



ECONOMIC DEVELOPMENT CORPORATION

NOTICE OF MEETING

AGENDA

JULY 24, 2025

6:00 P.M.

The City of Schertz Economic Development Corporation (SEDC) Board of Directors will hold a regular monthly meeting on Thursday, JULY 24, 2025, at 6:00 p.m. at the Hal Baldwin Municipal Complex, Council Chambers Conference Room, Building No. 4, 1400 Schertz Parkway, Schertz, Texas. This is an open meeting, subject to the open meeting laws of the State of Texas.

In accordance with provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code notice is hereby given that a Possible Quorum of the governing body of the City of Schertz, Texas may take place at this meeting.

Call to Order

1. Roll call, recognition of visitors, and review of meeting instructions for effective Board interaction and public participation.

Hearing of Residents

2. *This time is set aside for any person who wishes to address the Board. Presentations should be limited to no more than 3 minutes. The presiding officer will call on those persons who have signed up to speak.*

Minutes

3. Approval of the minutes for the Board of Directors Regular Monthly Meeting held Thursday, June 26, 2025. (S.Wayman/T.Miller)

Presentations

4. Staff briefing on SEDC monthly financial statement for the month of June 2025 and Reserve Funding. (S.Wayman)

Discussion Items

5. **Resolution 2025-3** - Briefing, public hearing and possible action on recommending approval by the City Council for the proposed Schertz Economic Development Corporation FY 2025-26 Budget and Reserves. (S.Wayman)
6. **Resolution 2025-4** - Discussion, public hearing and possible action on authorizing the Executive Director of the Schertz Economic Development Corporation to enter into a contract regarding a feasibility study for possible local hotel and amenities. (S.Wayman/A.Madison)

Closed Session

7. Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect.
 - Project - E-107
 - Project - E-110

Reconvene to Regular Session

8. Take any actions based on discussion held in closed session under Agenda Item No. 7.

Requests and Announcements

- Announcements by staff:
 - Next SEDC Regular Board Meeting - August 28, 2025
- Requests by Board Members to place items on a future SEDC Board Meeting agenda.

Adjournment

CERTIFICATION

I, Tracy Miller, Administrative Assistant, of the City of Schertz Economic Development Corporation, do hereby certify that the above agenda was posted on the official bulletin boards on this the 21st day of July, 2025, at 2:00 p.m., which is a place readily accessible to the public at all times and that said notice was posted in accordance with chapter 551, Texas Government Code.

Tracy Miller

Administrative Assistant- Economic
Development

I certify that the attached notice and agenda of items to be considered by the Schertz Economic Development Corporation Board of Directors was removed from the official bulletin board on ____ day of _____, 2025.
Name/Title: _____

This facility is accessible in accordance with the Americans with Disabilities Act. Handicapped parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services, please call 210-619-1070.

The Economic Development Corporation Board of Directors reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

Closed Sessions Authorized: This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Closed Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering

available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

SEDC MEMORANDUM

SEDC
Board Meeting: 07/24/2025
Department: Economic Development Corporation
Subject: Approval of the minutes for the Board of Directors Regular Monthly Meeting held Thursday, June 26, 2025. (S.Wayman/T.Miller)

SUBJECT:

Approval of the minutes for the Board of Directors Regular Monthly Meeting held Thursday, June 26, 2025. (S.Wayman/T.Miller)

Attachments

06-26-2025

SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

MINUTES

Thursday, June 26, 2025

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, June 26, 2025, at 6:00 p.m. at the Hal Baldwin Municipal Complex, Council Chambers Conference Room, Building No. 4, 1400 Schertz Parkway, Schertz, Texas. This was an open meeting, subject to the open meeting laws of the State of Texas.

In accordance with provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code notice is hereby given that a Possible Quorum of the governing body of the City of Schertz, Texas may take place at this meeting.

Call to Order

1. Roll call, recognition of visitors, and review of meeting instructions for effective Board interaction and public participation.

Board President Sammi Morrill presided over the meeting and called it to order at 6:16 p.m.

Board of Directors Present:

Sammi Morrill, Board President
William "Bill" Dixon, Board Vice President
Reynaldo "Ray" Chavez, Board Member
Bryan Jones, Board Member
Sharon Denson, Board Member

Staff Present:

Scott Wayman, Executive Director
Amy Madison, Deputy Director
Ashley Ritchey, Business Engagement Manager
Tracy Miller, Administrative Assistant
Brian James, Deputy City Manager

Board of Directors Absent:

Eryn McElroy, Board Secretary
Mark Moody, Board Treasurer

Others Present:

Tim Brown, Councilmember Liaison
Jessica Dycus, Assistant Finance Director
Matt Clingo, Schertz Resident

2. SEDC Board Member Oath of Office for a member appointed by City Council on 05/20/2025 for an unexpired term ending on 09/30/2025. (S.Courney)

- Sharon Denson

Sheree Courney, Deputy City Secretary administered the Oath of Office to the new Board Member.

Scott Wayman, Executive Director welcomed her and asked Board Member Denson to give an introduction. Ms. Denson gave a brief introduction of her background.

Hearing of Residents

3. *This time is set aside for any person who wishes to address the Board. Presentations should be limited to no more than 3 minutes. The presiding officer will call on those persons who have signed up to speak.*

No residents signed up to speak. No comments were made.

Minutes

4. Approval of the minutes for the Board of Directors Regular Monthly Meeting held Thursday, May 22, 2025. (S.Wayman/T.Miller)

Board President Sammi Morrill asked for a motion to approve the Minutes of the Board of Directors Regular Monthly Meeting held Thursday, May 22, 2025.

Moved by Board Vice President Bill Dixon, seconded by Board Member Bryan Jones.

AYE: Board President Sammi Morrill, Board Vice President Bill Dixon, Board Member Ray Chavez, Board Member Bryan Jones, Board Member Sharon Denson.

Unanimous affirmative vote - Motion carries.

Presentations

5. Staff briefing on SEDC monthly financial statement for the month of May 2025. (S.Wayman/J.Dycus)

Scott Wayman, Executive Director introduced Jessica Dycus, Assistant Finance Director and gave a brief overview of the SEDC Financial Statement for May 2025.

May 2025 sales tax received was \$1,672,134.36, expenses were \$1,854,872.86, a 170.2% increase over the prior year. The 12-month rolling average is 20.4% and still trending up. Notable expenditures include funding for soccer field lights at Schertz Soccer Complex. Total Cash and Investments at the end of May was \$35,928,282.88.

Scott Wayman, Executive Director gave a brief overview of the Reserve Fund Model.

Discussion Items

6. Discussion regarding the Texas Workforce Commission High Demand Job Training Grant Program for Type 4A and 4B Corporations. (S.Wayman/A.Madison)

Amy Madison, Deputy Director provided a review of a Texas Workforce Commission Grant Program called the High Demand Job Training Grant which sets aside \$1,000,000 in matching funds annually and distributed between 28 workforce boards in the state on a first come, first serve basis. The max grant that each board may receive is \$150,000 and only Type A and Type B Economic Development Corporations are eligible for the funds. The SEDC staff are preparing a submittal for a workforce study and other workforce matching grants from the Alamo Workforce Board. Matching funds are available in the FY26 Budget without an increase. If awarded, the consultant contract and any equipment purchases will require approval from SEDC and City Council.

Board President Sammi Morrill recessed Open Session to Closed Session at 6:42 p.m.

Closed Session

7. Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect.

- Project - E-105
- Project - E-102

Start time: 6:42 p.m.

End time: 7:00 p.m.

Board President Sammi Morrill reconvened to Open Session at 7:00 p.m.

Reconvene to Regular Session

8. Take any actions based on discussion held in closed session under Agenda Item No. 7.

No action was taken based on discussion in Closed Session.

Requests and Announcements

- Announcements by staff:
 - Offices closed July 4, 2025 - Independence Day
 - Next Regular Board Meeting - July 24, 2025
- Requests by Board Members to place items on a future SEDC Board Meeting agenda.
 - No comments were made.

Adjournment

Board President Sammi Morrill asked for a motion to adjourn the meeting.

Motion by Board Member Ray Chavez.

AYE: Board President Sammi Morrill, Board Vice President Bill Dixon, Board Member Ray Chavez, Board Member Bryan Jones, Board Member Sharon Denson.

Unanimous affirmative vote - Motion carries.

Board President Sammi Morrill adjourned the meeting at 7:01 p.m.

MINUTES PASSED AND APPROVED THIS ____ DAY _____ 2025.

William Dixon
Board Vice President

Mark Moody
Board Treasurer

SEDC MEMORANDUM

SEDC
Board Meeting: 07/24/2025
Department: Economic Development Corporation
Subject: Staff briefing on SEDC monthly financial statement for the month of June 2025 and Reserve Funding. (S.Wayman)

SUBJECT:

Staff briefing on SEDC monthly financial statement for the month of June 2025 and Reserve Funding.
(S.Wayman)

Attachments

June Financials

CITY OF SCHERTZ
REVENUE AND EXPENSE REPORT (UNAUDITED)
AS OF: Jun 30th , 2025

***** 2024 - 2025 *****

620-SED CORPORATION
FINANCIAL SUMMARY OVERVIEW

Revenues

Sales Tax	<u>Sales Tax</u>	\$ 600,437.19	Payment Received in June*
		0.2%	Annual Increase
		19.8%	12-Month Rolling Average

Expenses

GIS WEBTECH LLC	6,515.45
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Year-to-Date

Total Revenue	\$ 8,205,067.08	
Total Expenses	<u>\$ 10,101,917.53</u>	
Over/Under		<u>\$ (1,896,850.45)</u>

Cash & Investments

Cash	\$ 505,840.37	
Investments	<u>\$ 36,266,897.06</u>	
Total		<u>\$ 36,772,737.43</u>

*sales taxes are delayed 2 months from received to earned. Sales Taxes recognized in report are estimates and are adjusted to actual when payments are received.

June 2025 PAYABLES REPORT

VENDOR NAME		DESCRIPTION	AMOUNT
SED CORPORATION	Scott Wayman	Per Diem-TCMA Annual Conference	20.00
	Ashley Ritchey	Per Diem/Mileage-TEDC Mid-Year Conference	588.44
	Citibank - Amy Madison	Travel/Las Vegas/Investment Summit/Event Tickets	2,283.08
	Citibank - Ashley Ritchy	Job Fair/Luncheons/Supplies	2,517.36
	Citibank - Scott Wayman	Travel/Las Vegas	1,198.18
	Citibank - Tracy Miller	Luncheons/Subscriptions/Parking/Airfare	756.60
	GIS WEBTECH LLC	GIS WebTech Annual Subscription	6,515.45
	Ubeo, LLC	Copier Rental	276.55
	Wex Bank	Fiscal Year Fuel	40.86
SUBTOTAL:			14,196.52
TOTAL:			\$14,196.52

CITY OF SCHERTZ
REVENUE AND EXPENSE REPORT (UNAUDITED)
AS OF: Jun 30th , 2025

***** 2 0 2 4 - 2 0 2 5 *****							
620-SED CORPORATION	CURRENT	CURRENT	PRIOR YEAR	CURRENT	Y-T-D	BUDGET	% OF
FINANCIAL SUMMARY	BUDGET	PERIOD	Y-T-D ACTUAL	Y-T-D ACTUAL	ENCUMBR	BALANCE	BUDGET
<u>REVENUE SUMMARY</u>							
Taxes	7,083,000	1,214,748.75	5,113,783.88	6,904,868.26	-	178,131.74	97.49%
Fund Transfers	-	-	190,391.66	-	-	-	0.00%
Miscellaneous	1,260,000	120,885.31	1,384,141.02	1,300,198.82	-	(40,198.82)	103.19%
TOTAL REVENUES	8,343,000	1,335,634.06	6,688,316.56	8,205,067.08	-	137,932.92	98.35%
<u>EXPENDITURE SUMMARY</u>							
<u>NONDEPARTMENTAL</u>							
City Supported Services*	15,299,100	-	58,984.70	9,335,299.17	-	5,963,800.83	61.02%
TOTAL NONDEPARTMENTAL	15,299,100	-	58,985	9,335,299.17	-	5,963,800.83	61.02%
<u>ECONOMIC DEVELOPMENT</u>							
Personnel Services	24,575	1,067.05	11,871.64	14,793.96	-	9,781.04	60.20%
Supplies & Equipment	61,175	7,082.19	14,547.99	30,237.24	-	30,937.76	49.43%
City Supported Services	214,500	2,261.08	3,687.46	3,682.42	-	210,817.58	1.72%
Utility Services	316,825	80.86	158,413.91	38,593.43	382.01	277,849.56	12.30%
Operating Expense	88,585	3,705.34	56,811.35	69,644.81	553.10	18,387.09	79.24%
Professional Services	664,080	-	549,173.00	609,666.50	-	54,413.50	91.81%
Fund Charges/Transfers	-	-	-	-	-	-	0.00%
TOTAL ECONO DEVELOPMENT	1,369,740	14,196.52	794,505.35	766,618.36	935.11	602,186.53	56.04%
TOTAL EXPENDITURES	16,668,840	14,196.52	853,490.05	10,101,917.53	935.11	6,565,987.36	60.61%
** REVENUE OVER(UNDER) EXPEND	(8,325,840)	1,321,437.54	5,834,827	(1,896,850)			

CITY OF SCHERTZ

REVENUE REPORT (UNAUDITED)

AS OF: Jun 30th , 2025

***** 2024 - 2025 *****							
620-SED CORPORATION REVENUES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR Y-T-D ACTUAL	CURRENT Y-T-D ACTUAL	Y-T-D ENCUMBR	BUDGET BALANCE	% OF BUDGET
<u>Taxes</u>							
000-411500 Sales Tax Revenue (4B)	7,083,000	1,214,748.75	5,113,783.88	6,904,868.26	-	178,131.74	97.49%
TOTAL Taxes	7,083,000	1,214,748.75	5,113,783.88	6,904,868.26	-	178,131.74	97.49%
<u>Fund Transfers</u>							
000-486000 Transfer In	-	-	190,391.66	-	-	-	0.00%
TOTAL Fund Transfers	-	-	190,391.66	-	-	-	0.00%
<u>Miscellaneous</u>							
000-491000 Interest Earned	10,000	701.63	9,139.01	6,096.75	-	3,903.25	60.97%
000-491200 Investment Earnings	1,250,000	120,183.68	1,375,002.01	1,294,102.07	-	(44,102.07)	103.53%
000-497000 Misc Income	-	-	-	-	-	-	0.00%
TOTAL Miscellaneous	1,260,000	120,885.31	1,384,141.02	1,300,198.82	-	(40,198.82)	103.19%
TOTAL REVENUES	8,343,000	1,335,634.06	6,688,316.56	8,205,067.08	-	137,932.92	98.35%

SED CORPORATION
CASH IN BANK AND INVESTMENTS

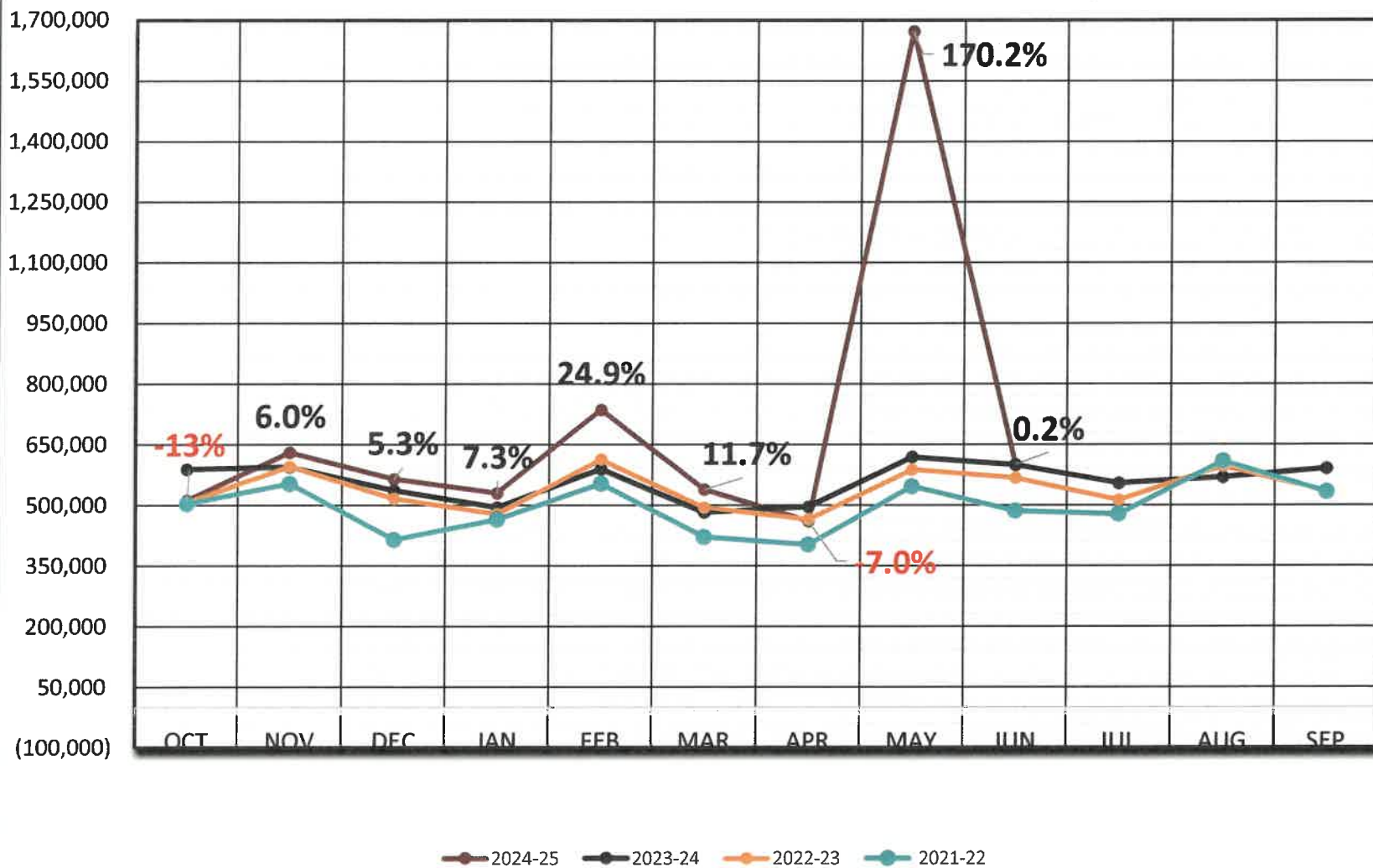
AS OF: Jun 30th , 2025

Cash in Bank	Investment Type	Yield	Maturity	Amount
Claim on Operating Cash Pool-Checking	Bank	4.24	-	\$ 505,840.37
Cash in Investments				
Texas Class Investment-Economic Development Corp	Pool*	4.40	-	33,860,061.52
Schertz Bank & Trust-Certificate of Deposit 1 Year	CD	4.00	5/10/2026	1,228,988.97
Schertz Bank & Trust-Certificate of Deposit 1 Year	CD	4.00	1/5/2026	1,177,846.57
Total Cash in Bank & Investments				\$ 36,772,737.43

*Local Government Investment Pool, most comparable to a Money Market Mutual Fund

4B SALES TAX

By Collection Month



SEDC MEMORANDUM

SEDC
Board Meeting: 07/24/2025
Department: Economic Development Corporation
Subject: Resolution 2025-3 - Briefing, public hearing and possible action on recommending approval by the City Council for the proposed Schertz Economic Development Corporation FY 2025-26 Budget and Reserves. (S.Wayman)

SUBJECT:

Resolution 2025-3 - Briefing, public hearing and possible action on recommending approval by the City Council for the proposed Schertz Economic Development Corporation FY 2025-26 Budget and Reserves. (S.Wayman)

Attachments

Res. 2025-3

SEDC RESOLUTION NO. 2025-3

A RESOLUTION BY THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION, TEXAS PROVIDING A RECOMMENDATION TO THE CITY COUNCIL FOR THE SEDC FISCAL YEAR 2025-26 BUDGET, AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of Schertz Economic Development Corporation (“SEDC”) is a non-profit industrial development corporation duly established under the Development Corporation Act of 1979, as amended (Section 501.001 et seq. Texas Local Government Code, formerly the Development Corporation Act of 1979) (the “Act”);

WHEREAS, according to the Act, the authorizing unit for the SEDC shall mean the City of Schertz City Council (“City Council”); and

WHEREAS, all of the powers of the SEDC are vested in the SEDC Board of Directors (the “Board”) appointed by the City Council; and

WHEREAS, Section 501.073 of the Act requires the City Council to approve all programs and expenditures.

WHEREAS, the Executive Director of the SEDC submitted a budget proposal, hereto attached as Exhibit A, and in said budget proposal set forth the established revenues and expenditures to include the detailed classifications as required by the Act; and

WHEREAS, after consideration, the Board is of the opinion that the proposed budget should be submitted to the City Council for approval and adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION THAT:

Section 1. The Board hereby recommends the City Council consider approving the SEDC Fiscal Year 2025-26 Budget in substantially the form set forth on Exhibit A.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this _____ day of _____, 2025.

CITY OF SCHERTZ ECONOMIC
DEVELOPMENT CORPORATION

William Dixon, SEDC Board Vice President

ATTEST:

Mark Moody, SEDC Board Treasurer

EXHIBIT A

SEDC FISCAL YEAR 2025-26 BUDGET



City of Schertz, TX

My Budget Worksheet

Account Summary

For Fiscal: 2024-25 Period Ending: 07/31/2025

		Defined Budgets							
		2022-23 Total Budget	2022-23 Total Activity	2023-24 Total Budget	2023-24 Total Activity	2024-25 Total Budget	2024-25 YTD Activity	2024-25 Projected	2025-26 DR
Revenue									
Department: 101 - Non Departmental									
620-101-411500	Sales Tax Revenue	6,548,000.00	6,548,940.92	7,092,000.00	6,698,059.29	7,083,000.00	5,693,116.67	8,705,000.00	7,883,000.00
620-101-480000	Transfer In	0.00	0.00	0.00	190,391.66	0.00	0.00		
620-101-480002	Transfer In - Reserves	3,320,960.00	0.00	0.00	0.00	0.00	0.00		
620-101-491000	Interest Earned - SED Corp	2,000.00	11,319.42	15,000.00	12,479.16	10,000.00	6,096.75	10,000.00	10,000.00
620-101-491200	Investment Income	180,000.00	1,251,027.36	1,300,000.00	1,855,644.94	1,250,000.00	1,294,102.07	1,650,000.00	1,250,000.00
620-101-497000	Miscellaneous Income	0.00	0.00	0.00	1,101.29	0.00	0.00		
Department: 101 - Non Departmental Total:		10,050,960.00	7,811,287.70	8,407,000.00	8,757,676.34	8,343,000.00	6,993,315.49	10,365,000.00	9,143,000.00
Revenue Total:		10,050,960.00	7,811,287.70	8,407,000.00	8,757,676.34	8,343,000.00	6,993,315.49	10,365,000.00	9,143,000.00

My Budget Worksheet

For Fiscal: 2024-25 Period Ending: 07/31/2025
Defined Budgets

		2022-23 Total Budget	2022-23 Total Activity	2023-24 Total Budget	2023-24 Total Activity	2024-25 Total Budget	2024-25 YTD Activity	2024-25 Projected	2025-26 DR
Expense									
Department: 101 - Non Departmental									
ExpCategory: 532 - City Supported Services									
620-101-532011	Development Incentive Fund	3,000,079.00	81,944.29	3,027,510.00	83,984.70	8,479,100.00	7,485,799.17	8,479,100.00	10,127,076.00
620-101-532015	Contributions	5,750,000.00	0.00	8,650,000.00	488,523.09	6,820,000.00	1,849,500.00	6,820,000.00	12,755,500.00
ExpCategory: 532 - City Supported Services Total:		8,750,079.00	81,944.29	11,677,510.00	572,507.79	15,299,100.00	9,335,299.17	15,299,100.00	22,882,576.00
Department: 101 - Non Departmental Total:		8,750,079.00	81,944.29	11,677,510.00	572,507.79	15,299,100.00	9,335,299.17	15,299,100.00	22,882,576.00
Department: 966 - Economic Development									
ExpCategory: 511 - Personnel Services									
620-966-511606	Uniforms	800.00	364.71	800.00	170.13	800.00	24.00	500.00	800.00
620-966-511609	Employee Recognition-Morale	1,800.00	895.94	600.00	0.00	600.00	94.48	500.00	600.00
620-966-511610	Memberships-Professional	2,525.00	1,775.00	2,525.00	2,269.50	2,525.00	2,913.60	3,000.00	5,150.00
620-966-511611	Publications	800.00	43.25	800.00	0.00	800.00	0.00	800.00	800.00
620-966-511612	Training/Travel	12,000.00	9,971.23	12,000.00	11,073.05	12,000.00	10,368.88	12,000.00	17,000.00
620-966-511614	Meeting Expenses	7,850.00	4,642.71	7,850.00	2,210.55	7,850.00	2,827.66	5,500.00	3,500.00
ExpCategory: 511 - Personnel Services Total:		25,775.00	17,692.84	24,575.00	15,723.23	24,575.00	16,228.62	22,300.00	27,850.00
ExpCategory: 521 - Supplies and Equipment									
620-966-521100	Office Supplies	1,000.00	559.95	1,000.00	483.78	1,000.00	485.26	800.00	1,000.00
620-966-521701	Computer Fees & Licenses	50,675.00	42,696.87	54,675.00	48,092.16	54,675.00	28,868.60	54,675.00	54,500.00
620-966-521702	Postage	500.00	49.32	500.00	133.45	500.00	114.27	300.00	300.00
620-966-521708	Furniture & Fixtures	2,500.00	537.40	2,500.00	542.88	2,500.00	215.00	1,500.00	2,500.00
620-966-521710	Computer & Peripherals Under...	2,500.00	77.87	2,500.00	0.00	2,500.00	988.85	1,000.00	2,500.00
ExpCategory: 521 - Supplies and Equipment Total:		57,175.00	43,921.41	61,175.00	49,252.27	61,175.00	30,671.98	58,275.00	60,800.00
ExpCategory: 532 - City Supported Services									
620-966-532002	Promotional Events - Expenses	9,500.00	10,350.78	9,500.00	4,854.44	9,500.00	3,666.42	9,500.00	7,000.00
620-966-532012	Grant Fund	200,000.00	40,000.00	200,000.00	0.00	200,000.00	0.00	200,000.00	200,000.00
620-966-532013	Prospect Services	6,641.00	5,640.94	5,000.00	154.96	5,000.00	16.00	800.00	3,000.00
ExpCategory: 532 - City Supported Services Total:		216,141.00	55,991.72	214,500.00	5,009.40	214,500.00	3,682.42	210,300.00	210,000.00
ExpCategory: 533 - Utility Services									
620-966-533500	Vehicle Fuel	750.00	130.69	750.00	429.20	750.00	385.85	550.00	750.00
620-966-533550	Vehicle Maintenance	225.00	49.00	225.00	14.00	225.00	0.00	150.00	225.00
ExpCategory: 533 - Utility Services Total:		975.00	179.69	975.00	443.20	975.00	385.85	700.00	975.00

		2022-23 Total Budget	2022-23 Total Activity	2023-24 Total Budget	2023-24 Total Activity	2024-25 Total Budget	2024-25 YTD Activity	2024-25 Projected	2025-26 DR
ExpCategory: 534 - Operating Expenses									
620-966-534000	Advertising	315,850.00	42,613.97	315,850.00	164,671.33	315,850.00	53,727.58	200,000.00	315,850.00
620-966-534005	City Insurance-Commercial	1,700.00	1,534.34	1,700.00	1,589.71	1,700.00	2,052.21	1,700.00	1,700.00
620-966-534011	Contingencies	7,159.00	-27,013.00	10,000.00	39.48	10,000.00	0.00	10,000.00	10,000.00
620-966-534021	Equipment Maintenance - Copi...	3,500.00	2,765.50	3,500.00	2,765.54	3,500.00	2,765.50	3,500.00	3,500.00
620-966-534022	Goodwill	1,750.00	1,696.30	1,750.00	876.62	1,750.00	1,204.12	1,750.00	1,750.00
620-966-534027	Memberships-City Use	28,835.00	23,625.00	28,835.00	27,935.00	28,835.00	27,825.00	32,500.00	31,000.00
620-966-534029	Printing & Binding	1,500.00	91.50	1,500.00	147.00	1,500.00	1,010.86	1,500.00	1,500.00
620-966-534031	Recruitment Events	35,000.00	25,991.81	35,000.00	32,547.41	35,000.00	30,808.78	40,000.00	40,000.00
ExpCategory: 534 - Operating Expenses Total:		395,294.00	71,305.42	398,135.00	230,572.09	398,135.00	119,394.05	290,950.00	405,300.00
ExpCategory: 541 - Professional Services									
620-966-541000	Auditor/Accounting Service	6,300.00	6,000.00	6,300.00	6,300.00	6,300.00	6,250.00	6,250.00	6,300.00
620-966-541004	Consulting Services	40,000.00	31,300.00	40,000.00	0.00	40,000.00	0.00	40,000.00	40,000.00
620-966-541012	Legal Services	15,000.00	8,027.50	15,000.00	3,624.00	15,000.00	586.50	15,000.00	9,435.00
ExpCategory: 541 - Professional Services Total:		61,300.00	45,327.50	61,300.00	9,924.00	61,300.00	6,836.50	61,250.00	55,735.00
ExpCategory: 548 - Fund Charges/Transfers									
620-966-548006	Interfund Charges-Admin	542,221.00	542,221.00	546,883.00	546,883.00	609,080.00	609,080.00	609,080.00	642,246.00
ExpCategory: 548 - Fund Charges/Transfers Total:		542,221.00	542,221.00	546,883.00	546,883.00	609,080.00	609,080.00	609,080.00	642,246.00
Department: 966 - Economic Development Total:		1,298,881.00	776,639.58	1,307,543.00	857,807.19	1,369,740.00	786,279.42	1,252,855.00	1,402,906.00
Expense Total:		10,048,960.00	858,583.87	12,985,053.00	1,430,314.98	16,668,840.00	10,121,578.59	16,551,955.00	24,285,482.00
Report Surplus (Deficit):		2,000.00	6,952,703.83	-4,578,053.00	7,327,361.36	-8,325,840.00	-3,128,263.10	-6,186,955.00	-15,142,482.00

Fund Summary

Fund	Defined Budgets							
	2022-23 Total Budget	2022-23 Total Activity	2023-24 Total Budget	2023-24 Total Activity	2024-25 Total Budget	2024-25 YTD Activity	2024-25 Projected	2025-26 DR
620 - SED CORPORATION	2,000.00	-6,952,703.83	-4,578,053.00	-7,327,361.36	-8,325,840.00	-3,128,263.10	-6,186,955.00	-15,142,482.00
Report Surplus (Deficit):	2,000.00	6,952,703.83	-4,578,053.00	7,327,361.36	-8,325,840.00	-3,128,263.10	-6,186,955.00	-15,142,482.00

SEDC MEMORANDUM

SEDC
Board Meeting: 07/24/2025
Department: Economic Development Corporation
Subject: Resolution 2025-4 - Discussion, public hearing and possible action on authorizing the Executive Director of the Schertz Economic Development Corporation to enter into a contract regarding a feasibility study for possible local hotel and amenities. (S.Wayman/A.Madison)

BACKGROUND

Over the past several months, the SEDC staff have been researching land sites for a hotel in the City of Schertz. We have also discussed the potential project with hotel – conference center developers to learn more about the requirements for this type of hotel with amenities and meeting space. Our intent was to consider a new classification of hotel for visitors and to be more competitive in the recruitment of both foreign and domestic companies who require hotel and conference space in proximity of Schertz. Throughout the course of discussions with hoteliers including Marriott, Hyatt, Hilton, IHG and developers specializing in hotel and conference centers, it became apparent that there are many factors that go into the readiness of Schertz to support an enhanced hotel concept within the region.

We are requesting authorization from the Board to expend funds for a feasibility study based on Texas Local Government Code Section 505.152. We are considering a contract with one of the three consulting firms and will provide our recommendation to the board. All firms have completed studies and have successful projects in the state of Texas.

COMMUNITY BENEFIT

The feasibility study will provide the necessary information to explore a hotel with amenities and meeting space in the City of Schertz and to provide important information for recruiting potential developers.

FISCAL IMPACT

Staff is requesting approval to enter into a contract not to exceed \$17,000 with one of three firms for purposes of conducting a feasibility study for a hotel – conference center. The cost of the contract will be charged to the Consultant Services line item.

SUMMARY OF RECOMMENDED ACTION

Staff recommend approval of SEDC Resolution 2025-4.

Res. 2025-4

Bid Tabulation

DPC Hospitality Proposal

CBRE Proposal

H&LA Proposal

SEDC RESOLUTION 2025-4

A RESOLUTION BY THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION, TEXAS AUTHORIZING THE EXECUTIVE DIRECTOR OF THE SCHERTZ ECONOMIC DEVELOPMENT CORPORATION TO ENTER INTO A CONTRACT REGARDING A FEASIBILITY STUDY FOR POSSIBLE LOCAL HOTEL AND AMENITIES AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of Schertz Economic Development Corporation (“SEDC”) is a non-profit industrial development corporation duly established under the Development Corporation Act of 1979, as amended (Section 501.001 et seq. Texas Local Government Code, formerly the Development Corporation Act of 1979) (the “Act”); and

WHEREAS, all powers of the corporation are vested in the SEDC Board of Directors (the “Board”) appointed by the governing body of the corporation’s authorizing unity; and

WHEREAS, Sections 501, 502, and 505 of the Texas Local Government Code (“Texas LGC”) authorizes the SEDC to fund certain projects as defined therein and provide for the direct incentive or to make an expenditure on behalf of the SEDC under a project; and

WHEREAS, Section 505.152 of the Texas LGC authorizes a "project" to include land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for use for professional and amateur sports, including children's sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section.

WHEREAS, the SEDC desires to conduct a feasibility study for a hotel and amenities located on one or more properties in Schertz, Texas; and

WHEREAS, Section 501.073 of the Act requires the SEDC’s authorizing unit to approve all programs and expenditures; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION THAT:

Section 1. The Schertz Economic Development Board hereby approves the Economic Development Director engaging in a feasibility contract authorizing expenditures not to exceed \$17,000.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this ____ day of _____, 2025.

CITY OF SCHERTZ ECONOMIC
DEVELOPMENT CORPORATION

Willian Dixon, SEDC Board Vice President

ATTEST:

Mark Moody, SEDC Board Treasurer

SCHIERTZ

PURCHASING DEPARTMENT
PROCUREMENT • RISK • SAFETY • ASSETS

BID TABULATION

REQUISITION/ PROJECT#	Hotel Feasibility Study	BID/RFP NAME (IF APPLICABLE):		COMPLETED BY:	Scott Wayman				
				VENDOR ONE (1)	VENDOR TWO (2)	VENDOR THREE (3)			
Company Name				DPC Consultants	CBRE Hotels	Hotel and Liesure aDvisors			
Point of Contact				David Parker	Kevin Donahue	David J. Sangree			
Phone Number				713-900-2101	512-751-6391	216-810-5800			
Email Address				David@DPCHospitality.com	Kevin.donahue@cbre.com	dsangree@hldvisors.com			
HUB Status				No	No	No			
Estimated Delivery Date				Sept. 15, 2025	Sept. 15, 2025	Sept. 15, 2025			
Item#	Item Description	QTY	UOM	Item Price	Extended Price	Item Price	Extended Price	Item Price	Extended Price
1	Engagement for hotel market study	1.00		\$14,500.00	\$14,500.00	\$15,000.00	\$15,000.00	\$12,000.00	\$12,000.00
2	Out of pocket and data expense	1.00		\$2,500.00	\$2,500.00	Billed actual cost	\$0.00	\$3,200.00	\$3,200.00
3	Demand Survey	1.00			\$0.00		\$0.00	\$5,000.00	\$5,000.00
4	Economic Impact Study	1.00			\$0.00		\$0.00	\$8,000.00	\$8,000.00
5					\$0.00		\$0.00		\$0.00
6					\$0.00		\$0.00		\$0.00
7					\$0.00		\$0.00		\$0.00
8					\$0.00		\$0.00		\$0.00
9					\$0.00		\$0.00		\$0.00
10					\$0.00		\$0.00		\$0.00
11					\$0.00		\$0.00		\$0.00
12					\$0.00		\$0.00		\$0.00
13					\$0.00		\$0.00		\$0.00
14					\$0.00		\$0.00		\$0.00
15					\$0.00		\$0.00		\$0.00
16					\$0.00		\$0.00		\$0.00
17					\$0.00		\$0.00		\$0.00
18					\$0.00		\$0.00		\$0.00
19					\$0.00		\$0.00		\$0.00
20					\$0.00		\$0.00		\$0.00
21					\$0.00		\$0.00		\$0.00
22					\$0.00		\$0.00		\$0.00
23					\$0.00		\$0.00		\$0.00
24					\$0.00		\$0.00		\$0.00
25					\$0.00		\$0.00		\$0.00
26					\$0.00		\$0.00		\$0.00
27					\$0.00		\$0.00		\$0.00
28					\$0.00		\$0.00		\$0.00
TOTALS				VENDOR 1 TOTAL	\$17,000.00	VENDOR 2 TOTAL	\$15,000.00	VENDOR 3 TOTAL	\$28,200.00

AWARD RECOMMENDATION:

(Award should be made the lowest overall Total.
If this is not the case contact purchasing for
approval)

DPC Consulting

NOTES:

(Please include any notes relevant to the
award)

DPC is the group I would like to contract with to do the work. Although the CBRE group, on the amount submitted, is less expensive, they did not include the actual billed costs for all the work. Their total billed costs could potentially include travel, hotel, meals and study inquiries to other groups that could cost additionally and we would be billed at that time. In addition, the DPC Group looks at the study from the perspective of the end user/city/incentive potential. CBRE appears to look at it from the Hotel operator's perspective. How the hotel owner can do the development and make it economically viable. I would rather it be viewed from the city's "needs" perspective in terms of what the city and region can support. A different mindset.



DPC Hospitality

Professionals in Advisory and Valuation

10700 Richmond Ave. Suite 321

Houston, Texas 77042

713.900.2101

DPCHospitality.com

July 9, 2025

City of Schertz
Mr. Scott Wayman
Executive Director – Economic Development Corporation
1400 Schertz Parkway
Schertz, Texas 78154

Re: Market Study for Proposed Hotel with Conference Center – Schertz, TX

Mr. Wayman,

At your request, we are pleased to present this engagement letter to assist you in evaluating the lodging market for developing a full-service hotel and conference center in Schertz, Texas. At this point in your deliberations, you require an independent study to analyze the future hotel supply and demand situation in the competitive market, and to project future trends. Based on the market information we gather; you need us to estimate the likely operating performance of the hotel market and the performance of a proposed hotel. The objectives of our study will be to:

- Evaluate various sites and their surrounding area to determine their impact on the market performance of the proposed hotel, and recommend the best site for the project.
- Determine anticipated market conditions for the proposed hotel within the context of supply, demand, site, and facility factors.
- Recommend the appropriate brand, room count, and amenities for the market.
- Estimate the future competitive position of the proposed hotel and prepare projections of occupancy, average room rate and cash flow from operations available for debt service and equity distribution.
- Identify any State and City incentives available to the project and recommend their appropriateness for the City.
- Provide a written letter report summarizing our findings and conclusions.

Scope of Work

To accomplish these objectives, we have prepared a multi-phased methodology. The scope of our work will include, but not necessarily be limited to, the following:

Phase I – Field Work and Analysis

- Meet with you and/or your associates in order to obtain input from you that confirms or amends our understanding of the details of the project and provides additional pertinent information such as master plans, appraisals, detailed construction budgets, and any other materials you have on the project.
- Inspect the subject site(s) and the surrounding area in order to determine their impact on the proposed hotel. Such determinations will not include any engineering or environmental considerations, but will encompass an evaluation of the property's accessibility, visibility, proximity to lodging demand generators, and physical characteristics that might affect the marketability of the proposed hotel.
- Evaluate existing and proposed transportation patterns in the area to determine their impact on the marketability of the proposed hotel.
- Assemble, review and analyze economic, demographic and real estate data pertaining to the local market. In particular, evaluate the present economic climate and estimate future growth potential, particularly as it relates to lodging demand.
- Interview key representatives of area commerce and industry to identify and quantify specific sources of lodging demand.
- Develop a census of competitive lodging facilities for the proposed hotel. This census will include the following factors:
 - Name
 - Location
 - Occupancy and Rate (in the aggregate to protect confidentiality)
 - Distance of competitors
 - Type and size of food, beverage, and meeting facilities and amenities
- To the extent the information is available; identify other proposed lodging developments to assess their probability of completion and the degree to which they will compete with your project.
- Determine the current overall market demand for rooms in the market area and the share of market demand that is generated by commercial travelers, leisure travelers, group meetings, and any other identifiable sources of demand.

- Study the timing and amount of lodging supply as well as actual occupancy and room rate patterns to determine the number of additional transient lodging rooms supportable in the market.
- Estimate the average annual occupancies and attainable room rates that could be achieved by the proposed hotel on the subject site over a five-year period.
- Prepare estimates of annual revenue and expenses to the point of cash flow from operations available for debt service and equity distribution for the first ten full years of operation for the proposed hotel. Our prospective financial analysis will be presented in inflated dollars and will have sufficient detail to reflect the major revenue and expense categories. Bases for the prospective financial analysis and key assumptions underlying inflation estimates will be made explicit in the report.
- Prepare an estimate of the potential return on investment based on a summary estimate of the costs to build and open the hotel, an assumed loan amount, our projected cash flow after debt service, and an assumed sale. This analysis will express the potential equity return as an internal rate of return (IRR).
- Identify any State and City incentives available to the project and recommend their appropriateness for the City based on the meeting a minimum debt coverage ratio and a base level of return (IRR) established without incentives. The goal of incentives are typically to achieve a 20% IRR on equity. Incentives may include, in no particular order: donated land, City-sponsored debt, rebates of hotel occupancy tax (HOT), abatements of property taxes, and rebates of sales tax on construction materials.
- Prepare a table-oriented **Discussion Memo** that summarizes our findings and conclusions to be reviewed by you with the following standard exhibits:
 - A five-year historical analysis of hotel supply and demand.
 - A five-year projection of anticipated market occupancies and rates.
 - Estimates of occupancies and average daily rate for the proposed hotel over its first three to five years of operation.
 - A ten-year projection of anticipated net operating incomes.
 - A calculation of potential equity return on investment (expressed as an IRR).
 - A statement of recommended incentives, and their potential value over ten years.
- Meet with you and/or your associates to present our findings, conclusions, and recommendations of Phase I.

Narrative Report

Prepare a narrative report that can be used in conjunction with an RFP to attract developers, franchisors, and lenders. This report will contain a description of the project and will cover all the analysis of the summary memorandum in sufficient detail so that the reader will have confidence in the analysis.

While Phase I may have certain recommendations and estimated performance levels for a range of room counts and meeting space configurations and recommended sites, Phase II will be based on a specific scenario that achieves the right mix of land use, hotel performance, and minimal use of public incentives.

Qualifications

DPC Hospitality is a hospitality, tourism, and real estate-oriented consulting and advisory firm. We have developed a particular expertise that includes limited-service hotels, extended-stay hotels, full-service hotels, and resorts. A sample of Completed Projects is provided as an addendum to this engagement letter. Of particular importance to your project, we have also worked on numerous projects that involve public-private-partnerships.

The President of DPC Hospitality, David Parker, has over 30 years of experience in the hotel industry, including operations, consulting and development. Prior to forming DP Consulting in 2001, Mr. Parker was employed by PKF Consulting for nearly a decade, where he developed numerous methodologies for collecting market information on hotels and meeting facilities, and developed multiple modeling techniques for projecting utilization, income and expense. DPC Hospitality was formed in 2018 when Christian Abbate was admitted to the firm as a partner.

Senior Vice President Christian Abbate has nearly 15 years of experience in the hospitality industry including management and consulting. Prior to joining DPC Hospitality, Mr. Abbate served nearly 11 years with CBRE Hotels and PKF Consulting. Mr. Abbate's previous experience also includes management positions with Accor Hotels, and Hilton Hotel.

Limiting Conditions

Our reports will not ascertain the legal and regulatory requirements applicable to this project, including state and local government regulations, permits and licenses. Further, no effort will be made to determine the possible effect on this project of present or future federal, state, or local legislation including environmental or ecological matters or interpretations thereof.

The prospective financial analyses included in our reports will be based on estimates, assumptions, and other information developed from our research of the market, knowledge of the industry, and meetings with you and your representatives during which we will be provided with certain information. The sources of information and bases of the estimates and assumptions will be stated in the reports.

Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period under study will vary from our estimates and the variations may be material. Our reports will contain a statement to that effect. The reports will be dated to coincide with our last day of fieldwork. The terms of this engagement are such that we have no obligation to update our estimates to reflect events or conditions that occur subsequent to the last day of our fieldwork. However, we will be available to discuss the necessity for revision in view of changes in the physical design factors affecting the project.

Our reports and the estimates included therein will be intended for your internal use, for submission to a financial institution for the purpose of financing the venture, for submission to a hotel franchise or management company, and to qualified investors. Otherwise, neither the reports nor their contents may be referred to or quoted in any registration statement or prospectus targeted to the general public.

Fees and Timing

Real estate advisory services are invoiced based on the actual amount of time spent in the performance of the study. Our fee for this engagement is \$14,500 plus of out-of-pocket travel and data expenses that are not to exceed \$2,500. A retainer is due prior to the commencement of our study in the amount of \$12,500. The balance of the fee, travel, and data will be due at the completion of the draft of the narrative report. All invoices are payable upon presentation. We reserve the right to withhold delivery of the final narrative report, oral or written, until final invoice is paid.

Our current work schedule allows us to commence our fieldwork upon receiving the retainer and your notice to proceed. We typically present a discussion memo within two to three weeks. Upon confirmation of our recommendation in Phase I, the narrative report can be completed within 30 days.

Acceptance

As your confirmation that the terms set forth in this proposal are acceptable to you, please sign the enclosed copy of this letter and return it to us together with your retainer as your authorization to us to undertake this assignment. If you have any questions regarding this proposal, please contact us.

Very truly yours,



David Parker



ACCEPTED BY:

Signature

Name Printed

Title

Company or Venture

Date



Completed Projects

Select and Full-Service Hotels:

Outside of Texas:

Market Study of Proposed Select-Service Hotel - Vinton, Virginia
Market Study of Proposed Select-Service Hotel - Bentonville, Arkansas
Market Study of Proposed Compass by Margaritaville Hotel - Medford, Oregon (Open 2022)
Market Study of Proposed National WWII Museum Hotel - New Orleans, Louisiana (Open 2019)
Market Study of Ace Hotel New Orleans - New Orleans, Louisiana (Open 2016)
Market Study of Proposed Hilton Garden Inn & Homewood Suites - Oklahoma City, Oklahoma (Open 2014)
Market Study of Proposed Homewood Suites - Nashville, Tennessee (Open 2013)
Market Study of Proposed Full-Service Resort with Golf - Franklin, Tennessee
Market Study of Proposed Office Building Conversion Hilton Garden Inn Airport - Phoenix, AZ (Open 2008)
Market Study of Converting historic buildings into Residence Inn and Courtyard by Marriott
- Omaha, Nebraska (Open 1999)
Market Study of Proposed Conversion of the Fulton Hotel to a Holiday Inn - Alexandria, Louisiana
Market Study of Proposed Full-Service Hotel - Colorado Springs, Colorado
Performance Review of Operating Standards - Radisson Fort McDowell Resort & Casino
(now We-Ko-Pa Casino Resort) - Scottsdale, Arizona
Market Study of Proposed Holiday Inn - Colorado Springs, Colorado
Market Study and Valuation of Cypress Bend Golf Resort and Conference Center - Sabine Parish, Louisiana
Market Study of Proposed Full-Service Hotel - Sandy City, Utah
Market Study of Proposed Full-Service Hotel adjacent to Jazz Land Theme Park - New Orleans, Louisiana
Market Study and Valuation of 780-room Regal Riverfront - St. Louis, Missouri
Market Study of Proposed Hotel Zaza - New Orleans, Louisiana
Market Study of Proposed Residence Inn - Orange Beach, Alabama
Market Study for Proposed Lakefront Hotel - City of Lake Charles, Louisiana
Market Study of Proposed Boutique Hotel - New Orleans, Louisiana
Market Study of Proposed Conrad CBD - New Orleans, Louisiana
Market Study of Proposed Embassy Suites CBD - New Orleans, Louisiana
Market Study of Proposed Convention Center Hotel - New Orleans, Louisiana
Market Study of Proposed Conference Hotel - Broken Arrow, Oklahoma (Open)
Market Study of Proposed Racetrack Hotel - Oklahoma City, Oklahoma
Market Study of Proposed Boutique Hotel - Oklahoma City, Oklahoma
Brand Impact Study of Proposed Downtown Courtyard Hotel- Kansas City, Kansas
Brand Impact Study of Proposed Aloft - Little Rock, Arkansas
Repositioning Study of NCED Conference Center & Hotel - Norman, Oklahoma
Appraisal of the AC Hotel CBD - New Orleans, Louisiana
Appraisal of the Loews CBD - New Orleans, Louisiana
Appraisal of Renaissance Hotel - Baton Rouge, Louisiana
Appraisal of The Ritz-Carlton - New Orleans, Louisiana
Appraisal of Courtyard by Marriott New Orleans French Quarter/Iberville - New Orleans, Louisiana
Appraisal of Astor Crowne Plaza - New Orleans, Louisiana
Appraisal of Hilton Hotel (now DoubleTree by Hilton) - Lafayette, Louisiana
Appraisals of Hyatt French Quarter - New Orleans, Louisiana
Appraisal of Hilton Garden Inn Airport - Baton Rouge, Louisiana
Appraisal of Ambassador Autograph Collection Downtown Hotel - Kansas City, Missouri (Open)



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Dallas/North Texas Area:

Market Study of Proposed Courtyard by Marriott - Mansfield, Texas
Market Study of Proposed Full-Service Boutique Hotel Conversion - Arlington, Texas
Market Study of Proposed Camp Margaritaville - Grand Prairie, Texas
Brand Impact Study of AC Hotel/Residence Inn Dallas Galleria - Dallas, Texas (Open 2018)
Market Study of Proposed Hilton Garden Inn - Hurst, Texas (Open 2018)
Market Study of Proposed Redevelopment for The Baker Hotel and Spa - Mineral Wells, Texas (Under Construction)
Market Study of Proposed Courtyard Hotel & Conference Center - Carrollton, Texas (Open 2016)
Market Study of Proposed Hilton Dallas/Plano Granite Park - Plano, TX (Open 2014)
Market Study of Proposed Cambria Hotel - Plano, Texas (Open 2014)
Market Study of Proposed Holiday Inn - McKinney, Texas (Open 2008)
Market Study of Proposed Embassy Suites Galleria - Dallas, Texas (Open 1998)
Market Study of Renovating the Historic Blackstone Hotel into a Courtyard by Marriott
- Fort Worth, Texas (Open 1999)
Brand Impact Study of Proposed Delta Hotel - Westlake, Texas
Market Study of Proposed Dual Luxury/4-Star Hotels - Dallas, Texas (Near Galleria)
Market Study of Proposed Lifestyle Downtown Hotel - Dallas, Texas
Market Study of Proposed Select-Service Hotel - Lake Worth, Texas
Market Study of Proposed Embassy Suites - Richardson, Texas
Market Study of Proposed Aloft Hotel Galleria - Dallas, Texas
Market Study of Proposed Dual-brand Hilton Garden Inn/Homewood Suites - Grand Prairie, Texas
Impact Assessment of Converting Ramada Plaza into Holiday Inn Select (Presently the Sheraton) - Fort Worth, Texas
Evaluation of Converting the Employers Life Insurance Building into a Headquarters Hotel - Dallas, Texas
Market Study of Proposed Resort Hotel and Water Park - Frisco, Texas
Market Study of Proposed Hotel Conversion to a Full-Service Wyndham Hotel - Wichita Falls, Texas
Appraisal of the Warwick Hotel - Dallas, Texas
Appraisal of Mansion on Turtle Creek - Dallas, Texas
Appraisal of Le Meridien Stoneleigh - Dallas, Texas
Appraisal of the Omni Convention Center Hotel Downtown - Dallas, Texas
Appraisal of Hilton Arlington - Arlington, Texas
Appraisal of Four Seasons Resort and Club Dallas at Las Colinas - Irving, Texas

Houston Area:

Market Study of Proposed Full-Service Hotel Conversion - Galveston, Texas
Market Study of Proposed Compass by Margaritaville & Condominium - Seabrook, Texas
Market Study of Proposed Canopy by Hilton & Condominium River Oaks District - Houston, Texas
Hotel Development and Operational Advisory - Friendswood, Texas
Market Study of Proposed Blossom Hotel - Texas Medical Center - Houston, Texas (Open 2021)
Market Study of Proposed InterContinental TMC Hotel - Houston, Texas (Open 2019)
Brand Impact Study of Proposed AC Hotel Houston Downtown - Houston, Texas (Open 2019)
Market Study of Proposed Texas A&M Hotel and Conference Center - College Station, Texas (Open 2018)
Market Study of Proposed Embassy Suites West I-10 - Houston, Texas (Open 2017)
Market Study of The Westin at The Woodlands - The Woodlands, Texas (Open 2016)
Market Study of Embassy Suites by Hilton The Woodlands at Hughes Landing - The Woodlands, Texas (Open 2015)
Market Study of Proposed Courtyard & TownePlace Suites - Galveston, Texas (Open 2013)
Market Study of Proposed Hilton Garden Inn America Plaza - Houston, Texas (Open 2012)
Market Study of Proposed Hilton Garden Inn Galleria - Houston, Texas (Open 2005)



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

Downtown Houston, Texas (Open 2004)

Market Study and Valuation of Omni Galleria - Houston, Texas

Market Study of Proposed Holiday Inn (Now Crowne Plaza) - Shenandoah, Texas

Market Study of Proposed Katy Boardwalk Hotel & Conference Center - Katy, Texas

Market Study of Proposed Embassy Suites - Sugar Land, Texas

Market Study of Proposed Lifestyle Hotel Midtown - Houston, Texas

Brand Impact Study of Proposed Hyatt House - College Station, Texas

Market Study of Proposed Hilton Garden Inn - Pasadena, Texas

Market Study of Proposed Dual-brand Aloft/Element - IAH Airport - Houston, Texas

Market Analysis of Proposed Kimpton Hotel - Houston, Texas

Market Study of Proposed Dual-brand Aloft/Element - Texas Medical Center - Houston, Texas

Market Analysis of Proposed Hyatt Regency - Katy, Texas

Market Study of Proposed Hotel - Sugar Land, Texas (Imperial Redevelopment)

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

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

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

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

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

Appraisal of Crowne Plaza Downtown Houston (Now The Whitehall) - Houston, Texas

Appraisal of AVIA Hotel (now Hyatt Centric The Woodlands) - The Woodlands, Texas

Appraisal of Renaissance Greenway Plaza (now DoubleTree) - Houston, Texas

Appraisal of JW Marriott Houston Downtown - Houston, Texas

Appraisal of Hyatt Regency Houston - Houston, Texas

Central Texas:

Brand Impact Study of the Proposed Marriott Downtown - Austin, Texas (Open 2021)

Brand Impact Study of the Proposed The Otis Hotel/AC Hotel - Austin, Texas (Open 2020)

Market Study of Proposed Austin Proper Hotel - Austin, Texas (Open 2019)

Market Study of Proposed Embassy Suites - Brooks City Base - San Antonio, Texas (Open 2017)

Market Study of Proposed Sheraton Austin Georgetown Hotel & Conference Center

- Georgetown, Texas (Open 2016)

Economic Impact Study of Proposed Hilton Garden Inn - Live Oak, Texas (Open 2016)

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

Market Study of Proposed Homewood Suites - (Parmer Lane) Austin, Texas (Open 2015)

Market Study of Proposed Homewood Suites - Round Rock, Texas (Open 2010)

Market Study of Proposed Wyndham Garden Inn Near La Cantera (now DoubleTree)

- San Antonio, Texas (Open 2009)

Market Study of Proposed Kimber Modern Hotel - South Congress - Austin, Texas (Open 2008)

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

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

Market Study of Proposed Residence Inn - Pearl District - San Antonio, Texas

Market Study of Proposed W Hotel - Pearl District - San Antonio, Texas

Market Study of Proposed Embassy Suites - Downtown - Waco, Texas

Occupancy Tax Rebate Request for Proposed Embassy Suites - Downtown - Waco, Texas

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

Market Study of Proposed Redevelopment of the El Tropicano Hotel - Riverwalk - San Antonio, Texas

Market Study of Proposed Element Hotel - Parmer Lane - Austin, Texas



Market Study of Proposed Dual-brand AC Hotels/Element - Austin, Texas
Market Study of Proposed Hilton Garden Inn & Conference Center - Bastrop, Texas
Market Study of Proposed Select-Service Hotel & Conference Center - Boerne, Texas
Market Study of Proposed Boutique Hotel - Fredericksburg, Texas
Market Study of Proposed Cambria Suites - Medical Center - San Antonio, Texas
Market Study of Proposed Full-Service Hotel - New Braunfels, Texas
Market Study of Proposed Expansion of Hilton Palacio Del Rio - San Antonio, Texas
Market Study of Proposed Mueller Hotel - Austin, Texas
Brand Impact Study for Marriott International - Austin, Texas (Sheraton Downtown conversion)
Brand Impact Study for Marriott International - Round Rock, Texas (TownePlace Suites)
Market Study of Proposed Boutique Hotel - Fredericksburg, Texas
Market Study of Proposed Full-Service Hotel - New Braunfels, Texas
Appraisal of Proposed Hyatt Place Stone Oak - San Antonio, Texas (Open 2010)
Appraisal of Sheraton at the Capitol - Austin, Texas
Appraisal of Hyatt Place Downtown - Austin, Texas
Appraisal of JW Marriott Resort & Spa - San Antonio, Texas
Appraisal of the Hyatt Hill Country Resort & Spa - San Antonio, Texas
Appraisal of Sheraton Gunter Hotel - San Antonio, Texas
Appraisal of Eilan Hotel & Spa - San Antonio, Texas
Appraisal of Riverwalk Plaza Hotel - San Antonio, Texas
Appraisal of San Antonio Marriott Northwest - San Antonio, Texas
Appraisal of The St. Anthony, a Luxury Collection Hotel - San Antonio, Texas
Appraisal of Courtyard San Antonio Riverwalk - San Antonio, Texas
Appraisal of Hyatt Place Austin Downtown - Austin, Texas

South Texas:

Market Study of Proposed Select-Service Hotel & Conference Center - Brownsville, Texas
Market Study of Proposed Hotel & Conference Center - Port Aransas, Texas
Market Study of Proposed Full-Service Hotel Adjacent to McAllen Convention Center - McAllen, Texas
Market Study of Proposed All-Suite Hotel and Resort on North Padre Island - Corpus Christi, Texas
Market Study, Economic Impact Study, and Financing Recommendations of Proposed Full-Service Hotel
- South Padre Island, Texas
Market Study of Proposed Executive Conference Center - North Padre Island, Corpus Christi, Texas
Market Study of Doctors Hospital Hotel - Edinburg, Texas

West Texas:

Market Study of Proposed Hyatt Place - Eagle Pass, Texas (Under Construction)
Repositioning Study of Former Downtown Camino Real Hotel (Now Hotel Paso Del Norte) - El Paso, Texas (Open)
Market Study of Proposed Full-Service Hotel & Conference Center - Odessa, Texas
Market Study of Proposed Hyatt Place - Abilene, Texas
Market Study for Proposed El Paso Conference Hotel - El Paso, Texas
Market Study of Proposed Lifestyle Hotel - Midland, Texas



Public Assembly Facility Studies:

Outside of Texas:

Market Study and Economic Impact Study of Proposed 453,000-square foot Exhibition Center

– Sandy City, Utah

Market Study of Proposed Ballroom Addition to the Welk Resort – Branson, Missouri

Market Study of Proposed Convention Center, Mall Conversion – Tupelo, Mississippi

Dallas/North Texas Area:

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

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

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

Management RFP of Proposed Conference Center – Hurst, Texas

Houston Area:

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

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

Market Study and Economic Impact of Proposed Waterway Convention Center

- The Woodlands, Texas (Open 2002)

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

Market Study and Economic Impact Study of Expanding the George R. Brown Convention Center

- Downtown Houston, Texas (Open)

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

Market Study of Proposed Natatorium - Stafford, Texas

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

Market Study of Proposed Civic Center - Kemah, Texas

Market Study of Proposed Civic Center - Freeport, Texas

Central Texas:

Market Study of Proposed Convention Center – New Braunfels, Texas

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

Market Study for Proposed Downtown Conference Hotel - City of New Braunfels, Texas

South Texas:

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

Other:

Market Study and Economic Impact Study of Proposed 453,000-square foot Exhibition Center

– Sandy City, Utah

Market Study of Proposed Ballroom Addition to the Welk Resort – Branson, Missouri

Market Study of Proposed Convention Center, Mall Conversion – Tupelo, Mississippi

Market Studies of Recreational Facilities

Market Study of Proposed Church Camp Adult Conference Center – Palestine, Texas

Market Study of Proposed Baseball Facility (The Zone) – Kingwood, Texas



Kevin M. Donahue, MAI
Executive Vice President
CBRE Hotels Advisory

CBRE, Inc.
500 W. 2nd Street, Suite 1700
Austin, TX 78701

+1 512 499 4981 Office

kevin.donahue@cbre.com
www.cbrehotels.com

July 11, 2025

City of Schertz
1400 Schertz Parkway, Building 2
Schertz, TX 78154
Attn: Mr. Scott Wayman
210-619-1071
swayman@schertz.com

RE: Proposed hotel development located in Schertz, TX
Located along the I-10 Corridor in Schertz, TX

Dear Mr. Wayman:

We are pleased to submit this proposal to prepare a market study and financial projections for a proposed hotel development located along the I-10 corridor in Schertz, TX. This letter presents the objectives and scope of our work, as well as our time requirements and the fees for our services.

It is our understanding you are considering development of a hotel and you are interested in understanding the demand and the anticipated performance of a quality lodging facility in the market. The objective of this engagement will be an independent assessment of the economic viability of the property.

CBRE HOTELS

As a point of background, we would like to provide you with a brief overview of our firm. CBRE Hotels is a division of CBRE, Inc. (NYSE: CBRE), the largest full-service, real estate and investment organization in the world with more than 90,000 employees located in more than 480 offices worldwide. CBRE Hotels operates as a specialized group within CBRE and provides hospitality and real estate industry professionals with a global practice with our one-stop shop of unparalleled, global and fully integrated real estate services and products. CBRE Hotels is comprised of over 150 dedicated hospitality professionals located in more than 35 offices across the globe. Our Americas platform services all regions in the U.S. as well as Canada, Mexico and the Caribbean.

CBRE Hotels consists of three integrated hospitality-focused divisions including Advisory, Capital Markets Investment Sales, and Research, as discussed next in this letter of engagement.

Advisory

Our CBRE Hotels Advisory group provides an array of advisory services and industry expertise to help our clients in planning, developing, managing, financing, debt solutions, problem-solving, improving operations, and valuing hotels and other hospitality assets. Our engagements range from [hotel market](#)

[and financial](#) feasibility studies to investment structuring, and from [hotel appraisals](#) to asset management.

Our advisory group is constantly providing clients both large and small with the most constructive and valuable advice in the industry, performing feasibility and market studies, acquisition due diligence and valuations involving various hotels, resorts, restaurants, golf courses, and a variety of mixed-use developments and other hospitality products. We have the distinct advantage of being the only hospitality advisory and valuations firm with its own, proprietary database of U.S. hotel financial statistics.

Advisory Services

- Asset Management and Management Company Selection
- Real Estate Appraisals and Business Valuation
- Market and Financial Feasibility Studies
- Litigation Support and Expert Testimony
- Acquisition Due Diligence
- Debt Advisory
- Operational Studies
- Tourism and Recreational Studies
- Resort and Recreation Services
- Conference, Convention, and Public Assembly Facilities
- Financial Benchmarking
- Econometric Forecasting
- Custom Research
- Transaction Buy-Side Advisory Services
- Development Financing
- Property Tax Appeals

Capital Markets Investment Sales

CBRE Hotels Capital Markets Investment Sales group serves the investment market primarily as exclusive brokerage agents for owners/sellers managing the sale and disposition process. The team members of CBRE have extensive backgrounds in hotel and resort transactions as well backgrounds in hotel advisory and operations. CBRE's presentation of prospective hotel investments reflects a thorough understanding of hotels, their branding/affiliations, management issues, operating margins, market dynamics, and capitalization.

Our [hotel brokerage](#) team has been retained for other services that include specific buyer-representation assignments, RFPs (Request for Proposals) for management organizations, executing ground leases, development financing, joint venture partnerships, and land sales. The scope of our business includes all tiers of the lodging industry including hotels and resorts, vacation-ownership, residential/hotel mixed-use, conference centers, and recreational facilities.

Our CBRE Hotels Debt and Structured Finance group provides comprehensive financial solutions for the world's leading hotel owners, investors, and developers capitalizing on CBRE's long-established relationships with more than 200 of the industry's premier international lenders and REITS, including

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banks, pension funds, life insurance and credit companies, conduits/CMBS entities, government sponsored entities, and offshore investors to name a few.

Because of their close working relationship with the advisory group, our dedicated capital markets platform offers clients an unparalleled level of market knowledge with a proven track record of sales, marketing, structured debt and equity successes.

Research

CBRE Hotels' Americas Research ("CBRE Research") owns the database for *Trends® in the Hotel Industry*, the statistical review of U.S. hotel operations which first appeared in 1935 and has been published every year since. CBRE Research professionals use the *Trends®* database to assist their clients in making informed decisions. In addition, the *Trends®* data is used to produce custom financial reports for clients that enable them to [benchmark hotel revenues, expenses, and profits](#).

Beginning in 2007, CBRE Research unveiled its powerful *Hotel Horizons®*, an economics-based [hotel forecasting](#) model that projects five years of supply, demand, occupancy, ADR, and RevPAR for the U.S. lodging industry. *Hotel Horizons®* reports are published on a quarterly basis for 65 markets and six national chain-scales.

With a long-standing tradition of tracking and forecasting the lodging industry, our Research Group has the technical capacity to conduct custom research, the analytical skills to interpret the data, and the access necessary to gather confidential performance information from the industry.

LOCAL MARKET KNOWLEDGE

In addition to our long-standing expertise in the hotel industry, we would bring to you in this engagement substantial familiarity in the local market area. Over the last several years, we have evaluated numerous existing and proposed hotels in various markets across the region. The market study will utilize staff from our Central Texas office who have over 50 years of combined experience in hotel real estate in general. Given the historical role of CBRE Hotels in the hospitality and real estate industries, and our knowledge of the local market, we are of the opinion that there is no firm that can provide the services available through us. More background and information on our firm can be obtained from our web site at www.cbrehotels.com.

The engagement will be under the direction of Kevin M. Donahue, MAI, Executive Vice President at CBRE. Mr. Donahue has over 20 years of experience in the valuation and advisory of commercial real estate and has worked in the CBRE Hotel Advisory group specializing in all types of hospitality properties for the past 18 years. In addition to hospitality properties, Mr. Donahue has valuation and advisory experience encompassing a wide variety of property types including retail/commercial, multifamily residential, industrial, office, special-use and land developments. Mr. Donahue has experience providing valuation and appraisal services, market studies, rent analyzes, feasibility studies, income and expense analysis, cash flow projections and expert testimony. Mr. Donahue is frequently quoted by the media regarding trends in the hospitality market. The South Central CBRE Hotel Advisory Team consists of five hospitality—focused team members.

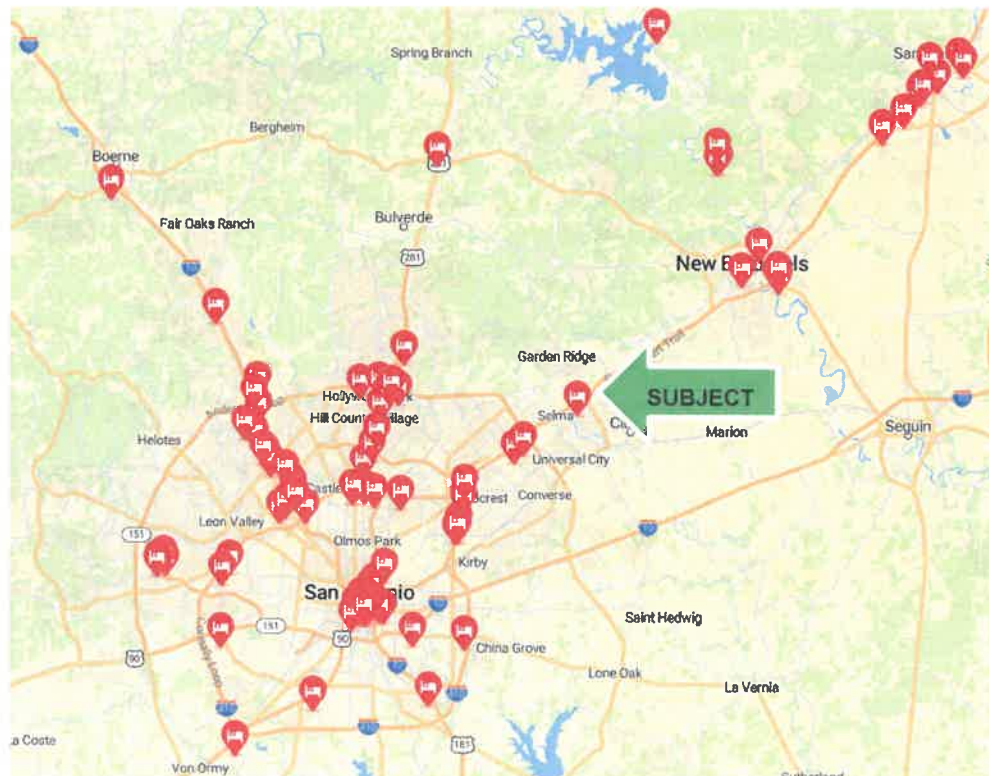


Over the past two years, we have completed over 80 hotel assignments within the San Antonio market and we complete over 300 hotel assignments across the State of Texas annually. Following is a list of relevant assignments completed in the region.

The following relevant assignments have recently been completed within the region:

- Proposed St. Augustine Houston
- Proposed Proper Hotel Houston
- Blossom Hotel Houston
- JW Marriott Houston CBD
- Intercontinental Houston Medical Center
- Hilton Americas Houston
- La Colombe D'Or Houston
- Embassy Suites Houston CBD
- San Luis Galveston
- Hotel Galvez
- Temont House Galveston
- Proposed Katy Boardwalk Boutique Hotel
- Hotel Derek Houston
- Marriott Westchase Houston
- Proposed Iconia Hotel Houston
- Fairmont Austin
- Driskill Hotel Austin
- Austin Proper
- Thompson and tommie Austin
- Magdalena Austin
- Omni Barton Creek Resort Austin
- Citizen M Austin
- Hotel Van Zandt Austin
- Lady Bird Hotel Austin
- Omni Austin Downtown
- South Congress Hotel Austin
- Hotel Saint Cecilia Austin
- Carpenter Hotel Austin
- Commodore Perry Estate Hotel Austin
- Hotel Ella Austin
- Hotel San Jose Austin
- Waterloo Park Hotel Austin
- Lonestar Court Austin
- Renaissance Austin Arboretum Westin Dallas CBD
- Moxy and AC by Marriott Dallas
- Sheraton Dallas CBD
- Element Dallas
- Virgin Hotel Dallas
- Le Meridien Dallas Galleria
- Cambria Suites Dallas
- Delta Hotel Southlake
- Residence Inn and Marriott AC Dallas Galleria
- Autograph Collection Hotel Dallas Uptown
- Westin Dallas Galleria
- The Sinclair Autograph Collection Fort Worth
- Sandman Hotel Fort Worth
- Proposed Uptown Dallas Boutique Hotel
- Proposed Midtown Dallas Boutique Hotel
- Proposed Byers Boutique Hotel Fort Worth
- Stockyards Hotel Fort Worth
- Hotel Drover Fort Worth
- Proposed Maven Hotel San Antonio
- Hotel Emma San Antonio
- Sheraton Gunter San Antonio
- Mokara San Antonio
- Omni La Mansion San Antonio
- Veramendi House San Antonio
- Hotel Valencia San Antonio
- Hotel Contessa San Antonio
- Hilton Tapestry Conversion San Antonio
- InterContinental Conversion San Antonio
- Proposed Curio Hemisphere San Antonio
- Proposed Autograph Collection San Antonio

The following map illustrates hotel valuation and advisory assignments that have been completed in the San Antonio area over the past several years.



SCOPE OF WORK

The engagement will be conducted in two phases as described in the following paragraphs.

Phase I – Preliminary Research and Findings

The analyses will begin with survey of the location and its environs, a study of the general market characteristics of the area, and analyses of the supply and demand factors affecting the analyses for a proposed upscale/upper upscale chain scale hotel. Our fieldwork will form the basis for the evaluation of likely utilization levels for the property. The scope of our research will include the following:

- The site will be examined to determine its suitability for hotel operations on the basis of accessibility, visibility and location. The latter takes future growth trends into consideration as well as the site's relation to the major area lodging demand generators and existing and planned competitive facilities. The relative advantages/disadvantages of the site to those of the competitive properties will be considered.
- Economic and demographic factors of the general area or region will be investigated with the intention of determining: (1) the economic environment within which the property will operate and (2) likely demand sources and generators.
- Government officials and lodging industry representatives will be interviewed to identify present and future sources of demand and current and planned marketing programs.
- Hotels likely to be competitive with the proposed subject property (as envisioned) will be identified and their management will be interviewed to obtain the following information to the extent possible:
 - Location, age and affiliation.
 - Number and mix of guest rooms.
 - Type of food and beverage facilities.
 - Nature, size and configuration of meeting space.
 - Annual occupancy and average daily rate.
 - Market segmentation and characteristics of demand sources.
 - Competitive strengths and weaknesses.
 - Other amenities offered or special attributes noted.

Our analyses of the competitive facilities will also consider those potentially competitive projects under construction, planned or rumored.

- The present hotel demand will be determined in terms of market segments, i.e., leisure, group, extended stay, commercial etc. Each market segment will be defined by its share of the total market, anticipated growth and seasonality.
- For the analyses we will analyze the strength and growth of available demand by market segment. These analyses will include evaluation of the trends in occupancy patterns, utilization levels and other factors important to the success of competitive lodging facilities. To the extent the information is available, we will obtain a trend report from Smith Travel Research for the

defined competitive set and present annual occupancies and average daily rates for the competitive properties, in aggregate, for the previous five years.

- The development is currently in the preliminary stage and we will develop for analysis and evaluation an appropriate facilities program (based on demand) for the proposed hotel development and ascertain its ability to meet the needs of the market. Our facilities assessments will conclude the number of rooms at the hotel that could be supported by the market, proposed hotel scale for the hotel development, meeting facilities to be offered, food and beverage offerings and other amenities required by brands segments.
- We will evaluate recommended branding or lack thereof, competitive strengths and weaknesses, and performance relative to the overall industry.
- Based on the foregoing, we will develop estimates of occupancy, average daily rate and market segmentation for the property's first five years of operation giving consideration to the relative attractiveness of the subject property and their respective competitors.
- We will prepare estimates of cash flow from operations for the proposed hotel available for debt service and income taxes for the property's first five years of operation. The estimates for the hotel will be prepared in the format of the Uniform System of Accounts for the Lodging Industry. Our database of comparable financial statements is unsurpassed in terms of quantity and depth. CBRE hotels research collects over 8,000 statements annually from all types of hotels in every region of the country.

Our Phase I conclusions will be communicated to you verbally along with relevant supporting exhibits. At this point, you will decide whether we are to proceed with Phase II, a decision which must be made within 4 weeks from the delivery date of Phase I.

Phase II – Written Report

During Phase II, we will prepare a full report which will include full explanation for our conclusions.

INTENDED USERS

The intended user is the City of Schertz and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein). The intended use is for internal planning purposes. The Report speaks only as of its date in the absence of a specific written update of the Report signed and delivered by CBRE, Inc.

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

PROFESSIONAL FEES AND SCHEDULING

Our fees for professional services will be \$15,000. This will equate to \$10,000 for Phase I and \$5,000 for Phase II. Related out-of-pocket expenses (e.g., travel, Smith Travel Research/Kalibri Labs, etc.) will be billed at cost and are in addition to the fees stated herein. CBRE will submit a monthly billing statement with invoice for time and materials incurred within the fees authorized for each phase and property adjusted for retainer received. In accordance with our policy, we request a retainer equal to \$10,000. Once this letter of engagement has been signed, we will forward an invoice for the retainer. The balance of the Phase I professional fees and expenses will be due and payable at presentation of our preliminary conclusions. Phase II fees will be due at the time the report is delivered to you. Within this fee structure, an electronic copy of the report will be furnished. Hard copies will be available upon request.

We estimate Phase I conclusions will be available within 2 to 3 weeks from the date we commence fieldwork. Phase II will be completed approximately one week after we are given authorization to proceed.

Any hours expended due to changes to the scope of the assignment as described herein, or requests for additional analyses after completion, will be billed at our normal hourly billing rates. Alternatively, if at any time during the course of the study we form an initial opinion that there is insufficient demand for the project, we will suspend the assignment at that point and discuss our findings with you. If you desire that we terminate the assignment, we will write you a brief letter summarizing our findings and bill you at our normal hourly billing rates only for the time incurred to date, plus expenses.

MARKET VOLATILITY

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and recent geopolitical events, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility and any lending or investment decisions should reflect this heightened level of volatility.

Please note that the conclusions set out in market analysis are valid as of the date of the report only. Where appropriate, we recommend that the market analyses are closely monitored, as we continue to track how market participants respond to current events.

LIMITATIONS OF THE STUDY

Our final report will be subject to the attached Terms and Conditions.

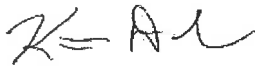
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APPROVAL AND ACCEPTANCE

If the foregoing correctly states the nature of the work you wish undertaken at this time, and the conditions are satisfactory, please sign and return this proposal to my attention electronically. This will serve as our authorization to proceed. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "K= A L", likely representing Kevin M. Donahue.

Kevin M. Donahue, as agent for CBRE
Executive Vice President
CBRE Hotels

AGREED AND ACCEPTED

FOR CITY OF SCHERTZ:

_____ Signature	_____ Date
_____ Name	_____ Title
_____ Phone Number	_____ E-Mail Address

TERMS AND CONDITIONS – MARKET ANALYSIS

1. The Terms and Conditions herein are part of an agreement for consulting services (the "Agreement") between CBRE, Inc. (the "Advisor") and the client signing this Agreement, and for whom the consulting services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the consulting office is located for the Advisor executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the consulting fee and preparation of a consulting report (the "Consulting Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Consulting Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Consulting Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Advisor is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Consulting Report, the Advisor's expertise, or the Property, Client shall pay Advisor's additional costs and expenses, including but not limited to Advisor's attorneys' fees, and additional time incurred by Advisor based on Advisor's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Consulting Report), meeting participation, and Advisor's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional consulting services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Advisor shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 30 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Advisor executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Advisor assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Advisor to prepare a valid report. Client acknowledges that such additional expertise is not covered in the market analysis fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Advisor relating to this Agreement, or Advisor's or Client's performance hereunder, Advisor and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Advisor executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Advisor is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Advisor. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Consulting Report discussed herein.
8. All statements of fact in the report which are used as the basis of the Advisor's analyses, opinions, and conclusions will be true and correct to Advisor's actual knowledge and belief. Advisor does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Advisor by

Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, ADVISOR DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY CONSULTING REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO ADVISOR. Furthermore, the conclusions and any permitted reliance on and use of the Consulting Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.

9. Advisor shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Advisor with such materials with respect to the assignment as are requested by Advisor and in the possession or under the control of Client. Client shall provide Advisor with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Advisor. With respect to data provided by Client, Advisor shall not violate the confidential nature of the Advisor-Client relationship by improperly disclosing any proprietary information furnished to Advisor. Notwithstanding the foregoing, Advisor is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Advisor to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Consulting Report the Advisor will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the consulting fee.
13. In the event Client intends to use the Consulting Report in connection with a tax matter, Client acknowledges that Advisor provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Consulting Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Consulting Report. Client agrees that Advisor shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Advisor relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Advisor shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Consulting Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO ADVISOR UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.
16. Client shall not disseminate, distribute, make available or otherwise provide any Consulting Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Consulting Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Advisor as an "Intended User" of the Consulting Report provided that either Advisor has received an acceptable release from such third party with respect to such Consulting Report or Client provides acceptable indemnity protections to Advisor against any claims resulting from the distribution of the Consulting Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Consulting Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal

process, or judicial decree. In the event Advisor consents, in writing, to Client incorporating or referencing the Consulting Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Advisor with complete copies of such materials and Advisor has approved all such materials in writing. Client shall not modify any such materials once approved by Advisor. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of a Consulting Report by such party extend any right to the party to use and rely on such report, and Advisor shall have no liability for such unauthorized use and reliance on any Consulting Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Advisor, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Advisor and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Consulting Report.

17. In the event an Intended User incorporates or references the Consulting Report, in whole or in part, in any offering or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the consulting or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iii) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Advisor (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.
18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Advisor and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Consulting Report, (b) any services or consulting under this Agreement or (c) any acts or conduct relating to such services or consulting, shall be filed within two (2) years from the date of delivery to Client of the Consulting Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.



HOTEL & LEISURE ADVISORS

July 16, 2025

Mr. Scott Wayman
Executive Director
Economic Development Corporation
City of Schertz
1400 Schertz Pkwy.
Building 2
Schertz, TX 78154
Via e-mail: swayman@schertz.com

**RE: Market Feasibility and Financial Analysis Study
Proposed Hotel, Schertz, Texas**

Dear Mr. Wayman:

Thank you for the opportunity to submit a proposal for the feasibility analysis for a proposed hotel in Schertz, Texas. Hotel & Leisure Advisors (H&LA) has completed numerous over 200 hotel and attraction studies in Texas, including previous studies in the San Antonio market area, and would be pleased to prepare a feasibility study for the hotel as outlined in the attached proposal.

Based on our hospitality experience and our understanding of the proposed facility concepts, I am confident that H&LA is well qualified to respond to your consulting requirements. We have developed sophisticated and innovative research techniques, resulting in thorough analyses that incorporate in-depth local, regional, and state market information. For additional information about our firm, our company qualifications are included with this proposal package. Over the years, H&LA has served over 950 clients on a variety of projects. Upon request, we will provide you with a list of references relevant to your project whom you can contact.

To proceed with our engagement, please sign this proposal and return it to our office with a retainer payment. I look forward to working with you on this assignment. If you have any questions or require any additional information, please contact me.

Sincerely,

Hotel & Leisure Advisors, LLC

David J. Sangree, MAI, ISHC
President



HOTEL & LEISURE ADVISORS

Proposal for Consulting Services for the Proposed Hotel, Schertz, Texas

I. Market Feasibility and Financial Analysis Study

OBJECTIVE

This engagement will assess the market feasibility of the development of a proposed hotel in Schertz, Texas. We understand you have multiple sites you are considering for the hotel that are all within 1.5 miles of each other near Interstate 35. Our study will analyze up to five sites and recommend which one is most appropriate for hotel development. Our analysis will provide valuable insights to support informed decision-making regarding project viability. We will conduct an in-depth financial evaluation to estimate the hotel's probable operating performance over an 11-year holding period.

Beyond financial analysis, we will provide tailored recommendations regarding key aspects of the proposed development, including:

- Site evaluation and selection to determine the optimal site for hotel development
- Optimal property size and configuration, including guestroom count, food and beverage facilities, conference space, recreational amenities, and future expansion potential
- Strategic amenity offerings to maximize guest attraction and revenue generation
- Potential operating options - independently operated or affiliated with a franchise, along with possible franchise options

SCOPE OF WORK

Research & Data Collection

Prior to initiating our study, we will engage with the client to define the project's scope, address confidentiality concerns, and align our analysis with specific objectives. Our research process includes the following components:

- **Understand Business Goals:** Review the overall objectives for the proposed hotel and assess the scale of the investment and vision for the project
- **Review Subject Data:** Review information such as development budget, financial forecast, architectural plans, tax & zoning information, etc.
- **Review Existing Research:** Evaluate prior market studies and leverage our insights into the submarket

- **Site & Market Evaluation:** Conduct a site visit and market tour, including:
 - Travel to the subject market for a site visit, neighborhood and market tour, and meetings with the client
 - Visit competitive hotels and resorts to assess facilities, performance benchmarks, and market segmentation
 - Interview hotel managers, owners, and representatives of major hotel chains
 - Engage with local economic development authorities, convention and visitor bureau, tourism board, chamber of commerce, assessor's office, and municipal planning offices.
 - Review zoning, tax, and regulatory considerations relevant to the development
 - Analyze the project's master plan (if applicable) and planned developments in the surrounding area

Market Analysis

- **Industry Trends:** Evaluate national and regional hospitality and hotel trends to contextualize the project within broader market conditions
- **Economic & Demographic Assessment:** Analyze local market factors such as population growth, employment rates, income levels, tourism, and transportation access
- **Regional Supply Analysis:** Analyze demographic and economic information within various drive times of the subject compared with successful comparable facilities
- **Site Analysis:** Analyze the proposed project sites, including
 - Traffic counts
 - Access and visibility
 - Proximity and travel time
 - Nearby visitor attractions
 - Distance to demand generators relative to competitive properties
 - Demographic and economic information within various drive times of the subject, including the number of children and families, adults, household income, and other population statistics
 - Visitation levels, leasing trends, new stores and attractions, etc.
 - Determine which site(s) are best suited for development of a hotel
- **Competitive Positioning:**
 - Assess demand generators, including leisure, corporate, and group travel
 - Identify and evaluate direct competitors based on historical performance data, occupancy rates, ADR (Average Daily Rate), visitation, and market segmentation
 - Utilize data analytics tools (i.e., Placer) to analyze visitor demand and demographics at comparable hotels and resorts
 - Profile the competitors by providing information about their performance, facilities, and expansion plans
 - Prepare a SWOT analysis to highlight the strengths, weaknesses, opportunities, and threats related to the proposed development
 - Analyze the historical market segmentation (corporate transient, leisure transient, group, and contract demand) of the competitive properties and project the market segmentation for the proposed hotel
- **Supply & Demand Dynamics:**
 - Examine current and planned hotel and resort developments within the market
 - Evaluate trends and estimate the supply of and demand for guestrooms

- Forecast market growth and assess potential impacts from new supply additions
 - Quantify the projected performance of the subject compared to similar properties in similar markets throughout the region
- **Franchise Analysis:** Evaluate the suitability of franchise affiliation and recommend potential brand partners based on market positioning and financial performance
- **Development Cost Projections:** Estimate a range of construction costs based upon cost data from CoreLogic and other industry services, along with in-house data from other assignments, to provide a realistic financial framework for decision-making
- **Proposed Project Forecasts:**
 - Forecast annual occupancy and ADR levels for the proposed property
 - Compare the projected performance of the subject to comparable properties in similar markets throughout the region and the subject's competitive set of properties
 - Analyze daily and monthly occupancy and ADR performance of the market, and make projections of daily and monthly occupancy performance for the subject for a stabilized year

Financial Analysis & Feasibility Projection

Utilizing insights from the market analysis, we will develop a comprehensive financial model forecasting the hotel or resort's potential performance for a standard holding period. This will include:

- **Revenue & Expense Projections:**
 - Utilize data from comparable properties, industry benchmarks (*STR/CoStar's Hotel Profitability Study*, *CBRE's Trends in the Hotel Industry*), and our proprietary financial information from over 2,000 hotels and resorts.
 - Forecast key performance metrics, including occupancy rates, ADR, and RevPAR for an 11-year holding period.
- **Operational Performance Projections:** The financial analysis report will include detailed comparisons with actual operating statements of similar properties and will provide a line-by-line discussion of each of the major departments of a hotel. In addition, we will:
 - Analyze the effects of estimated future inflation on revenues and expenses and arrive at the estimated cash flow from operations
 - Estimate departmental revenue and expenses on a per-room, per-occupied-room, and percentage-of-total-revenue basis
 - Adjust projections to account for inflation and anticipated market fluctuations
- **Feasibility Analysis:**
 - Calculate the potential value of the property based on typical discount and capitalization rates.
 - Benchmark value created against construction costs and comparable hotel developments to determine financial feasibility.

Comprehensive Market Feasibility Study

We will present our findings in a comprehensive narrative market study report, outlining recommended facility components and providing prospective financial analysis. Our evaluation

will assess the strength and growth potential of the target markets, analyzing attendance trends, utilization rates, and other key performance indicators relevant to comparable hotel and resort properties. The report will include specific recommendations regarding the appropriate number of guestrooms, food and beverage facilities, conference facilities, amenity sizing, and any expansion potential for the property. We will also propose amenity enhancements designed to attract additional demand. This report will serve as a strategic resource for stakeholders, investors, and decision-makers, offering clear, data-driven insights to support the planning and development of a successful project.

II. Survey Monkey Demand Research

OBJECTIVE

To complement the comprehensive analysis in Component I, we offer an additional layer of data-driven insight through a custom online survey. This survey is designed to gather direct input from potential guests, providing valuable feedback on key aspects of the proposed hotel's offerings.

SCOPE OF WORK

The survey will focus on the following areas:

- Interest in new development
- Current usage of similar facilities
- Desired amenities and services
- Preferred guestroom quantity and layout
- Acceptable room rates
- Additional input respondents may have regarding the development

The insights gained from the survey will be seamlessly integrated into our overall market analysis, along with a detailed write-up of the findings. These results will enhance our demand and rate projections and refine the recommendations for the facility, ensuring that the development aligns with the needs and preferences of potential guests.

We will work closely with the client to ensure effective survey distribution. We assume the client will provide a list of at least 1,500 email addresses to help ensure a robust response rate. Our goal will be to reach out to a selection of business and leisure travelers to get their feedback about the proposed hotel. Alternatively, we can leverage SurveyMonkey's targeting capabilities to purchase responses based on over 200 profiling attributes, tailored specifically to the project's target audience.

III. Economic Impact Study

OBJECTIVE

The Economic Impact Study will assess the broader economic effects of the proposed development on the local community, providing essential insights to garner support from government entities and community stakeholders. This study will quantify both the fiscal impact (tax revenue generation for the local and state government) and the economic impact (job creation and increased spending within the community).

The impact of such a project extends across temporary and permanent stages of economic activity. Temporary impacts include jobs and revenues generated during the construction

phase, while permanent impacts arise from sustained job creation, long-term operational revenues, and the associated benefits to local service providers. The project is expected to generate substantial new tax revenues from incremental visitor spending, employment taxes, and enhanced utilization of public utilities and services.

SCOPE OF WORK

Our Economic Impact Study will include the following key components:

- **Economic Multiplier Analysis:** Utilize recognized economic modeling programs to calculate direct and indirect spending impacts, incorporating accepted economic multipliers to project the full extent of the development's economic influence
- **Assessment of Economic Events:** Identify significant economic events resulting from both the construction and operations of the proposed facility. We will estimate gross expenditures to gauge the total economic impact
- **Nationwide Spending Patterns:** Analyze national event patron surveys to understand spending behaviors, including purchases at restaurants, retail stores, accommodations, and transportation. We will apply data from reputable surveys to estimate per-visitor spending.
- **Leisure and Household Spending Analysis:** Evaluate spending trends related to recreation and leisure activities using data from industry sources such as D.K. Shifflet, Longwoods, Placer, and Davidson-Peterson Associates
- **Municipal Revenue Impact:** Analyze and project the total tax impact on municipal, county, and state revenues. This includes lodging taxes, retail sales tax, property taxes, income taxes, and other relevant fiscal contributions.
- **County-Specific Economic Modeling:** Customize a county economic model to calculate direct and indirect spending, employment multipliers, average annual jobs created, and municipal tax revenues, leveraging U.S. Department of Commerce RIMS II multipliers
- **Job Creation Projections:** Estimate the number and types of new jobs that will be created by the development, both during the construction phase and as part of the resort's long-term operations
- **Impact on Local Hotel Market:** Assess how the proposed development will influence the existing hotel market, considering supply and demand shifts as well as potential competition
- **Municipal Incentive Opportunities:** Profile potential municipal incentives, examining tax abatements, tax incremental financing, room tax rebates, and other incentives offered by other regions for similar developments
- **Economic Impact Breakdown:** Provide a comprehensive analysis of the three primary types of economic impact the proposed hotel will have on the local economy:
 - **Direct Impact:** Jobs and spending directly created by the construction and operation of the resort
 - **Indirect/Induced Impact:** Economic benefits stemming from the supply chain, such as increased business for local suppliers due to resort operations

- **Final Impact:** The overall effect on regional output, earnings, and employment driven by the increased demand generated by the resort

Economic Impact Study

The findings of the Economic Impact Study will be communicated in a detailed narrative report, which will serve as a standalone document, distinct from the feasibility study, though it will reference and align with its conclusions. The report will provide clear insights to help guide decision-making and demonstrate the positive economic contributions of the proposed development to stakeholders and policymakers.

ADDITIONAL SERVICES

Hotel & Leisure Advisors offers additional consulting services, such as our RFQ services that will assist you in finding a management company or facility planning services. We are also available to prepare a full narrative appraisal report that will conform to the Uniform Standards of Professional Appraisal Practice (USPAP) and Office of the Comptroller.

We can assist you in finding a lender, architect, and interior designer for the project. We are available to put together a loan package document for the project to send to potential lenders or to contact potential lenders for the project. We also offer expert witness testimony and litigation support in any court hearings related to our analysis. Please feel free to contact me or refer to our website, www.hladvisors.com, for more information about our additional services.

PROJECT QUALIFICATIONS & EXPERIENCE

Our consultants are national experts in the analysis of all types of hotel and resort properties. We have prepared more than 4,000 hotel and attraction studies including on nearly every hotel brand and chain scale in the United States and Canada. With your project in mind, below is a small sampling of projects we have completed over the years that are similar to yours in property type or scope of services. A complete list of all H&LA projects can be found on our [website](#).

Omni Frisco Hotel – Frisco, Texas: H&LA completed a market feasibility study concerning the potential for a hotel with an attached convention center to accommodate the growing businesses within the city and region and to attract new demand to the city. We evaluated three potential sites in Frisco and considered them in our analysis. Our study recommended development of a 500-room luxury hotel featuring a convention center, multiple food and beverage outlets, spa, fitness center, outdoor pool with waterpark features, and an outdoor golf range with a bar.



Kalahari Resorts – Round Rock, Texas: H&LA prepared a retrospective appraisal and market analysis for the Kalahari Resort in Round Rock. We analyzed a regional set of comparable properties to determine the potential financial performance. Our analysis included utilizing the income capitalization approach, sales comparison approach, and cost approach. We allocated the value between real estate, personal property, and any intangibles.

Gaylord Texan Resort – Grapevine, Texas: Market and Financial Feasibility Study to estimate the feasibility of the development of an indoor waterpark addition to the 1,814-room resort. Our analysis considered multiple scenarios with and without a waterpark and guestroom expansion. This analysis allowed us to assist the client to understand the difference in value compared to the development costs to determine if the expansion under either scenario was feasible.



Lodging Analysis and Review of Short-Term Rentals – Leadville, Colorado: H&LA was engaged by Lake County and Visit Leadville to conduct a comprehensive market analysis evaluating the feasibility of three distinct hotel development concepts—limited-service or extended-stay, boutique downtown, and destination resort—across multiple potential sites in Leadville and Lake County, Colorado. In addition to the hotel feasibility assessments, H&LA provided strategic recommendations for the region's short-term rental market. The study included extensive site evaluations, stakeholder interviews, industry research, a community survey, and detailed financial projections. Drawing on our deep experience in hospitality consulting and regional market dynamics, H&LA delivered data-driven insights to guide the county's investment strategies and tourism development priorities.

Hotel Market Analysis – Downers Grove, Illinois: H&LA was engaged by the Downers Grove Economic Development Corporation to conduct a comprehensive analysis of the village's hotel market. Our study evaluated local and regional hotel supply, demand trends, and market segmentation, identifying gaps and opportunities for future development. We assessed Downers Grove's competitive position through a detailed SWOT analysis, reviewed existing and planned hotel inventory, and examined key demand drivers and their impact on market performance. Using our proprietary forecasting model, we projected future lodging demand and recommended optimal hotel types to support the village's economic and tourism goals. The study also included a review of incentive programs used by comparable communities to attract new hotel investment.



Proposed Hotel, Waterpark, and Convention Center – Pecos, Texas: H&LA completed multiple feasibility studies for Reeves County, Texas, evaluating a range of proposed hospitality components. The analyses focused on the municipal framework of a planned waterpark development, as well as the availability of municipal incentives to support a hotel and convention center. In collaboration with county officials, we assessed the appropriate sizing, scale, and amenity offerings for each component. Additionally, our work included an evaluation of potential design engineering firms for the waterpark and prospective developers for the hotel and convention center project.

FEES & PAYMENT SCHEDULE

Project Fees	
Component	Fee
I - Market Feasibility and Financial Analysis Study	\$12,000
II - Survey Monkey Demand Survey	\$5,000
III - Economic Impact Study (reflects discount if both components are hired at the same time)	\$8,000
Travel, subsistence, and out-of-pocket expenses, including STR reports and other research data	Not to exceed \$3,200

These fee estimates are subject to revision if the scope of the engagement is altered. In such an event, we will discuss the matter with you so that a mutually acceptable revision can be made. Our price quote for this scope of services is valid for 90 days from the date of this proposal. Projected expenses exclude any applicable state sales taxes. If at any point during the engagement a decision is made to discontinue our services, our professional fees will be based on the time expended through that date.

Payment Schedule

We require a 50% retainer prior to beginning the assignment.

After conclusion of our fieldwork, we will issue an invoice for 25% of the project fee. This payment is due prior to our issuing the draft report.

The final invoice (balance plus expenses) will be sent with the draft copy of the completed report. Payment of this invoice is required prior to our issuance of final reports. Hard copies of the report are available upon request for an additional fee.

Any revisions to the report made within 30 days of issuance of the draft are included in the fee. Any revisions after 30 days will require an additional 10% of the project fee. If we do not receive any revisions within 30 days, we will issue the final report, provided we have received payment of the final invoice.

Any invoice that is 60 days past due is subject to a 1.5% monthly finance charge. Client agrees to pay any fees incurred as a result of collections activity.

We will negotiate fees for any additional services when you request them. Our consulting services are available at a rate of \$170-\$620 per hour, depending on the staff person involved, or we will issue a specific fee quote once the scope of additional services is determined.

TIMING

We can begin work immediately and will provide you with the report documenting our conclusions within 40 to 60 days of receiving the retainer payment and the signed engagement letter. We will work with your appointed representative to ensure the required data is made

available. *The delivery date of the draft and final reports is contingent upon receiving the data requested for the property on a timely basis.*

We will communicate with you on a regular basis throughout the project and update you as needed on our progress. Chronologically, we will:

- Issue a data request list indicating items that need to be reviewed as part of our analysis.
- Schedule appointments to meet with you and tour the subject site and local/regional market. Our fieldwork will include visits to a range of comparable facilities.
- After conclusion of fieldwork, we will conduct additional research and interviews and analyze additional data to prepare the report. It typically takes a few weeks to analyze the data and an additional few weeks to write the report.
- Execute internal review of the report for quality control purposes.
- Issue the report in draft format within the timeframe specified in the proposal. After you review the draft, we will issue the final version of the report, including addenda items.

CONDITIONS

The report will be prepared in accordance with our Standard Conditions, which are attached. To indicate your acceptance of this proposal, please sign and return it to us with a retainer of 50% as authorization for us to proceed with the engagement.

As a material inducement for Hotel & Leisure Advisors to enter into this agreement for services and for value received, and the consideration of Hotel & Leisure Advisors' performance in providing appraisal and consulting services for the client, the signature on this letter guarantees the company's timely payment of this agreement. This includes, but is not limited to, the payment of any and all sums due pursuant to the agreement. This guarantee applies to services rendered prior to and after the above date.

The terms of this agreement shall be interpreted and construed in accordance with the laws of the State of Ohio. The client hereby submits to the nonexclusive jurisdiction of the court having jurisdiction in the County of Cuyahoga, State of Ohio, and agrees not to raise and waive any objection based upon forum non conveniens.

Thank you for this opportunity to be of service. We look forward to working with you on this assignment.

Hotel & Leisure Advisors, LLC



David J. Sangree, MAI, ISHC
President

By signing below, I agree to the fees and terms described in the attached proposal. By initialing next to the component(s) below, I agree to pay fees for the report as indicated. I have read and understood the proposal and the attached standard conditions, and I agree to the terms and conditions therein.

Component	Fee	Initial for Components to be Engaged
I - Market Feasibility and Financial Analysis Study	\$12,000	
II - Survey Monkey Demand Survey	\$5,000	
III - Economic Impact Study	\$8,000	
Travel, subsistence, and out-of-pocket expenses, including STR report and other research data	Not to exceed \$3,200	

Signature

Name (print)

Title

Company

Company Address

City, State, Zip code

Email

Phone Number

Date

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Standard Conditions: The following Standard Conditions apply to real estate consulting engagements and appraisals by Hotel & Leisure Advisors, LLC (H&LA). Extraordinary Assumptions are added as required.

1. The report is to be used in whole and not in part. The report, engagement letter and these standard conditions constitute the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any and all prior or current agreements or understandings between the parties, whether in writing or orally. The report and engagement letter may not be amended except in writing signed by the parties hereto. These standard conditions shall survive the completion of the assignment.
2. Publication of the report or engagement letter without the prior written consent of H&LA is prohibited unless otherwise stated in the letter of engagement. Neither the report nor engagement letter may be used by any person other than the party to whom they are addressed nor may they be used for purposes other than that for which they were prepared. Neither the engagement letter, nor the report, nor their contents, nor any reference to the appraisers or H&LA or any reference to the Appraisal Institute, International Society of Hospitality Consultants, American Institute of Certified Public Accountants, or the American Institute of Architects, (or the MAI, ISHC, CPA or AIA designations) may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, other appraisal, loan, or other agreement or document without H&LA's prior written permission, in its sole discretion. Moreover, "H&LA" is a registered trademark of Hotel & Leisure Advisors, LLC. The client agrees that in event of a breach of this Section 2, in addition to any other rights and remedies of H&LA, and hereby consents to injunctive relief.
3. No responsibility is assumed for the legal description or any matters which are legal in nature. Title to the property is assumed to be good and marketable and the property is assumed to be free and clear of all liens unless otherwise stated. No survey of the property was performed. Sketches, maps, photos, or other graphic aids included in the reports are intended to assist the reader in ready identification and visualization of the property and are not intended for technical purposes.
4. The information contained in the assignment is based upon data gathered from sources the consultant or appraiser assumes to be reliable and accurate. Some of this information may have been provided by the owner of the property. Neither the consultants nor H&LA shall be responsible for the accuracy or completeness of such information including the correctness of public records or filings, estimates, opinions, dimensions, sketches, exhibits, and other factual matters.
5. The report may contain prospective financial information, estimates, or opinions that represent the consultants' or appraisers' view of reasonable expectations at a particular point in time. Such information, estimates, or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by H&LA's prospective financial analyses will vary from those described in the report, and the variations may be material. The financial projections stated in the report and any opinions of value are as of the date stated in the report. Changes since that date in external and market factors or in the property itself can significantly affect property value or performance.
6. H&LA has not considered the presence of potentially hazardous materials and contaminants such as asbestos, urea formaldehyde foam insulation, toxic waste, PCBs, pesticides, mold, lead-based paints, or other materials. The appraisers and consultants are not qualified to detect or report on hazardous material contamination and H&LA urges the client to retain an expert in this field if desired.
7. Unless noted, H&LA assumes there are no encroachments, zoning violations, or building violations encumbering the subject property. It is assumed that the property will not be operated in violation of any applicable government regulations, zoning, codes, ordinances, or statutes. No responsibility is assumed for architectural design and building codes. The analysis and concept drawings included in the report are not intended for technical purposes.
8. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
9. Real estate consulting engagements and appraisal assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and the client will be obligated to pay in advance for the standard per diem fees and travel costs.
10. No significant change is assumed in the supply and demand patterns indicated in the report. The appraisal or consulting engagement assumes market conditions as observed as of the current date of the market research stated in the letter of transmittal. These market conditions are believed to be correct; however, H&LA or the

consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.

11. The quality of a lodging facility or other leisure property's management has a direct effect on the property's economic viability. It should be specifically noted by any prospective reader that the engagement assumes that the property will be competently managed, leased, and maintained by financially sound owners over the expected period of ownership. H&LA is not responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.
12. The forecast of income and expenses are not predictions of the future. Rather, they are the consultants' best estimates of current market thinking on future income and expenses. We do not warrant that the estimates will be obtained, but that they have been prepared in a conscientious manner on the basis of information obtained during the course of this study.
13. The subject property is valued assuming all items of furniture, fixtures, equipment, working capital, and inventory are in place. Should items essential in the operation of the hotel prove to be missing, we reserve the right to amend the opinion of value expressed in an appraisal report.
14. H&LA does not, as part of this consulting report or appraisal, perform an audit, review, or examination (as defined by the American Institute of Certified Public Accountants) of any of the historical or prospective financial information used and therefore, does not express any opinion with regard to it.
15. The consulting engagement or appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute. No other code, ordinance, rule or

regulation of any kind or nature whatsoever shall apply.

16. It is agreed that the maximum damages recoverable from H&LA or its affiliates or their respective employees relative to this engagement shall be the amount of the money actually collected by H&LA or its affiliates for work performed pursuant to the engagement letter. The client acknowledges that H&LA cannot and does not guarantee and makes no representations as to the success of the project. H&LA shall not be liable for any incidental, breach of warranty, consequential or punitive damages, expenses, costs or losses whatsoever directly or indirectly arising out of the services performed hereunder (including negligence and/or gross negligence). In addition, there is no accountability or liability to any third party.
17. The client hereby releases and discharges H&LA, its directors, officers, and employees, from and against any and all claims and demands of any nature or kind whatsoever arising as a result of the design, development, operations, and performance of the proposed or existing project. The client furthermore agrees to indemnify, defend and hold harmless H&LA and its directors, officers and employees, from any and all claims of any nature whatsoever, including attorney fees, expenses and costs.
18. The report does not address the project's compliance with the federal statute commonly known as the Americans with Disabilities Act as well as regulations and accessibility guidelines promulgated thereunder.
19. The provisions of the report, the engagement letter and these standard conditions shall be severable, and if a court of competent jurisdiction holds any provisions of the report, engagement letter and these standard conditions invalid, illegal or unenforceable, the remaining provisions shall nevertheless remain in full force and effect as written.