CITY ADMINISTRATOR'S OFFICE MEMO
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319-393-1515 ext.523

To: City Council and Mayor Bennett

From: City Administrator, Kim Downs

Date: October 10, 2019

RE: Hotel Market Feasibility Study

The City of Hiawatha solicited proposals from experienced individuals or firms to conduct a ***Hotel Market Feasibility Study*** to provide a professional assessment as to whether the City of Hiawatha possesses the current consumer demand to interest a developer in building a lodging property which is financially sustainable for the community.

The goal for the City of Hiawatha is to determine if the market is conducive for a sustainable lodging property and to identify what type of lodging would be most feasible for private sector investment along with hospitality amenities that could be developed to support the lodging property.

The Scope of Work:

- Review economic reports and comprehensive plan
- Tour City
- Perform a market demand analysis including interviews with stakeholders
- Develop a demand analysis report
    - Market Demand Analysis
    - Project Feasibility Study
    - Site Selection-Optimal Site Selection
    - Facility Recommendation
    - Financial Projections
- Completion date of December 20, 2019

This Hotel Study is a priority within our 2018 Strategic Plan and project funds are available through LOSST. Our CIP estimate was $20,000.

City Staff have reviewed five (5) proposals:

Hotel Market Feasibility Study

Vendor	Meets Scope of Work	Experience	Meet Deadline	Cost	Alternate
Revpar (VA)	X	30 years	8-12 weeks	$32,800	$3,800
Newmark (OH)	X-has disclaimer not allowing city to post or provide to a third party; no Midwest experience	22 years	8-weeks	$10,550	
Hotel R&D (WI)	X one person; Midwest experience	25 years	8-weels	$8,000	
CBRE Hotels (IL)	X one person; Midwest experience	44 years	5-weeks	$16,000 (+other expense total)	
Core Distinction	X-meets scope although canned detailed. Midwest experience See notes below	25 years	4 1/2-weeks	$9,000	

Targeted Completion Date 12/20/2019

NOTES:
CBRE-followed the RFP in its totality; if in their opinion there is insufficient demand for a hotel, they will suspend their work and discuss their findings with us.

Core Distinctions will also suspend their work if findings are insufficient for a hotel. No additional fees for follow up; Core Distinction includes one additional Performa update Within 1-year of the project completion at no additional cost.

RECOMMENDATION:

- Upon review of the proposals staff recommends Core Distinctions to be the most responsive responsible and low bidder with Midwest experience, meets required completion date, suitable staff. No additional fees for follow up; Core Distinction includes one additional Performa update. Within 1-year of the project completion at no additional cost. Core Distinctions will also suspend their work if findings are insufficient for a hotel.

Thank you for your consideration, Kim

DRAFT

RESOLUTION NO. 19-
City Council

RESOLUTION APPROVING THE HOTEL MARKET FEASIBILITY STUDY

WHEREAS, the 2018 Strategic Plan prioritizes a Hotel Study to determine if the market is conductive for a sustainable lodging property, and

WHEREAS, the scope of work includes:

- Review economic reports and comprehensive plan
- Tour City
- Perform a market demand analysis including interviews with stakeholders
- Develop a demand analysis report
    - Market Demand Analysis
    - Project Feasibility Study
    - Site Selection-Optimal Site Selection
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    - Financial Projections
- Completion date of December 20, 2019

WHEREAS, five (5) bids were received as follows:

Company	Total Bid
Revpar	$32,800 (Alternate: $3,800)
CBRE Hotels	$16,000
Newmark	$10,550
Core Distinction	$9,000
Hotel R&D	$8,000

WHEREAS, after soliciting Hotel Market Feasibility Study quotations and receiving and reviewing proposals, staff recommends Core Distinction to be the most responsive responsible and low bidder with Midwest experience. They meet the required completion date, have suitable staff, offer no additional fees for follow up, include one additional Performa update within one year of the project completion at no additional cost, and will suspend their work if findings are insufficient for a hotel, and

WHEREAS, funding for the Hotel Market Feasibility Study with a total project cost of $9,000, is available through LOSST, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, to authorize staff to move forward with the Hotel Market Feasibility Study in the amount of $9,000, with Core Distinction, utilizing available LOSST dollars.

DRAFT

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 16th day of October, 2019.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kari Graber, City Clerk