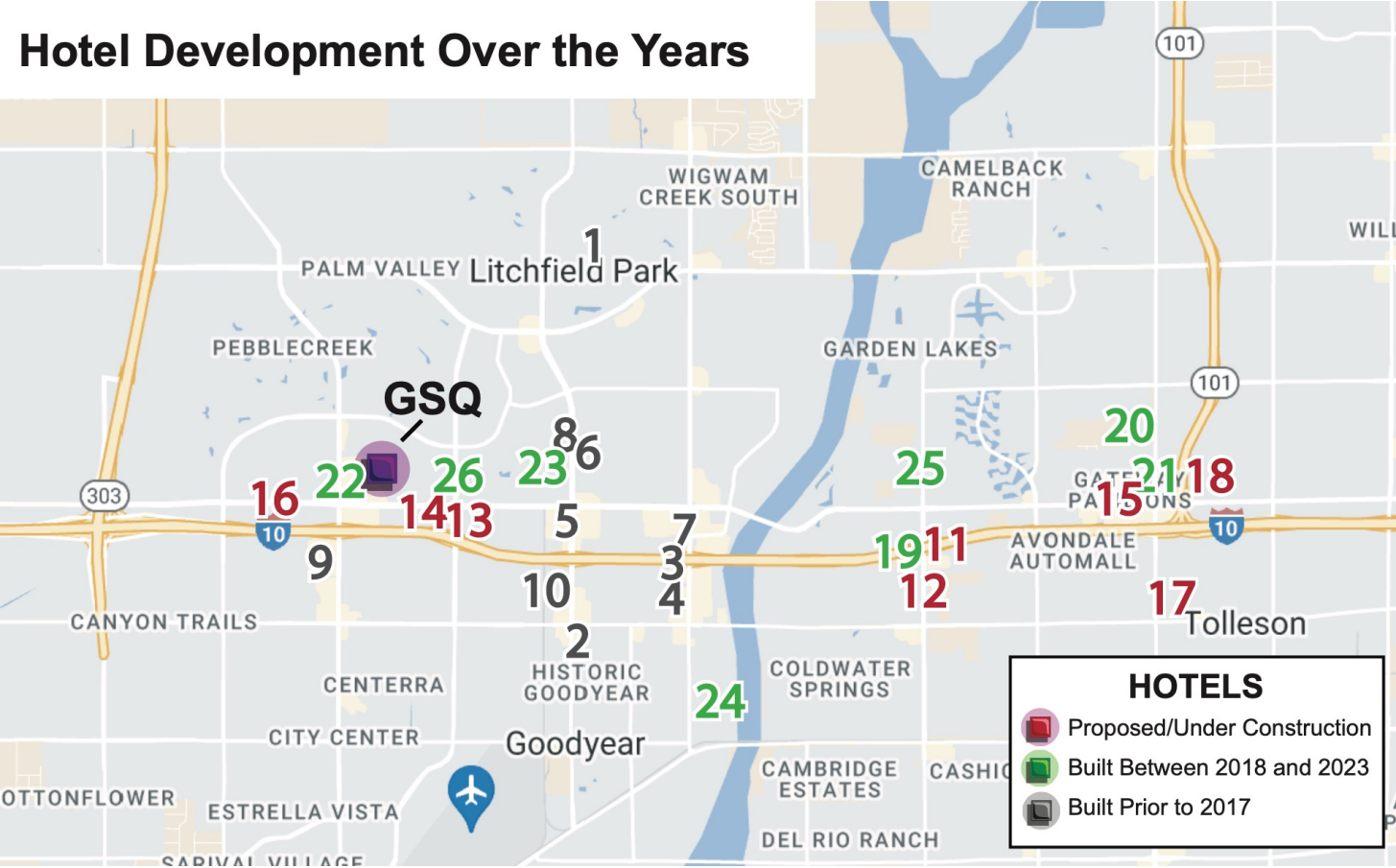
Micro Hotels. The Micro hotel rooms are a prime example of minimalist living. While the hotel rooms are half the size of traditional hotel rooms (average of 115 - 220 square feet), they are designed to be efficient and fit only the essentials. The need for these rooms came about because of high real estate costs and limited space in large urban areas. To compensate for limited personal space, these hotel brands usually have extensive shared spaces for guests to enjoy. Micro-hotels tend to attract millennials who are comfortable exchanging guestroom size for the experiences of a lifestyle hotel. An example of a micro-hotel brand is Marriott’s Moxy brand.

Development Pipeline

Hotel Ages

The development pipeline for hotels along Interstate-10 is active. Near the GSQ site, a SpringHill Suites and Tru by Hilton was built in 2020, and a Holiday Inn Express was built in 2023. Three additional hotels are proposed/under construction near GSQ, those being the Element, Home2 Suites, and Staybridge Suites.

Hotel Development Over the Years



Goodyear Area Hotel Developments

#	Hotel	City	Year Built	Room Count	Meeting Space (SF)
1	The Wigwam	Litchfield Park	1929	331	33,306
2	Best Western	Goodyear	1963	85	450
3	Quality Inn & Suites	Goodyear	1980	157	1,400
4	Super 8	Goodyear	1985	90	0
5	Red Lion Inn & Suites	Goodyear	1996	90	710
6	Hampton Inn & Suites	Goodyear	1999	110	3,400
7	Holiday Inn & Suites	Goodyear	2002	101	981
8	Residence Inn	Goodyear	2004	78	100
9	Comfort Suites Goodyear	Goodyear	2007	84	2,770
10	TownePlace Suites	Goodyear	2008	118	350
11	Residence Inn	Avondale	2019	102	500
12	My Place Hotel Phoenix	Avondale	2020	63	0
13	SpringHill Suites	Goodyear	2020	88	350
14	Tru by Hilton	Goodyear	2020	90	0
15	Home2 Suites	Avondale	2021	127	0
16	Holiday Inn Express	Goodyear	2023	85	0
17	WoodSpring Suites	Tolleson	2023	122	0
18	Holiday Inn Express	Phoenix	2023	108	346
19	Avid Phoenix West	Avondale	2024	95	0
20	Four Points by Sheraton	Avondale	2024	120	0
21	SpringHill Suites	Avondale	2024	130	0
22	Element Goodyear	Goodyear	2025	107	0
23	Home2 Suites	Goodyear	2025	112	0
24	Microtel Inn & Suites	Avondale	2025	100	0
25	Atwell Suites	Avondale	2025	96	0
26	Staybridge Suites	Goodyear	2025	110	0

Source: CoStar



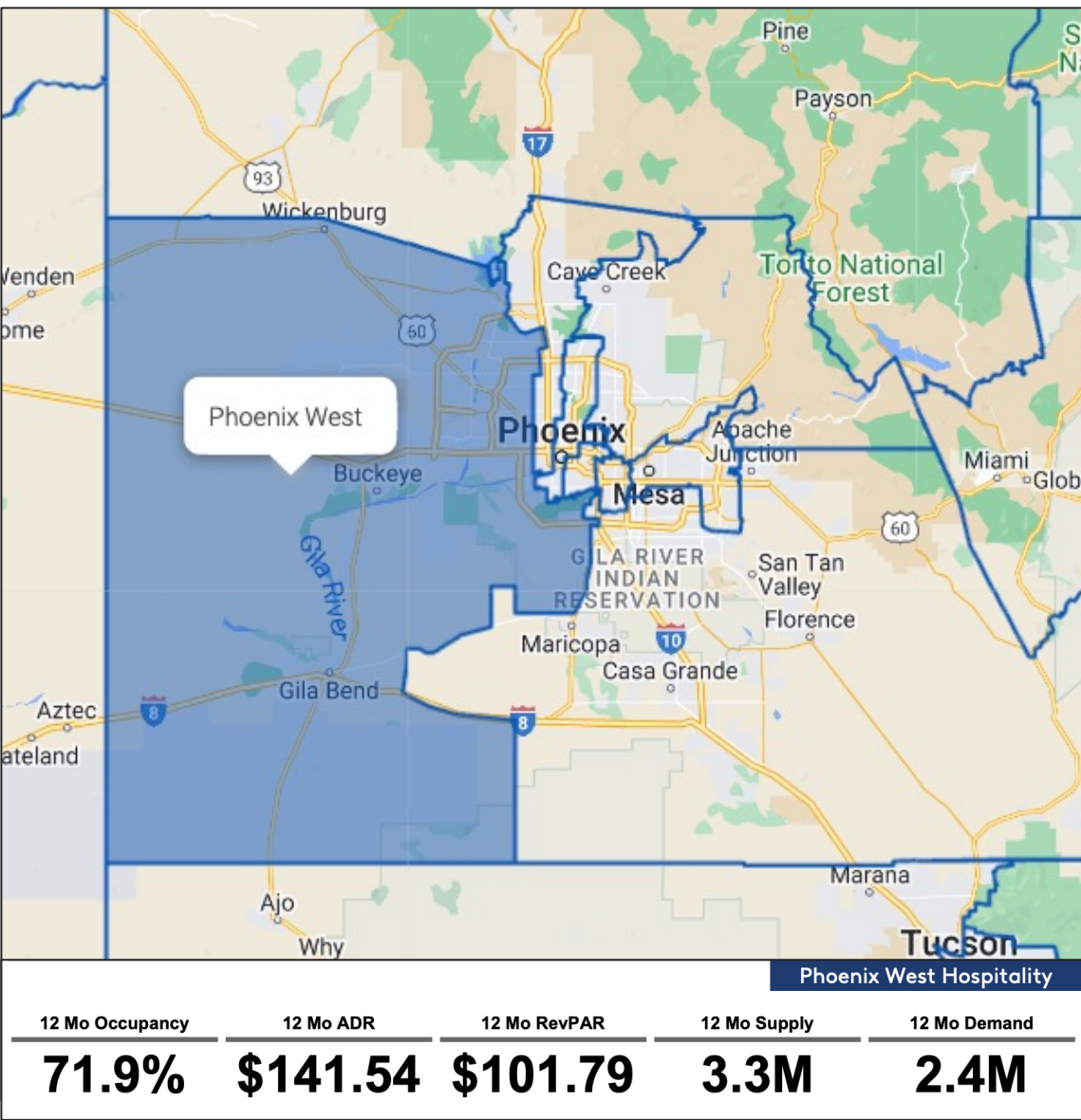
Western Phoenix **Hotel Market**

Hotel Market Overview

This section will show historical performance metrics for the hospitality industry in Goodyear, Arizona.

First, HSP will analyze market-wide data across the Phoenix West market, followed by a competitive set analysis of hotels within Goodyear.

The Phoenix West hotel market has 9,100 hotel rooms, providing 3.3 million room nights annually. These properties are composed of varying levels of quality and age. Across all properties, annual occupancy averages 72 percent, while rates have averaged in the \$140s.



Hotel Market – Phoenix West

Key Indicators

Approximately eight percent of the hotel rooms in the Phoenix West market are luxury and upper upscale properties, equating to 747 hotel rooms. These hotel rooms have an average ADR of \$220 and have around 69 percent occupancy annually. With higher rates than other hotels, occupancy rates are lower, but the resulting RevPARs are greater.

The bulk of the hotel rooms in the Phoenix West market are upscale and upper midscale hotels. This market class is expected to increase in size with 966 rooms under construction. These hotels have an annual occupancy of 73 percent, with daily rates just under \$160.

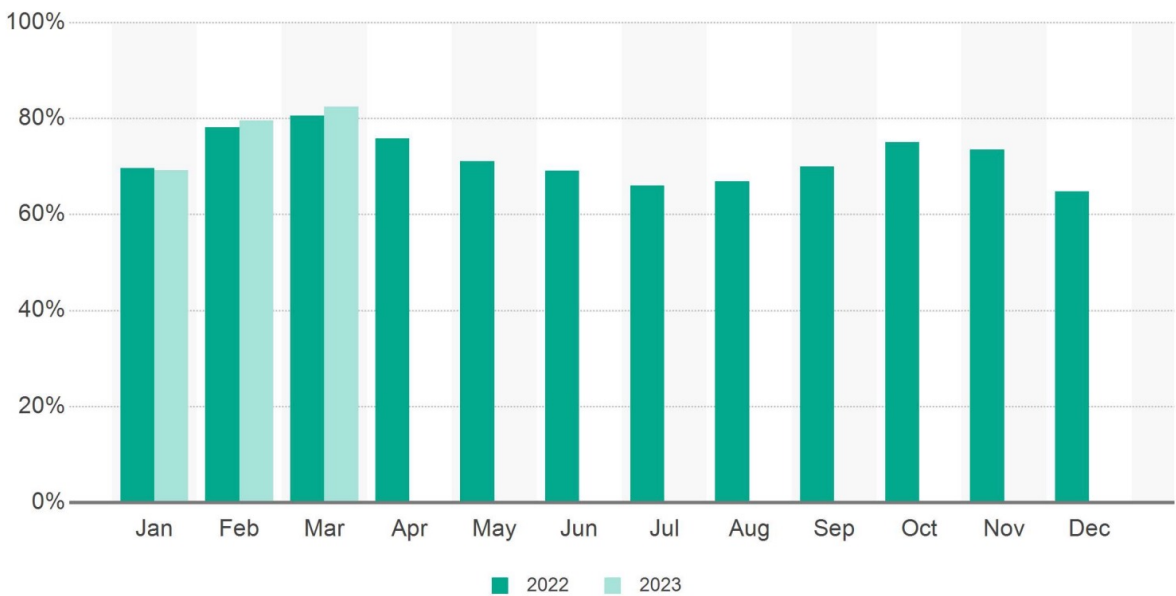
Key Indicators - Phoenix West Hospitality Market							
Class	Rooms	% Rooms	12-Mo Occ	12-Mo ADR	12 Mo RevPAR	12 Mo Deliveries	Rooms U/C
Luxury & Upper Upscale	747	8%	69%	\$220	\$151	0	0
Upscale & Upper Midscale	4,816	53%	73%	\$158	\$115	109	966
Midscale & Economy	3,560	39%	72%	\$103	\$74	45	1,417
Total	9,123	100%	72%	\$142	\$102	154	2,383
Average Trends	Current	3 Mo	YTD	12 Mo	Historical	Forecast	
Occupancy	83%	77%	77%	72%	70%	72%	
ADR	\$206	\$195	\$195	\$142	\$113	\$141	
RevPAR	\$170	\$150	\$150	\$102	\$79	\$102	
Data was pulled April 20, 2023 and 12 month averages were calculated accordingly							
Source: CoStar, Hunden Partners							

Class is an industry categorization which includes chain-affiliated and independent hotels. The class for a chain-affiliated hotel is the same as its chain scale. An independent hotel is assigned a class based on its ADR, relative to that of the chain hotels in its geographic proximity.

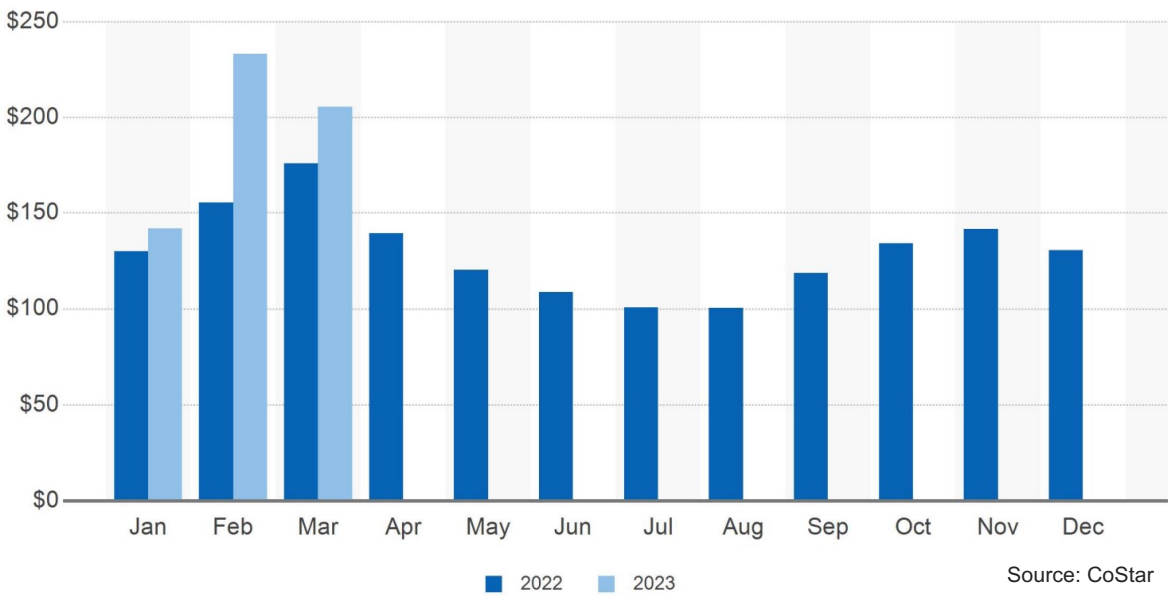
Occupancy and ADR Changes: 2022 v 2023

Through April, occupancy has stayed relatively consistent in 2023 compared to 2022 levels, even with much higher average daily rates. This is a positive sign for the strength market, as demand is not rate sensitive.

OCCUPANCY MONTHLY



ADR MONTHLY





Competitive Set **Performance Analysis**

Competitive Set

HSP determined a competitive set of hotels within the Phoenix Metropolitan Area that include 10-35K SF of function space and under 400 keys. The chosen set also focused on non-resort style properties, as facilities with such amenities would not be directly competitive to the Project. From this competitive set, performance data was analyzed to better understand hotel performance in the area.

Goodyear, Arizona Competitive Meetings Hotel Set									
Property Name	Location		Hotel			Function Space			
	City	Miles from Site	Class/Type	Open Date or Renovation Year	# of Hotel Rooms	Total Function Space	Ballroom	Meeting Rooms	# of Meeting Rooms
1 The Wigwam	Litchfield Park	3.5	Upper Upscale - Resort	2012	331	33,306	21,274	12,032	18
2 The Camby, Autograph Collection	Phoenix	24.5	Upper Upscale - Suburban	2015	277	16,896	7,728	9,168	12
3 Marriott Phoenix Resort Tempe At The Buttes	Tempe	27.6	Upper Upscale - Suburban	2012	353	21,513	17,700	3,813	6
4 DoubleTree Phoenix Tempe	Tempe	27.8	Upscale - Suburban	1975	270	17,923	13,279	4,644	6
5 The Westin Tempe	Tempe	28.5	Upper Upscale - Airport	2021	290	10,480	6,856	3,624	6
6 Sheraton Mesa at Wrigleyville West	Mesa	32.2	Upper Upscale - Suburban	2015	180	15,888	12,480	3,408	5
7 DoubleTree Phoenix Mesa	Mesa	35.7	Upscale - Suburban	1985	266	15,096	7,200	7,896	12
8 Marriott Phoenix Chandler	Chandler	39.9	Upper Upscale - Suburban	2019	264	16,950	10,100	6,850	9
9 DoubleTree Phoenix Gilbert	Gilbert	50.1	Upscale - Suburban	2010	121	15,252	14,627	625	1
Average		30.0			261	18,145	12,360	5,784	8

Source: CVENT, CoStar, Various



Performance Overview

HSP utilized Smith Travel Research (STR) to analyze the historic performance of the competitive set of hotel properties within the Greater Phoenix market. The table below summarizes hotel performance for the competitive set between 2015 and March 2023.

Competitive set performance indicates the demand within the competitive set has increased an average of six percent annually since 2015. With both rising supply and demand of hotel rooms, occupancy has continued to increase, reiterating the strong demand for overnight accommodations in the meetings market in the area. Rates have continued to increase an average of 3.4 percent per year.

YTD in 2023 occupancy and ADRs in the market have been high, likely due winter seasonality within the Arizona market as well as general tourism expansion within the market.

Goodyear, Arizona Competitive Set Historical Supply, Demand, Occupancy, ADR, and RevPar											
Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	Occupancy	% Change	Average Daily Rate	% Change	RevPar	% Change
2015	1,657	604,934	–	389,919	–	64.5	–	\$150.63	–	\$97.09	–
2016	1,792	654,080	8.1%	433,168	11.1%	66.2	2.7%	\$150.89	0.2%	\$99.93	2.9%
2017	1,793	654,445	0.1%	444,161	2.5%	67.9	2.5%	\$154.64	2.5%	\$104.95	5.0%
2018	1,793	654,445	0.0%	449,890	1.3%	68.7	1.3%	\$159.72	3.3%	\$109.80	4.6%
2019	1,838	670,883	2.5%	459,478	2.1%	68.5	-0.4%	\$162.52	1.8%	\$111.31	1.4%
2020	2,014	735,066	9.6%	274,488	-40.3%	37.3	-45.5%	\$157.64	-3.0%	\$58.87	-47.1%
2021	2,182	796,276	8.3%	463,218	68.8%	58.2	55.8%	\$147.66	-6.3%	\$85.90	45.9%
2022	2,352	858,480	7.8%	572,307	23.6%	66.7	14.6%	\$186.78	26.5%	\$124.52	45.0%
YTD 2023 (MAR)	2,352	211,680	0.0%	168,086	12.4%	79.4	12.4%	\$272.48	17.4%	\$157.10	32.0%
CAGR (2015-22)			6.0%		6.7%		0.5%		3.4%		4.0%

Source: Smith Travel Research, Hunden Strategic Partners

Performance Heat Charts

The tables shows a visualization of occupancy and rate by day of the week and month from April 2022 through March 2023. Figures in red and orange reflect days with relatively low occupancy/daily rates, yellow suggests moderate performance, and green reflects strong performance.

Demand is at its highest during the winter months, when temperatures in Arizona are at their coolest. Occupancy rates during the week follow typical meetings- and corporate-driven hotel patterns with strong occupancy rates Monday through Friday. Luckily for the Greater Phoenix market, data reflects strong weekend demand, signaling business-leisure and leisure demand.

Business-leisure is the idea of individuals choosing to extend their stay past their work or meetings schedule to enjoy a given market.

Goodyear, Arizona | Occupancy Percent by Day of Week by Month - (April 2022 - Mar 2023)

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Average
Apr - 22	57%	76%	85%	85%	79%	82%	80%	78%
May - 22	51%	61%	72%	73%	67%	71%	70%	66%
Jun - 22	40%	62%	71%	66%	56%	57%	60%	59%
Jul - 22	44%	52%	60%	59%	53%	56%	59%	55%
Aug - 22	46%	64%	70%	67%	60%	58%	60%	61%
Sep - 22	45%	60%	72%	73%	59%	60%	68%	62%
Oct - 22	46%	66%	86%	85%	74%	78%	76%	72%
Nov - 22	49%	62%	75%	82%	83%	85%	83%	74%
Dec - 22	47%	62%	65%	65%	61%	63%	65%	61%
Jan - 23	50%	63%	75%	79%	79%	69%	71%	69%
Feb - 23	73%	72%	86%	89%	83%	86%	86%	82%
Mar - 23	68%	83%	91%	93%	90%	93%	92%	88%
Average	51%	65%	76%	76%	70%	71%	72%	

Source: Smith Travel Research

Goodyear, Arizona | Rate by Day of Week and Month - (April 2022 - Mar 2023)

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Average
Apr - 22	194	207	212	221	204	206	208	\$208
May - 22	173	184	187	185	176	178	173	\$180
Jun - 22	131	138	145	147	139	134	134	\$139
Jul - 22	125	129	131	131	124	125	125	\$127
Aug - 22	125	133	132	131	126	120	122	\$128
Sep - 22	152	173	179	180	162	148	150	\$164
Oct - 22	174	194	211	211	196	176	173	\$191
Nov - 22	183	194	207	211	201	197	198	\$201
Dec - 22	164	178	178	180	169	166	176	\$173
Jan - 23	205	231	237	233	219	198	201	\$219
Feb - 23	349	272	299	292	300	334	339	\$312
Mar - 23	266	283	291	285	274	281	282	\$281
Average	\$187	\$193	\$201	\$201	\$191	\$189	\$190	

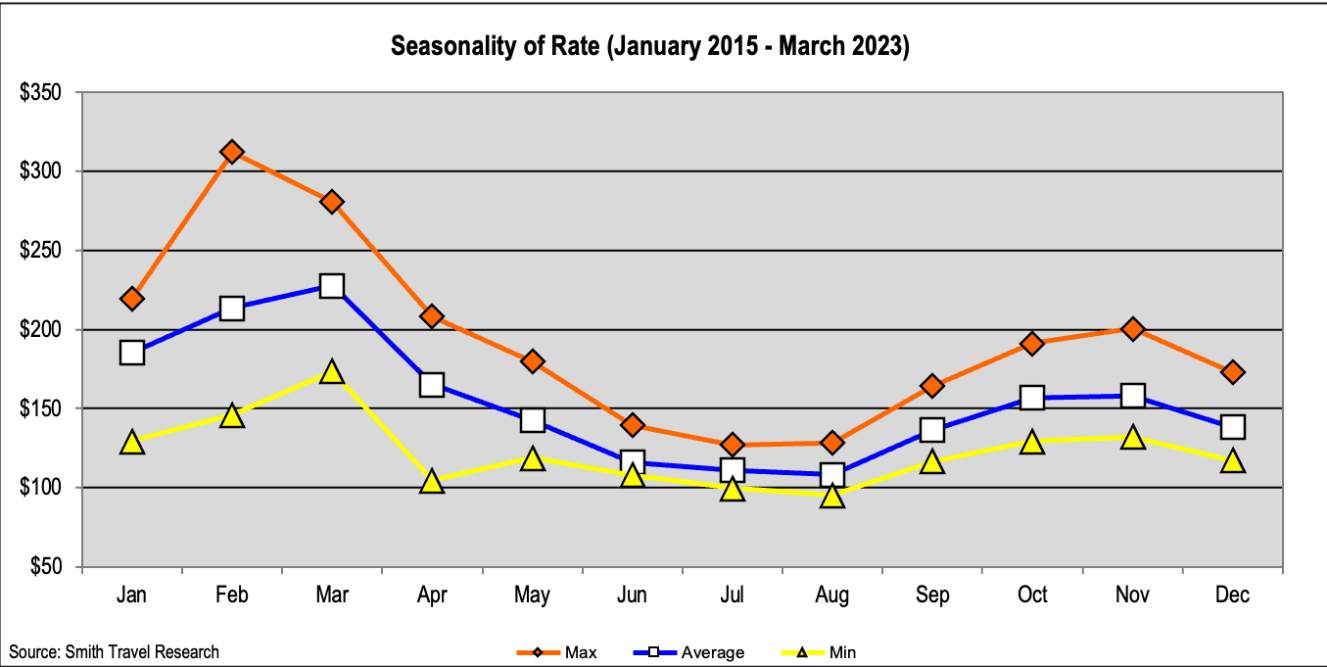
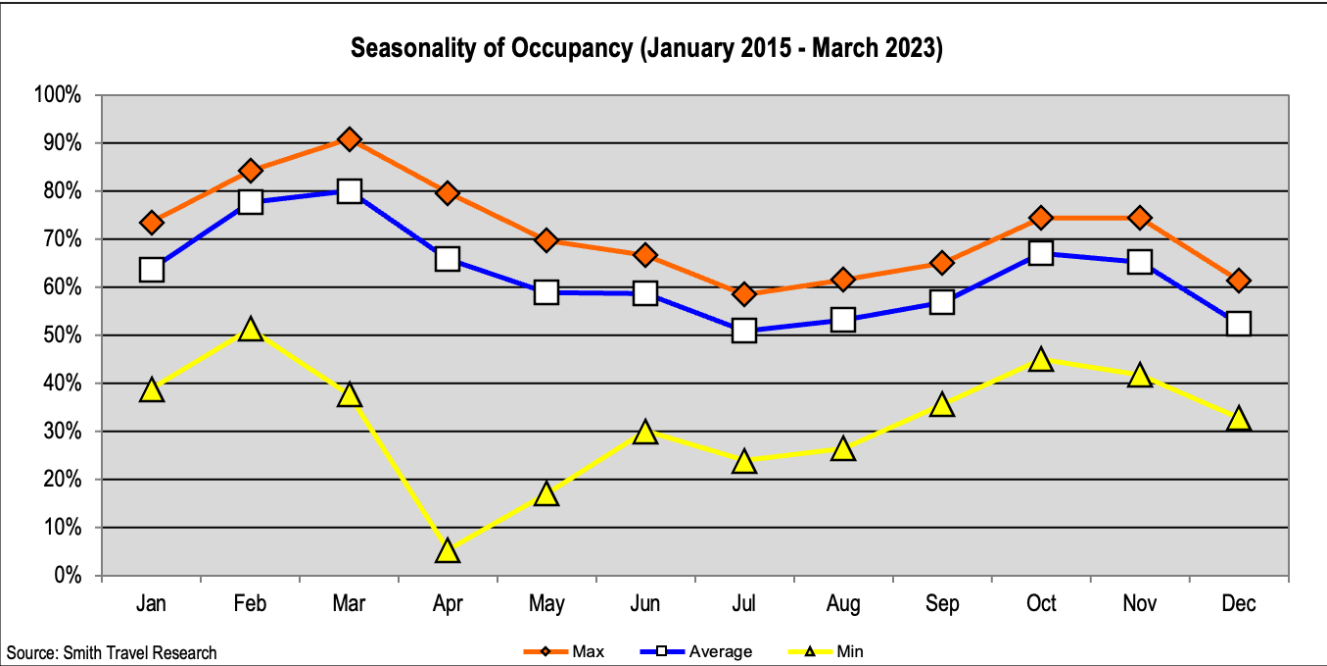
Source: Smith Travel Research

Annual Performance

The tables show a visualization of maximum, average and minimum occupancy and daily rates since 2015 for the competitive set.

Similar to performance between April 2022 and March 2023, demand is strongest during the winter months and lowest during the summer months.

Demand is at its highest during the winter months, when temperatures in Arizona are at their coolest. Rates follow a similar pattern to demand, also following temperature patterns in the market.



Interview: Byrd Hotels

HSP spoke with the Area Director of Sales for Byrd Enterprises, who manages the Hampton Inn, Residence Inn, Holiday Inn & Suites, and Red Lion Inn in Goodyear, to understand how the current local hotel market performs. A summary of that discussion is provided below:

- **Since COVID, occupancy at Byrd's hotels has not dropped, rates have increased, and seasonality has reduced. Quality hotels are performing better overall.**
- **The Hampton Inn has a 3,000 SF ballroom, with The Wigwam being the only other local hotel property with larger meeting and event spaces. Byrd receives a lot of bids that include breakout room requirements that they can't provide.**
- The Hampton mostly hosts local training and hiring events and SMERF events. SMERF events consist of reunions and weddings, and military and sports groups.
- Hotel demand is largely corporate (industrial and distribution), with a significant amount of negotiated accounts.
- **A new hotel with additional conference space would need to have a higher number of hotel rooms to be able to accommodate long-distance visitors for 300-400-person events. Total rooms at Byrd's hotels limits what events they can host.**
- **Byrd sees the need for additional non-resort style conference style space in the market, with mid-range hotel pricing.**
- Customers desire more unique restaurant concepts, along with more entertainment and events, which are also needed locally.

Interview: HCW Hospitality

HSP also spoke with the CEO and COO of HCW Hospitality, who owns and manages the 88-key SpringHill Suites and 90-key Tru by Hilton in Goodyear, to get their take on the local hotel market.

- There is strong market demand for hotels in the local area, though not quite at a full-service level.
- There is also a need for meeting space in the market. They recommend at least 6-8K SF of ballroom space, a few breakout rooms, and 125-150 keys.
- HCW's Goodyear properties perform at a mid-70s occupancy, with peak rates during Spring Training at \$280 in February.
- December to May are the strongest months, with demand decreasing in the summer.
- **RED / Globe's plans for mixed-use would drive more business to the hotel and conference center and add needed dining, nightlife, and entertainment.**
- **The proposed hotel / conference center would be the furthest west facility, which is a strength due to the growth that continues to occur in the West Valley.**
- **HCW believes a Goodyear facility could pick up small meetings business and 50-200-person local conferences. It may be a challenge to generate out-of-state business due to competition in the larger metro.**

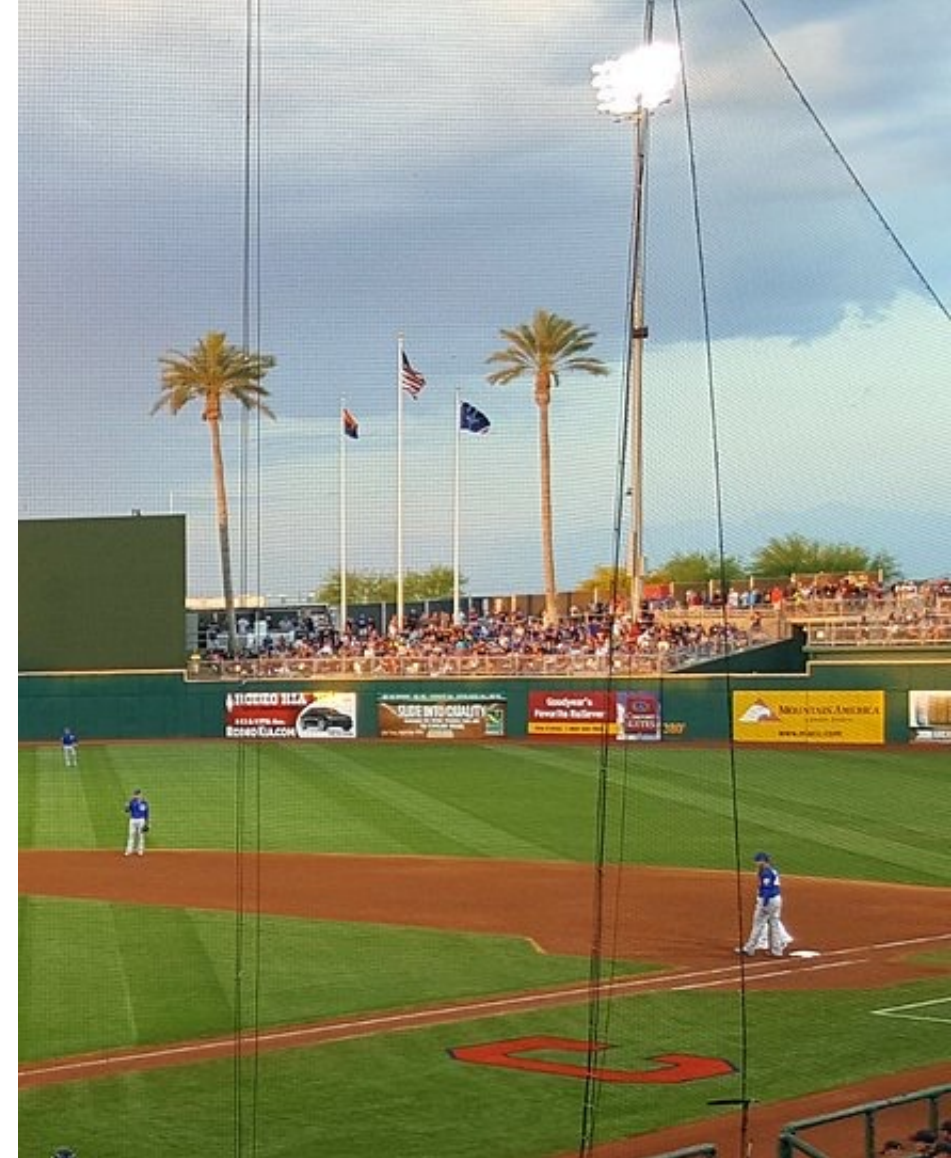
Hotel Implications

The supply of hotel rooms in Goodyear has grown in the past few years. This growth will continue, but is mainly focused within upper midscale, select-service hotels.

Hotels within the competitive set show strong year-round and day-of-week demand. These hotels are located across the metropolitan area but are mostly located within the East Valley. There are few meetings hotels in the West Valley.

Hotel rates in the West Valley typically trend lower than East Valley properties, which would make a superior new conference hotel in the West Valley an attractive proposition for groups and hotel guests.

As the West Valley continues to increase its population and corporate base, new meetings facilities and hotels that cater to these populations will be needed.



06

Recommendations



Recommendations

Based on HSP’s analysis of the hotel and meetings market in the Phoenix metro, HSP recommends a 240-room select-service+ hotel be developed in Goodyear, AZ. HSP recommends a conference center be connected to the hotel, and include approximately 21,600 SF of indoor function space. This recommended sizing is based on HSP’s findings on existing and potential West Valley demand, and what would be competitive to conference hotel products currently offered in the East Valley.

As the proposed RED / Globe development includes a number of walkable restaurants, HSP does not recommend including a full-service restaurant in the hotel itself, but should include a catering kitchen to service the conference center.

The estimated parking needs for the recommended conference hotel include one space per hotel room plus additional spaces to accommodate meeting and event attendees.

Goodyear, AZ Conference Hotel Recommendations	
Rooms	240 keys
Ballroom	12,000 SF, divisible by 6
Jr. Ballroom	6,000 SF, divisible by 5
Meeting Rooms	3,600 SF, divisible by 3
Outdoor	5,000+ SF outdoor / rooftop event or F&B space
Parking	420 total spaces (240 for hotel, 180 for meeting space)
Source: Hunden Strategic Partners	



07

Demand & Financial Projections





240-Room Hotel

Goodyear Market Penetration

Goodyear Hotel Market Growth

The Goodyear hospitality market is largely driven by leisure travelers and corporate business travelers. HSP estimates in 2022, leisure travelers accounted for 47 percent of room nights across the City, while corporate transient visitors accounted for 44 percent of room nights. HSP estimated how these demand segments may evolve going forward, as well as the supply of hotel rooms may change through 2035. These assumptions are shown in blue text.

The Project hotel is expected to be a catalyst for increased group visitors staying in Goodyear when it opens in 2026. Between 2022 and 2030, there are expected to be over 15,000 more group room nights within City hotels.

Projected Demand Growth by Segment Goodyear, AZ												
Year	Corporate Transient	% Change	Group	% Change	Leisure	% Change	Total Demand	% Change	Total Supply	% Change	Total Rooms	Occupancy
2022	124,053		25,428		134,446		283,927		398,215		1,091	71.3%
2023	125,294	1.0%	25,555	0.5%	138,480	3.0%	289,328	1.9%	429,240	7.8%	1,176	67.4%
2024	129,053	3.0%	25,810	1.0%	145,404	5.0%	300,267	3.8%	429,240	0.0%	1,176	70.0%
2025	143,248	11.0%	26,327	2.0%	155,582	7.0%	325,157	8.3%	549,325	28.0%	1,505	59.2%
2026	160,438	12.0%	31,592	20.0%	171,140	10.0%	363,170	11.7%	636,925	15.9%	1,745	57.0%
2027	173,273	8.0%	37,594	19.0%	184,831	8.0%	395,699	9.0%	636,925	0.0%	1,745	62.1%
2028	183,670	6.0%	40,602	8.0%	197,769	7.0%	422,041	6.7%	636,925	0.0%	1,745	66.3%
2029	183,670	0.0%	40,602	0.0%	197,769	0.0%	422,041	0.0%	636,925	0.0%	1,745	66.3%
2030	183,670	0.0%	40,602	0.0%	197,769	0.0%	422,041	0.0%	636,925	0.0%	1,745	66.3%
2031	183,670	0.0%	40,602	0.0%	197,769	0.0%	422,041	0.0%	636,925	0.0%	1,745	66.3%
2032	183,670	0.0%	40,602	0.0%	197,769	0.0%	422,041	0.0%	636,925	0.0%	1,745	66.3%
2033	183,670	0.0%	40,602	0.0%	197,769	0.0%	422,041	0.0%	636,925	0.0%	1,745	66.3%
2034	183,670	0.0%	40,602	0.0%	197,769	0.0%	422,041	0.0%	636,925	0.0%	1,745	66.3%
2035	183,670	0.0%	40,602	0.0%	197,769	0.0%	422,041	0.0%	636,925	0.0%	1,745	66.3%

Hotel is expected to become operational 2026

Source: Hunden Partners

Goodyear, AZ Hotels 2022 Segmentation	
Corporate Transient	44%
Group	9%
Leisure	47%
Total	100%
Source: Hunden Partners	

Market Penetration & Business Segmentation

HSP estimated how the hotel would perform comparatively to the Goodyear hotel market. With an increase in hotel product expected, Goodyear hotel occupancy is expected to be lower into 2026 as the market absorbs the new supply.

The Project hotel will be the first hotel in Goodyear to have a significant meetings focus. This focus along with a supply of meeting space is expected to help the hotel generate three times as much group business as the average hotel in Goodyear. The Project will be an attractive hotel option for all visitor types given its walkability to dining and entertainment offerings within the district. Because of this the hotel is expected to achieve an occupancy rate five points greater than the market, meaning it will likely be a top hotel in the market.

Estimated Market Penetration for Project Goodyear, AZ						
Year	Projected City Occupancy	Corporate Transient	Group	Leisure	Total Penetration	Subject Occupancy
2026	57%	100%	200%	60%	90%	51%
2027	62%	100%	250%	65%	98%	61%
2028	66%	105%	300%	70%	107%	71%
2029	66%	105%	300%	70%	107%	71%
2030	66%	105%	300%	70%	107%	71%
2031	66%	105%	300%	70%	107%	71%
2032	66%	105%	300%	70%	107%	71%
2033	66%	105%	300%	70%	107%	71%
2034	66%	105%	300%	70%	107%	71%
2035	66%	105%	300%	70%	107%	71%

Source: Hunden Partners

Projected Hotel Stabilized Demand Mix vs. Goodyear Set (2029)		
Segment	Hotel at Stabilization	Competitive Set
Corporate	43%	44%
Group	27%	10%
Leisure	31%	47%
Total	100%	100%

Source: Hunden Partners

Note:
Stabilization describes the period in which a hotel is absorbed by the market and occupancy rates reach a level that can be maintained over time.



240-Key Hotel Investment Analysis

Hotel Proforma

The 240-Key hotel is expected to generate nearly \$3.1 million in net operating income in Year 1. During the first year of operation, the hotel is expected to achieve a 51 percent occupancy level and an ADR of \$201.

This analysis includes revenues from the meeting space. During Year 1 the conference center is expected to host 70 events. Revenues from the meeting space include an average rental fee of \$0.25 per square foot and food & beverage minimums.

By Year 4 the hotel is expected to host 170 events within its meeting space and operate at a 71 percent occupancy rate. At stabilization the hotel is expected to operate at a 33 percent operating margin, generating \$5.7 million in net operating income.

Projection of Revenue - Proposed Hotel Goodyear, AZ 240 Key Hotel														
	2026 Year 1				2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5		2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10
	2026				2027	2028	2029	2030		2031	2032	2033	2034	2035
Room Count	240				240	240	240	240		240	240	240	240	240
Available Room Nights	87,600				87,600	87,600	87,600	87,600		87,600	87,600	87,600	87,600	87,600
Occupancy Rates	51%				61%	71%	71%	71%		71%	71%	71%	71%	71%
Occupied Room Nights	44,879				53,281	62,317	62,317	62,317		62,317	62,317	62,317	62,317	62,317
Average Daily Rate	\$201.17				\$208.47	\$215.39	\$221.85	\$228.50		\$235.36	\$242.42	\$249.69	\$257.18	\$264.90
RevPAR	\$ 103.06				\$ 126.80	\$ 153.22	\$ 157.82	\$ 162.55		\$ 167.43	\$ 172.45	\$ 177.63	\$ 182.95	\$ 188.44
RevPAR % Ch. From Prior Year	—				23.0%	20.8%	3.0%	3.0%		3.0%	3.0%	3.0%	3.0%	3.0%
Percent Parking (Valet)	10%				10.0%	9.9%	9.9%	9.8%		9.8%	9.7%	9.7%	9.6%	9.6%
Price Per Car (Valet)	\$ 20				\$ 21	\$ 21	\$ 22	\$ 23		\$ 23	\$ 24	\$ 25	\$ 25	\$ 26
Parking Demand (Cars)	4,488				5,301	6,169	6,138	6,107		6,076	6,045	6,014	5,982	5,951
(In \$000s)	\$	%	PAR	POR	\$	\$	\$	\$	%	\$	\$	\$	\$	\$
REVENUE														
Rooms	\$ 9,028	79.0%	\$ 37,617	\$ 201	\$ 11,107	\$ 13,422	\$ 13,825	\$ 14,240	74.7%	\$ 14,667	\$ 15,107	\$ 15,560	\$ 16,027	\$ 16,508
Outdoor/Rooftop F&B	\$ 1,199	10.5%	\$ 4,996	\$ 27	\$ 1,466	\$ 1,766	\$ 1,819	\$ 1,874	9.8%	\$ 1,930	\$ 1,988	\$ 2,048	\$ 2,109	\$ 2,172
Meeting Space (Ballroom, Meeting)	\$ 919	8.0%	\$ 3,829	\$ 20	\$ 1,758	\$ 2,359	\$ 2,430	\$ 2,503	13.1%	\$ 2,578	\$ 2,656	\$ 2,735	\$ 2,817	\$ 2,902
Parking	\$ 90	0.8%	\$ 374	\$ 2	\$ 109	\$ 131	\$ 134	\$ 137	0.7%	\$ 141	\$ 144	\$ 148	\$ 152	\$ 155
Other Operated Departments	\$ 197	1.7%	\$ 823	\$ 4	\$ 241	\$ 291	\$ 300	\$ 309	1.6%	\$ 318	\$ 327	\$ 337	\$ 347	\$ 358
Total Revenue	\$ 11,433	100.0%	\$ 47,638	\$ 255	\$ 14,682	\$ 17,970	\$ 18,508	\$ 19,063	100.0%	\$ 19,634	\$ 20,222	\$ 20,828	\$ 21,452	\$ 22,095
DEPARTMENTAL EXPENSES														
Rooms	\$ 2,799	31.0%	\$ 11,661	\$ 62	\$ 3,332	\$ 3,892	\$ 3,871	\$ 3,845	27.0%	\$ 3,960	\$ 4,079	\$ 4,201	\$ 4,327	\$ 4,457
Outdoor/Rooftop F&B	\$ 841	70.1%	\$ 3,502	\$ 19	\$ 1,013	\$ 1,203	\$ 1,221	\$ 1,239	66.1%	\$ 1,276	\$ 1,314	\$ 1,354	\$ 1,394	\$ 1,436
Meeting Space (Ballroom, Meeting)	\$ 284	30.9%	\$ 1,183	\$ 6	\$ 534	\$ 705	\$ 714	\$ 723	28.9%	\$ 745	\$ 767	\$ 790	\$ 814	\$ 839
Parking	\$ 28	31.1%	\$ 116	\$ 1	\$ 33	\$ 39	\$ 40	\$ 40	29.1%	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
Other Operated Departments	\$ 103	52.0%	\$ 428	\$ 2	\$ 124	\$ 148	\$ 151	\$ 154	50.0%	\$ 159	\$ 164	\$ 169	\$ 174	\$ 179
Total Dept. Expenses	\$ 4,054	35.5%	\$ 16,891	\$ 90	\$ 5,038	\$ 5,989	\$ 5,997	\$ 6,001	31.5%	\$ 6,178	\$ 6,363	\$ 6,554	\$ 6,750	\$ 6,953
Gross Operating Income	\$ 7,379	64.5%	\$ 30,748	\$ 164	\$ 9,645	\$ 11,981	\$ 12,511	\$ 13,062	68.5%	\$ 13,456	\$ 13,859	\$ 14,274	\$ 14,702	\$ 15,142
UNDIST. OP. EXPENSES														
Administrative and General (excl. Operator)	\$ 1,132	9.9%	\$ 4,716	\$ 25	\$ 1,424	\$ 1,707	\$ 1,721	\$ 1,735	9.1%	\$ 1,787	\$ 1,840	\$ 1,895	\$ 1,952	\$ 2,011
Information & Telecommunications	\$ 190	1.7%	\$ 791	\$ 4	\$ 216	\$ 230	\$ 202	\$ 172	0.9%	\$ 177	\$ 182	\$ 187	\$ 193	\$ 199
Sales & Marketing (excl. Program Fee)	\$ 880	7.7%	\$ 3,668	\$ 20	\$ 1,101	\$ 1,312	\$ 1,314	\$ 1,315	6.9%	\$ 1,355	\$ 1,395	\$ 1,437	\$ 1,480	\$ 1,525
Program Fee	\$ 377	3.3%	\$ 1,572	\$ 8	\$ 492	\$ 611	\$ 639	\$ 667	3.5%	\$ 687	\$ 708	\$ 729	\$ 751	\$ 773
Property Operations and Maint.	\$ 595	5.2%	\$ 2,477	\$ 13	\$ 734	\$ 863	\$ 851	\$ 839	4.4%	\$ 864	\$ 890	\$ 916	\$ 944	\$ 972
Utilities	\$ 469	4.1%	\$ 1,953	\$ 10	\$ 573	\$ 665	\$ 648	\$ 629	3.3%	\$ 648	\$ 667	\$ 687	\$ 708	\$ 729
Total Undistributed Expenses	\$ 3,643	31.9%	\$ 15,178	\$ 81	\$ 4,540	\$ 5,387	\$ 5,375	\$ 5,357	28.1%	\$ 5,517	\$ 5,682	\$ 5,853	\$ 6,028	\$ 6,209
Gross Operating Profit	\$ 3,737	32.7%	\$ 15,570	\$ 83	\$ 5,105	\$ 6,594	\$ 7,136	\$ 7,705	40.4%	\$ 7,939	\$ 8,177	\$ 8,422	\$ 8,674	\$ 8,934
Management Fees	\$ 286	2.5%	\$ 1,191	\$ 6	\$ 367	\$ 449	\$ 463	\$ 477	2.5%	\$ 491	\$ 506	\$ 521	\$ 536	\$ 552
Income Before Fixed Charges	\$ 3,451	30.2%	\$ 14,379	\$ 77	\$ 4,738	\$ 6,145	\$ 6,673	\$ 7,228	37.9%	\$ 7,448	\$ 7,671	\$ 7,901	\$ 8,138	\$ 8,381
FIXED EXPENSES														
Property Taxes	\$ 224	2.0%	\$ 934	\$ 5	\$ 448	\$ 457	\$ 467	\$ 476	2.5%	\$ 485	\$ 495	\$ 505	\$ 515	\$ 525
Insurance	\$ 89	0.8%	\$ 372	\$ 2	\$ 112	\$ 133	\$ 133	\$ 133	0.7%	\$ 177	\$ 182	\$ 187	\$ 193	\$ 199
Reserve for Replacement	\$ 343	3.0%	\$ 1,429	\$ 8	\$ 514	\$ 719	\$ 740	\$ 763	4.0%	\$ 785	\$ 809	\$ 833	\$ 858	\$ 884
Total Fixed Expenses	\$ 656	5.7%	\$ 2,735	\$ 15	\$ 1,074	\$ 1,309	\$ 1,340	\$ 1,372	7.2%	\$ 1,448	\$ 1,486	\$ 1,526	\$ 1,566	\$ 1,608
Net Operating Income	\$ 3,080	26.9%	\$ 12,835	\$ 69	\$ 4,031	\$ 5,285	\$ 5,796	\$ 6,333	33.2%	\$ 6,491	\$ 6,691	\$ 6,896	\$ 7,108	\$ 7,326
Operating Margin	27%				27%	29%	31%	33%		33%	33%	33%	33%	33%
Source: Hunden Partners														

Supportable Financing Hotel

HSP assumed an initial loan interest rate of 7.5 percent, amortized over 25 years. To discover supportable financing, HSP targeted a debt service coverage ratio of 1.40 in Year 2 and a 17.5 percent ten-year average return on equity.

Using these assumptions, HSP ran a scenario analysis of best, base and worst-case scenarios. For the best and worst-case scenarios, rates, occupancy and number of events vary by ten percent.

With an assumed cost of \$117 million (hotel and conference center only), the funding gap for a hotel may vary between \$52.8 million to \$76 million for such a Project.

Given interest rate changes or varying goals for equity returns, supportable financing may vary.

Supportable Financing (\$000s)												
Goodyear, AZ 240-Key Hotel - Base Case Scenario												
	Constr. Yr1	Constr. Yr2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$0	\$0	\$3,080	\$4,031	\$5,285	\$5,796	\$6,333	\$6,491	\$6,691	\$6,896	\$7,108	\$7,326
Debt Service Payment	(\$602)	(\$1,805)	(\$2,879)	(\$2,879)	(\$2,879)	(\$2,683)	(\$2,683)	(\$2,683)	(\$2,683)	(\$2,683)	(\$2,683)	(\$2,683)
Net Income to Repay Equity	\$0	\$0	\$201	\$1,152	\$2,406	\$3,113	\$3,651	\$3,809	\$4,008	\$4,213	\$4,425	\$4,643
Princ. Amount*	\$8,023	\$24,070	\$32,093	\$31,621	\$31,114	\$30,570	\$30,104	\$29,604	\$29,067	\$28,492	\$27,875	\$27,214
Interest	\$602	\$1,805	\$2,407	\$2,372	\$2,334	\$2,216	\$2,183	\$2,146	\$2,107	\$2,066	\$2,021	\$1,973
Less Payment	(\$602)	(\$1,805)	(\$2,879)	(\$2,879)	(\$2,879)	(\$2,683)	(\$2,683)	(\$2,683)	(\$2,683)	(\$2,683)	(\$2,683)	(\$2,683)
Loan Balance	\$8,023	\$24,070	\$31,621	\$31,114	\$30,568	\$30,104	\$29,604	\$29,067	\$28,492	\$27,875	\$27,214	\$26,504
Assumptions	Loan					Refi						
Loan Amount	\$32,093					\$30,570						
Amortization Period (Years)	25					25						
Loan Interest Rate	7.50%					7.25%						
Annual Debt Service Payment	(\$2,879)					(\$2,683)						
Sources												
Equity Contribution	\$18,042	36%	Per Room (\$)									
Debt	\$32,093	64%										
Total Supportable Private Financing	\$50,136	100%	\$208,899									
Est. Construction Cost (Excl. Parking)	\$117,000		\$487,500									
Funding Gap	(\$66,864)	57%	(\$278,601)									
	10-Yr Avg		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt Service Coverage Ratio	2.17		1.07	1.40	1.84	2.16	2.36	2.42	2.49	2.57	2.65	2.73
Return on Equity	17.5%		1.1%	6.4%	13.3%	17.3%	20.2%	21.1%	22.2%	23.4%	24.5%	25.7%
Return on Cost	11.8%		6.1%	8.0%	10.5%	11.6%	12.6%	12.9%	13.3%	13.8%	14.2%	14.6%
* Assumes 25% draw in Construction Year 1; 75% average during Construction Year 2												
Source: Hunden Partners												

Scenario Analysis: Supportable Funding						
Scenario	Stabilized Occupancy	Year 3 ADR	Number of Events	Estimated Construction Cost	Supportable Private Financing	Estimated Funding Gap
Best Case	78%	\$236.92	187	\$ 117,000,000	\$ 64,119,450	\$ (52,880,550)
Base Case	71%	\$215.39	170	\$ 117,000,000	\$ 50,154,745	\$ (66,845,255)
Worst Case	64%	\$193.85	153	\$ 117,000,000	\$ 40,538,489	\$ (76,461,511)
Source: Hunden Partners						

08

Economic, Fiscal and Employment Impact Analysis



Introduction to Impacts

HSP uses the IMPLAN input-output multiplier model, which determines the level of additional activity in the Goodyear economy due to additional inputs. For example, for every dollar of direct new spending in Goodyear, the IMPLAN model provides multipliers for the indirect and induced spending that will result.

The net new and recaptured direct spending discussed earlier in the chapter is considered to be the **Direct Impact**.

From the direct spending figures, further impact analyses will be completed.

- **Indirect Impacts** are the supply of goods and services resulting from the initial direct spending. For example, a visitor's direct expenditure on a hotel room causes the hotel to purchase linens and other items from suppliers. The portion of these hotel purchases that are within the local economy is considered an indirect economic impact.
- **Induced Impacts** embody the change in spending due to the personal expenditures by employees whose incomes are affected by direct and indirect spending. For example, a waitress at a restaurant may have more personal income as a result of the induced customer's visit. The amount of the increased income that the employee spends in the area is considered an induced impact.
- **Fiscal Impacts** represent the incremental tax revenue collected by the City of Goodyear due to the net new economic activity. The fiscal impact represents the government's share of total economic benefit.
- **Employment Impacts** include the incremental employment provided not only onsite, but due to the spending associated with it. For example, the direct, indirect and induced impacts generate spending, support new and ongoing businesses, and ultimately result in ongoing employment for citizens. HSP will show the number of ongoing jobs supported by the project and provide the resulting income generated.

Direct, Indirect & Induced Net New Spending

As a result of the Project, the City of Goodyear, AZ will experience new visitors that otherwise would not have spent time or money within the city limits. These net new visitors and residents will spend money in Goodyear, supporting the local economy. HSP classifies spending in five categories: food & beverage, lodging, retail, transportation and other. HSP projects direct net new spending will total \$338 million over 20 years. As this net new direct spending trickles through the Goodyear economy, it generates induced and indirect spending.

Combined total net new spending within Goodyear is expected to surpass \$586 million over 20 years.

Direct Net New/Recaptured Spending (\$000s) Proposed Goodyear, AZ Hotel												
	2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10	2045 Year 20	Total
Food & Beverage	\$ 2,700	\$ 4,312	\$ 5,541	\$ 5,639	\$ 5,788	\$ 5,940	\$ 6,097	\$ 6,258	\$ 6,423	\$ 6,592	\$ 8,543	\$ 131,534
Lodging	\$ 3,916	\$ 6,377	\$ 8,118	\$ 8,056	\$ 8,212	\$ 8,371	\$ 8,531	\$ 8,694	\$ 8,859	\$ 9,025	\$ 10,799	\$ 178,015
Retail	\$ 269	\$ 493	\$ 644	\$ 635	\$ 645	\$ 655	\$ 666	\$ 676	\$ 686	\$ 696	\$ 796	\$ 13,581
Transportation	\$ 237	\$ 383	\$ 487	\$ 484	\$ 493	\$ 502	\$ 511	\$ 520	\$ 529	\$ 538	\$ 644	\$ 10,635
Other	\$ 126	\$ 185	\$ 223	\$ 219	\$ 222	\$ 226	\$ 229	\$ 232	\$ 236	\$ 239	\$ 272	\$ 4,709
Total	\$ 7,248	\$ 11,750	\$ 15,013	\$ 15,032	\$ 15,360	\$ 15,694	\$ 16,033	\$ 16,380	\$ 16,732	\$ 17,091	\$ 21,053	\$ 338,473

Direct, Indirect & Induced Spending (\$000s)												
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 20	Total
Direct	\$ 7,248	\$ 11,750	\$ 15,013	\$ 15,032	\$ 15,360	\$ 15,694	\$ 16,033	\$ 16,380	\$ 16,732	\$ 17,091	\$ 21,053	\$ 338,473
Indirect	\$ 2,662	\$ 4,314	\$ 5,511	\$ 5,519	\$ 5,640	\$ 5,762	\$ 5,887	\$ 6,015	\$ 6,144	\$ 6,276	\$ 7,735	\$ 124,306
Induced	\$ 2,653	\$ 4,301	\$ 5,497	\$ 5,507	\$ 5,627	\$ 5,750	\$ 5,876	\$ 6,003	\$ 6,133	\$ 6,266	\$ 7,731	\$ 124,115
Total	\$ 12,563	\$ 20,364	\$ 26,021	\$ 26,058	\$ 26,627	\$ 27,206	\$ 27,796	\$ 28,397	\$ 29,009	\$ 29,632	\$ 36,519	\$ 586,894

Source: Hunden Partners

Net New Earnings & Full-Time Equivalent Jobs

Jobs will be created onsite as well as offsite from the direct, indirect and induced spending. Over 20 years net new earnings within Goodyear is expected to total over \$330 million, supporting maximum of 316 new jobs (Year 3).

Net New Earnings & FTE Jobs from Direct, Indirect & Induced Spending (\$000s) Proposed Goodyear, AZ Hotel												
	2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10	2045 Year 20	
Net New Earnings												Total
From Direct	\$ 2,919	\$ 4,727	\$ 6,039	\$ 6,051	\$ 6,184	\$ 6,319	\$ 6,457	\$ 6,598	\$ 6,741	\$ 6,886	\$ 8,500	\$ 136,428
From Indirect	\$ 2,060	\$ 3,339	\$ 4,266	\$ 4,271	\$ 4,364	\$ 4,459	\$ 4,555	\$ 4,654	\$ 4,754	\$ 4,855	\$ 5,980	\$ 96,156
From Induced	\$ 2,090	\$ 3,388	\$ 4,328	\$ 4,334	\$ 4,428	\$ 4,524	\$ 4,622	\$ 4,721	\$ 4,823	\$ 4,926	\$ 6,067	\$ 97,559
Total	\$ 7,068	\$ 11,453	\$ 14,633	\$ 14,656	\$ 14,976	\$ 15,302	\$ 15,634	\$ 15,973	\$ 16,317	\$ 16,668	\$ 20,547	\$ 330,143
Net New FTE Jobs												Average
From Direct	93	145	181	176	175	173	172	170	169	168	155	161
From Indirect	35	55	68	66	66	65	65	64	64	63	58	61
From Induced	34	54	67	66	65	65	64	64	63	63	58	60
Total	162	254	316	308	305	303	301	298	296	294	271	282

Source: Hunden Partners

Fiscal Impact

The City of Goodyear will receive revenue streams generated by the Project. Over 20 years the Project is expected to generate \$26.1 million in net new taxes, including nearly \$800,000 generating during construction.

Without the Project, these impacts would not be generated within Goodyear.

Construction Impacts Proposed Goodyear, AZ Hotel	
Development Cost (millions)	
Materials (39.4%)	\$46.1
Labor (60.6%)	\$70.9
Total	\$117.0
Job-Years from Construction	992
% Materials Goodyear	16.0%
% Income Building	15.0%
Taxes Generated (\$000s)	
Local	
Contracting Tax	\$614
Sales Tax (2.50%)	\$184.4
Source: Hunden Partners	

Fiscal Impact - Tax Impacts from Direct Net New Spending (\$000s) Proposed Goodyear, AZ Hotel													
Net New Taxes	Constr.	2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10	2045 Year 20	Total
City													
Sales Tax	\$184	\$16	\$27	\$34	\$33	\$34	\$35	\$35	\$36	\$36	\$37	\$43	\$908
Restaurants & Bars	—	\$108	\$172	\$222	\$226	\$232	\$238	\$244	\$250	\$257	\$264	\$342	\$5,261
Transient Lodging & Sales Tax	—	\$196	\$319	\$406	\$403	\$411	\$419	\$427	\$435	\$443	\$451	\$540	\$8,901
Contracting/Construction Tax	\$614	—	—	—	—	—	—	—	—	—	—	—	\$614
Property Tax	—	\$224	\$448	\$457	\$467	\$476	\$485	\$495	\$505	\$515	\$525	\$641	\$10,468
Total Local	\$799	\$544	\$966	\$1,119	\$1,128	\$1,152	\$1,176	\$1,201	\$1,226	\$1,251	\$1,277	\$1,565	\$26,151
Source: Hunden Partners													

Summary of Impacts

Over 20 years the Project is expected to generate nearly \$587 million in net new spending to Goodyear, \$330 million in net new earnings supporting an average of 282 net new full-time equivalent jobs.

Over 20 years, the City of Goodyear will likely experience an additional \$26.15 million in tax revenues as a result of the development.

This analysis may underestimate the true impact of the Project as it would be a catalyst for additional development in the GSQ area and across Goodyear. This Project will be a staple in the overall GSQ vision.

But for the Project, these impacts would not exist.

20-Year Summary of Impacts Including Construction Proposed Goodyear, AZ Hotel	
Net New Spending	(millions)
Direct	\$338.47
Indirect	\$124.31
Induced	\$124.11
Total	\$586.89
Net New Earnings	(millions)
From Direct	\$136.43
From Indirect	\$96.16
From Induced	\$97.56
Total	\$330.14
Net New FTE	Average
From Direct	161
From Indirect	61
From Induced	60
Total	282
Net New Taxes	(millions)
Sales Tax	\$0.91
Restaurants & Bars	\$5.26
Transient Lodging & Sales Tax	\$8.90
Contracting/Construction Tax	\$0.61
Property Tax	\$10.47
Total	\$26.15
Source: Hunden Partners	



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