



# Christian County, Missouri

Hotel Market & Financial Feasibility Study

MARCH 16, 2023





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# 01

## Executive Summary

# Overview

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Hunden Strategic Partners (HSP) was engaged by Show Me Christian County to perform a market analysis and financial feasibility study relating to the development of a new hotel (Project) in Christian County, Missouri.

The study provides market-driven analytics to determine the overall demand and opportunity for hotel development in the area, as well as financial modeling to define the financial feasibility of the Project.



# SWOT Overview

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

## STRENGTHS



- Local demand growth
- Sports, entertainment, and event demand drivers within the county
- Strong traffic along US-65 and US-160

## WEAKNESSES



- Limited local demand generators compared to surrounding destination markets
- Current performance of hospitality assets within the county

## OPPORTUNITIES



- Recapture lost hotel demand going to Springfield
- Limited quality competition
- Increased local stays and spending
- New county lodging tax (up to five percent) that can help fund future development
- Community willingness to incentivize development

## THREATS



- Increased construction costs / interest rates
- Low market average daily rate (ADR) / occupancy creating higher financing gaps
- Lack of funding

# Key Findings

The following points highlight HSP’s key findings from its analysis of Christian County and the local hotel market.



## Lost Business

Christian County is currently lacking any quality hotel product to be able to capture demand currently being lost to Springfield. By developing a higher-quality hotel locally, Christian County can recapture and induce unaccommodated demand and increase economic activity in the area.

## Strong Appeal

Christian County has a number of hotel inducing demand generators such as event and sports facilities and recreational opportunities that help support year-round business at the proposed hotel. A more premium product with attached meeting space can also help induce corporate and associations demand to assist in weekday business and support higher market rates.

## Catalytic Development

Though initial funding may be a challenge, a successful development of a high-quality hotel can establish synergies with nearby developments and businesses that would not only help lift these local businesses but also encourage additional tourism, corporate draw, and additional future development.

# Site Analysis

HSP created a comparative analysis for the sites which is shown in the table to the right.

Having direct US-65 access and related traffic and visibility make the Ozark locations more viable locations for hotel development.

The Ozark locations also have a higher supply of adjacent or nearby amenities and are located near to county demand drivers such as Finley Farms and major sports facilities.

Site Analysis					
County	Bentwater Nixa	Pembroke Nixa	Nicholas Nixa	Garton St Ozark	South St Ozark
Category	Site Score 1 – 5 (Best)				
Size	3	5	1	4	2
Highway Access	2	3	1	4	5
Traffic Counts	3	1	2	5	4
Visibility	2	3	1	4	5
Surrounding Uses	3	2	1	4	5
Nearby Demand Generators	1	3	2	4	5
Site Score	14	17	8	25	26

# Recommendations

HSP recommends a 95-room high-quality select-service+ hotel be developed in Ozark, MO. HSP also recommends the hotel include 4,500 square feet of divisible meeting rooms that could accommodate up to 300 people seated at rounds. This would enable the hotel to book more corporate and associations business during the week, which is currently lost to Springfield and other markets with quality room-blocks available. If meeting space development costs / financing is a limiting factor, meeting space could be reduced accordingly.

With additional demand and tourism drivers and direct access to US-65, the Ozark site locations are preferable for development. The South St Property is the preferential site between the two Ozark sites, due to its location directly off a US-65 exit adjacent to already developed retail, land lease or sale terms may make this site cost prohibitive. The Garton Rd Property's access, visibility, and vicinity to the county's major sports facilities and attractions also make this property a prime location for hotel development. The Garton Rd Property also experiences the most daily traffic among the five sites.

<b>Christian County Hotel Recommendations</b>	
Rooms	95 rooms
Meeting Space	4,500 SF of divisible meeting rooms
Parking	95 spaces
Source: Hunden Strategic Partners	



# Phasing Recommendations

Assuming ongoing economic, demographic, employment, and tourism growth in Christian County, the table to the right outlines HSP’s recommendations for the phasing of new hotel development in the county, beginning with the completion of the recommended select-service+ hotel in Year 0.

The hotel brands should be aligned with one of the top brand families (Marriott, Hilton, Hyatt, or IHG).

Phasing Recommendations		
Year 0	1-Select-Service+	-
Years 5-8	1-Select-Service+	1-2-Limited-Service
Years 9-16	1-Full-Service Light	1-2-Limited Service

# Investment Analysis

The table to the right summarizes the projected operating performance and supportable financing for the proposed 95-room hotel.

By year three of operations, the hotel is projected to stabilize at a 69 percent occupancy with a net operating margin of approximately 30 percent.

Operations are projected to support approximately \$11.5 million in private debt and equity, equating to approximately \$120,700 per room.

Additional development costs would likely require public subsidy, or if funded by private investment, would reduce overall projected returns on equity and leveraged returns.

Investment Analysis	
Average Daily Rate (2028)	\$ 158
Occupancy (2028)	69%
Net Operating Income (2028)	\$ 1,169
Operating Margin (2028)	30%
Supportable Financing	\$ 11,470,000
Supportable Financing/Room	\$ 120,737
10-Year PV/Room	\$ 113,794

Source: Hunden Strategic Partners

# Cost Comparison

The supportable financing for HSP's recommended select-service hotel equates to approximately \$120,700 per room. This suggests a gap of approximately \$93,100 per room when comparing to the median cost for select-service development across the United States. It is important to note that costs vary by region and developer, as well as the costs have likely increased in 2022.

Hotel Development Cost Per Room Amounts (2021)							
Hotel Quality	Land	Building & Site Improvements	Soft Costs	FF&E	Pre-Opening & Working Capital	Developer Fee	Total
<b>Limited-Service Hotels</b>							
Average	\$14,168	\$96,154	\$14,439	\$14,968	\$2,938	\$4,243	\$146,910
Median	\$9,787	\$91,024	\$10,750	\$13,574	\$2,153	\$4,465	\$131,753
% of Total	10%	65%	10%	10%	2%	3%	100%
<b>Extended-Stay Hotels (Midscale)</b>							
Average	\$20,686	\$95,735	\$16,794	\$14,414	\$2,889	\$3,984	\$154,502
Median	\$16,822	\$80,719	\$12,662	\$14,414	\$2,737	\$3,721	\$131,075
% of Total	13%	62%	11%	9%	2%	3%	100%
<b>Extended-Stay Hotels (Upscale)</b>							
Average	\$17,377	\$129,130	\$28,200	\$19,932	\$4,640	\$6,699	\$205,978
Median	\$14,593	\$125,090	\$21,366	\$20,320	\$3,040	\$7,212	\$191,621
% of Total	8%	63%	14%	10%	2%	3%	100%
<b>Select-Service Hotels</b>							
Average	\$25,354	\$152,378	\$29,792	\$22,659	\$8,004	\$7,051	\$245,238
Median	\$19,642	\$129,429	\$27,605	\$23,148	\$7,212	\$6,818	\$213,854
% of Total	10%	62%	12%	9%	3%	3%	100%
<b>Dual-Branded Hotels</b>							
Average	\$20,950	\$181,786	\$25,041	\$26,189	\$5,512	\$9,824	\$269,302
Median	\$11,486	\$138,384	\$23,066	\$23,221	\$4,500	\$8,502	\$209,159
% of Total	8%	68%	9%	10%	2%	4%	100%
<b>Full-Service Hotels</b>							
Average	\$51,397	\$291,937	\$64,437	\$38,097	\$16,494	\$14,696	\$477,058
Median	\$28,090	\$220,976	\$51,134	\$32,584	\$13,596	\$14,792	\$361,172
% of Total	11%	61%	14%	8%	3%	3%	100%
<b>Luxury Hotels</b>							
Average	\$81,329	\$497,468	\$129,875	\$52,459	\$26,333	\$17,546	\$805,010
Median	\$47,508	\$482,319	\$94,194	\$45,900	\$21,868	\$20,490	\$712,279
% of Total	10%	62%	16%	7%	3%	2%	100%
<b>Redevelopment Projects</b>							
Average	\$45,302	\$195,436	\$49,860	\$31,468	\$10,787	\$15,878	\$348,731
Median	\$22,165	\$145,020	\$33,862	\$23,046	\$7,166	\$13,208	\$244,467
% of Total	13%	56%	14%	9%	3%	5%	100%
<b>Total</b>							
Average	\$34,509	\$201,739	\$44,512	\$27,672	\$10,285	\$11,094	\$329,811
Median	\$15,101	\$116,792	\$21,254	\$19,551	\$3,103	\$813	\$176,614
% of Total	10%	61%	13%	8%	3%	3%	100%

Source: HVS - U.S. Hotel Development Cost Survey February 2022



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Site Assessments



# Overview

In discussions with Show Me Christian County, a number of sites were identified as potential locations for hotel development in Christian County. These locations include:

## **Nixa, Missouri**

- Bentwater Property
- Pembroke Property
- Nicholas Property

## **Ozark, Missouri**

- Garton Road Property
- South Street Property

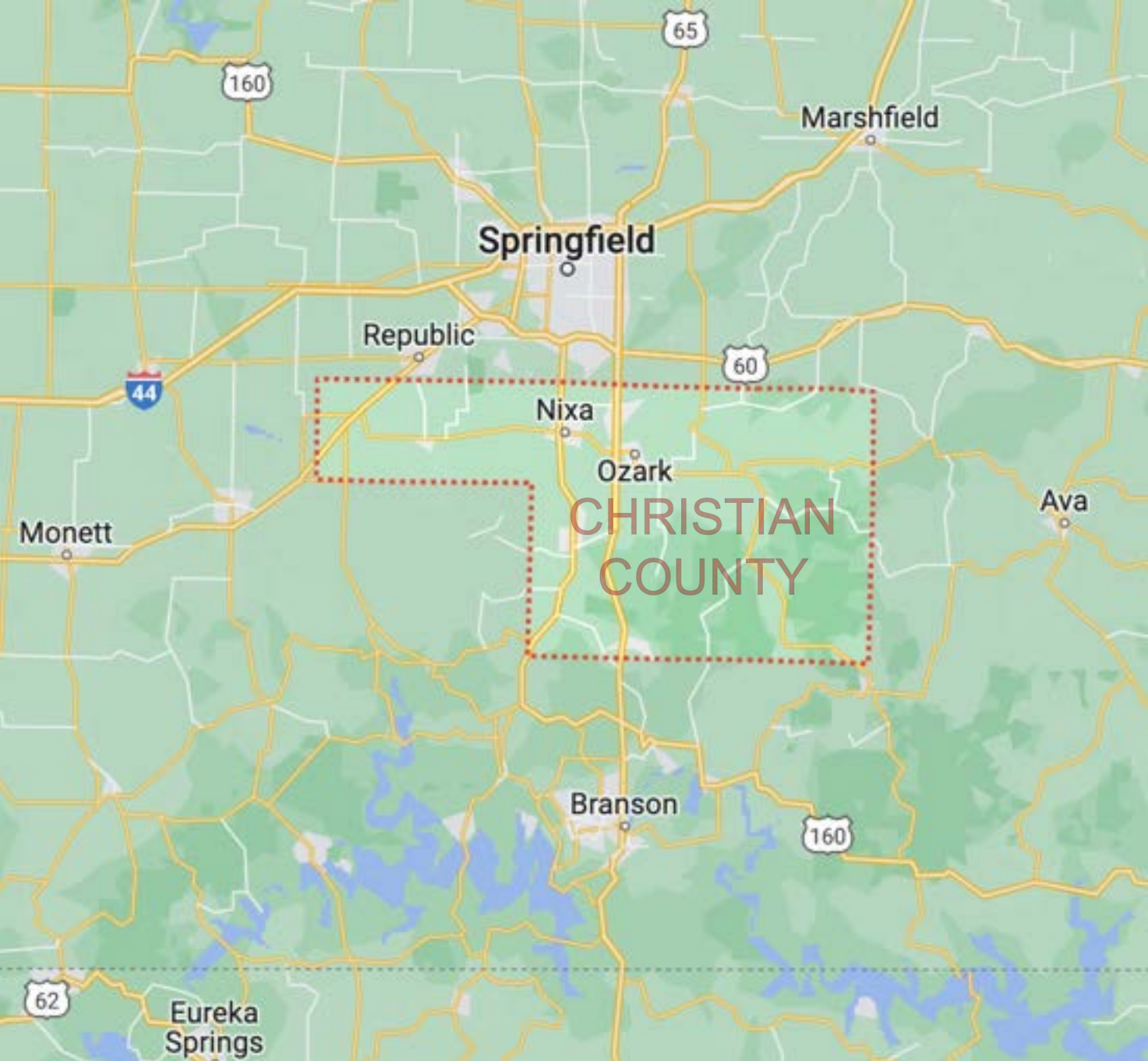
This chapter analyzes the sites by their size, access, visibility, nearby uses, and surrounding demand generators to determine the optimal location for hotel development.



# Regional Map

The map to the right outlines the boundaries of Christian County and its position between Springfield and Branson, Missouri.

The five potential hotel sites are located in either Nixa and Ozark, and are highlighted on the following slide.







**Nixa, Missouri**



# Nixa Demand Drivers

Nixa is currently developing new assets that could drive new demand for a hotel. Both the Aetos Center for Performing Arts and 14 Mill Market food hall are unique amenities that can establish regional draw.

Within Nixa, youth sports is also growing in popularity, and a lack of local quality hotels inhibits the city's ability to draw larger, more regional tournaments.

Though Nixa also has a few meeting and event facilities, interviews revealed that there are still additional needs for larger multi-functional spaces that could be incorporated in a hotel development.

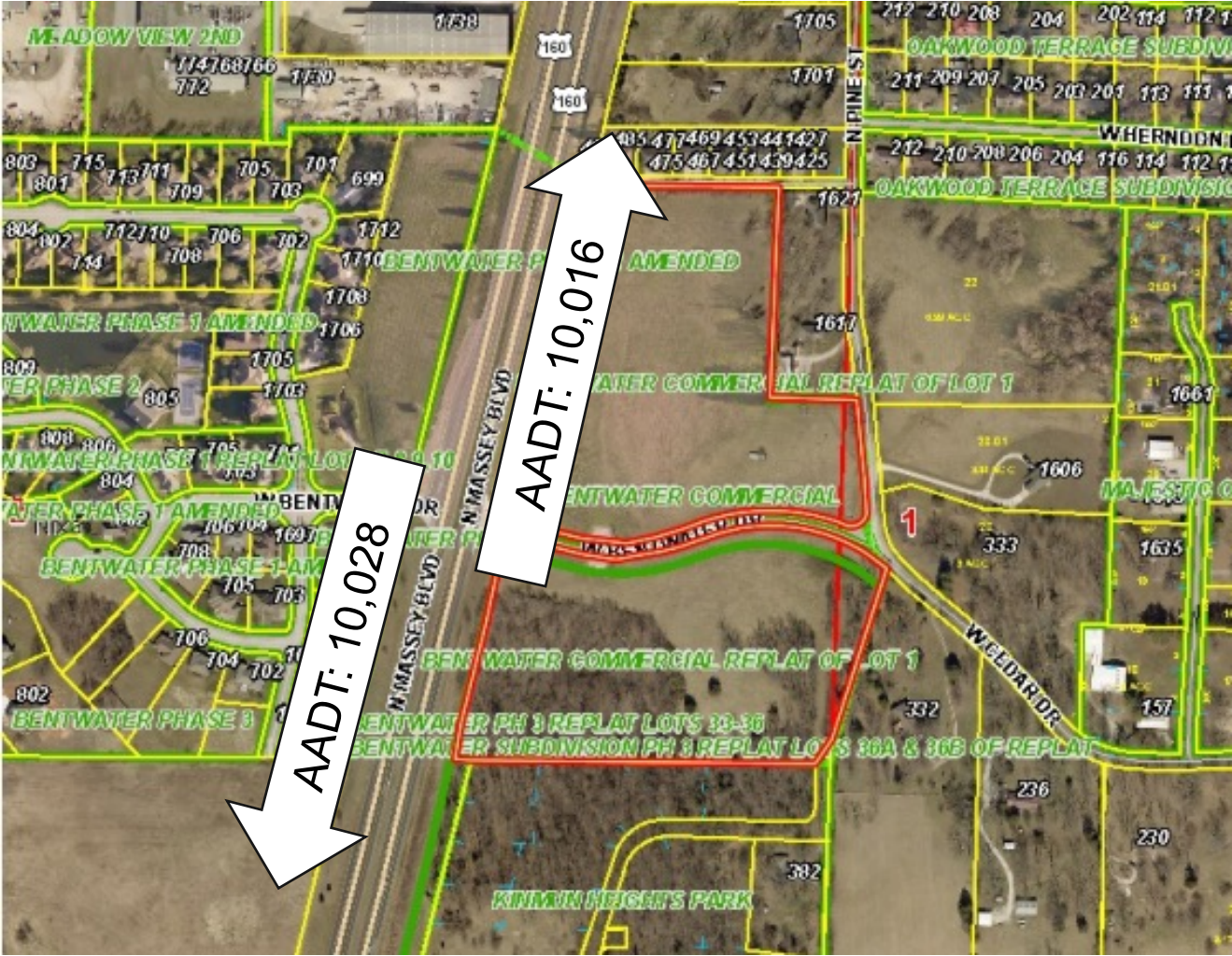
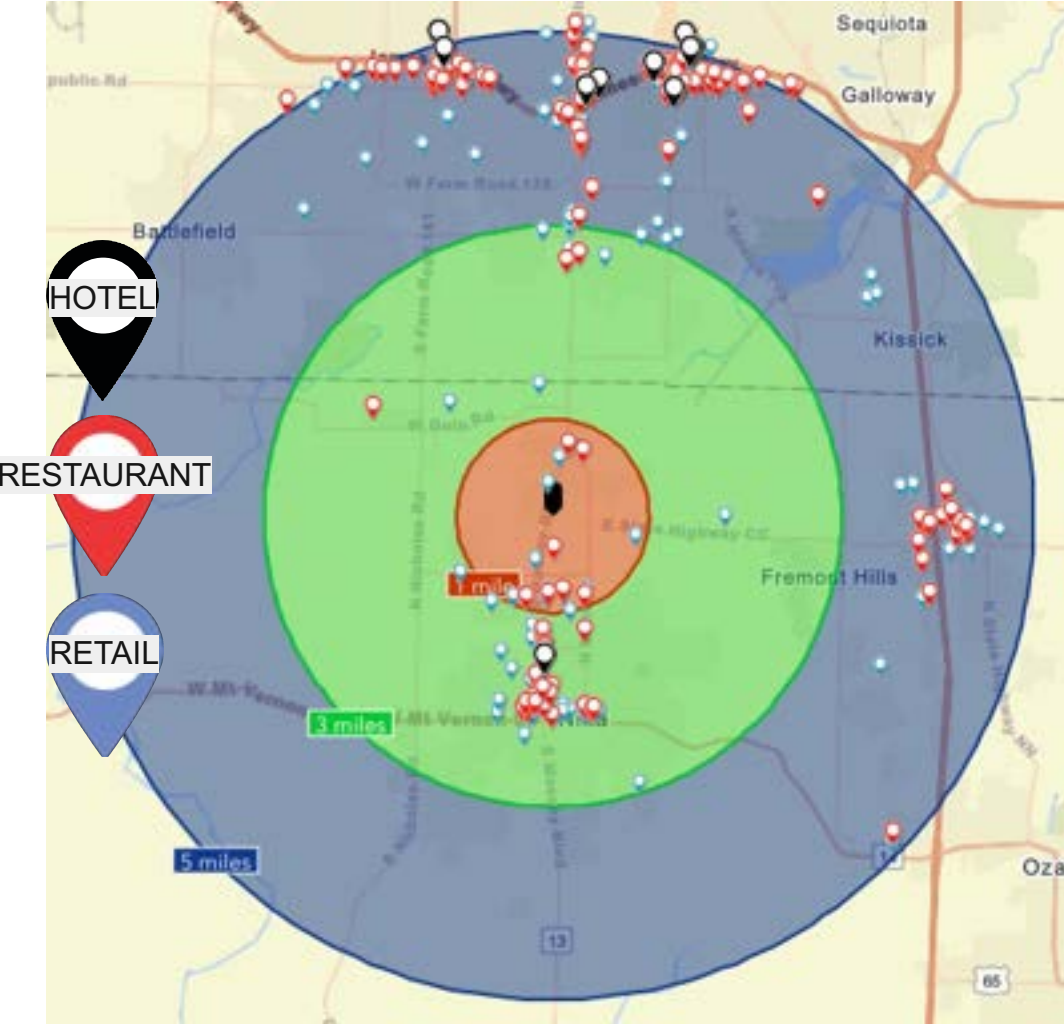


# Bentwater Property – Nixa, MO

Size: 21.94 Acres

Zoning: Highway commercial

Utilities: Available

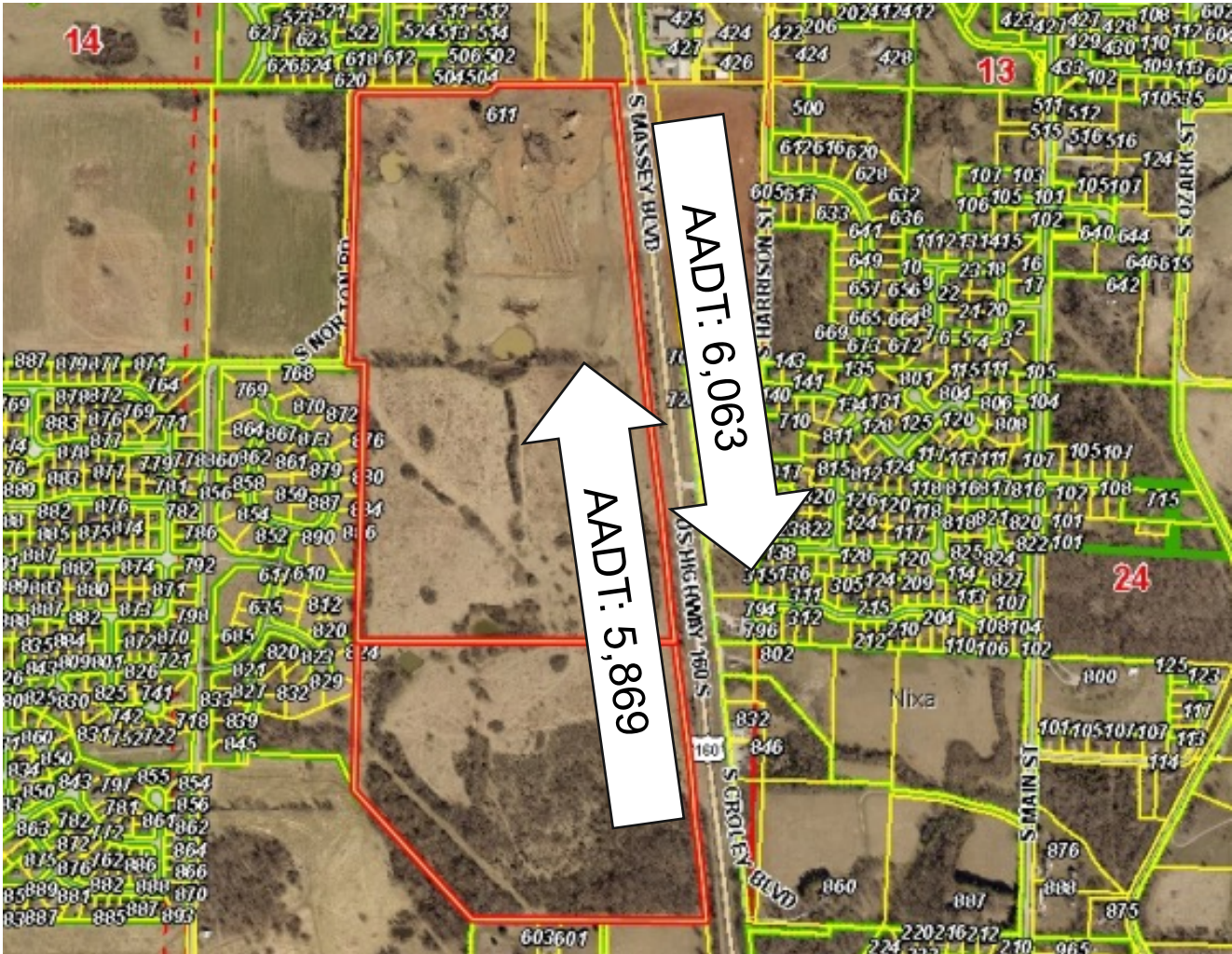
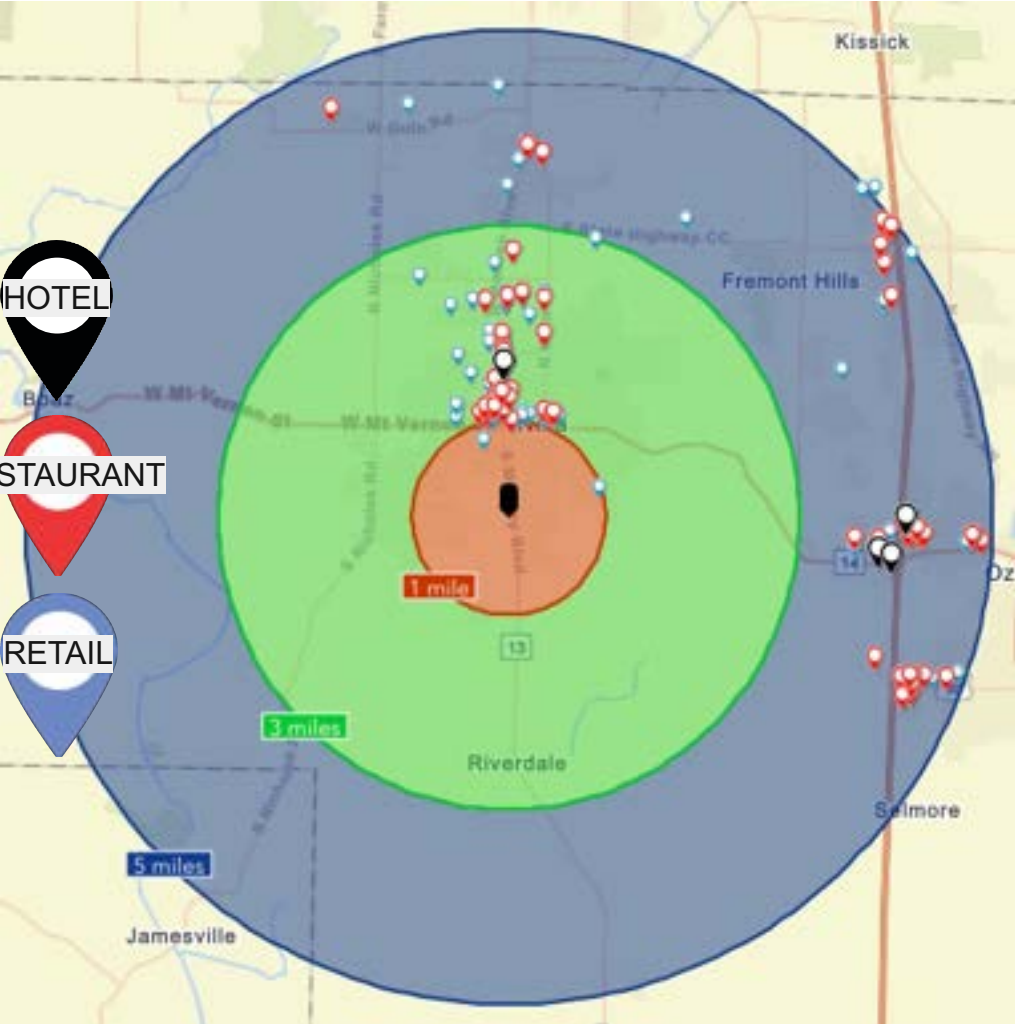


# Pembroke Property – Nixa, MO

Size: 84 Acres (North parcel), 45 Acres (South parcel)

Zoning: Annexation required

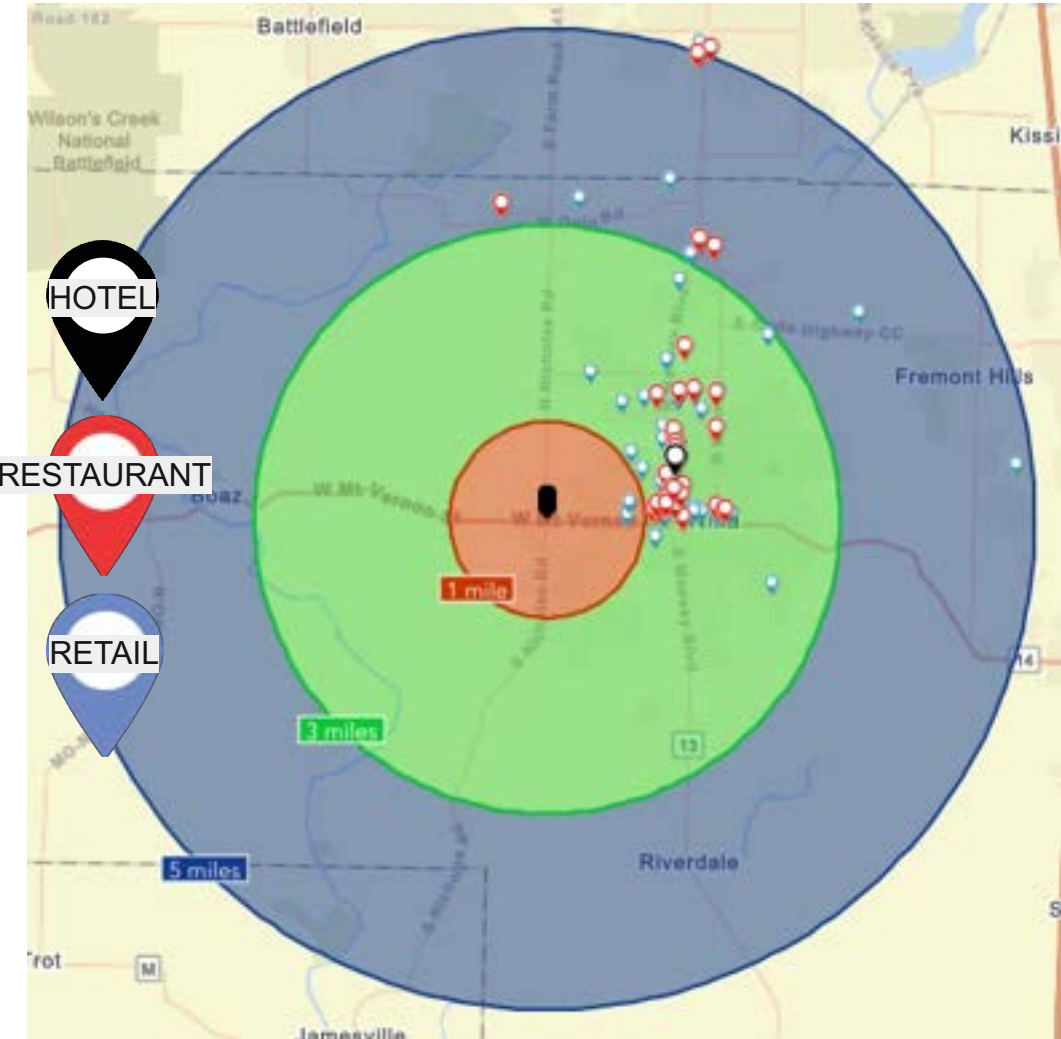
Utilities: Water will need to be extended



# Nicholas Property – Nixa, MO

Size: 9.05 acres

Utilities: Available





**Ozark, Missouri**

# Ozark Demand Drivers

The City of Ozark has a number of hotel demand driving assets, including Volleyball Beach and US Baseball Park. These complexes host numerous junior, college, and professional tournaments where attendees must often stay in Springfield due to the lack of quality hotel product in Ozark and Christian County.

Finley Farms and Lambert's Café also generate significant long-distance visitation. With events at Finley Farms often generating overnight stays, a local hotel would enable the facility to better serve its guests and extend visitor stays and spending within the county.

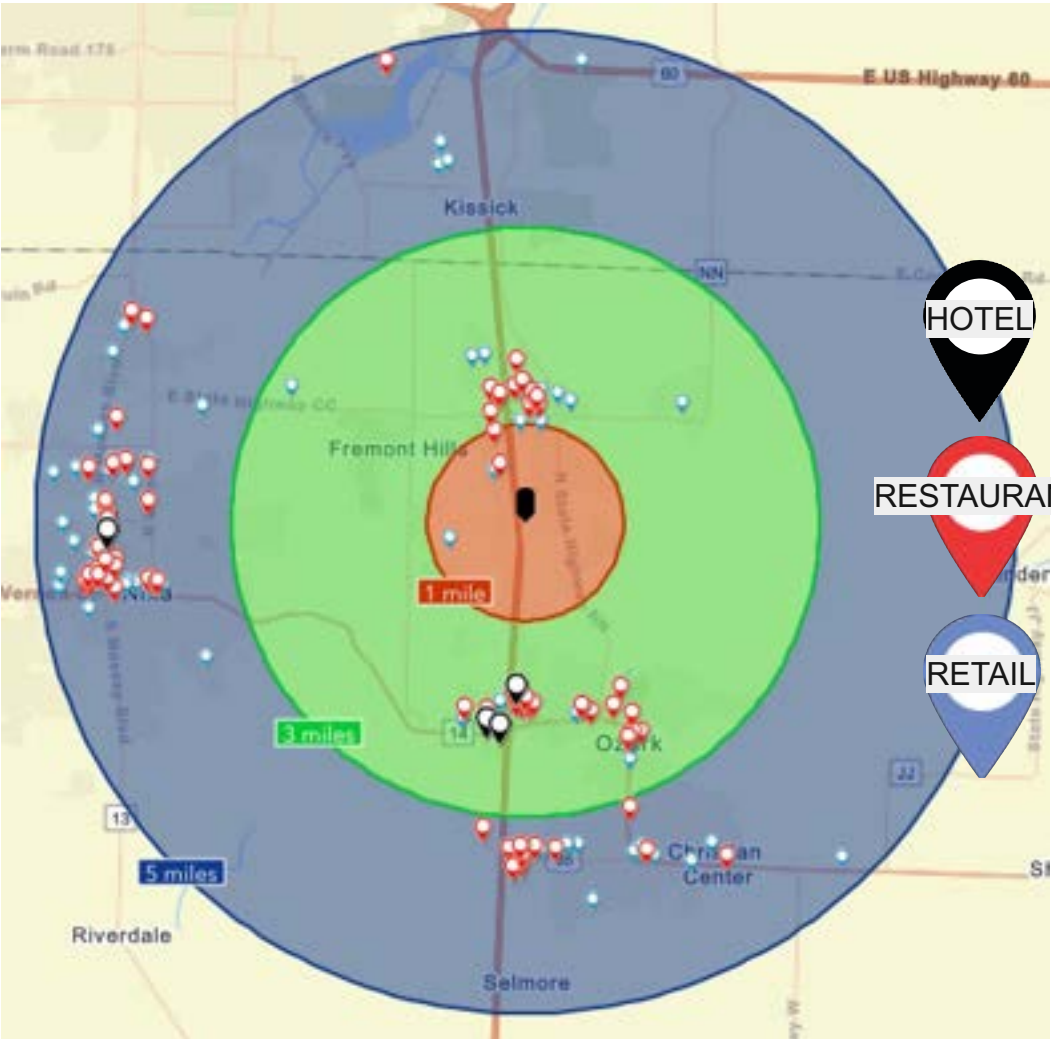


# Garton Property – Ozark, MO

Size: 126 acres

Zoning: Annexation Required

Utilities: Accessible

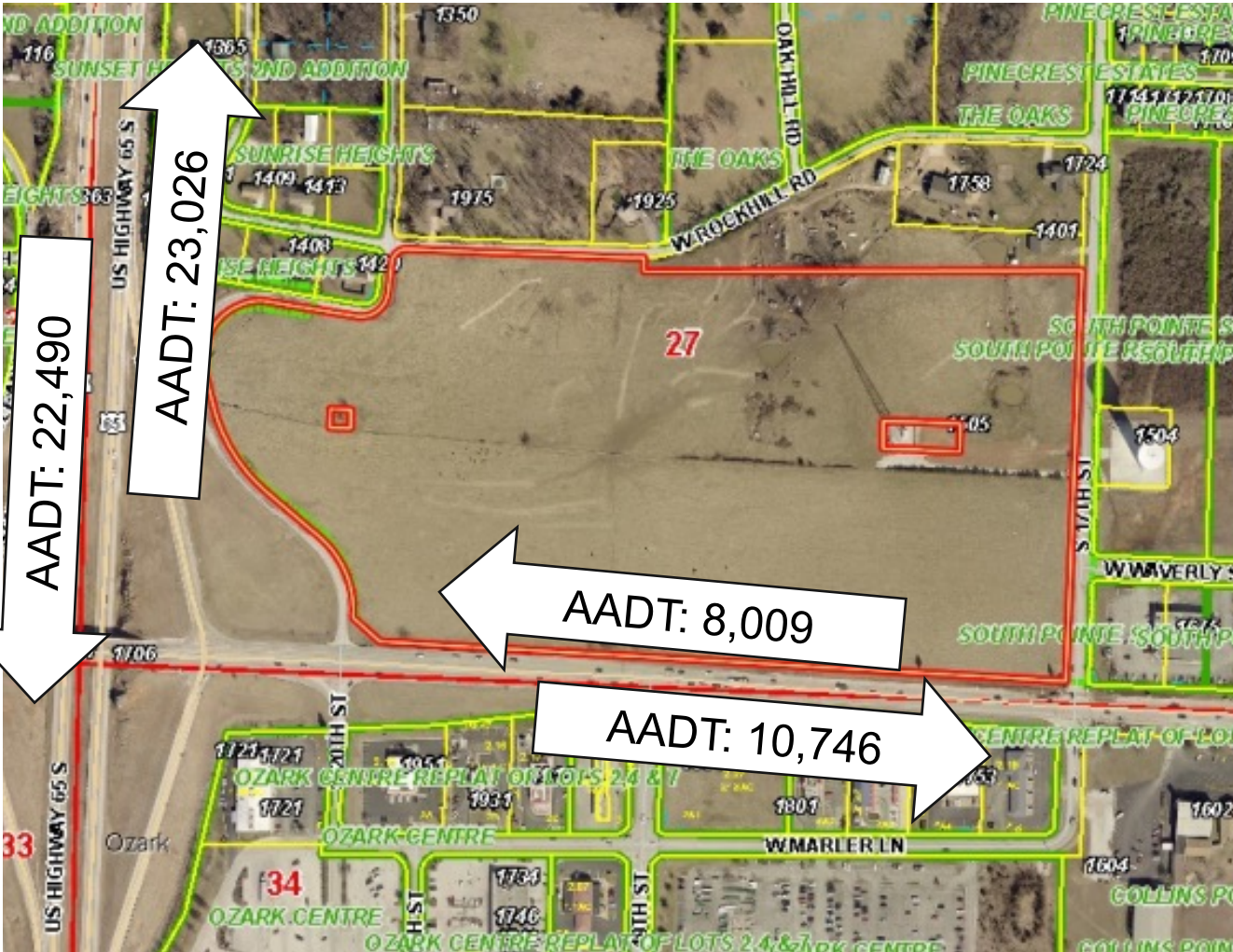
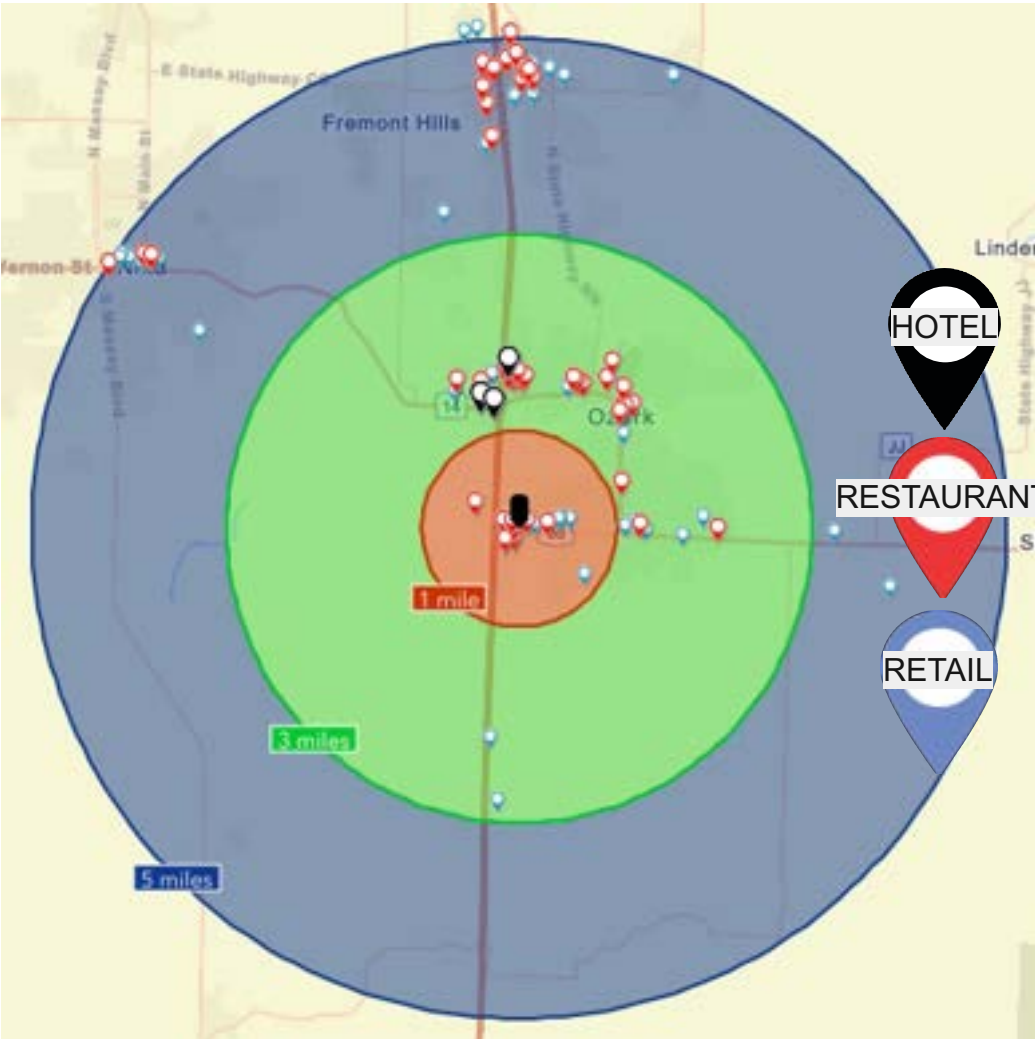


# South St Property – Ozark, MO

Size: 20 acres

Zoning: Annexation Required

Utilities: Accessible





# Site Comparison

## Bentwater Property NIXA

The Bentwater Property has the most access to off-site amenities amongst the Nixa sites, located within five miles of a number of Springfield hotels and additional restaurant / retail supply.

With US-160 as an alternative route from Springfield to Branson before traveling east to US-65 (with a similar drive-time), the site also experiences a decent amount of daily traffic.

Being so close to Springfield's hotel supply and amenities, however, could be a factor that limits guests choosing Nixa over Springfield for overnight stays.

This property is also located 1-2 miles from Nixa's concentration of restaurants and retail and the Nixa Super 8.

## Pembrook Property NIXA

The Pembrook Property is also located 1-2 miles from Nixa's concentration of restaurants and retail and the Nixa Super 8.

The Pembrook Property is within five miles of Ozark and its retail, restaurants, and three hotels.

Similar to other Nixa sites, direct US-160 access is a positive of the site location, but a lack of significant demand drivers compared to Springfield or Ozark may yield insufficient demand for a hotel.

Traffic counts are similar to the Bentwater Property.

## Nicholas Property NIXA

The Nicholas Property is the most remote in terms of nearby amenities and demand drivers, though additional storefronts included in a multi-family complex across the street are planned for development.

The site is also located 1-2 miles from Nixa's concentration of restaurants and retail and the Nixa Super 8, though not being located directly off of US-160 is a weakness of the site.

This site has the least amount of combined traffic traveling in both directions of the site off Missouri Route 14.

All three Nixa sites are located within 1-2 miles of Nixa demand drivers such as the Aetos Center for the Performing Arts, 14 Mill Market development, and Nixa sports and event facilities.

## Garton Rd Property OZARK

The Garton Rd Property is located within 1-2 miles of Ozark's concentration of restaurant and retail supply off of US-65, along with Ozark's three existing hotels.

The location has strong highway visibility and multi-directional traffic passing the site.

The Garton Rd Property is also within five miles of hotels and amenities in Nixa.

In terms of demand drivers, the Garton Rd Property is located closest to Ozark's major sports facilities.

## South St Property OZARK

The South St Property is located just over one mile from the three existing Ozark hotels, with a significant amount of adjacent or nearby retail and restaurants already developed, though mostly fast-casual in concept.

The location of this site is strongest amongst all potential sites, as it is located directly off an US-65 exit, with strong visibility and daily traffic. However, due to its visibility and location, this site will likely be the most expensive in terms of site acquisition costs or lease terms.

The South St Property is located closest to Finley Farms, which is likely to be a major driver of new hotel demand in the county.

# Implications

- Being located close to Springfield is both a strength and weakness of the Nixa sites, as it reduces travel times for Springfield corporate and event business compared to Ozark; but Springfield already offers superior lodging facilities and nearby amenities compared to Nixa.
- With high traffic counts and US-65 access and visibility, the Ozark sites are preferable locations for hotel development, with the Garton Rd Property experiencing the most daily traffic.
- Ozark also has a higher concentration of retail and restaurant development, and the Ozark sites are also near major sports and event facilities that generate hotel demand.
- As a midpoint between Springfield and Branson, an Ozark hotel development has the potential to capture US-65 travelers as well as tourists visiting both destinations.





# 03

## Economic, Demographic & Tourism Analysis



# Overview

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Local market area characteristics such as population, demographics, and accessibility play a critical role in the potential demand for a hotel in a market.

Access to local and regional markets with higher incomes and disposable income as well as large employers can increase tourism spending, corporate stays, and demand for a hotel in a given market.

This chapter will outline these factors as they relate to Christian County, Missouri.



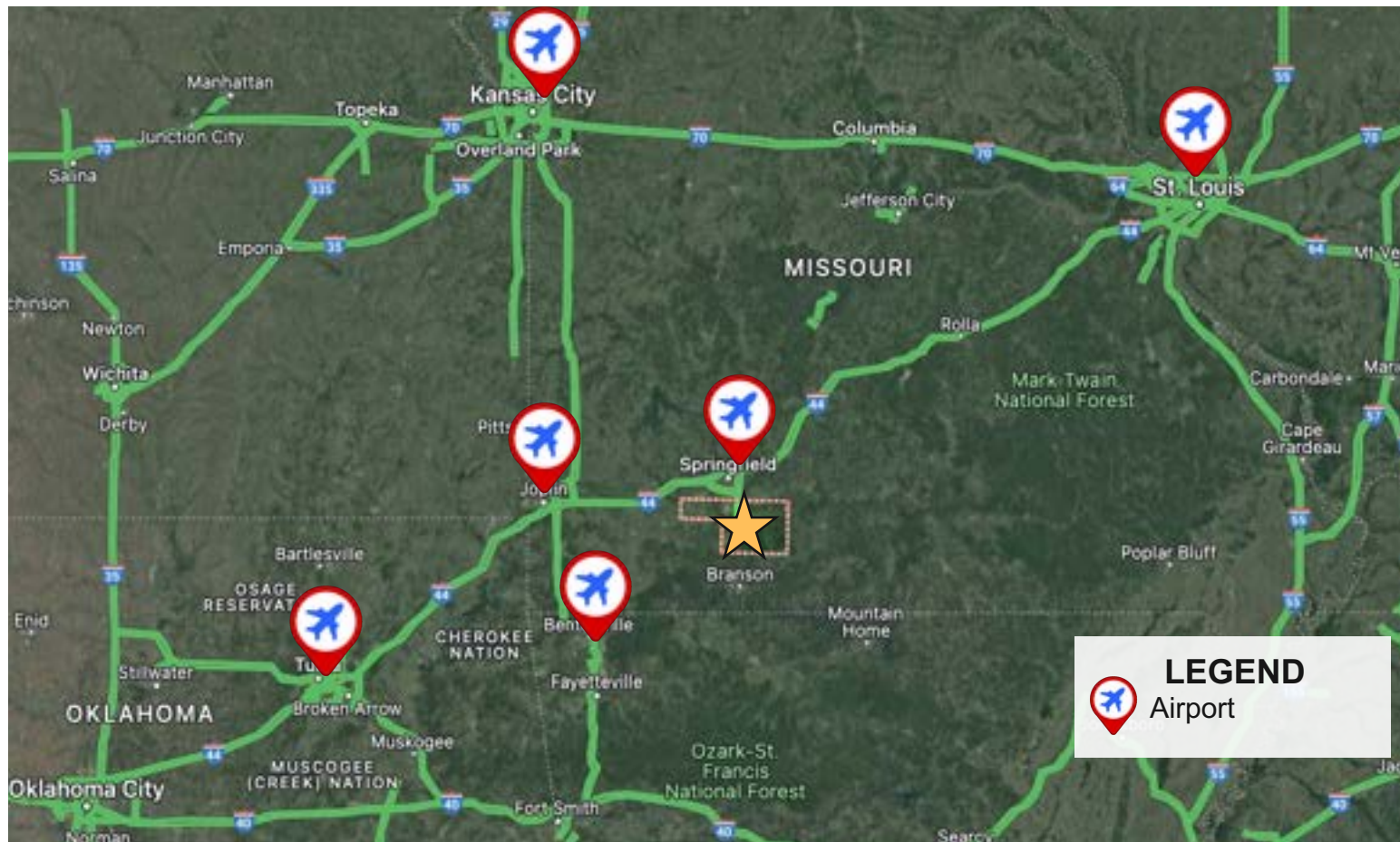
# Accessibility

The neighboring map shows interstate connectivity for Christian County. Interstate 44 connects St. Louis to Oklahoma City, through Springfield.

Intersecting Interstate 44, US-65 connects Springfield with Branson, Missouri. This route goes through Ozark within Christian County.

A potential hotel would largely capture guests who visit via car, but looking at air accessibility provides insight to how accessible the county is to national audiences.

There are six airports that are relevant to Christian County. Springfield-Branson National (SGF) is the closest airport to the county, and most likely the airport potential hotel guests would use. During 2022, over 550,000 passengers had SGF as their final airport destination.



Regional Airport Traffic   Number of Destination Passengers						
Year	Springfield-Branson National (SGF)	Joplin Regional Airport (JLN)	Northwest Arkansas National Airport (XNA)	Tulsa International Airport (TUL)	Kansas City Int'l Airport (MCI)	St. Louis Lambert Int'l Airport (STL)
2017	479,324	35,363	1,438,922	1,370,115	5,747,092	7,185,754
2018	519,539	39,006	1,574,610	1,478,787	5,910,901	7,604,704
2019	580,504	47,543	1,846,374	1,500,180	5,888,358	7,770,996
2020	291,129	24,450	721,107	667,339	2,246,646	3,064,117
2021	477,738	27,054	1,234,328	1,151,074	3,830,388	5,077,176
2022	554,923	-	-	-	4,522,379	6,836,006
<i>Miles to Ozark</i>	<i>26.3</i>	<i>85.5</i>	<i>107.0</i>	<i>191.0</i>	<i>203.0</i>	<i>230.0</i>

Source: Bureau of Transportation Statistics

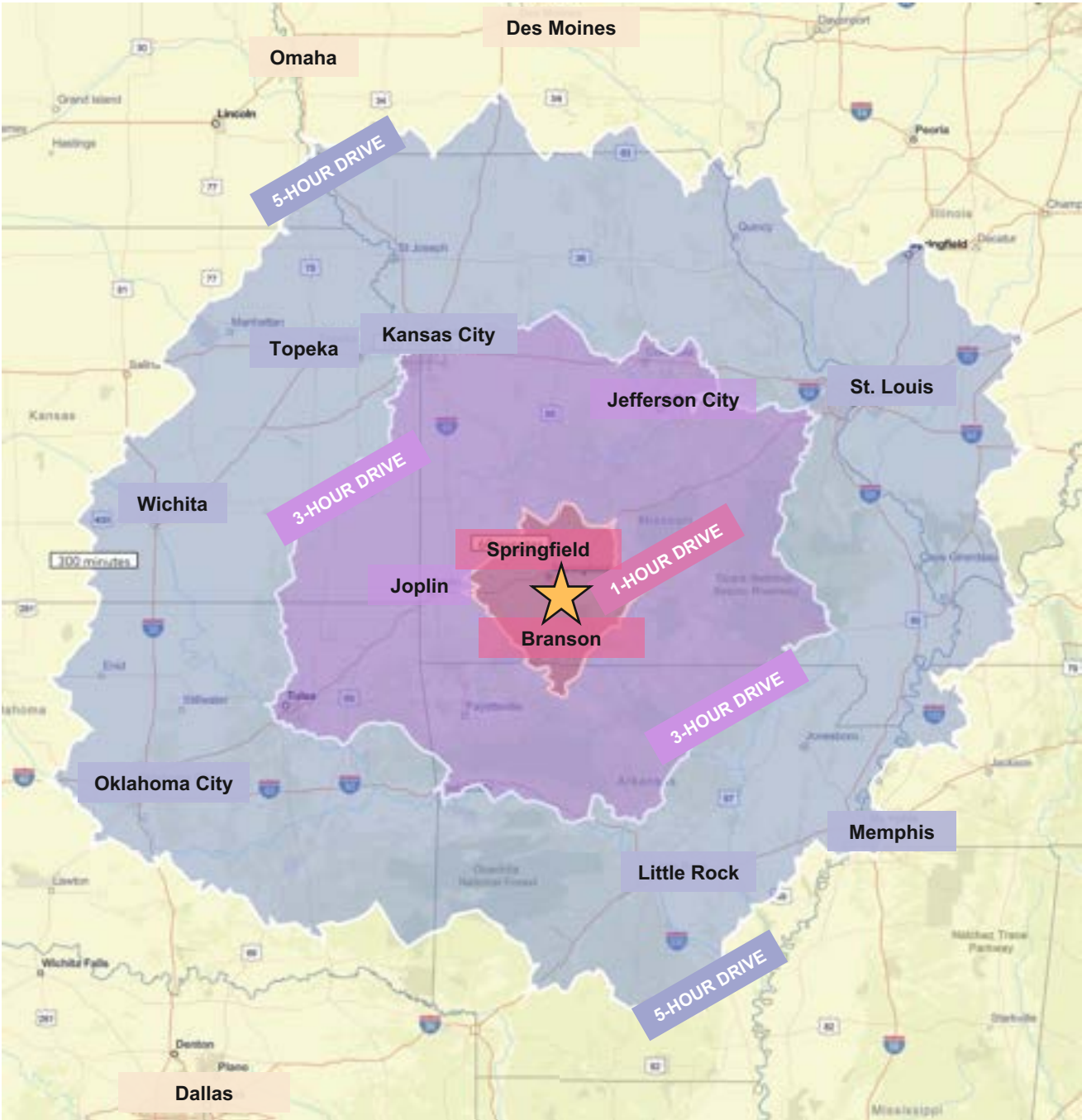
# Drive Times

Christian County benefits from many major drivable metropolitan areas. Within a three-hour drive there is a population of about 5.4 million people. Further expanding the drive time to five hours captures nearly 16.9 million individuals.

Major metropolitan areas within a five-hour drive include St. Louis, Kansas City, Oklahoma City, Memphis and Little Rock. Travelers from these cities represent a share of the capturable market for a hotel.

Estimated Drive-Time Statistics from Ozark, MO (Finley Farms) (2022)			
	1-Hour	3-Hour	5-Hour
Population	641,466	5,435,587	16,943,382
Households	259,463	2,166,673	6,753,631
Median Household Income	\$51,616	\$59,379	\$60,345
Median Home Value	\$186,595	\$194,811	\$189,196
Median Age	39.6	38.9	38.8

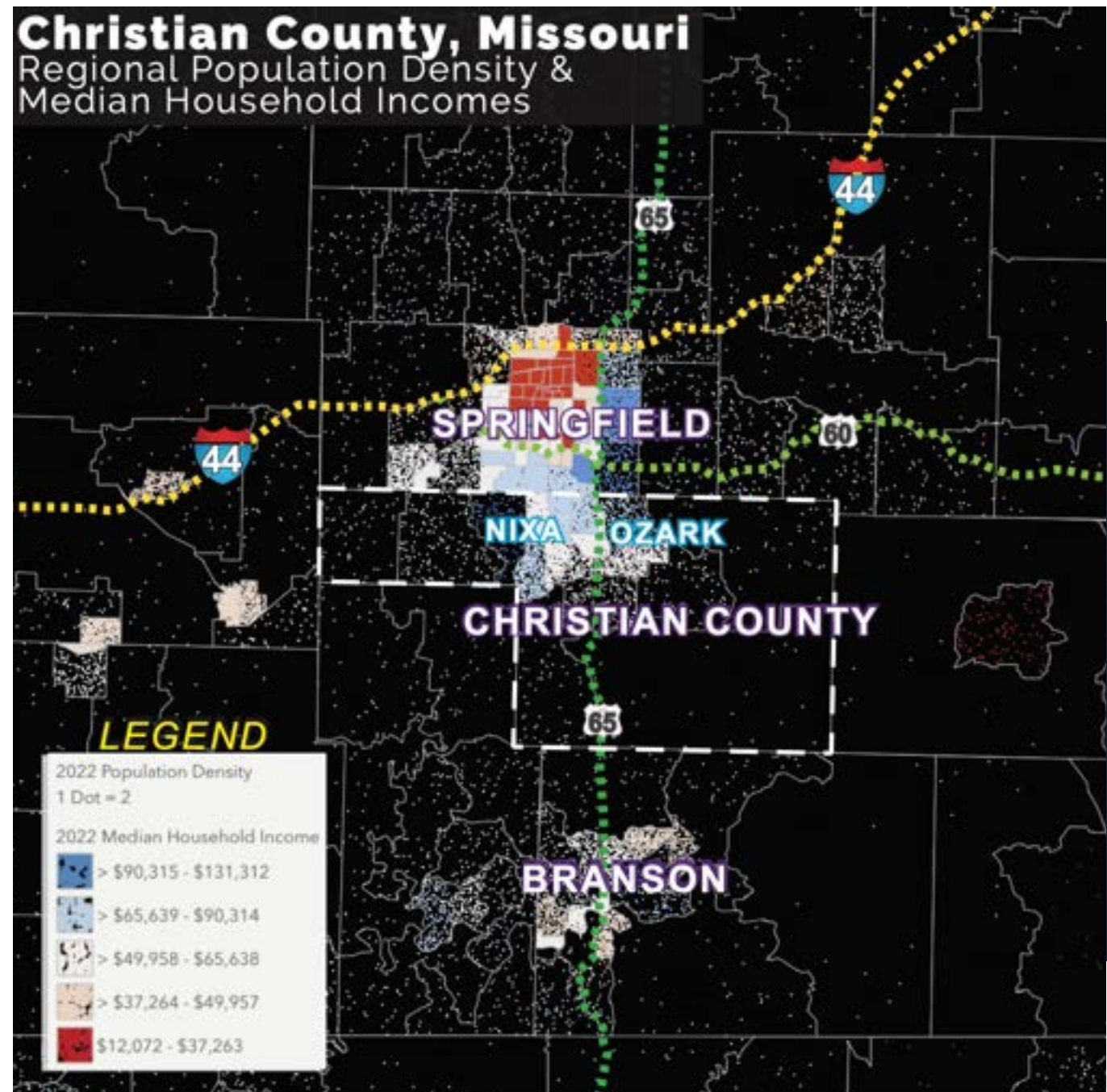
Source: ESRI



# Household Income & Population Density

The neighboring map shows the distribution of incomes and households across the area around Christian County. Nixa and Ozark, both located south of Springfield, are the two areas within Christian County that have both a dense population and higher incomes.

Overall, Nixa had a higher 2022 median household income and population compared to Ozark.



# Key Demographic Statistics

- Christian County's population has increased 18.2 percent from 2010 to 2022, similar to population growth in Branson during this period. This increase is expected to continue through 2027, as the county is expected to grow by 4,200 people from 2022 through 2027.
- Homeownership rate in Christian County is higher than state and national averages.
- Median home value is also higher in Christian County, Nixa, and Ozark compared to Springfield, Branson, and the state.
- Median household income in the county is also close to national averages and higher than the state.

Population and Growth Rates					
	Population				Percent Change 2010 - 2022
	2010	2020	2022	2027 Projected	
United States	308,745,538	331,449,281	335,707,897	339,902,796	8.7%
Missouri	5,988,927	6,154,913	6,186,582	6,219,856	3.3%
Springfield, MO - MSA	436,712	475,432	484,259	496,408	10.9%
Springfield	160,041	169,193	171,589	173,632	7.2%
Branson, MO - MSA	51,675	56,066	56,702	57,346	9.7%
Branson	11,159	12,935	13,177	13,440	18.1%
Christian County, MO	77,422	88,842	91,481	95,710	18.2%
Nixa	19,535	23,257	24,285	25,868	24.3%
Ozark	18,110	21,411	21,716	22,188	19.9%

Source: U.S. Census Bureau

Income, Spending and Other Demographic Data							
Category	United States	Missouri	Springfield	Branson	Christian County	Nixa	Ozark
Homeownership rate, 2021	64.6%	67.6%	42.9%	46.6%	75.8%	66.8%	66.2%
Median value of owner-occupied housing units, 2017-2021	\$244,900	\$171,800	\$127,800	\$170,800	\$195,100	\$191,000	\$173,800
Persons per household, 2017-2021	2.60	2.46	2.01	2.45	2.68	2.73	2.61
Median household income, 2017-2021	\$69,021	\$61,043	\$39,991	\$45,669	\$69,212	\$66,264	\$62,169
Persons below poverty level, percent	11.6%	12.7%	21.1%	22.4%	8.3%	7.4%	12.3%
Total employment, percent change, 2019-2020	0.9%	0.8%	—	—	2.0%	—	—

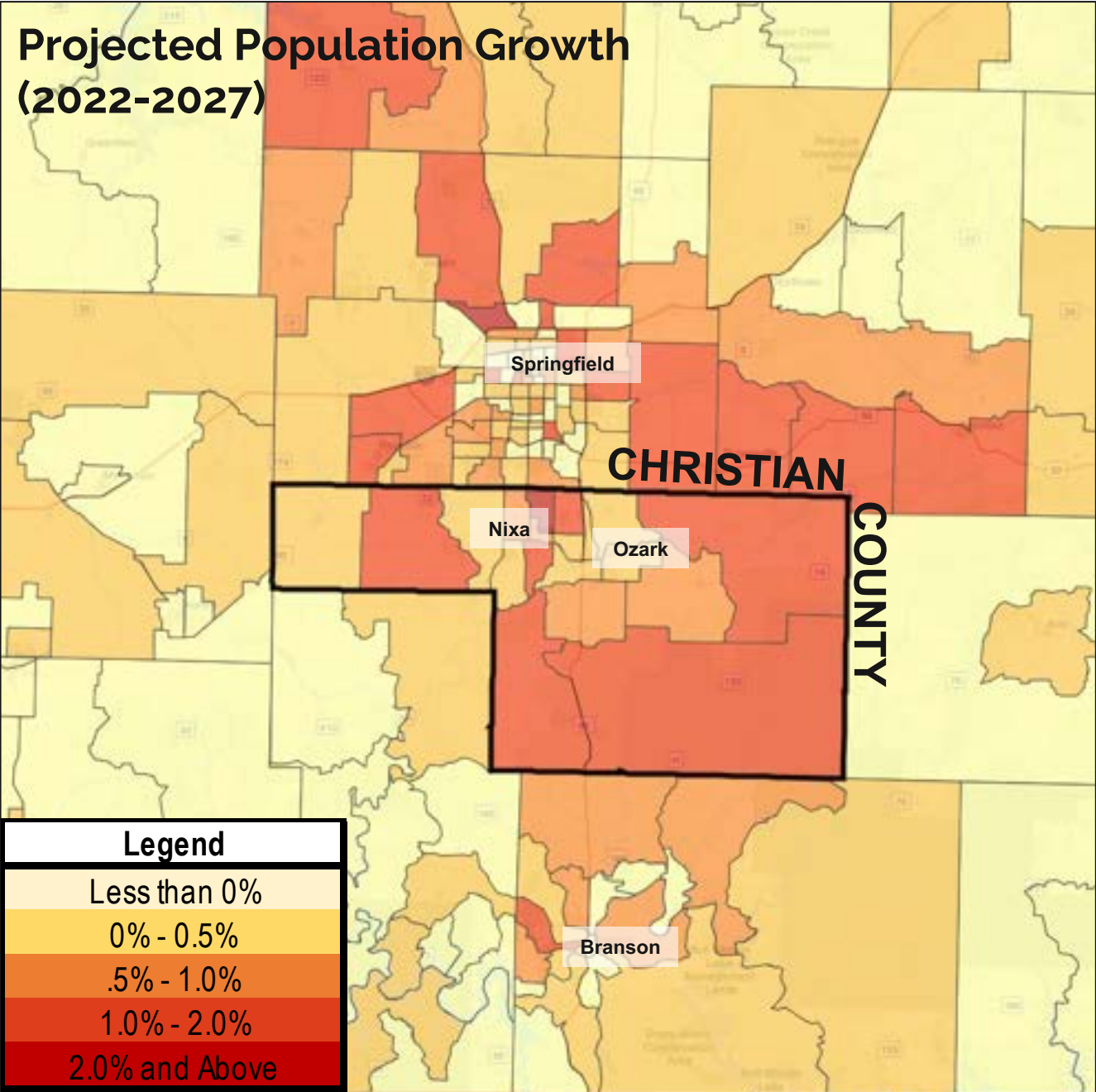
Source: U.S. Census Bureau



# Population Growth

The neighboring graphic shows the projected areas of growth between 2022 and 2027. Over the next five years, Nixa is expected to experience over two percent population growth, with the county overall estimated to experience growth of over one percent.

Higher populations increase the need for overnight accommodations for visitors of these residents.



# Education

Christian County has comparable educational attainment rates compared to the national and state averages, with Nixa and Ozark having higher rates of bachelor degrees compared to the state and county.

Christian County and the surrounding area is home to a limited number of academic institutions. Ozark Technical Community College has a small presence in Christian County. The closest larger higher-education facilities are located in Springfield, which is home to four institutions.

While there are no major institutions within Christian County, there are over 33,000 students enrolled in Springfield. University activity often generates significant room nights for major events, though this demand is likely to be captured by the hotel supply in Springfield.

Educational Attainment - 2021						
Population Age 25+	United States	Missouri	Springfield	Christian County	Nixa	Ozark
Did Not Complete High School	10.6%	8.5%	8.6%	7.5%	6.6%	7.0%
Completed High School	26.3%	30.8%	28.9%	28.8%	25.0%	26.9%
Some College	19.3%	20.7%	25.0%	22.9%	25.6%	21.0%
Completed Associate Degree	8.8%	8.3%	7.8%	9.3%	9.2%	9.1%
Completed Bachelor Degree	21.2%	19.5%	18.3%	19.5%	23.4%	22.7%
Completed Graduate Degree	13.8%	12.2%	11.4%	12.0%	10.2%	13.3%

Source: U.S. Census Bureau

Christian County Area Colleges & Universities				
Institution	Location	Distance from 65721	Highest Degree Offered	Enrollment
Bryan University	Springfield	10.3 miles	Masters	184
Ozarks Technical Community College	Springfield	14.6 miles	Associates	10,506
Missouri State University-Springfield	Springfield	14.6 miles	Doctorate	22,925
WellSpring School of Allied Health-Springfield	Springfield	16.5 miles	Associates	76
North Arkansas College	Harrison	54.1 miles	Associates	1,792
Crowder College	Neosho	65.5 miles	Associates	3,989
Arkansas State University-Mountain Home	Mountain Home	65.7 miles	Associates	1,246
Bryan University	Rogers	66.1 miles	Associates	15
NorthWest Arkansas Community College	Bentonville	71.4 miles	Associates	7,037
Missouri Southern State University	Joplin	71.8 miles	Masters	4,352
<b>Total</b>				<b>52,122</b>

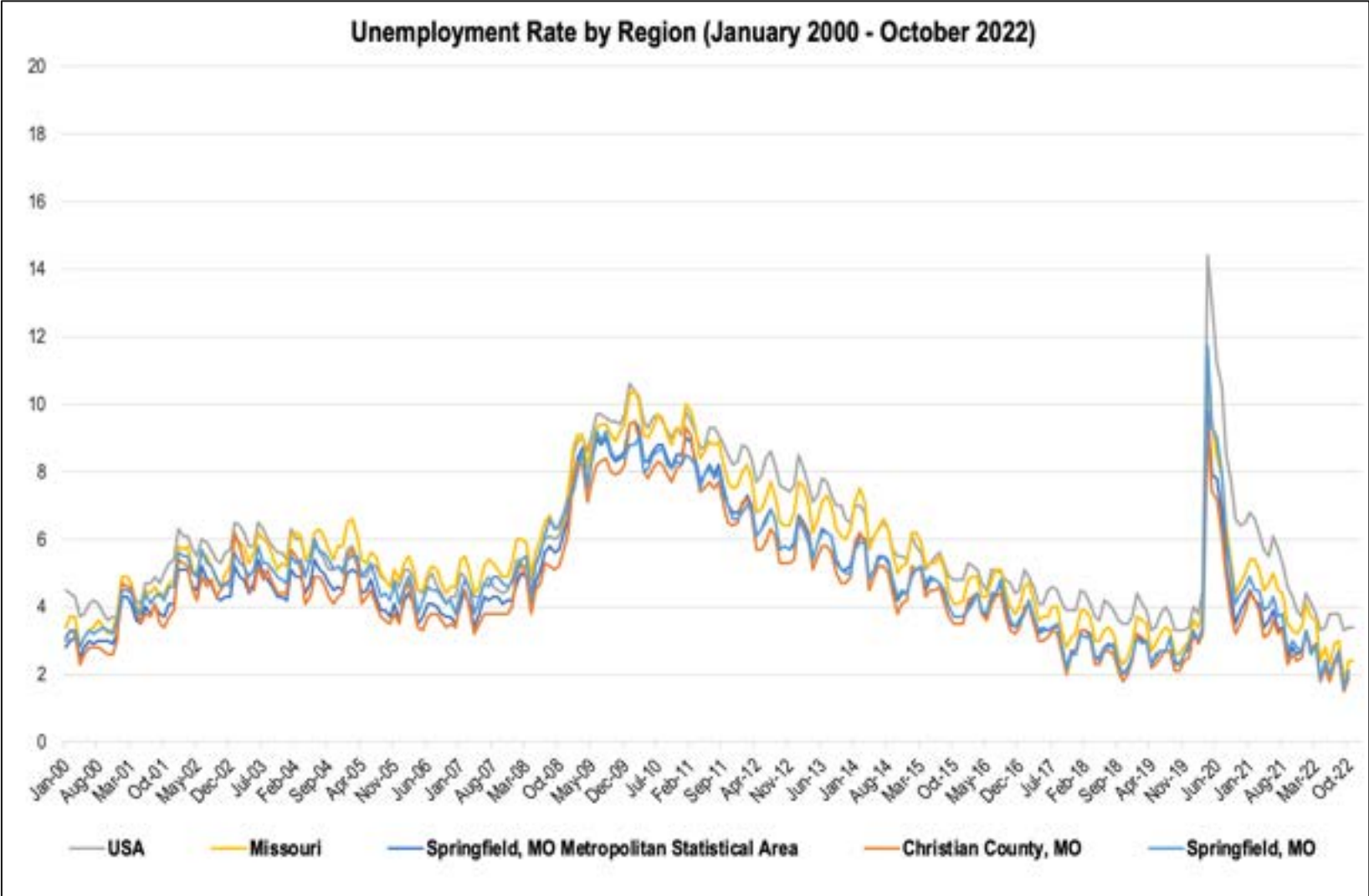
Source: National Center for Education Statistics

# Unemployment

The neighboring graph visualizes unemployment by region from January 2000 through October 2022.

Christian County and Springfield, Missouri, have been relatively recession resilient compared to the United States and the state of Missouri.

Unemployment in 2022 decreased below pre-pandemic levels.



# Employment

Retail trade is the largest segment of employment within Christian County, representing approximately 14 percent of private employment. Second to retail trade, is the construction industry, which records about 11 percent of private employment.

Top employers are dominated by healthcare, retail and education. Top employers in the county include:

- Diversified Plastics
- Lambert's Café
- Network Cable of Missouri
- Southwest Materials
- Third Street Sportswear
- Tracker Marine
- Springfield Marine
- Cush Corp
- The Limo Store
- Christian County Enterprises
- Ample Industries
- Heavy Duty Rebuilders Supply

**More significantly, approximately 82 percent of Christian County's employed residents commute to another county. U.S. Census' latest 2015 estimates show over 21,400 workers living in Christian County commute to Greene County for work (over half of all workers).**

Christian County Area Employment by Industry - 2021

Description	Employees	% Total
<b>Total employment (number of jobs)</b>	<b>34,127</b>	<b>100%</b>
<b>By type</b>		
Wage and salary employment	20,190	59.16%
Proprietors employment	13,937	40.84%
<b>By industry</b>		
Farm employment	1,097	<b>3.21%</b>
Nonfarm employment	33,030	96.79%
<b>Private nonfarm employment</b>		
Retail trade	4,637	13.59%
Construction	3,847	11.27%
Other services (except government and government enterprises)	2,679	7.85%
Accommodation and food services	2,572	7.54%
Real estate and rental and leasing	2,301	6.74%
Finance and insurance	1,980	5.80%
Health care and social assistance	1,974	5.78%
Professional, scientific, and technical services	1,860	5.45%
Administrative and support and waste management and remediation services	1,744	5.11%
Manufacturing	1,719	5.04%
Transportation and warehousing	1,296	3.80%
Wholesale trade	930	2.73%
Arts, entertainment, and recreation	737	2.16%
Information	327	0.96%
Educational services	305	0.89%
Management of companies and enterprises	137	0.40%
Utilities	95	0.28%
Forestry, fishing, and related activities	(D)	-
Mining, quarrying, and oil and gas extraction	(D)	-
<b>Government and government enterprises</b>		
State and local	3,191	9.35%
Local government	3,078	9.02%
State government	113	0.33%
Military	299	0.88%
Federal civilian	136	0.40%

Source: Bureau of Economic Analysis, Hunden Strategic Partners



# Major Employers

# Creative Audio

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HSP interviewed the owner of Creative (formerly Creative Audio), an automotive lifestyle company with numerous stores and a distribution center in Ozark.

Creative frequently utilizes hotels for business needs related to store construction, quarterly/monthly staff, vendor, and client / executive meetings, and employee trainings. Currently, these events include dinners and activities spread between Springfield and Branson, though Creative prefers these were held locally in Ozark. They are inhibited from doing so currently because of the lack of quality hotel product available. Ozark Airbnbs are sometimes used but are often not reliable, and limited supply exists in Nixa.

Creative sees their demand for hotels growing in the future. A local area for entertainment / overnight stays would be ideal, and limit staff having to travel outside the area when meetings are concluded.

Ozark is beginning to offer larger shows, venues, and attractions, with easy access off US-65. Creative sees Christian County as having an opportunity to offer hotel and dining options not available in Springfield and Branson.



# Aire-Master of America

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Aire-Master of America provides scent marketing and odor control for businesses, multi-family, hotels, hospitals, and other public facilities and has a manufacturing plant in Nixa.

Hotel needs for Aire-Master are associated with client meetings and trainings with executives staying in Springfield due to nicer hotel products available and more amenities in the area. Total estimated room night needs are estimated at approximately 50 per year. Aire-Master does not see the need for a hotel in Christian County due to Springfield's proximity, though if the desire is to redirect that business, a higher quality product would need to be available locally.



# Xtreme Exteriors

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Xtreme Exteriors is a family-owned residential and commercial contractor that specializes in windows, doors, siding, gutters, and roofing.

With four locations and employees spread over other markets, corporate meetings create the need of a central location for overnight stay. Currently most of these employees stay in the Courtyard Marriott in Springfield.

The owner of Xtreme Exteriors is also the owner of the Nicholas Property in Nixa that could be a potential location for hotel development. Across the street, there is a planned 20-acre multi-family development that would also include additional storefronts.

The owner sees a lot of corporate business lost to Springfield due to the lack of quality hotels in Christian County, therefore losing significant spending to Greene County.

The company also sees the need for access to higher quality meeting space in the County, which could be included in a new hotel development.

The owner believes Ozark would be a better location for a hotel over their site in Nixa due to highway access, but there is also the need for a higher quality hotel in Nixa, with the Super 8 as the only current option. An 80-100 room hotel is thought to be the appropriate size for the county.





# Implications

Christian County is conveniently located between Springfield and Branson, with direct access of US-160 or US-65. With high population growth and incomes compared to surrounding areas, future growth in development is expected in the county, but a lack of a quality hotels inhibits the area from attracting more regional business.

With a moderate amount of hotel demand generated by local employers being lost to Springfield, a hotel development in the county could recapture that demand and increase economic activity in the area.



04

**Tourism and  
Attractions**

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# Tourism Overview

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Tourism within the Christian County area is heavily influenced by both the Springfield and Branson markets. These markets have developed significantly over the years, but the greatest amount of growth has a strong correlation with the influence of Johnny Morris and Bass Pro Shops.

To fully understand what drives tourism within Christian County, understanding the draws that these two markets have is critical.

This chapter outlines the major attractions and hotel demand drivers in Springfield and Branson, followed by an analysis of demand drivers within Christian County.





**Bass Pro Shops**

**Tourism & Attractions**



# Wonders of Wildlife (wow)

## Bass Pro Shops (BPS)

In 1972 Johnny Morris started the Bass Pro Shop brand in Springfield, Missouri. Johnny Morris has kept the history of the brand local by establishing the brand's headquarters in Springfield and reinvesting in the local community.

The Bass Pro Shops in Springfield, Missouri, is known as the "Granddaddy of All Outdoor Stores," and is the original location of the Bass Pro Shops brand. According to Bass Pro Shops, it is the number one tourist destination in the state of Missouri. The 500,000 SF store has one of the largest assortments of outdoor gear, apparel and gifts in the country.

The Johnny Morris' Wonders of Wildlife National Museum & Aquarium is a connected educational attraction in Springfield. The Wonders of Wildlife was built in September of 2017. The facility has over 1.5 million gallons of water and features 35,000 animals.

Johnny Morris' impact on the region extends past these two facilities, with developments in Ozark (Christian County), Branson and other destinations in the region.

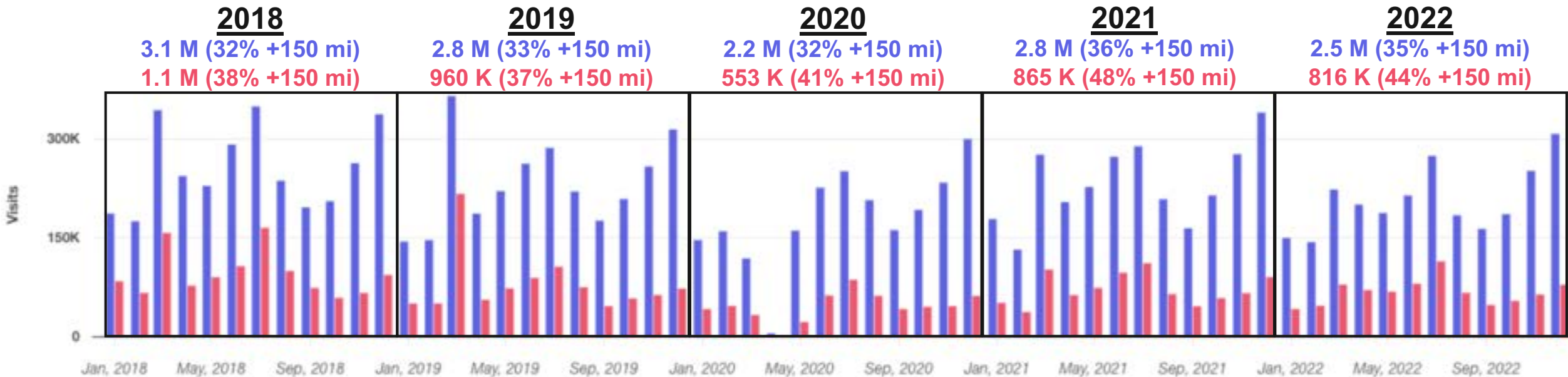


# Johnny Morris' Springfield Attraction Visitation

According to Placer.ai geo-fencing analysis, the Original Bass Pro Shops location consistently attracts over 2.5 million visitors each year. Of these visitors, more than 30 percent were from over 150 miles away. The store is a free attraction to visit, while Wonders of Wildlife is a paid experience. Even with admission costs, Wonders of Wildlife attracts over 800,000 visitors each year. Since 2020, over 40 percent of these visitors came from over 150 miles away to visit the museum and aquarium.

## Johnny Morris' Attraction Visitation Statistics 2018 - 2022

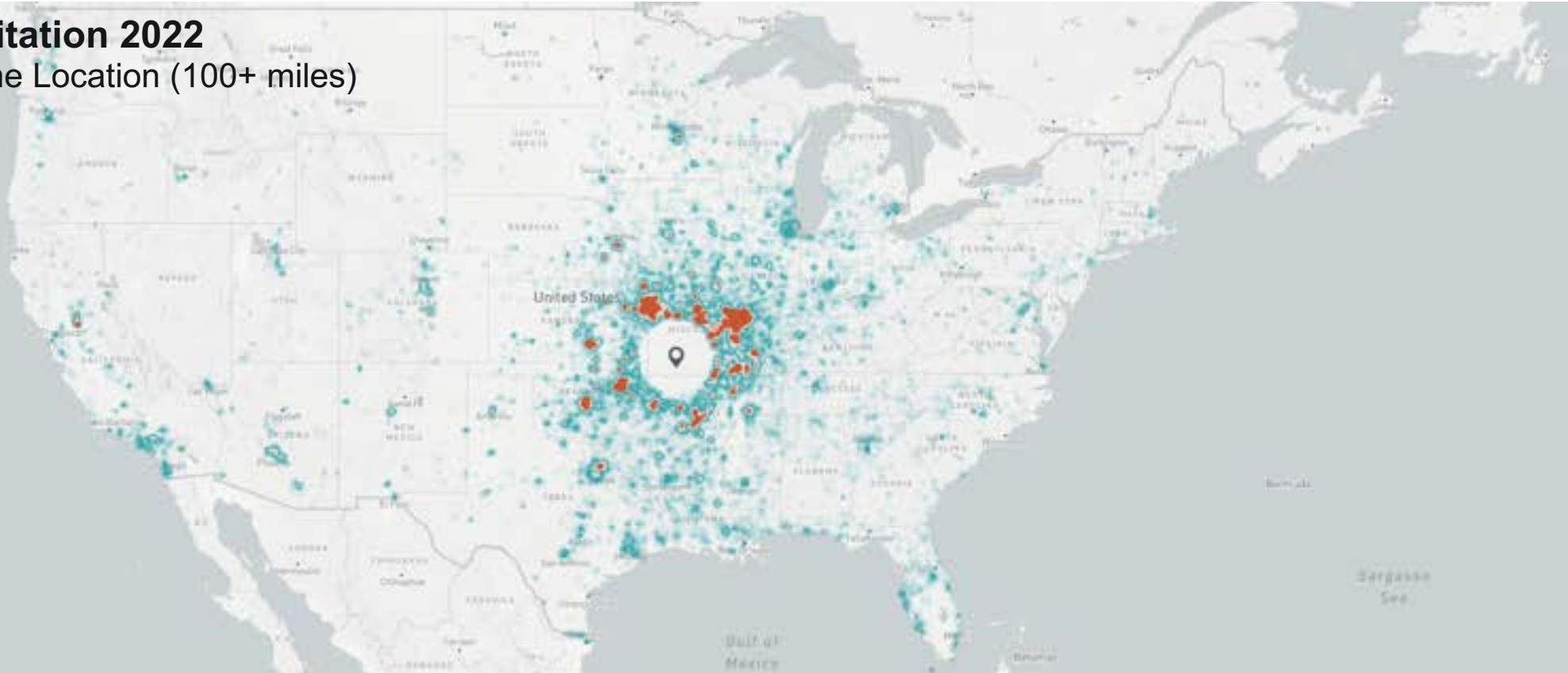
**LEGEND**  
■ Bass Pro Shop  
■ Wonders of Wildlife



# Bass Pro Visitation

During 2022, the Original Bass Pro Shops location attracted visitors from across the United States. The top markets for visitation were regional: Kansas City, St. Louis, Tulsa and Poplar Bluff.

**Bass Pro Shops Visitation 2022**  
Heat Map of Visitor Home Location (100+ miles)

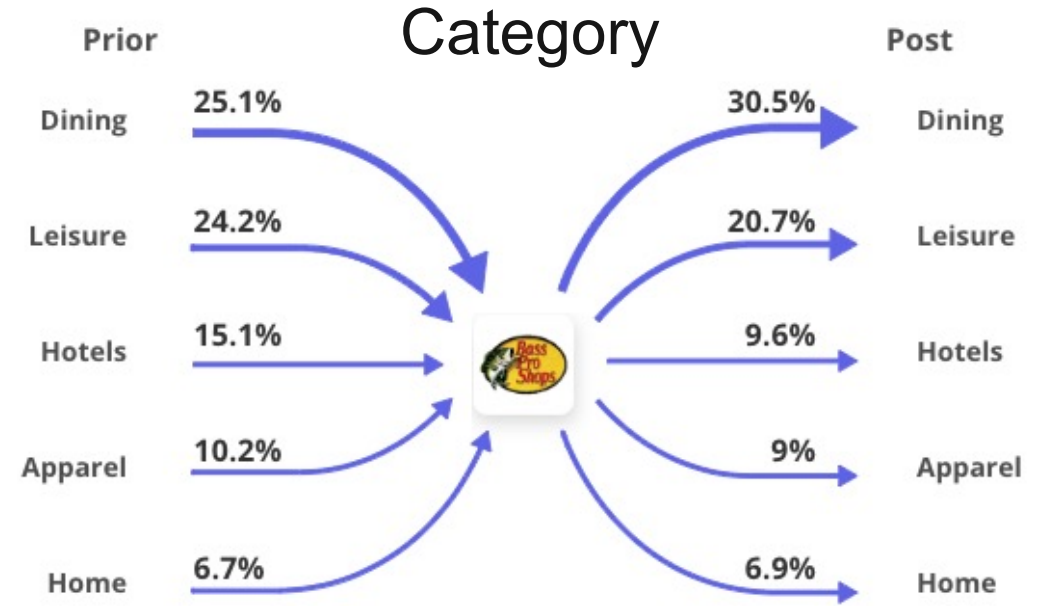




# Bass Pro Visitation

According to Placer.ai geo-fencing data, in 2022, visitors that traveled from over 100 miles most often visited a dining establishment before and after visiting the Original Bass Pro Shops location. Approximately 15 percent and 9.6 percent of visitors went to a hotel directly before or after visiting the store, respectively.

The top specific destinations before and after the BPS visit were the Wonders of Wildlife Museum and Lamberts Café (another large regional attraction). Visitors also frequented the BPS Angler’s Lodge, which is the attraction’s associated hotel under the Bass Pro brand.



# Top of the Rock & Dogwood Canyon

## Top of the Rock ←

Top of the Rock is a nature-based heritage preserve adjacent to the Big Cedar Lodge. On the same 462-acre development is the Lost Canyon Cave Trail and the Ancient Ozarks Natural History Museum.

One of the main features of Top of the Rock is Jack Nicklaus' Top of the Rock Golf Course. It is a par-3 course and has been included in a professional championship.

The Big Cedar Lodge is a 362-room full-service hotel. There are a variety of room options including cottages and cabins, in addition to the grand lodge.

## Dogwood Canyon ←

Dogwood Canyon Nature Park is a 10,000-acre park in Lampe, Missouri. The park offers hiking, biking, Segway tours, tram tours, horseback riding and trout fishing.

The park has a plethora of waterfalls, creek beds, bridges, and towering bluffs, and features thousands of different wildlife species.



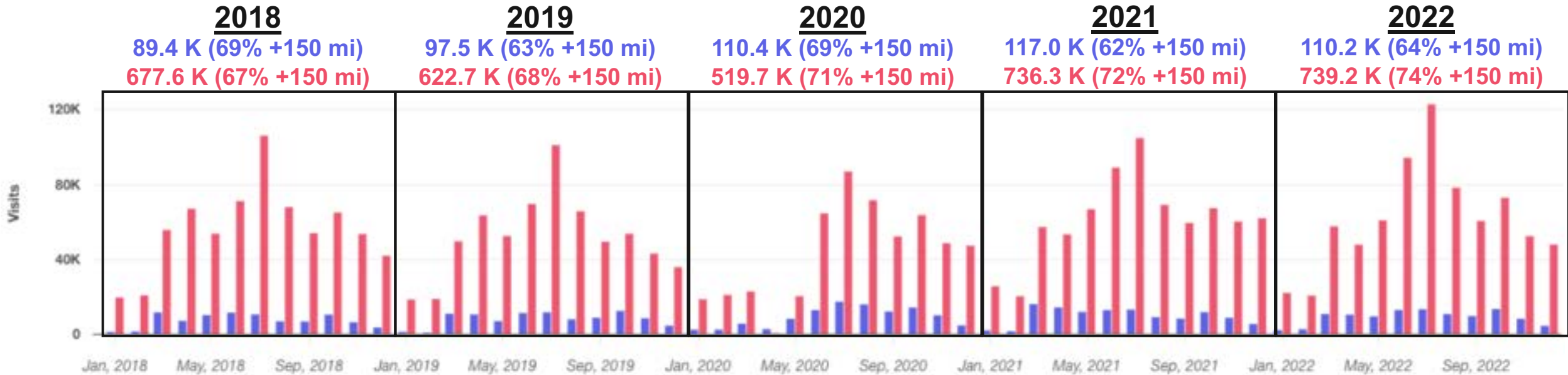
# Johnny Morris' Branson Area Attraction Visitation

According to Placer.ai geo-fencing analysis, Top of the Rock has grown in popularity from 2018 through 2022. Following the pandemic, the attraction has received over 730,000 visits each year. Dogwood Canyon is another popular attraction but garners fewer visits than Top of the Rock. Since 2019, Dogwood Canyon has received around 100,000 visitors each year.

## Johnny Morris' Attraction Visitation Statistics 2018 - 2022

**LEGEND**

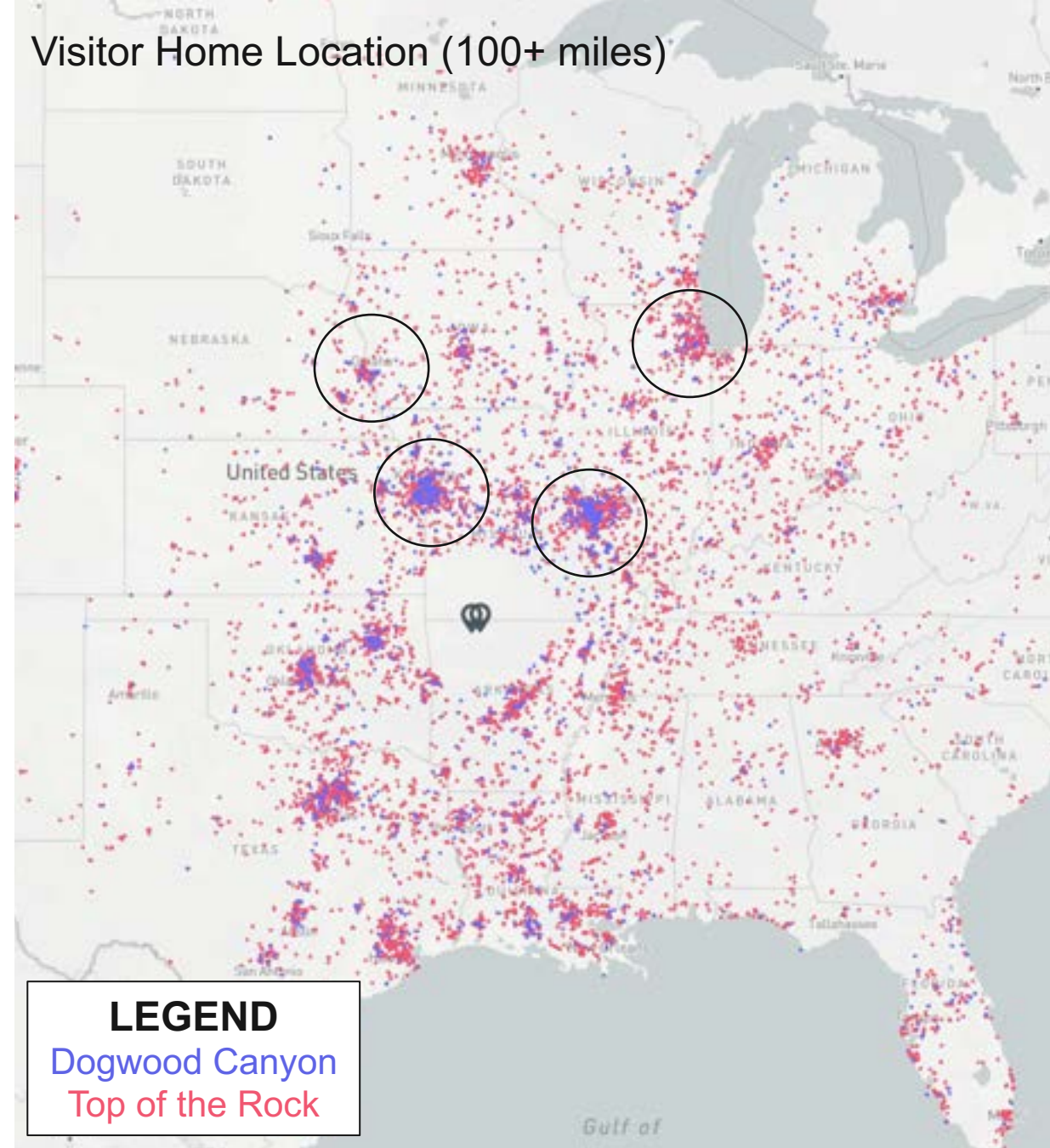
Dogwood Canyon  
Top of the Rock



# Dogwood Canyon & Top of the Rock Visitation

The neighboring map shows the home location of visitors to Dogwood Canyon and Top of the Rock during 2022. While these locations attract visitors from across the United States, there are several large metropolitan areas in which visitors would drive through Christian County to visit Branson and these attractions. Even if visitors fly into the Springfield-Branson Airport, they will drive through the county, which presents an opportunity for a hotel to capture visitors to these attractions.

Visitor Home Location (100+ miles)



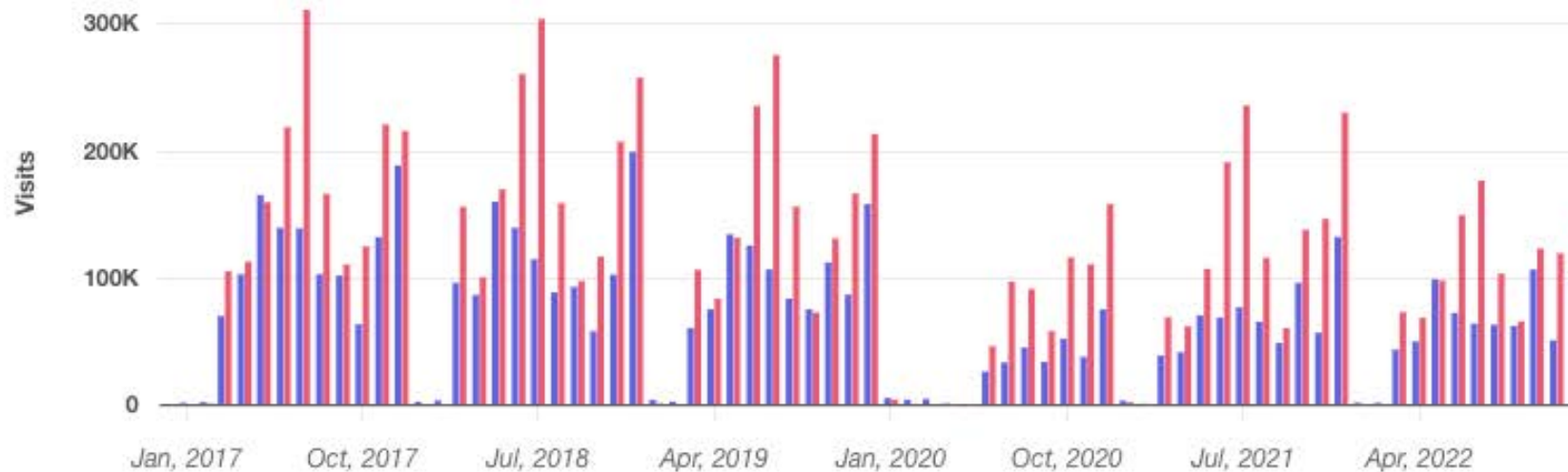


# Other Regional Attractions

# Silver Dollar City / Branson Family Entertainment

Silver Dollar City is an 1880s-themed 61-acre amusement park in Stone County, Missouri, near Branson and Branson West. The park operates from March until December of each year. Over 60 percent of visitors to Silver Dollar City came from over 100 miles away from 2019 to 2022.

Branson itself offers an array of family-oriented entertainment, including additional roller coasters and rides, an aquarium, zoo, zip-lining, mini-golf, arcades, museums, shops, lake activities, and parks. There is also an additional Bass Pro location at The Landing in Branson.



	2019	2020	2021	Last 12 Months
Visits from less than 100 miles	1M	322.9K	702.9K	715.2K
Visits from more than 100 miles	1.6M	685.7K	1.4M	1.1M

Visits from less than 100 miles  
Visits from more than 100 miles



# Regional Convention Space

# Springfield Expo Center

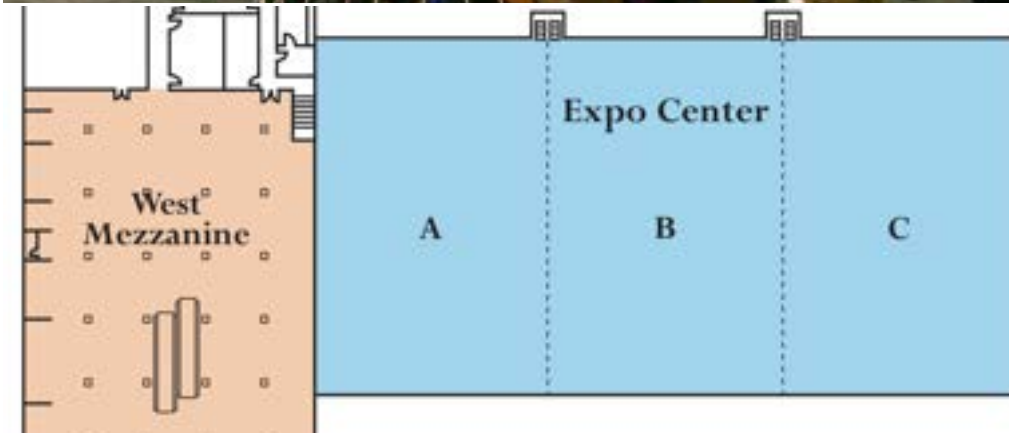
The Springfield Expo Center features 45,000 square feet of divisible exhibit space, 46,700 of mezzanine and additional event halls, and seven small breakout spaces.

The Expo Center hosted approximately 30 events last year and expects that number to double in 2023. Though the expo center doesn't track attendance, it estimates at least 15,000 room nights generated each year.

As attendees prefer to be close to the expo center, they typically stay in Springfield hotels. Overall, Springfield is not a strong hotel market, with ADRs averaging just over \$100.

Indoor volleyball, other sporting events, outdoor facilities, and attractions like Finley Farms are a draw for Christian County. However, Atrium Hospitality, who manages the expo center, believes there needs to be more demand generators in Christian County to support new hotel development. Largely, people are more attracted to lake areas that offer recreational activities, which is not abundant in Christian County.

Atrium Hospitality believes an Ozark hotel development is more likely to succeed due to highway access, and suggests a Marriott-branded property. If the hotel were to be located in the northern part of Christian County, and had available meeting space, it could potentially attract current SMERF / associations business that is currently going to Springfield / Greene County.





# Branson Convention Center

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The Branson Convention Center features over 81,000 SF of function space consisting of 47,000 SF of divisible exhibit space, 22,000 SF of divisible ballroom space, and over 11,000 SF of meeting space with eight breakout rooms. The convention center is part of the \$420 million Branson Landing Development and is attached to the 294-room Hilton Branson Convention Center Hotel. The hotel also includes 41 condo units and is across the street from the 242-room Hilton Promenade at Branson Landing.

The facility is owned by the City of Branson and is managed by ASM Global and caters to conferences, sporting events, banquets, weddings, and other special events. Full-service on-site catering is provided by Savor.

As a major tourist destination, the Branson Convention Center generates an estimated 40,000 room nights each year.

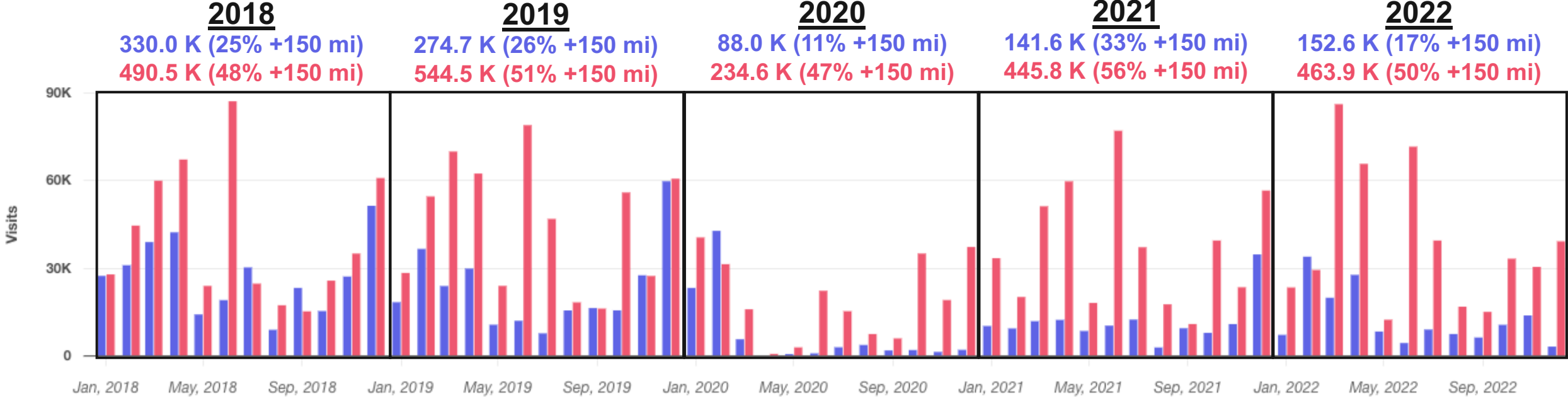


# Regional Convention Visitation

According to Placer.ai geo-fencing analysis, the Branson Convention Center often had double or triple the visitation than the Springfield Expo Center. The Branson Convention Center also has strong long-distance visitation, with more than half of visitors traveling over 150 miles to visit the convention center.

## Convention Visitation | Springfield & Branson 2018 - 2022

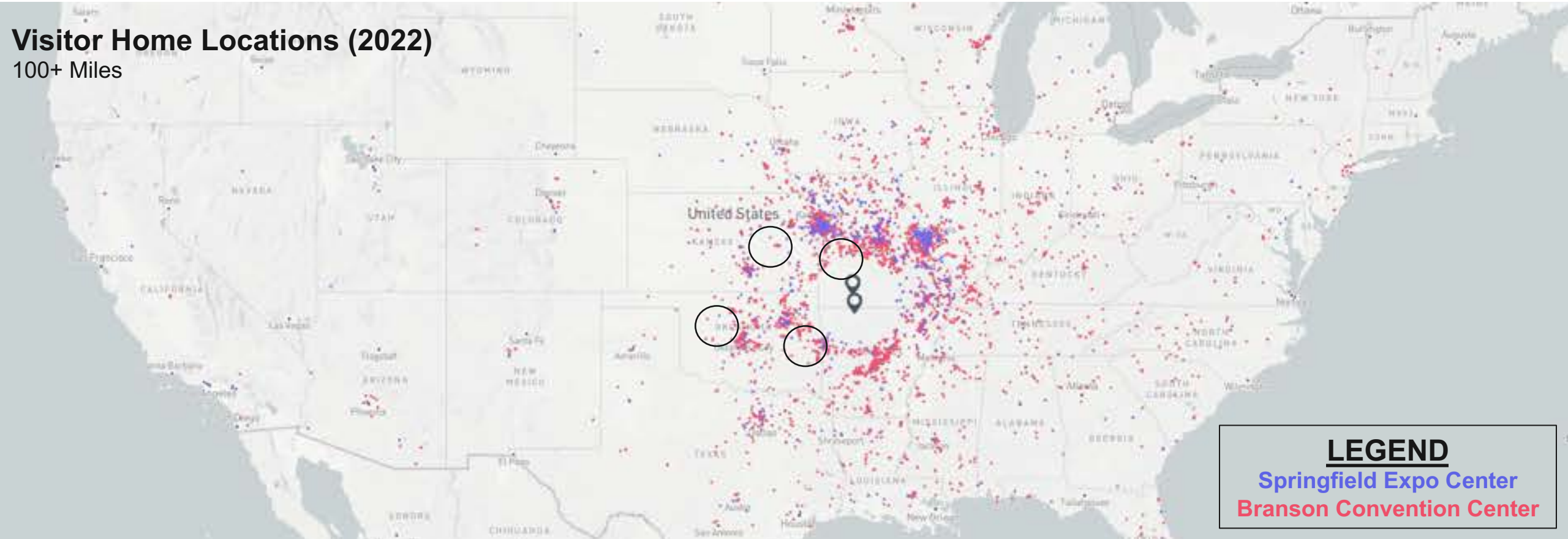
**LEGEND**  
Springfield Expo  
Branson CC



# Regional Convention Visitation

During 2022, the Branson Convention Center had a greater reach than the Springfield Expo Center. Both meeting facilities had a strong draw from within the state, pulling a large number of visitors from both Kansas City and St. Louis. To the south of Christian County, Branson had the strongest pull with visitors from Little Rock, Tulsa, and Oklahoma City.

**Visitor Home Locations (2022)**  
100+ Miles



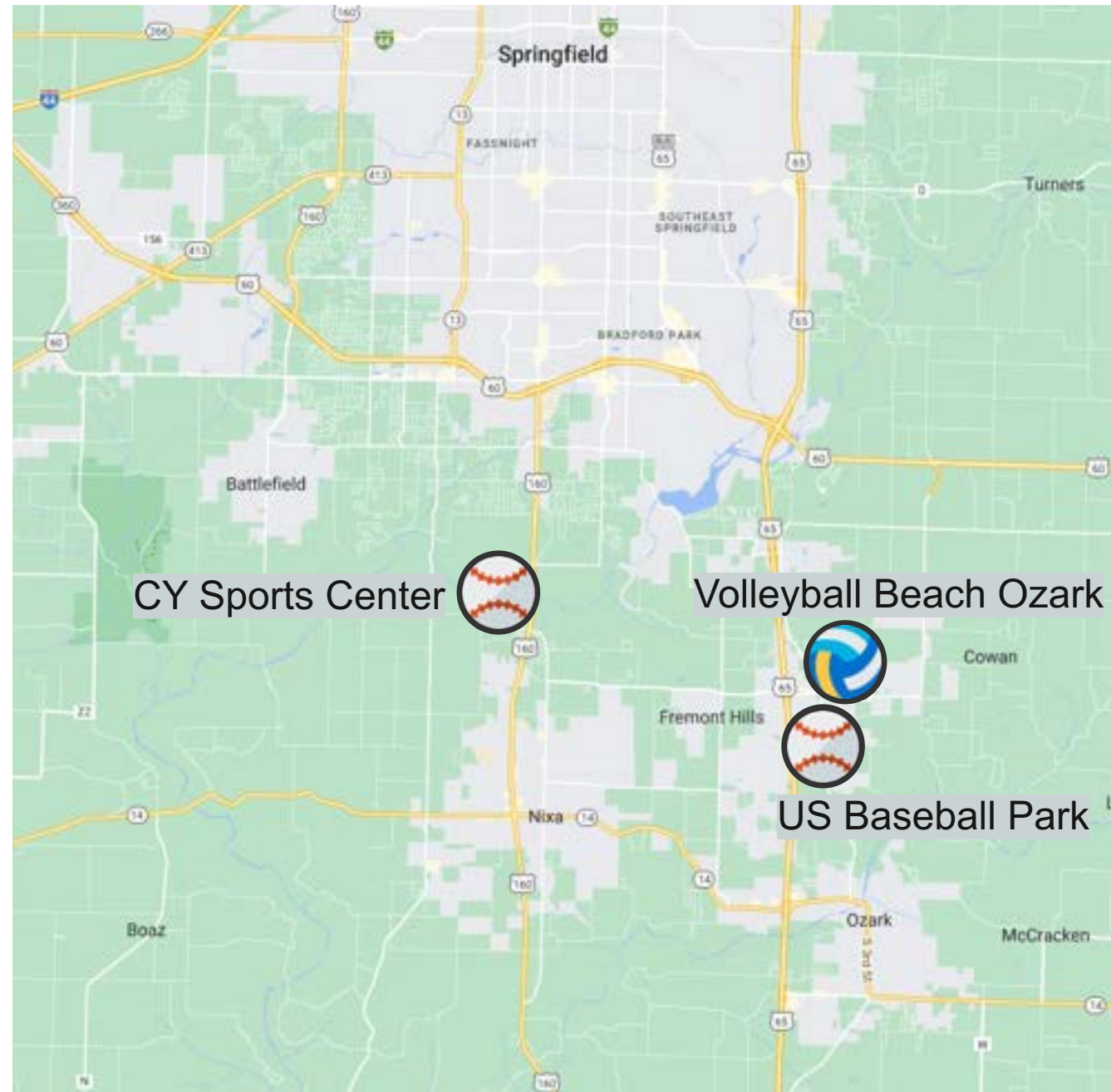
**LEGEND**  
Springfield Expo Center  
Branson Convention Center



# Sports and Outdoor Assets

# Major Sports Facilities

There are three major youth sports facilities in Christian County that are most relevant to the potential hotel development sites within Christian County, which are shown in the map to the right.



# Christian County Youth Sports

## US Baseball Park - Ozark



US Baseball Park is an artificial turf baseball park in Ozark that was renovated in 2016.

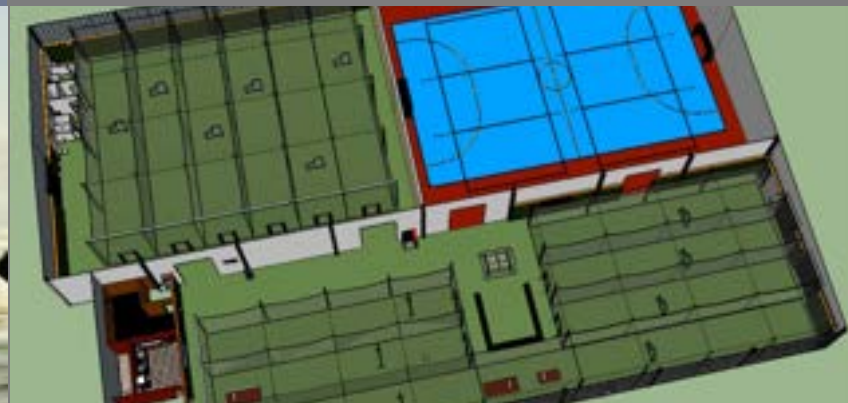
The field is home to Show-Me Collegiate League and Drury University Baseball.

## Volleyball Beach - Ozark



Volleyball Beach has 10 beach volleyball courts. During the winter months, these courts are covered by a dome. The venue hosts weekly leagues and many tournaments.

## CY Sports Center - Nixa



The CY Sports Center is a 25,000 square foot indoor and 100-acre outdoor sports complex with:

- 3 Indoor Turf Fields
- 2 Baseball Fields
- 1 Football/Soccer Field

# Christian County Sports Visitation

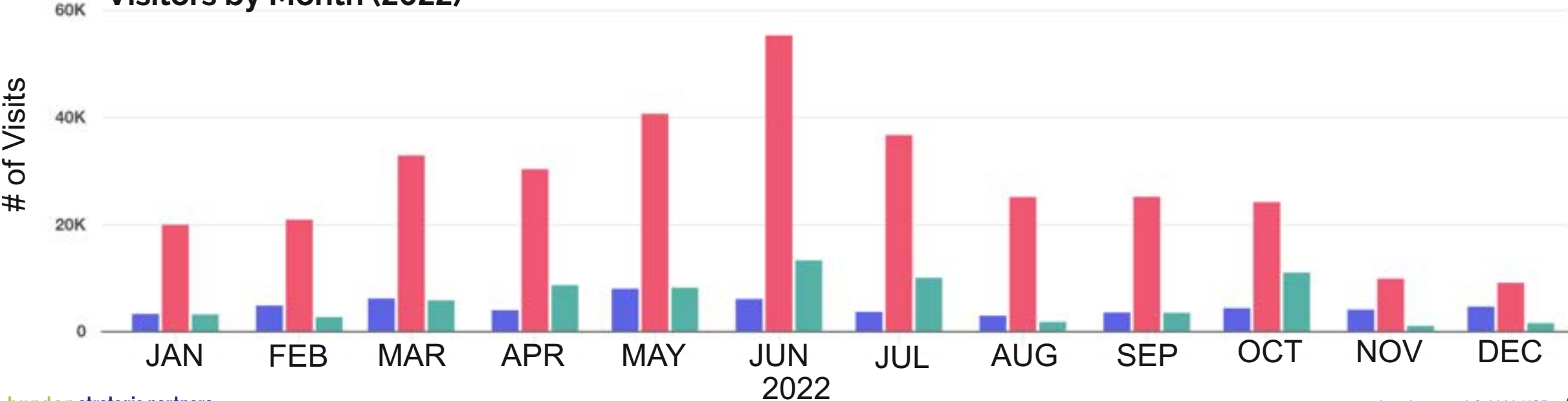
US Baseball Park is the top visited sports destination within Christian County by overall and long-distance visitors. The Volleyball Beach Ozark and CY Sports Center facilities had a strong local focus during 2022, limiting their potential to drive hotel room nights.

Visitation to these facilities was highest during the summer months, with low visitation during the winter.

Facility	Visits	Visitors	Visits Per	% 50+ Miles
Volleyball Beach Ozark	56,000	12,400	4.52	9.55%
US Baseball Park	323,400	68,100	4.75	35.29%
CY Sports Center	71,000	23,100	3.07	7.90%
<b>Average</b>	<b>150,133</b>	<b>34,533</b>	<b>4.11</b>	<b>17.58%</b>

Colors correspond to neighboring charts/graphics  
 Source: Placer.ai, Hunden Strategic Partners

Visitors by Month (2022)



# Christian County Sports Visitation

The neighboring map shows the home location of visitors to the various Christian County sports facilities during 2022.

Over the years, US Baseball Park has been the best asset to Christian County in inciting long-distance visitation to the area.

## Home Location of Visitors (2022)





# US Baseball Park

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US Baseball Park is the home to Drury University baseball and the Show-Me Collegiate League and has a seated capacity of 4,000. In 2016, the facility was purchased by US Baseball, who completed a \$2 million renovation which included installation of artificial turf, a new scoreboard, and upgraded concessions and press box.

The park hosts 380 to 400 games each year, with teams traveling from across the United States, ranging from 14u to college-level teams. The park is also home to the Missouri High School State playoffs. Following the pandemic, the park has performed above historical peaks in terms of profitability and tournament demand.

During tournaments, up to eight teams travel to Ozark on any given weekend. These players, coaches, and family members typically stay in south Springfield due to its proximity to the park. Ownership estimates the park generates over 600 room nights in Springfield each year.

A hotel property nearby in Ozark would be preferred, with a quality level similar to that of a Fairfield Inn being ideal for park clientele.



# US Baseball Park Prior and Post

Of visitors that live over 50 miles away from US Baseball Park during 2022, approximately 17.1 percent visited a hotel directly before the park, and 12.2 percent visited a hotel after the park.

Of these visitors, only 0.7 percent visited a hotel within Christian County. The Quality Inn Ozark was the ninth most visited hotel following a US Baseball Park visit. Nine out of the top ten hotels were in Springfield, showing lost business and spending to neighboring Greene County.

Before US Baseball Park Visit			After US Baseball Park Visit		
Rank	Name	Foot-Traffic	Rank	Name	Foot-Traffic
1	Home	28%	1	Home	25.1%
2	Hotels	17.1%	2	Restaurants	17.5%
3	Fast Food & QSR	8%	3	Hotels	12.2%
4	Restaurants	7.3%	4	Fast Food & QSR	12.2%
5	Stadiums & Event Halls	6.6%	5	Stadiums & Event Halls	6.6%

Before US Baseball Park Visit			After US Baseball Park Visit		
Rank	Name	Foot-Traffic	Rank	Name	Foot-Traffic
1	Oasis Hotel & Conv. Center, Ascend Hotel Collection / N Gle...	2.4%	1	Oasis Hotel & Conv. Center, Ascend Hotel Collection / N Gle...	1.8%
2	Hampton Inn Springfield-Southeast / E Montclair St, Springfi...	1.6%	2	Quality Inn South / E Battlefield St, Springfield, MO	1.2%
3	Hilton Garden Inn- Springfield, MO / S Nature Center Way, S...	1.5%	3	Hampton Inn Springfield-Southeast / E Montclair St, Springfi...	1.1%
4	Greenstay Hotel & Suites / N Ingram Mill Rd, Springfield, MO	1.2%	4	Comfort Inn South - Springfield / S Glenstone Ave, Springfiel...	1%
5	Quality Inn South / E Battlefield St, Springfield, MO	1%	5	Greenstay Hotel & Suites / N Ingram Mill Rd, Springfield, MO	1%
6	Comfort Inn South - Springfield / S Glenstone Ave, Springfiel...	0.9%	6	Hilton Garden Inn- Springfield, MO / S Nature Center Way, S...	0.5%
7	DoubleTree by Hilton / N Glenstone Ave, Springfield, MO	0.9%	7	DoubleTree by Hilton / N Glenstone Ave, Springfield, MO	0.5%
8	Residence Inn Springfield / East Kingsley Street, Springfield, ...	0.8%	8	Residence Inn Springfield / East Kingsley Street, Springfield, ...	<0.5%
9	Quality Inn / W Evangel St, Ozark, MO	0.7%	9	Quality Inn / W Evangel St, Ozark, MO	<0.5%
10	Holiday Inn & Suites Springfield - I-44 / North Glenstone Ave...	0.7%	10	Drury Inn & Suites Springfield, MO / N Glenstone, Springfield...	<0.5%

# Volleyball Beach Ozark

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Volleyball Beach Ozark, the nation's largest beach volleyball facility, opened in two phases. The outdoor courts opened in June 2021, while the fully operational bar and restaurant opened in January 2022. Today the courts are held within a dome that allows play to continue year-round.

**Visitation.** During 2022, management estimated the courts had 20,000 total visits, composed of 2,000 unique visitors, while the restaurant had even more visitors. Being a year-round facility allows the complex to attract visitation 12 months of the year, as it is one of just a couple indoor beach volleyball facilities in the Midwest.

**Weekdays.** During the week, the facility hosts many leagues. These leagues cover all age ranges, from youth to adults. As a result of being one of the few indoor beach volleyball facilities, management indicated just as many people come from over 30 miles as within this range during the week.

**Weekends.** On weekends, the complex hosts junior, college, professional and adult recreation tournaments. The facility hosts at least three tournaments a month throughout the year. Some of the markets players travel from are Memphis, Little Rock, Kansas City, Tulsa and Louisville. For college tournaments, teams travel even farther. The next college tournament includes a total of five colleges from Arkansas, Illinois, and Texas, in addition to the local MSU and SBU teams.

**Overnights.** The facility generates many room nights for each tournament. These players always stay in Springfield because the quality and supply of hotels is more abundant. The complex recommends players and families to stay at the Hilton Garden Inn in Springfield as it is the closest hotel at a reasonable price. If there were a closer quality hotel, the facility would likely recommend players there.



# Other Sports & Outdoor Recreation

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In addition to Ozark and Nixa school district sports facilities, the following are additional sports and recreation assets in Christian County:

## **Ozark:**

- Ozark Community Center (The OC)
- Grubaugh Aquatics Facility & Park
- Finley River Park

## **Nixa:**

- The X-Center
- Aquatics Center
- McCauley Park
- Rotary Park
- Summers at the River Sports Complex
- All Star Gymnastics & Cheer

## **Other:**

- Two Rivers Mountain Bike Park (Highlandville)
- Busiek State Park (Highlandville)
- Mark Twain National Forest (Rolla)
- Roller Park (Sparta)

Recreationally, the Chadwick Flyer / Ozark Greenways Trail project will provide a regional connection between Ozark and Springfield and encourage future development. James / Finley river activities are also an additional recreational opportunity in Christian County.



# Nixa Attractions

# Nixa Demand Drivers

The map to the right displays the location of the major event destinations in Nixa in relation to the proposed Nixa hotel sites. The following slides profile the facilities that are likely to generate the most significant hotel demand that could be recaptured by a high-quality hotel development in Christian County.



# Aetos Center for the Performing Arts

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The Aetos Center for the Performing Arts is a new state-of-the-art facility located at Nixa High School. It will house the 1,150-seat Meridian Title Performance Hall and is slated to open in February of this year.

The facility already has 10 shows scheduled for the 2023-24 season. All acts require some form of hotel accommodations (2-10 rooms), with the school currently often using the Hilton Garden Inn in south Springfield to house talent.

Because of the lack of local hotels, the school is limiting advertising to just 60 miles. A local hotel would allow the school to attract bigger names and broader regional attendance.

The school also has hotel needs for tournaments, sporting events, and student performances throughout the year. Any new hotel in Nixa would also need additional nearby restaurants / bars to support that business.



# Ozark Events Center

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Ozark Events Center opened in July of 2022 and features a large 5,000 SF room with a capacity of 300 seated in rounds or 400+ standing capacity. The venue has bride and groom suites, a full-service bar and access to an array of caterers.

Events hosted at the venue typically range from 150-200 people, with more than 30 events hosted in the first six months of business in 2022, and 80-100 events estimated for 2023. The events center also hosts regular cornhole and poker tournament series during the week.

As the events center hosts a number of corporate banquets, fundraisers, and other private events, the owner believes that having a hotel in Christian County would enable the venue to draw more regional events and visitation. Without the ability to secure room blocks for events, groups will often choose Springfield rather than staying locally.

The owner also believes there is a potential need for additional meeting space in the county that could cater to small- to mid-sized associations if attached to a hotel. However, in order to make this successful, the CVB would need to actively market and sell this space, along with the hotel. Though the county does have some demand drivers like Finley Farms and sports facilities, a coordinated effort amongst businesses and cities in the county is needed to encourage future developments and new major events.





# 14 Mill Market

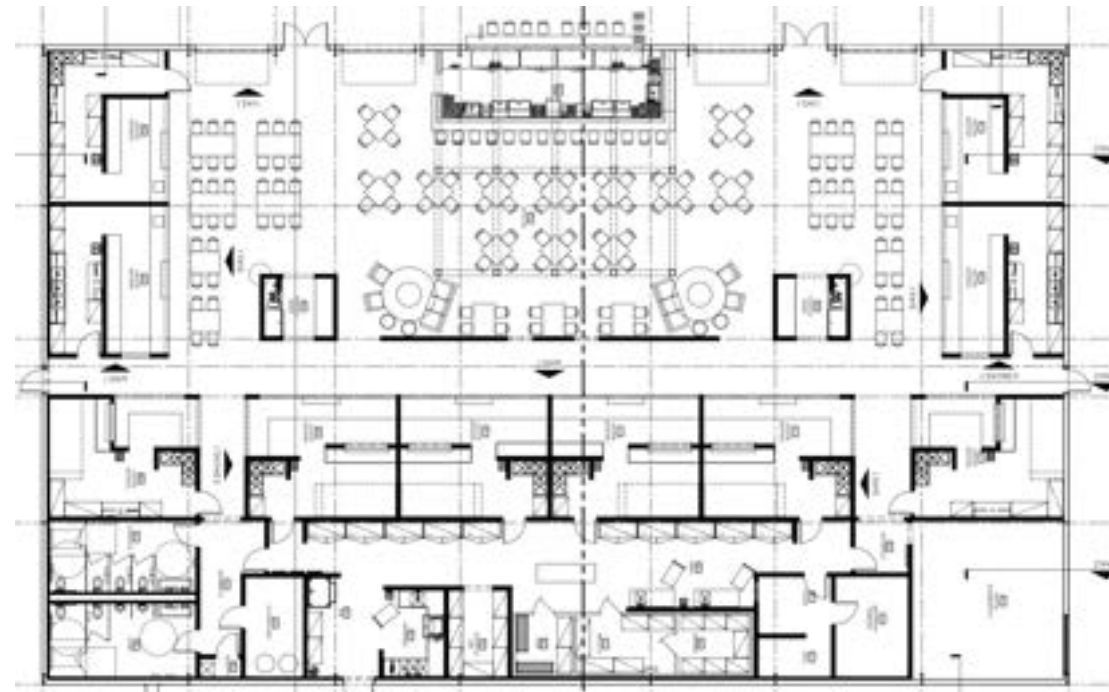
14 Mill Market is a unique food hall concept what will open in Nixa in the Spring of 2023. The hall will have 10 unique F&B concepts across 12,000 SF of indoor space. The market will also feature a conference room, 5,000 SF of outdoor artificial turf, a bocce ball court, cornhole, a large outdoor stage, and a small mobile indoor stage.

The vendors are currently under 1-year leases, with 19 additional vendors on a waiting list. The venue has already booked live music entertainment as well as reunions, fundraisers, and other events.

The owners of 14 Mill Market see a big need for hotels in Christian County related to sports and arts facilities and events. Because of the lack of quality hotels in the area, visitors have to look to the small supply of Airbnbs in the market.

The owners see the appeal of an Ozark hotel development due to US-65 access, though Nixa connects directly to Springfield from US-160, which also experiences a lot of traffic. They believe that people would prefer to stay in Ozark or Nixa over Springfield if there were quality local hotel products due to increased safety, improved demographics, less congestion, and the small-town feel.

The owners believe a hotel in Christian County could drive more sports tournaments, which the county is already experiencing spillover from Springfield. Additional meeting space is also needed in the area.



# Sucker Days - Nixa

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Dating back to 1957, Nixa Sucker Days Music, Arts, & Craft Festival is a three-day event held in May that features over 100 vendors, 30+ events/activities, with approximately 15,000 to 20,000 annual attendees.

The Chamber of Commerce is looking for ways to extend visitor stays for this and other Nixa events (banquets, festivals, business expos, tournaments, etc.), and having a quality local hotel could serve as an additional offering to prospective guests.

In speaking with the chamber, Nixa sports and leisure visitors and employers are often forced to utilize hotels in Springfield because of the lack of quality hotels in Christian County.

Any new hotel should have high visibility, with US-160 in Nixa and US-65 in Ozark as ideal locations for development. With Ozark already having more hotel rooms, Nixa is in need of an additional hotel, though hotel quality is lacking in both cities. Ozark does offer more in terms of attractions and F&B offerings.

There is also a need for additional meeting spaces in the county, with current facilities either limited in size, or having other limiting factors due to being part of other public facilities, lack of accessibility, or lack of parking. The chamber sees an opportunity for a hotel to have meeting and event space for groups under 300 people.





# Ozark Attractions

# Ozark Demand Drivers

The map to the right displays the location of the major event and tourist destinations in Ozark in relation to the proposed Ozark hotel sites. The following slides profile the facilities that are likely to generate the most significant hotel demand that could be recaptured by a high-quality hotel development in Christian County.



# Finley Farms

Finley Farms, with roots dating back to the 1800s, is a Morris family destination property with a number of attractions including:

- The Ozark Mill
  - Restaurant
  - Speakeasy
  - General Store
  - Event Spaces (100-150 Capacity)
- The Workshop – Coffee shop and culinary, mixology, and gardening classes
- The Market Shed – Seasonal venue
- The Farm – Urban farm supporting on-site restaurant and workshops
- The Chapel – 130-capacity wedding venue
- Riverside Bridge

Finley Farms has future plans to develop 22 4-6-person on-site boutique rental cottages. Currently, guests must stay in hotels in Springfield or local Airbnbs. Management at Finley Farms believes that a hotel development in Christian County is needed to accommodate sporting events and recreational visitors, with a location off US-65 as most ideal.

Additional future plans at Finley Farms include adding Finley River recreational activities, and the development of a bakery and brewery on-site, diversifying the appeal of this destination in Christian County.



# James River Church

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The James River Church, located in Ozark, has an auditorium capacity of 3,400. Besides weekly services, the church also hosts three major men's and women's conferences each year.

The men's conference is a two-day conference, and garners approximately 7,000 attendees. The two women's conferences are three-day events held in October over two weekends and bring in a combined 11,000 in attendance. The men's conference and one of the women's conferences are hosted at Great Southern Bank Arena in Springfield, and the second women's conference is hosted on-site at the James River Church.

The church currently acquires 10-room room blocks at over 10 hotels in Springfield for each of these events, estimating a max 300 room nights needed each year. The church would prefer a single group hotel site locally in Ozark, and believes attendees would prefer an Ozark hotel location over Springfield, with higher room nights generated if this offering were available to be advertised.

In general, the church sees Ozark as having better highway and amenity access than Nixa, as well as overall appeal.



# Smallin Cave

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Smallin Cave is on the National Register of Historic Places. In the 1960s, it became a tourism destination for sharing the rich history of the cave during the Civil War. The cave reopened to the public in 2010.

HSP interviewed representatives of Smallin Cave. This interview is summarized below.

During 2022, an estimated 15,000 people visited the cave. Over the years, the cave has attracted an increasing number of tourists from outside of the region.

The cave attracts a large number of local school groups. Outside of these groups, approximately 30 percent of visitors are children. For families, the cave is one of many stops in the region, as most guests come directly from Silver Dollar City or Wonders of Wildlife.

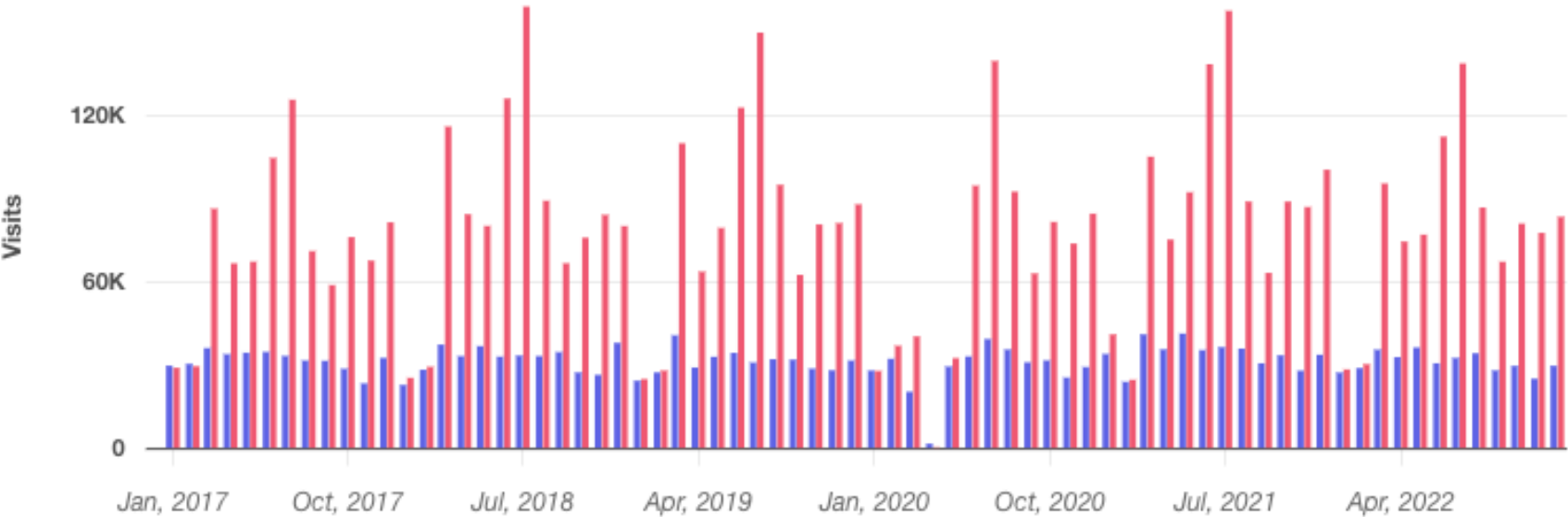
The cave is open year-round, but visitation correlates closely with Silver Dollar City. When Silver Dollar City closes, visitation is minimal.

The majority of overnight guests stay in Branson or Springfield, but Smallin Cave generally recommends the Quality Inn in Ozark.



# Lambert's Cafe

Lambert's Café in Ozark opened in 1994 and is one of three national locations. Known as the "Home of Thrown Rolls," Lambert's Café features Southern and country cooking, with diners often visiting via bus tours. Over 70 percent of visits to Lambert's Café came from over 100 miles from 2019 to 2022.



2019	2020	2021	Last 12 Months
374.4K	339.4K	411.6K	373K
987.2K	769.5K	1.1M	954.3K

Visits from less than 100 miles  
 Visits from more than 100 miles



# Duck Race Festival - Ozark

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The Duck Race Festival has been held in Ozark for 21 years, with 10,000 rubber ducks racing down the Finley River for over \$40,000 in prizes. The festival also features a hot air balloon glow, live music, a car show, 5K race, and an array of vendors.

The festival is a two-day event held in June and is the largest fundraiser and community event in the county, with an estimated 15,000 to 20,000 in attendance each year. The annual three-day Ozark Craft Fair garners similar attendance.

Though the Duck Race Festival and Ozark Craft Fair may not drive many room nights for attendees, it does generate some room nights or overnight stays for vendors.

In speaking with the County Commissioner regarding these events, they believe there is a need for a hotel in the county, especially for general visitation and tourism. With the county positioned between Springfield and Branson, a local hotel would provide visitors of both destinations a place to stay with more charm, more personality, and less congestion. Currently, visitors must find local Airbnbs when looking for additional amenities, compared to what is available at the current county hotels in Ozark and Nixa.

They also believe there is more opportunity for hotel development in Ozark due to its downtown, demand drivers such as Finley Farms, and US-65 being a major thoroughfare with increased connectivity to the surrounding area.



# Implications

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Both Branson and Springfield offer a wide variety of tourist attractions, with Christian County being a prime midpoint location for visitors to stay overnight when looking for a unique small-town feel with less congestion.

Christian County, and especially Ozark, offers its own set of attractions including popular sports facilities, event facilities, recreational opportunities, and annual events.

Though less significant than Branson and Springfield, these facilities lose overnight business to Springfield due to the lack of quality hotel products in the market. A new quality hotel development in the county could recapture this lost business and make Christian County a more complete destination market.





05

**Hospitality  
Market Analysis**

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# Overview

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This chapter begins with an overview of hotel trends at a national level, followed by an analysis of the local hotel market and an analysis of a competitive set of hotels within Christian County and Springfield.

Following an analysis of hotels, HSP supplements the local overnight accommodations market with data relating to short-term rentals in the area.





National Trends  
**Hospitality**

# Trends of Note

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

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

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

# Trends of Note

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

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

**Micro Hotels.** The Micro Hotel is a prime example of minimalist living. While the hotel rooms are small (average of 50 to 70 square feet), they are designed to be efficient and fit only the essentials. The need for these rooms came about because of high real estate costs and limited space in large urban areas. These rooms offer a bed, storage facilities and a bathroom and come in a varying number of room sizes from pod rooms, bunk rooms, single rooms to double-bed rooms. To compensate for limited personal space, these hotel brands usually have extensive shared spaces for guests to enjoy. An example of a micro-hotel brand is Marriott’s Moxy brand.



Springfield

**Hotel Market**



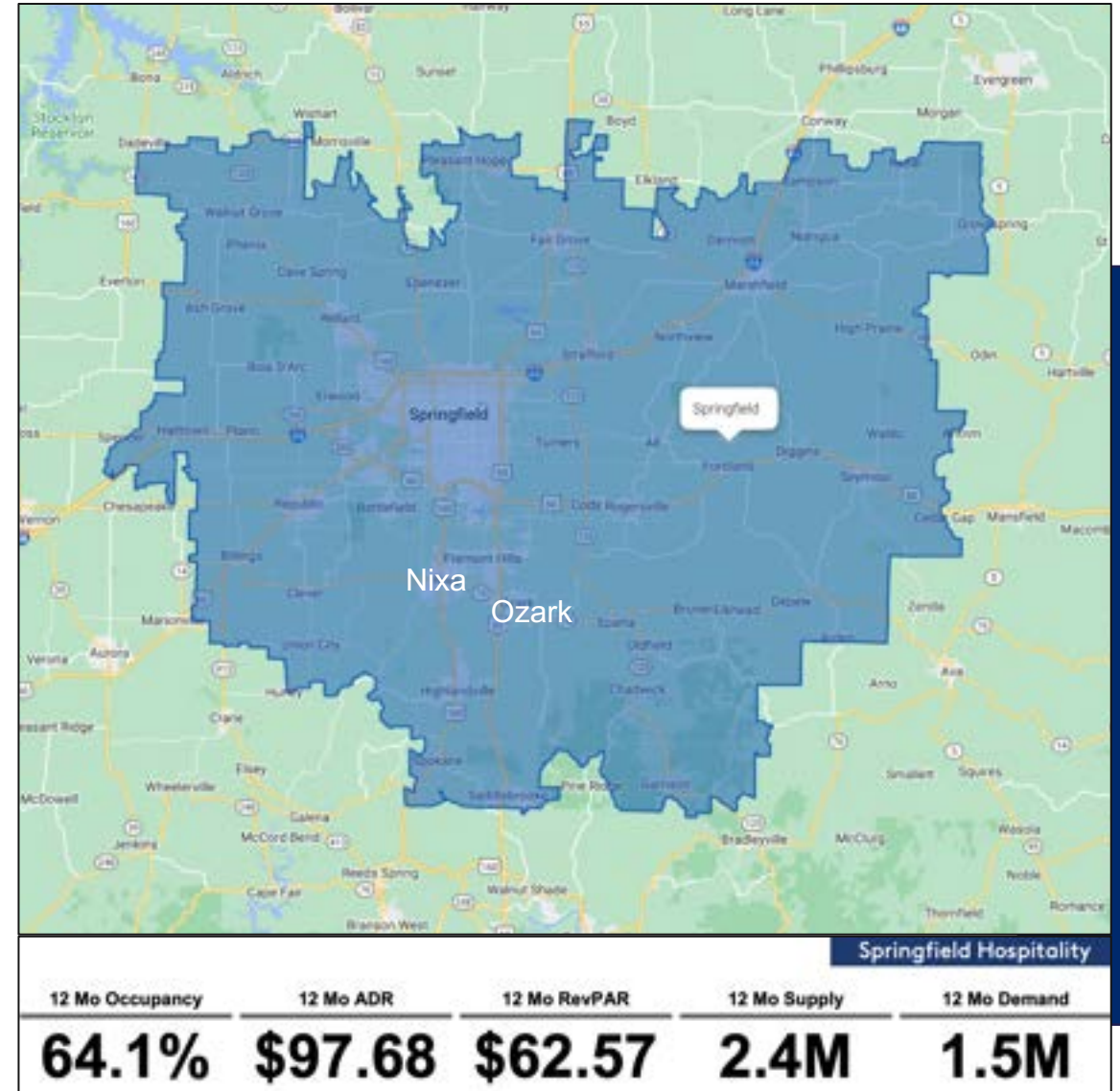
# Hotel Market - Springfield

## Overview

*This section will show historical performance metrics for the hospitality industry in Springfield, Missouri.*

*First, HSP will analyze market-wide data across the Springfield market, then the Branson market, followed by a competitive set analysis of hotels within Christian County.*

The Springfield hotel market has around 6,700 hotel rooms, providing 2.4 million room nights each year. These properties are composed of varying levels of quality and age. Across all properties in 2022, annual occupancy has averaged over 64 percent, while rates have averaged in the high \$90s.



# Hotel Market - Springfield

## Key Indicators

The majority of supply in the submarket consists of midscale and economy hotel properties (53 percent). These hotels have a trailing 12-month occupancy of 61 percent and an average ADR of just under \$80. Upscale and upper midscale properties account for 46 percent of supply, with an occupancy rate six points higher and an average ADR of \$40 higher than the more economy hotels in the market. The Hotel Vandivort accounts for the remaining Springfield supply with 97 total rooms. Due to the lack of luxury and upper upscale hotel supply in the market, data is unavailable for this hotel class.

### KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	97				0	0
Upscale & Upper Midscale	3,056	67.1%	\$116.88	\$78.41	122	213
Midscale & Economy	3,537	61.3%	\$76.88	\$47.10	0	0
<b>Total</b>	<b>6,690</b>	<b>64.0%</b>	<b>\$97.68</b>	<b>\$62.57</b>	<b>122</b>	<b>213</b>

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	56.4%	63.8%	65.0%	64.1%	59.7%	64.8%
Occupancy Change	-9.5%	-3.0%	-1.1%	0.5%	0.5%	0.3%
ADR	\$94.67	\$99.89	\$98.37	\$97.68	\$87.01	\$111.73
ADR Change	4.8%	8.1%	11.3%	11.8%	3.4%	4.0%
RevPAR	\$53.41	\$63.74	\$63.91	\$62.57	\$51.92	\$72.45
RevPAR Change	-5.1%	4.9%	10.0%	12.4%	3.9%	4.4%

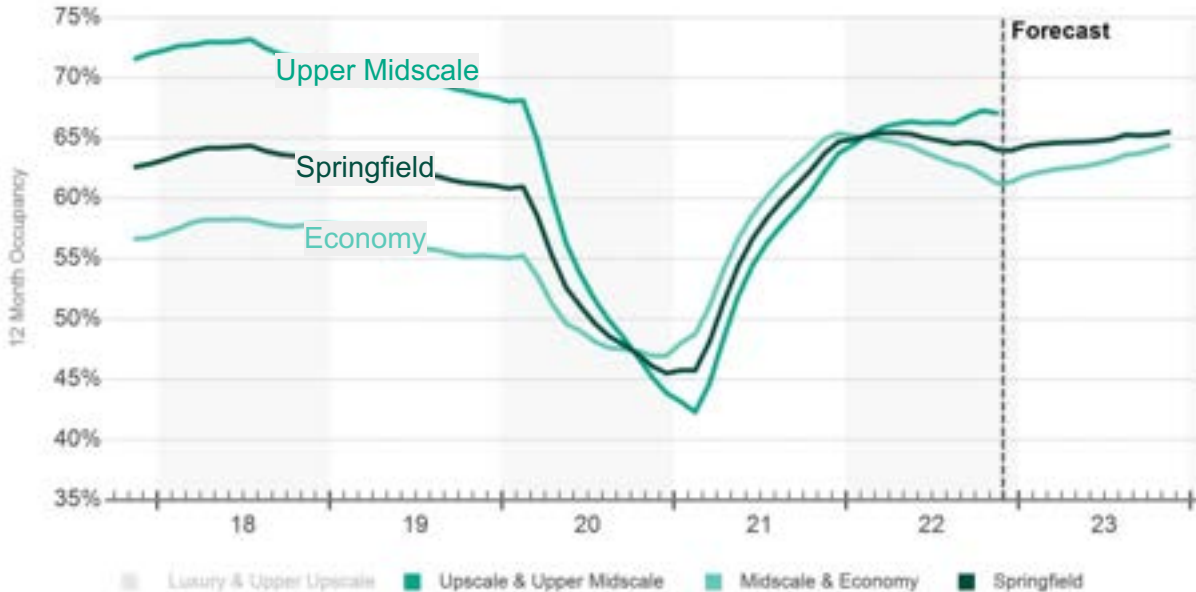
# Occupancy

Market demand trends towards higher quality assets. This is shown by the stronger occupancy rates in upper midscale assets.

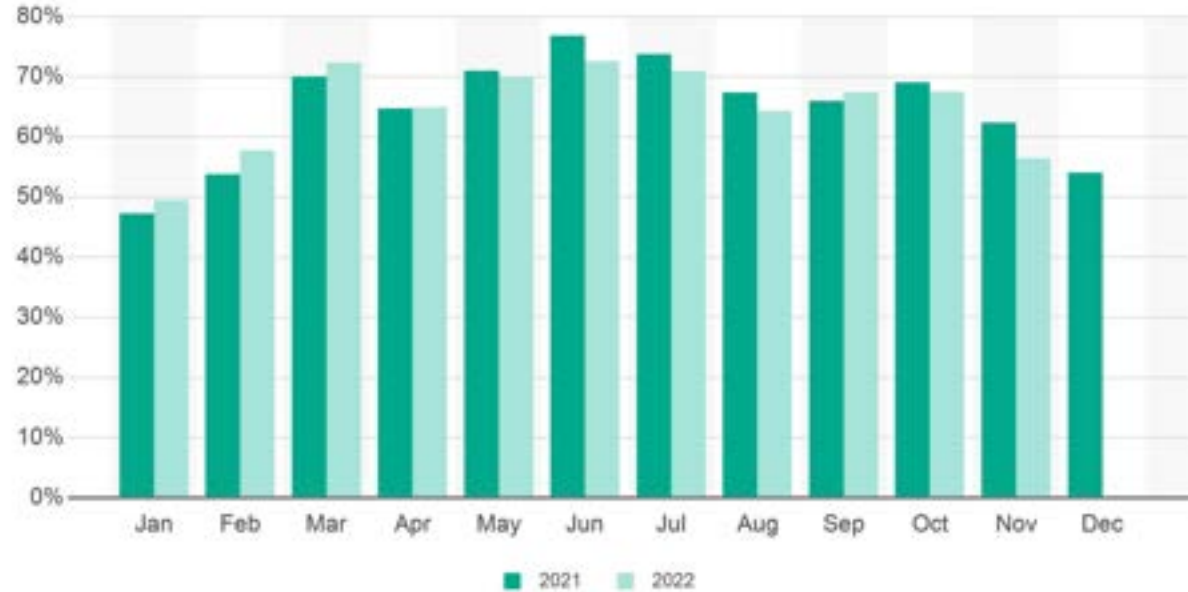
The graphic on the left shows occupancy by class in the overall Springfield market. Upper midscale properties garnered higher occupancy rates pre- and post-pandemic but lagged economy products during late 2020 and throughout 2021.

The graphic on the right compares occupancy rates in 2021 through November 2022. Occupancy rates in 2022 were not consistently higher than 2021 but were overall strong. The strongest demand months were between late spring and late fall.

OCCUPANCY BY CLASS



OCCUPANCY MONTHLY



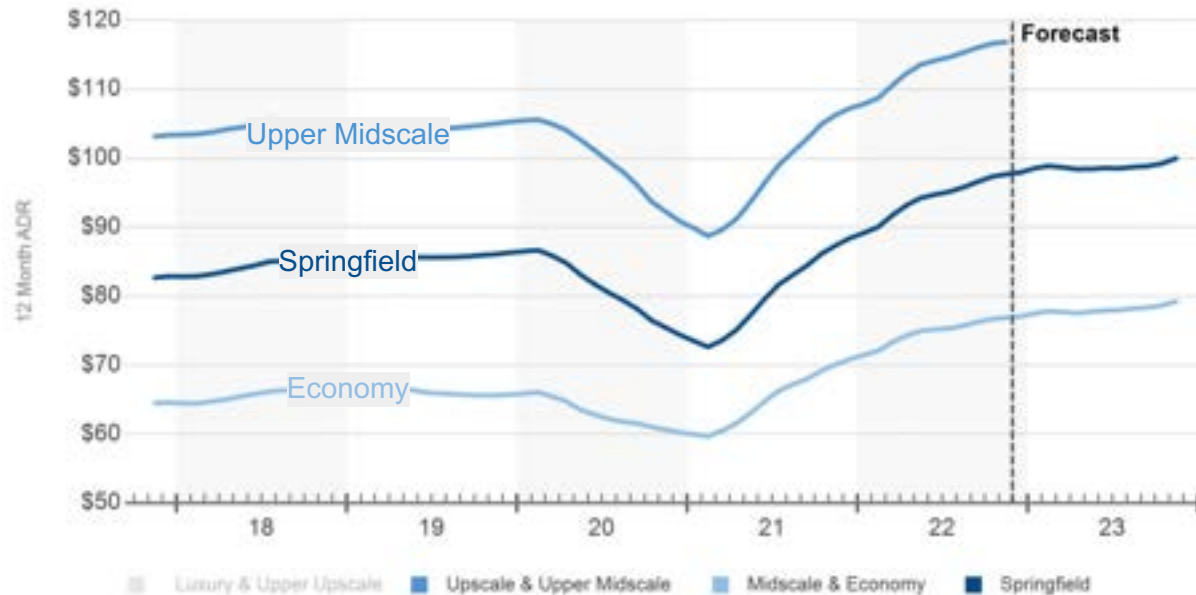
# Average Daily Rate

Rates across all chain-scales have experienced significant growth, surpassing pre-pandemic levels.

The graphic on the left shows ADR by class in the overall Springfield market. The upper midscale assets have ADRs consistently at \$40 higher than economy properties. ADRs across all asset types has increased above pre-pandemic levels.

The ADR monthly chart on the right compares year-over-year growth in ADR. Through November 2022, rates in 2022 surpassed 2021 levels.

ADR BY CLASS



ADR MONTHLY



# O'Reilly Hospitality Management

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O'Reilly Hospitality Management has developed and operates a number of hotels across the nation in addition to restaurants, retail, and entertainment venues. The organization currently operates the following hotels in Springfield:

- DoubleTree
- Hilton Garden Inn
- Fairfield Inn & Suites
- Towneplace Suites
- Holiday Inn Express & Suites

There is a strong hotel market in Springfield with 2023 performance outpacing the budget, but their hotels often experience challenges with ADR and occupancy on the southside of the city given the high supply.

The owner believes a hotel in Christian County could do well on weekends, but there is insufficient corporate demand to drive sufficient business during the week. The addition of meeting space to a hotel (max 5,000 SF) could assist with increasing weekday demand, but would likely require incentives from the county.

The owner sees Ozark is a more attractive location with Finley Farms and access to US-65, with insufficient current draw in Nixa. The owner believes 95-100 keys would be appropriate for this market.





Branson

**Hotel Market**

# Hotel Market - Branson

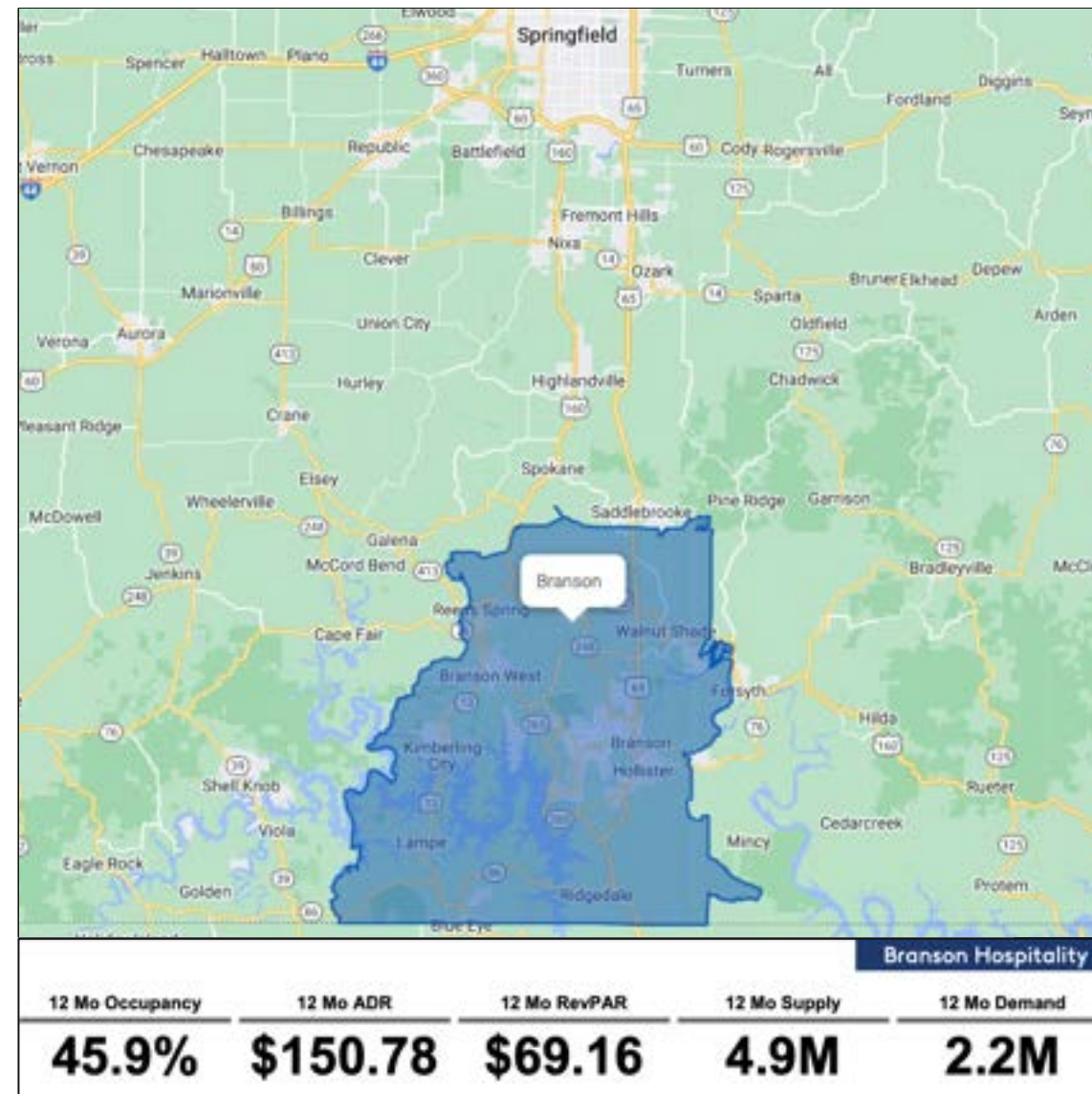
## Overview

*This section will show historical performance metrics for the hospitality industry in Branson, Missouri.*

The Branson hotel market has around 14,000 hotel rooms, across 164 hotel properties. These hotels have an average of 84 hotel rooms.

The Branson market skews towards cost-efficient lodging, as more than half of the rooms are economy or midscale properties. There are several high-end hotels with 12 luxury or upper upscale properties (2,100 rooms).

During 2022, hotels in the Branson market averaged nearly 46 percent occupancy, with an average daily rate of \$150.



# Hotel Market - Branson

## Key Indicators

During 2022, the top hotels in the Branson market (luxury and upper upscale hotels) had the strongest occupancy rates (57 percent) and rates nearly triple the midscale and economy hotels (\$277). During 2022, there were no new hotel developments in the market.

### KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	2,062	57.6%	\$277.62	\$159.93	0	0
Upscale & Upper Midscale	3,533	50.1%	\$148.36	\$74.35	0	0
Midscale & Economy	8,116	40.9%	\$105.10	\$42.96	0	0
<b>Total</b>	<b>13,711</b>	<b>45.9%</b>	<b>\$150.78</b>	<b>\$69.16</b>	<b>0</b>	<b>0</b>

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	47.3%	53.8%	45.9%	45.9%	43.3%	51.4%
Occupancy Change	-4.4%	5.3%	2.7%	2.7%	-2.6%	2.7%
ADR	\$141.02	\$144.38	\$150.78	\$150.78	\$125.01	\$148.82
ADR Change	0.4%	1.3%	6.5%	6.5%	7.7%	-0.1%
RevPAR	\$66.75	\$77.68	\$69.16	\$69.16	\$54.07	\$76.43
RevPAR Change	-4.0%	6.7%	9.4%	9.4%	4.9%	2.7%

Source: CoStar 01/12/2023





Christian County

**Hotel Supply Overview**

# Christian County Hotel Overview

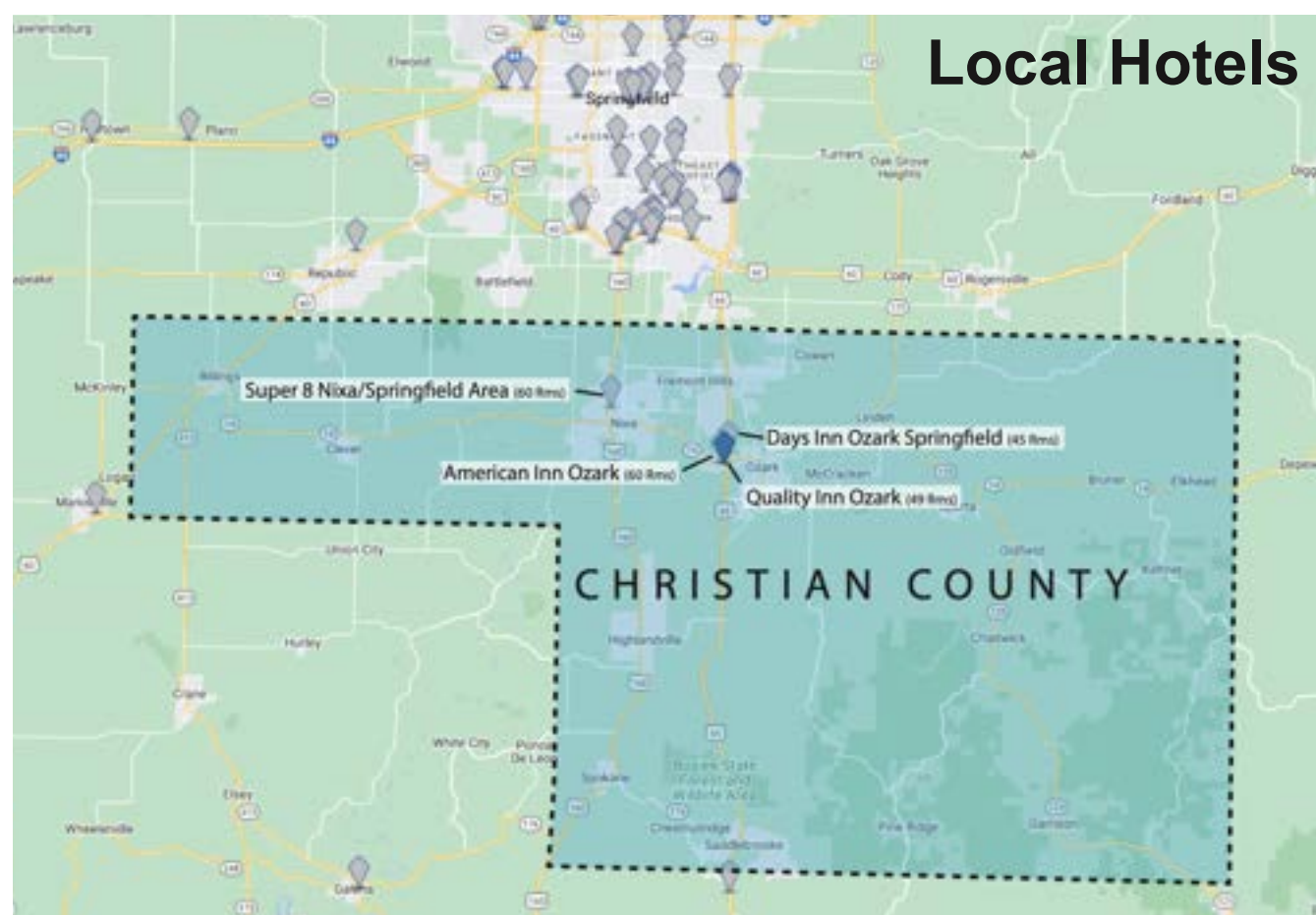
After analyzing the Springfield and Branson markets, understanding the hotel supply within Christian County is important to comprehend why guests currently choose to stay in Springfield or Branson compared to Christian County.



# Lodging Overview: Christian County

The neighboring map shows the supply of hotels within Christian County relative to the hotel supply within Springfield.

Overall, the 44 closest hotels to Finley Farms include 3,800 rooms. Of these hotel rooms, 43 percent are upscale or upper midscale properties. This supply is contrasted to only 153 rooms within Christian County.



## Local Hotels

**Lodging Summary - Christian County, Missouri  
(44 Closest Hotels to Finley Farms)**

Chainscale	Rooms	% Total Rooms	Hotels	Rooms Per Hotel	Avg. Age (Years)
Luxury	0	0%	0	–	–
Upper Upscale	0	0%	0	–	–
Upscale	964	25%	7	138	15.6
Upper Midscale	682	18%	7	97	16.5
Midscale	756	20%	9	84	33.8
Economy	455	12%	6	76	25.4
Independent	946	25%	15	63	53.2
<b>Total/Average</b>	<b>3,803</b>	<b>100%</b>	<b>44</b>	<b>86</b>	<b>28.9</b>

Source: SmithTravelResearch, Hunden Strategic Partners

**Christian County, Missouri | Hotel Supply**

Hotel	Location	Rooms	Year Built	Hotel Class
Super 8 Nixa/Springfield Area	Nixa	60	1993	Economy
American Inn Ozark	Ozark	60	1988	Economy
Quality Inn Ozark	Ozark	48	1993	Midscale
Days Inn Ozark/Springfield	Ozark	45	1994	Economy
<b>Total/Average</b>		<b>153</b>	<b>1992</b>	<b>4 Hotels</b>

Source: CoStar, SmithTravelResearch

# Christian County's Hotel Node

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The only hotel node within Christian County is located off the US-65 and Jackson Street interchange. This highway connects Springfield to Branson, Missouri. There is one additional hotel in Christian County in Nixa. The Super 8 Nixa is located off US-160 and Missouri Route 14.



# Interview: American Inn - Ozark

HSP interviewed ownership and management of the American Inn in Ozark. This conversation is summarized below.

**Occupancy & Rate.** Over the last several years, the American Inn has averaged an annual occupancy of 24 percent. The average daily rate has remained constant over the years at about \$50 per night. The majority of overnights are multi-day stays, in which a room is rented for \$280 per week.

HSP spoke with management on January 20<sup>th</sup>, 2023. On this day, management reported the property had not seen a single guest in over four days. The property struggles with sufficient demand. Management claims the other properties in the node also struggle with limited demand.

Management reported that the lack of demand in the area is due to it being between Springfield and Branson. Guests typically elect to stay in either of these areas, and not in between. With so many hotel options in either city, rates for similar properties are comparable, meaning the property cannot seem to find a value proposition for guests. With rising operating costs, the struggle of low rates and occupancy may likely cause the American Inn to close in the coming years.

**Seasonality.** The lack of demand for overnight stays at the American Inn is constant throughout the year, but there is slightly more demand during the summer months.

**The Potential Project.** Management stated that if any hotel were built in Christian County, it would have to be on US-65 as that is the hub of traffic through the county. The interstate is the only reason that the American Inn is still open.



# Interview: Quality Inn - Ozark

HSP interviewed management of the Quality Inn in Ozark. This conversation is summarized below.

**Occupancy & Rate.** The Quality Inn's ADR and occupancy ranges throughout the year, with winter ADR at approximately \$79, and summer ADR at \$125 on average, for an overall annual ADR of \$90 in 2022. Occupancy also ranges, with winter occupancy dropping to 20-25 percent, with some summer weekend sellouts. On average, occupancy was estimated at 65 percent in 2022

**Segmentation.** Approximately 75 percent of guests are leisure oriented, 15 percent corporate, and 10 percent group.

Management does not believe that Christian County has the amenities and restaurants to be able to draw in a significant amount of people that are currently staying in Springfield. The hotel does currently host some sports and school groups but doesn't believe these groups need a higher quality hotel. Management believes there could be sufficient demand for a hotel in Christian County in the future, but not currently. Additional unique local restaurant concepts and attractions, and nighttime activities may be needed to support a new hotel development.



# Interview: Days Inn - Ozark

HSP interviewed management of the Days Inn in Ozark. This conversation is summarized below.

**Occupancy & Rate.** During January 2022, occupancy averaged 20 percent, while during the summer months occupancy generally averaged 65 percent. Overall, throughout the year, occupancy averages 50 percent. Rates vary throughout the year, with the lowest rates being \$70 and the highest rates being around \$85.

**Seasonality.** Demand during the winter months is minimal, while during the summer demand is robust.

**Segmentation.** Approximately 80 percent of guests are leisure oriented, while 20 percent are business travelers.

Management believes there is a major need for a higher quality hotel in Ozark as the Days Inn cannot currently accommodate many guest requests. Management believes they are losing clients to both Springfield and Branson.





Competitive Set

**Performance Analysis**



# Competitive Set

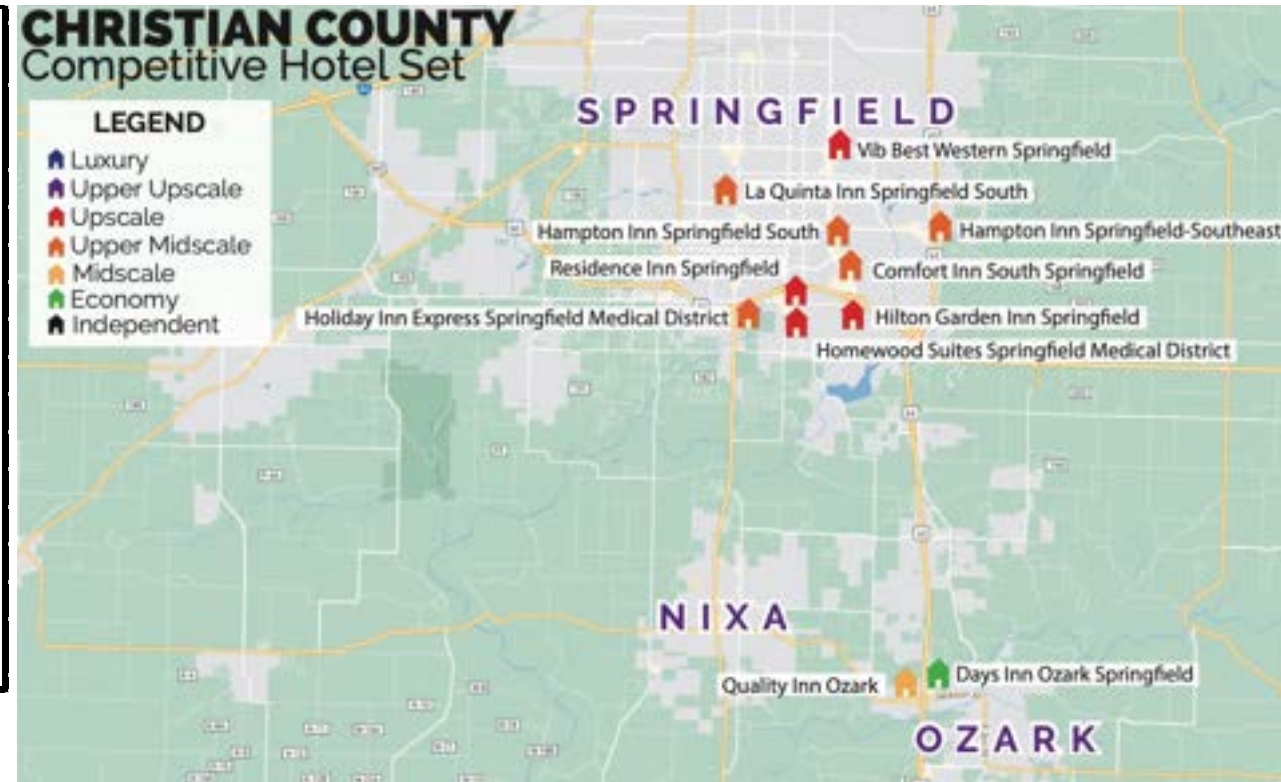
HSP determined a competitive set of hotels in the area. Due to the limited number of hospitality options within Christian County, the majority of the competitive hotels are located in southern Springfield.

The competitive set includes 11 hotels, totaling 1,026 hotel rooms. Performance data from these hotels was pulled from Smith Travel Research (STR). Analyzing these hotels will provide insight into the potential performance of a new hotel in Christian County.

Christian County, Missouri | Local Competitive Hotel Set

Property Name	Miles from Finley Farms	# of Rooms	Hotel Class	Year Built/ Renovated
Days Inn by Wyndham Ozark Springfield	1.1	45	Economy	Jun-94
Quality Inn Ozark	1.3	48	Midscale	Aug-93
Hilton Garden Inn Springfield	7.9	125	Upscale	Mar-11
Homewood Suites by Hilton Springfield Medical District	8.3	122	Upscale	Mar-22
Comfort Inn South Springfield	8.6	105	Upper Midscale	Feb-98
Residence Inn Springfield	8.7	136	Upscale	Oct-97
Holiday Inn Express & Suites Springfield Medical District	8.9	87	Upper Mid	Sep-01
Hampton by Hilton Inn Springfield-Southeast	9.0	106	Upper Midscale	Mar-08
Hampton Inn Springfield South	9.3	99	Upper Midscale	Mar-94
La Quinta Inns & Suites Springfield South	10.9	61	Upper Midscale	Sep-06
Vib Best Western Springfield	11.1	92	Upscale	Aug-18
<b>Average/Total</b>	<b>7.7</b>	<b>1,026</b>	<b>11 Hotels</b>	<b>Mar-04</b>

Source: SmithTravelResearch, Hunden Strategic Partners



# Performance Overview

HSP utilized Smith Travel Research (STR) to analyze the historic performance of the competitive set of hotel properties in the area. The table below summarizes hotel performance for the competitive set from 2014 through 2022.

The number of rooms in the competitive set has grown by an average of five percent per year since 2014. This shows consistent development of assets similar to the potential project in the market. Occupancy has remained rather consistent over the years, in the 65 percent range, with the exception of pandemic impacted years. Rates have averaged a 2.6 percent compound growth rate and have rebounded to pre-pandemic levels in 2022.

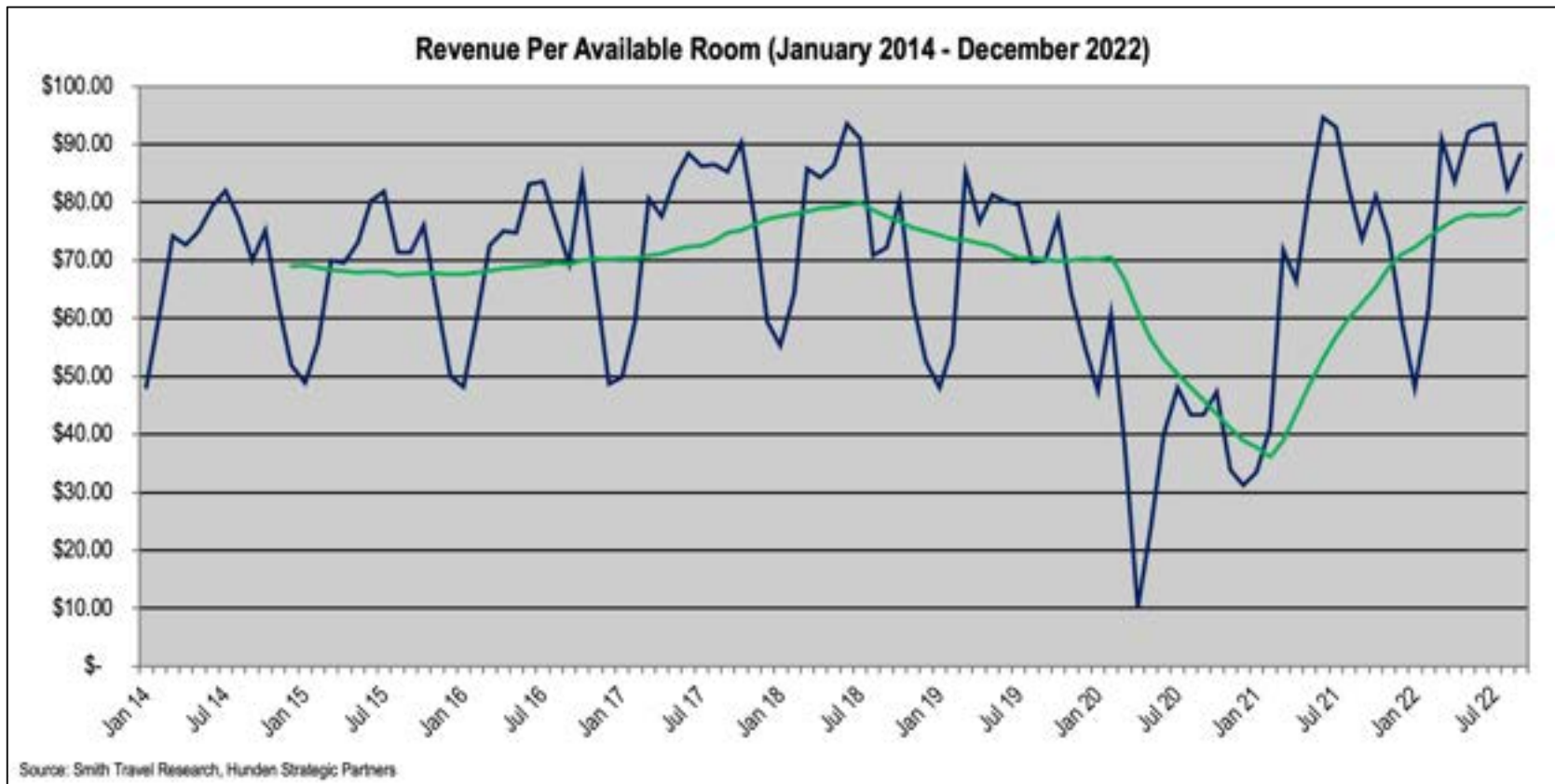
Christian County, MO   Competitive Set											
Historical Supply, Demand, Occupancy, ADR, and RevPar											
Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	Occupancy	% Change	Average Daily Rate	% Change	RevPar	% Change
2014	710	259,150	–	175,678	–	67.8	–	\$101.90	–	\$69.08	–
2015	805	293,698	13.3%	189,121	7.7%	64.4	-5.0%	\$105.42	3.5%	\$67.89	-1.7%
2016	812	296,380	0.9%	196,456	3.9%	66.3	2.9%	\$105.84	0.4%	\$70.15	3.3%
2017	812	296,380	0.0%	209,301	6.5%	70.6	6.5%	\$109.26	3.2%	\$77.16	10.0%
2018	851	310,456	4.7%	209,938	0.3%	67.6	-4.2%	\$110.44	1.1%	\$74.68	-3.2%
2019	904	329,960	6.3%	212,344	1.1%	64.4	-4.8%	\$109.25	-1.1%	\$70.31	-5.9%
2020	904	329,960	0.0%	131,760	-37.9%	39.9	-37.9%	\$97.33	-10.9%	\$38.86	-44.7%
2021	904	329,960	0.0%	214,356	62.7%	65.0	62.7%	\$109.64	12.7%	\$71.23	83.3%
2022	1,006	367,292	11.3%	240,035	12.0%	65.4	0.6%	\$123.41	12.6%	\$68.90	13.2%
CAGR (2014-22)			5.22%		4.58%		-0.45%		2.64%		-0.03%

Source: Smith Travel Research, Hunden Strategic Partners

# RevPAR

The term RevPAR represents “revenue per available room” and is a factor of average daily rate and occupancy. This metric reflects the income each room generates per night.

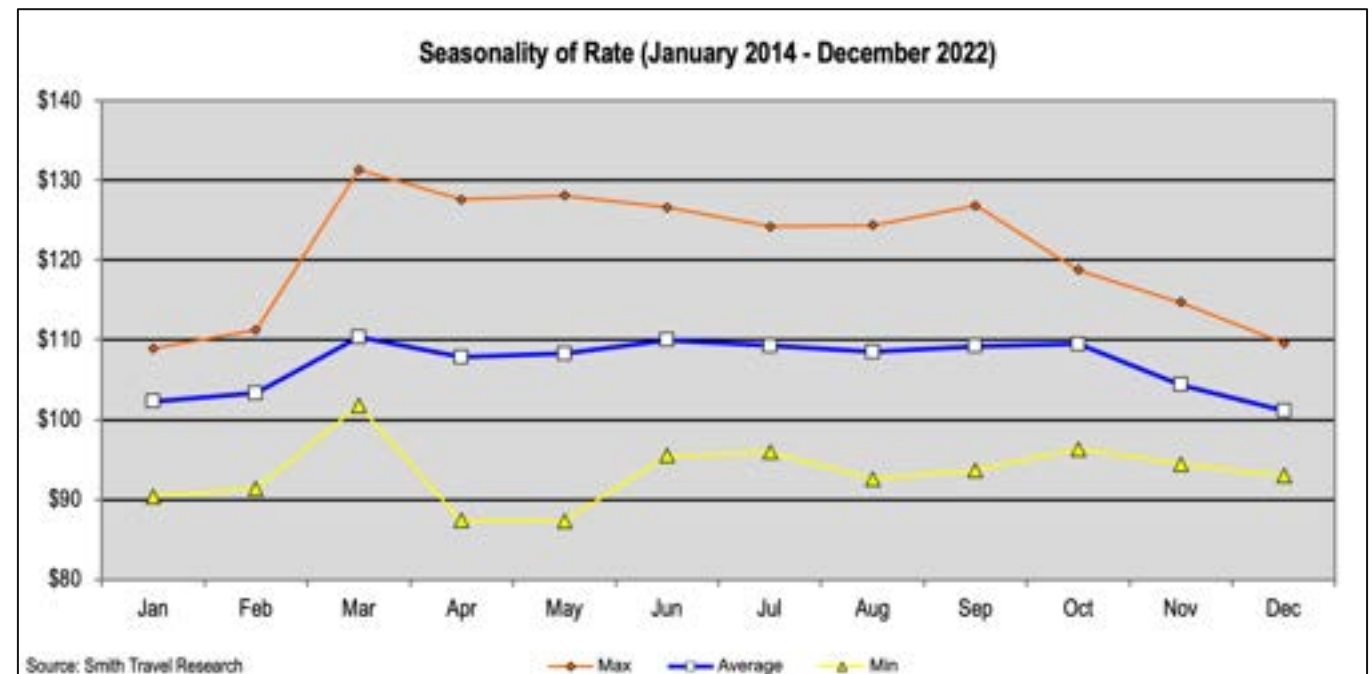
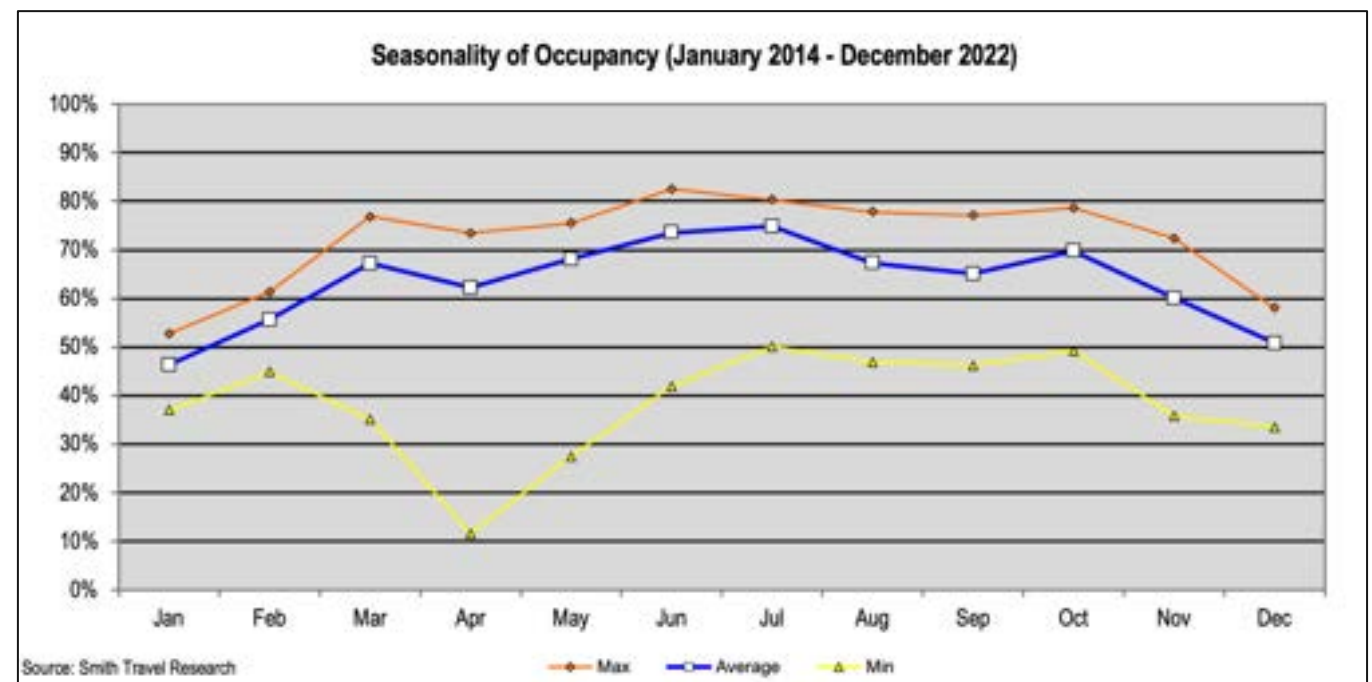
RevPAR in the competitive set returned to pre-pandemic levels in 2022.



# Seasonality

The adjacent figures display the seasonality of occupancy and rate from January 2014 through December 2022.

Following weather patterns, occupancy and rates tend to be highest during the Spring, Summer and Fall months, while significantly lower during winter months.

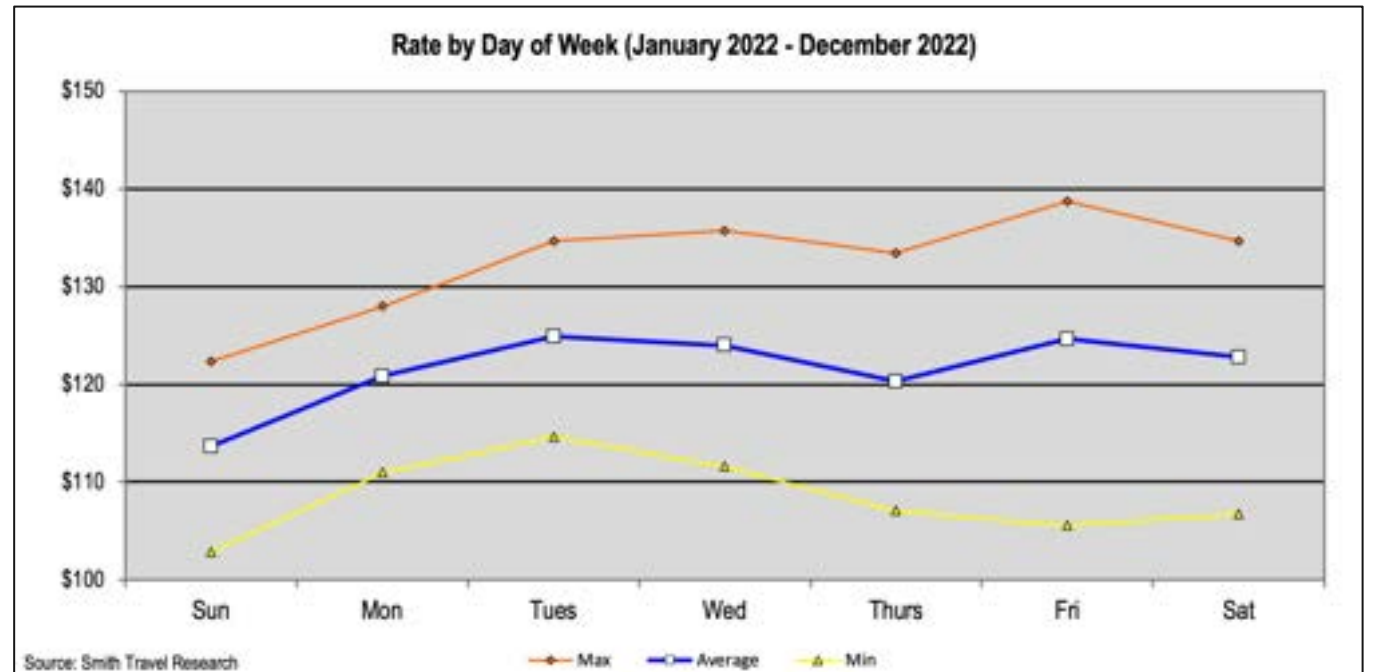
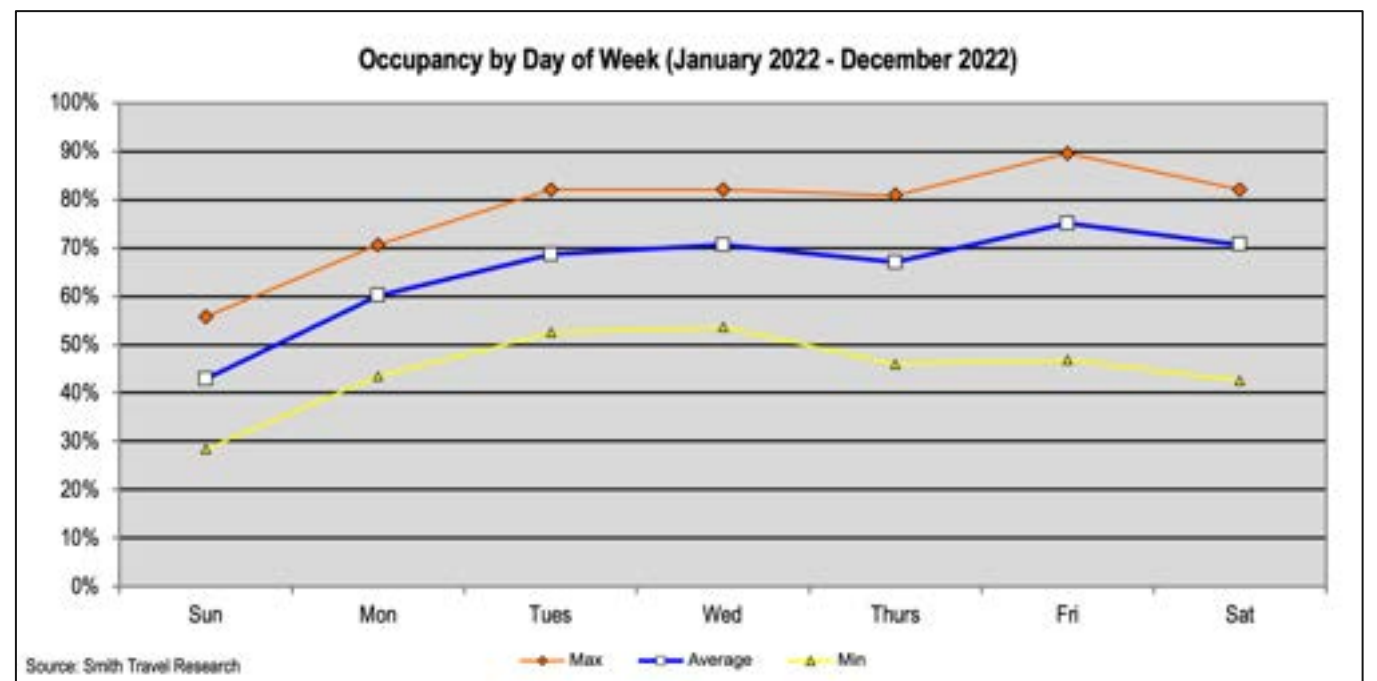


# Day of Week

The adjacent figures display the seasonality of occupancy and rate from January 2022 through December 2022.

The average occupancy of the set fluctuates between 40 and 75 percent throughout the week. As typical in most suburban hospitality markets, Sundays have the lowest occupancy and daily rates across the market.

Demand (occupancy) and rates peak on Friday and Saturday nights. This trend is very common in leisure driven markets.



# Unaccommodated Demand

Unaccommodated demand is described as periods of a year where due to limited room availability, excessive rates, or a lack of desired quality, guests choose to not travel or stay elsewhere in a market.

The tables provide a visualization of periods during the past 12 months where unaccommodated demand could have been present. Red periods denote periods of a strong likelihood of unaccommodated demand, with yellow showing periods of moderate levels of unaccommodated demand.

Highest unaccommodated demand in 2022 occurred on Fridays and in the Spring and Summer months.

Christian County, MO   Occupancy Percent by Day of Week by Month - 2022								
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Average
Jan-22	28.4%	43.5%	52.5%	53.6%	45.9%	46.8%	42.5%	44.7%
Feb-22	36.5%	54.4%	58.8%	58.2%	51.9%	63.6%	65.4%	55.5%
Mar-22	41.8%	63.3%	73.2%	74.2%	72.5%	82.8%	73.4%	69.2%
Apr-22	44.3%	60.9%	64.0%	64.0%	59.9%	83.5%	74.9%	65.5%
May-22	47.9%	63.3%	72.0%	79.6%	80.8%	87.5%	80.4%	71.9%
Jun-22	47.5%	70.3%	78.6%	80.0%	74.8%	82.8%	79.1%	73.6%
Jul-22	55.7%	70.6%	82.0%	82.0%	78.1%	80.2%	81.0%	75.3%
Aug-22	46.5%	63.1%	69.4%	70.9%	68.7%	73.8%	70.6%	66.3%
Sep-22	47.6%	60.9%	73.1%	77.5%	69.6%	78.5%	78.9%	69.8%
Oct-22	44.5%	63.7%	72.9%	78.5%	80.9%	89.6%	82.1%	72.2%
Nov-22	37.4%	54.1%	63.6%	65.6%	63.4%	76.8%	68.1%	61.5%
Dec-22	37.6%	54.0%	63.3%	63.4%	59.0%	55.7%	52.1%	55.1%
<b>Average</b>	<b>43.0%</b>	<b>60.2%</b>	<b>68.6%</b>	<b>70.6%</b>	<b>67.1%</b>	<b>75.1%</b>	<b>70.7%</b>	

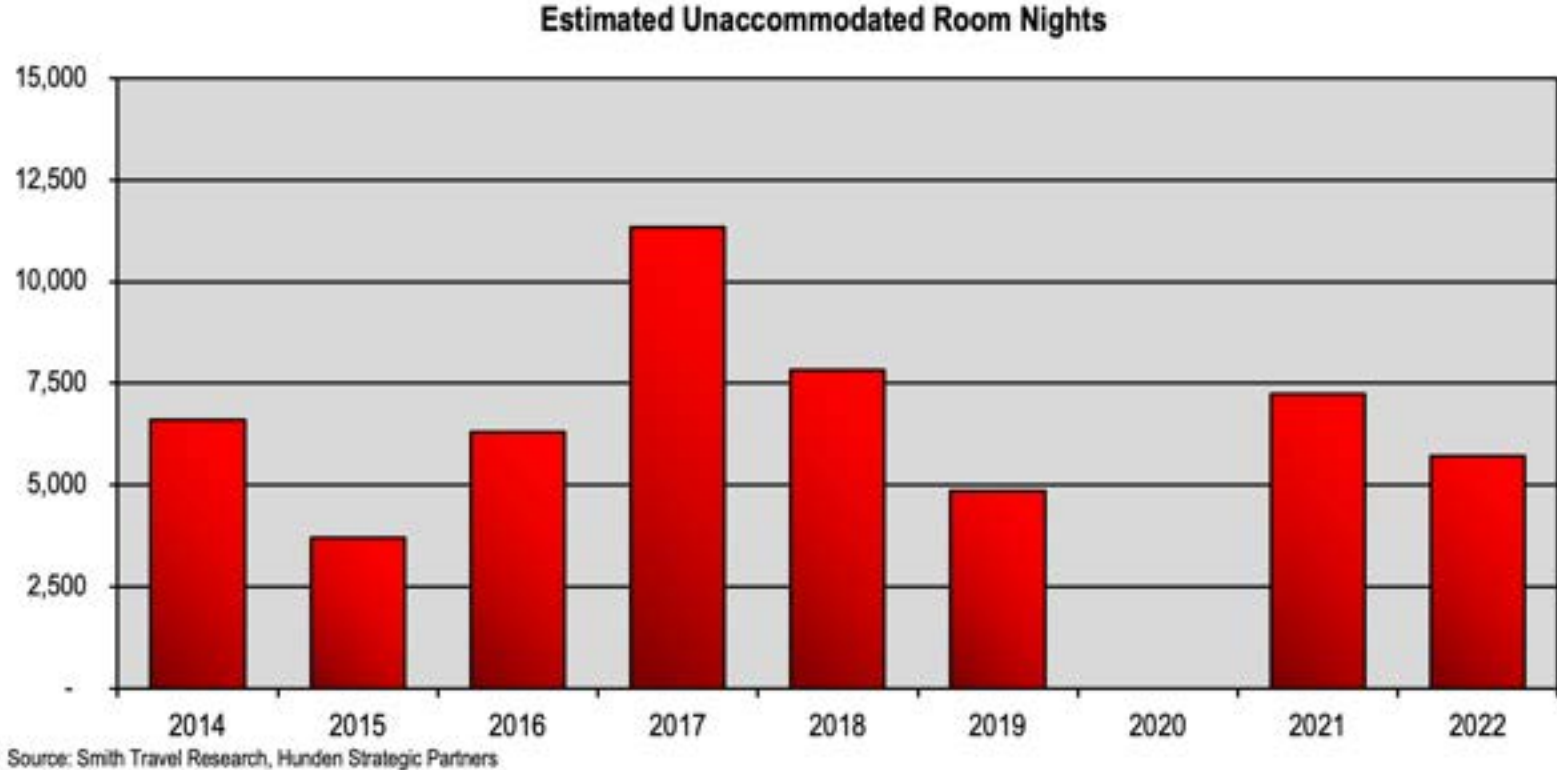
Source: Smith Travel Research

Christian County, MO   Rate by Day of Week and Month - 2022								
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Average
Jan-22	102.82	110.95	114.60	111.80	107.06	105.56	106.73	\$108.88
Feb-22	106.42	113.40	115.50	111.57	108.50	109.93	111.47	\$111.24
Mar-22	120.16	127.96	134.65	135.75	133.44	131.49	127.90	\$131.30
Apr-22	122.32	122.05	121.81	122.42	118.37	138.75	134.67	\$127.60
May-22	116.92	123.13	127.16	128.17	130.23	135.26	132.31	\$128.09
Jun-22	114.81	124.26	128.30	127.46	125.91	132.06	128.33	\$126.64
Jul-22	113.64	124.01	128.45	127.48	121.31	125.72	126.24	\$124.20
Aug-22	116.69	124.90	127.72	126.99	120.68	125.08	124.16	\$124.35
Sep-22	115.96	125.89	129.70	128.66	122.39	130.80	129.76	\$126.85
Oct-22	113.61	122.74	129.93	129.19	128.75	135.76	127.07	\$127.42
Nov-22	111.45	117.07	122.65	122.16	115.12	116.76	114.29	\$117.75
Dec-22	108.57	113.96	118.53	116.14	111.63	109.01	110.63	\$112.77
<b>Average</b>	<b>\$113.61</b>	<b>\$120.86</b>	<b>\$124.92</b>	<b>\$123.98</b>	<b>\$120.28</b>	<b>\$124.68</b>	<b>\$122.80</b>	

Source: Smith Travel Research

# Unaccommodated Demand

The table shows the total unaccommodated demand levels overtime in the competitive set. 2017 was the year in which HSP estimates the greatest levels of unaccommodated demand.



# Hotel Implications

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The hotel market in Christian County is limited in that it has no quality offering available. Because of this, many potential overnight stays are lost to Springfield. Springfield also has more robust food and beverage offerings and attractions, which is a limiting factor for Christian County being able to support more than one new hotel product.

By developing a higher quality hotel product in the area, ADR and occupancy can increase to broader market levels, with increased local visitor spending and stays.

With or without the addition of a new hotel, the county has the opportunity to impose up to a five percent lodging tax that can help fund future development within the county, though this would be contingent upon voter approval.







Christian County

**Short-Term Rental Market**

# Overview

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Short-term rentals are residences rented out on a short-term basis (less than one year). Bookings vary from a single night to months at a time. These short-term rentals are the newfound competitor within the hospitality industry and generally known as AirBnB or VRBO.

To fully comprehend the demand for overnight accommodations within Christian County, HSP utilized AirDNA to understand the demand, supply, and performance of short-term rentals in the Nixa and Ozark area. To establish a benchmark of performance, HSP provides statistics for Springfield as well.

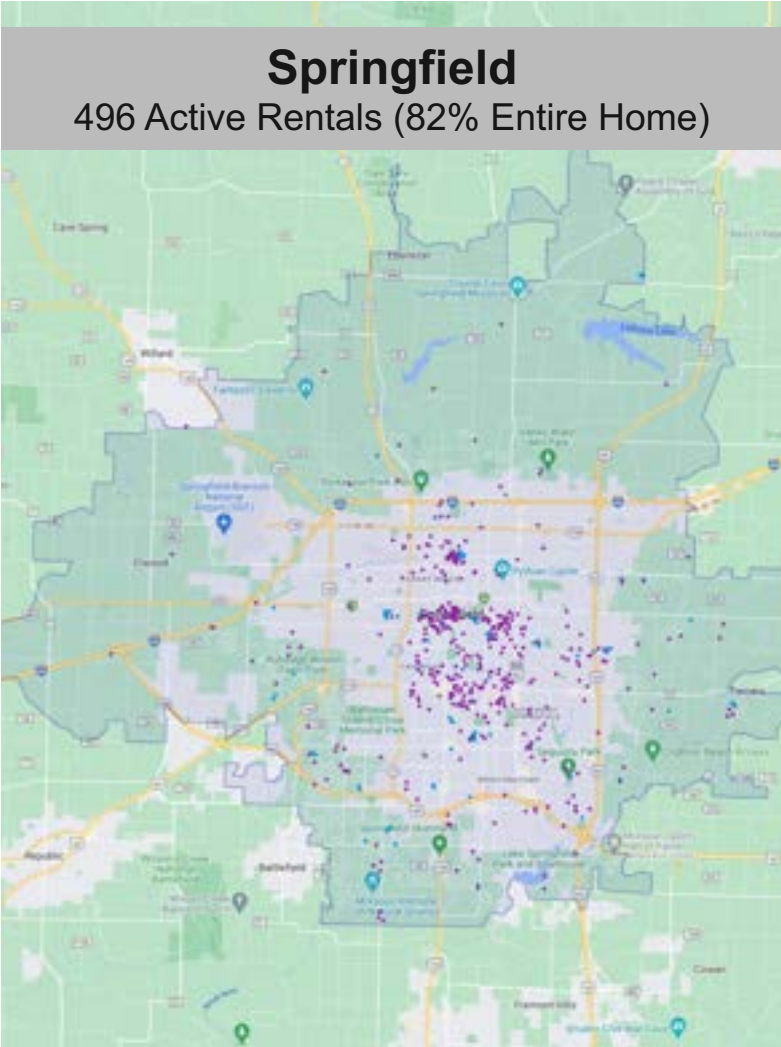


# Short-Term Rental Market Size Comparison

**LEGEND**  
🏠 Entire Home  
🛏 Private Room

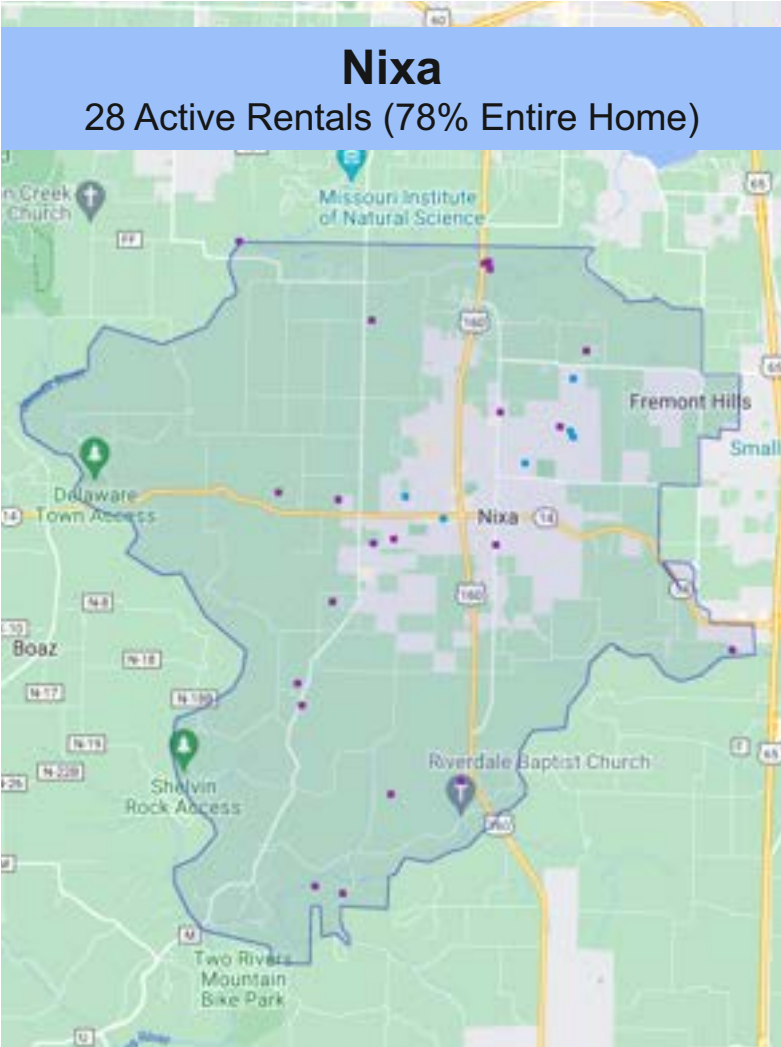
## Springfield

496 Active Rentals (82% Entire Home)



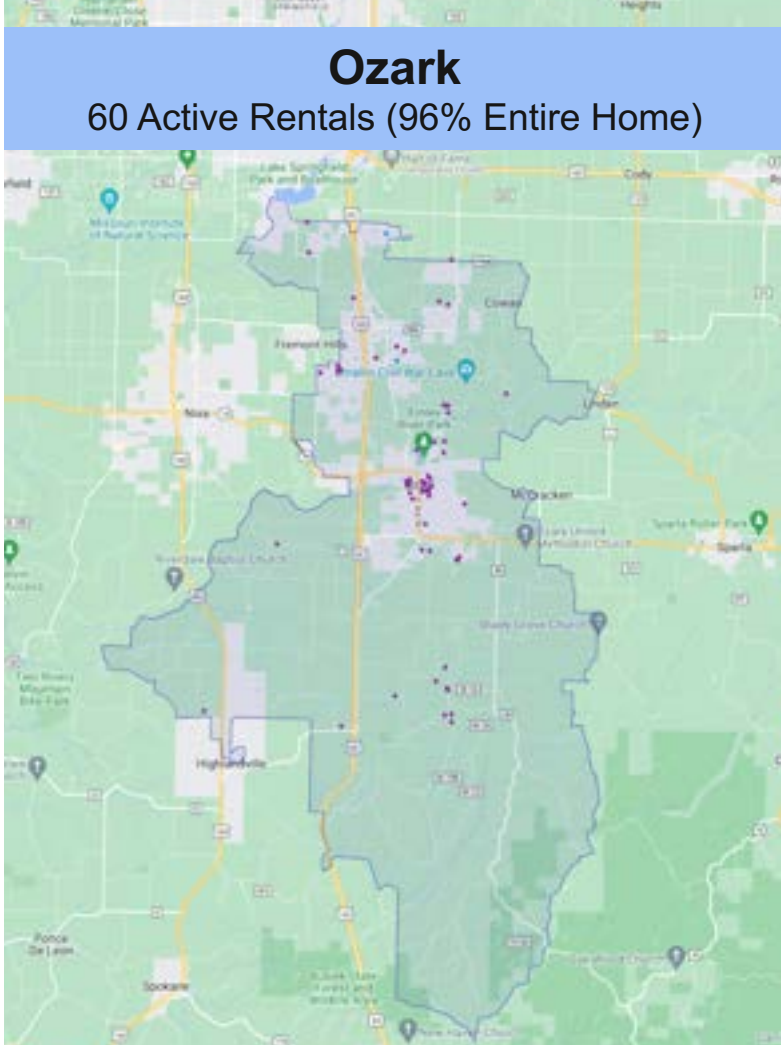
## Nixa

28 Active Rentals (78% Entire Home)



## Ozark

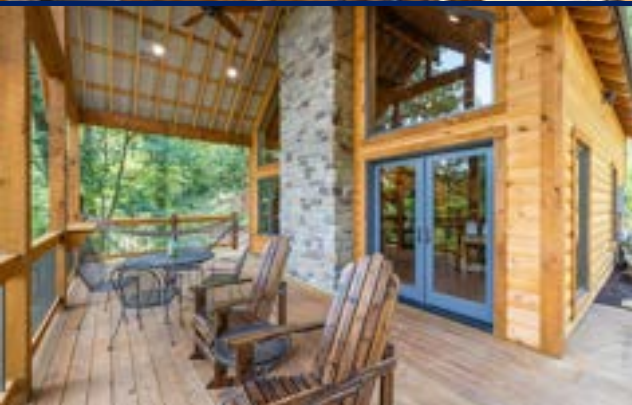
60 Active Rentals (96% Entire Home)



# Nixa AirBnBs

# An Inside Look

**Cabin in Nixa**  
4.97★ - 34 Reviews



**\$277 Per Night**  
4 Beds / 1 Bath

**Treehouse in Nixa**  
4.90★ - 10 Reviews



**\$189 Per Night**  
1 Bed / 1 Bath

**Home in Nixa**  
4.87★ - 39 Reviews



**\$199 Per Night**  
6 Bed / 2 Bath

**Rio James Waterfront**  
NEW - 0 Reviews



**\$207 Per Night**  
3 Bed / 2.5 Bath

# Ozark AirBnBs

# An Inside Look

**The Ozark House**  
5.0★ - 3 Reviews



**\$325 Per Night**  
6 Beds / 4 Bath

**The Quimby House (1900)**  
4.91★ - 22 Reviews



**\$200 Per Night**  
4 Bed / 2 Bath

**The Porch at 706**  
5.0★ - 18 Reviews



**\$107 Per Night**  
2 Bed / 1 Bath

**Historic Home in Ozark**  
4.97★ - 35 Reviews

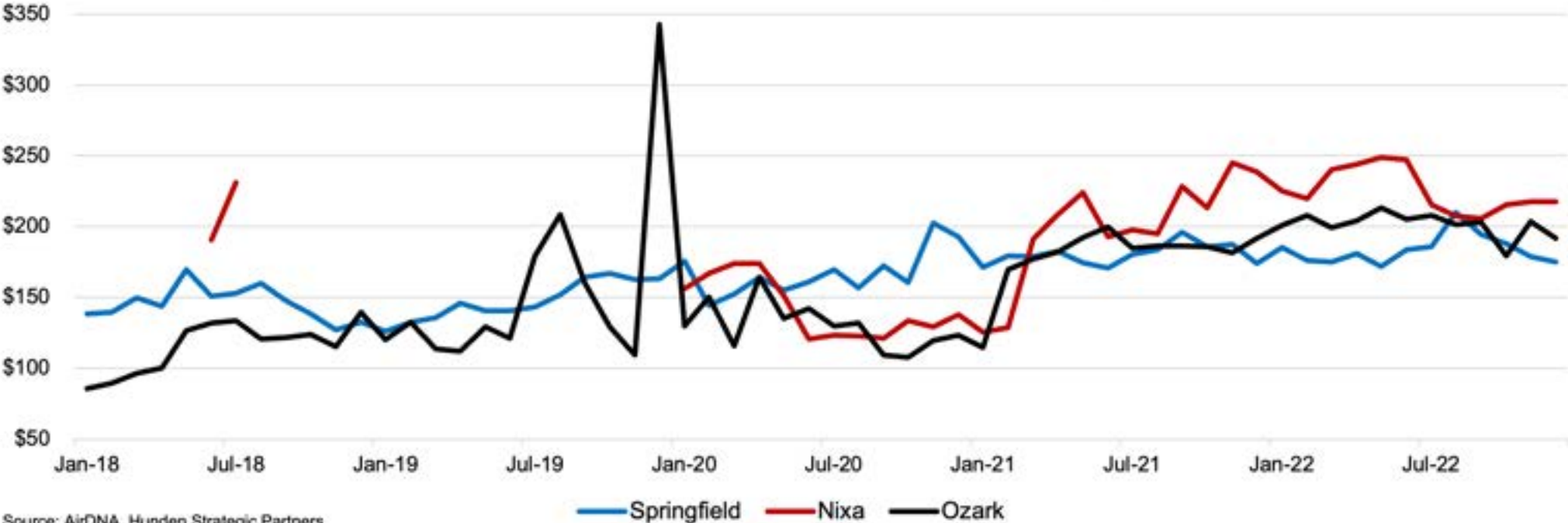


**\$130 Per Night**  
3 Bed / 3 Bath

# Market ADR Comparison

HSP compared the average daily rates for midscale, upscale and luxury short-term rentals with three or fewer bedrooms. Since 2021, the Nixa and Ozark markets both have demanded higher average rates compared to the Springfield market. While these are the rates demanded, comparing these rates with occupancy will reveal if these rates are feasible. The Nixa ADR line in 2018 represents associated supply being available for only a short period of time during that year.

**ADR by Short-Term Rental Market (2018-2022)**  
(Average of Midscale, Upscale & Luxury, 1-3 Beds)



Source: AirDNA, Hunden Strategic Partners

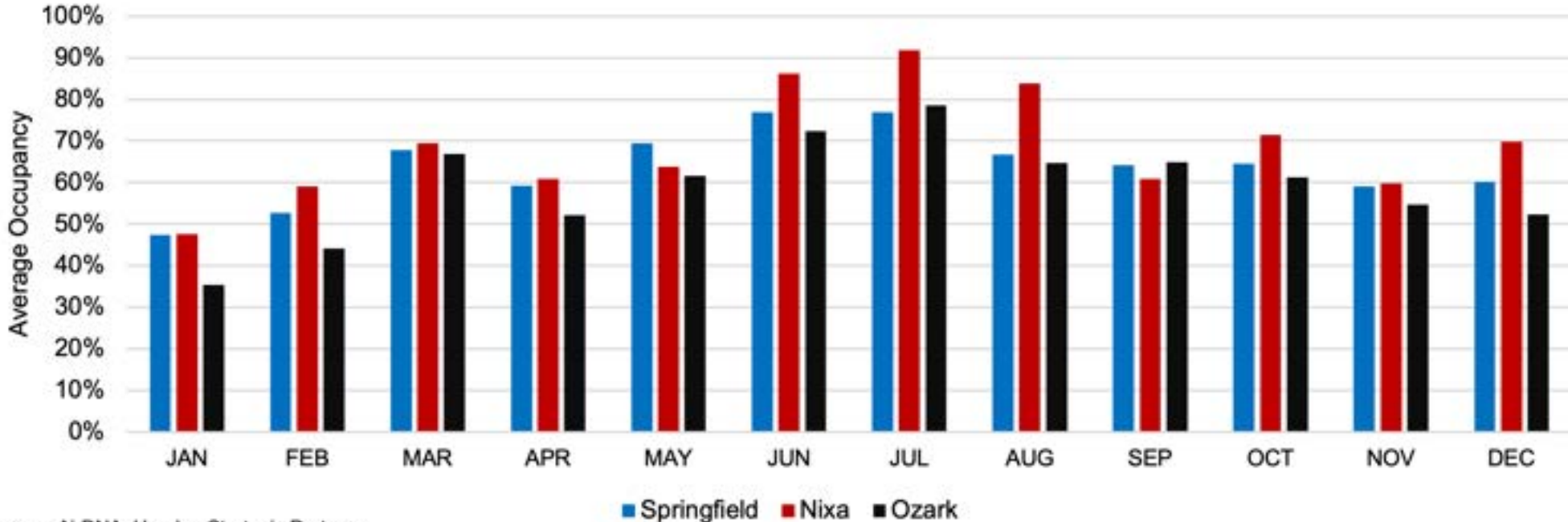
# Occupancy Comparison

Since 2018 on average, Nixa’s short-term rentals have been able to support the strongest occupancy rates across its AirBnB market. To contrast this, Nixa has the lowest supply of properties. In 2022, in terms of rented nights, the Springfield AirBnB market was seven times that of Ozark, and 19 times the size of Nixa’s.

Year	Springfield	Nixa	Ozark
2018	19,826	1,168	1,559
2019	28,065	1,157	2,957
2020	32,751	1,388	4,113
2021	45,274	2,349	6,588
2022	71,140	3,736	10,050
<b>Growth %</b>	<b>259%</b>	<b>220%</b>	<b>545%</b>

Source: AirDNA, HSP

**Avg. Monthly Occupancy by Short-Term Rental Market**  
(2018 - 2022, 1-3 Bed Properties)



Source: AirDNA, Hunden Strategic Partners

# Market Comparison

AirDNA ranks each short-term rental market against the 'Top 2000 Global AirBnB Markets.' Based on comparative performance, each market (with sufficient rentals) is graded and ranked in several categories relating to performance. A higher ranking relates to a market's ability to positively perform compared to other markets.

## Springfield

Market Grade:

**A- (80%)**

Rental Demand:	84%
Revenue Growth	20%
Seasonality:	90%
Investability:	76%

## Nixa

Market Grade:

**B- (53%)**

Rental Demand:	72%
Revenue Growth:	4%
Seasonality:	50%
Investability:	25%

## Ozark

Market Grade:

**B (63%)**

Rental Demand:	72%
Revenue Growth:	30%
Seasonality:	50%
Investability:	40%

\* Insufficient number of rentals to calculate grade



# AirDNA Implications

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Short-term rental demand growth is often a leading indicator for hotel demand in markets with limited options. The short-term rental market in Ozark and Nixa have performed well in recent years, with relatively high rates and strong occupancy. The markets are limited in size and scale compared to the Springfield market.

Overall, the short-term rental market in Christian County provide insight into the fact that there is demand for high quality overnight accommodations in the area.





# 06

## Demand and Financial Projections

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# Projections Overview

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The following chapter provides projections for the proposed 95-room hotel in Ozark.

First HSP will cover market segmentation, followed by estimates on how the Project would penetrate the market. Following a penetration analysis, HSP provides an investment analysis showing a proforma, supportable financing and a discounted cash flow valuation analysis.

*For the sake of this analysis, HSP assumed the hotel would open in 2026.*





# Market Penetration

# Competitive Set Growth

Based on interviews with local stakeholders and HSP’s understanding of the market, HSP estimated demand segment growth through 2028. The market is largely driven by leisure travelers, with approximately 70 percent of guests falling within that segment. Corporate transient is the second largest group in the market, accounting for 22 percent of total room nights.

Estimated Competitive Set Demand Growth by Segment												
Year	Corporate Transient	% Change	Group	% Change	Leisure	% Change	Total Demand	% Change	Total Supply	% Change	Total Rooms	Occupancy
2022	47,891	0.0%	15,845	0.0%	150,620	0.0%	214,356	0.0%	329,960	0.0%	904	65.0%
2023	47,891	0.0%	15,845	0.0%	150,620	0.0%	214,356	0.0%	329,960	0.0%	904	65.0%
2024	48,131	0.5%	15,845	0.0%	151,373	0.5%	215,349	0.5%	329,960	0.0%	904	65.3%
2025	48,371	0.5%	15,845	0.0%	152,130	0.5%	216,346	0.5%	329,960	0.0%	904	65.6%
<b>2026</b>	<b>49,823</b>	<b>3.0%</b>	<b>16,479</b>	<b>4.0%</b>	<b>161,257</b>	<b>6.0%</b>	<b>227,559</b>	<b>5.2%</b>	<b>364,635</b>	<b>10.5%</b>	<b>999</b>	<b>62.4%</b>
2027	50,819	2.0%	16,809	2.0%	166,095	3.0%	233,723	2.7%	364,635	0.0%	999	64.1%
2028	51,327	1.0%	16,809	0.0%	167,756	1.0%	235,892	0.9%	364,635	0.0%	999	64.7%
2029	51,327	0.0%	16,809	0.0%	167,756	0.0%	235,892	0.0%	364,635	0.0%	999	64.7%
2030	51,327	0.0%	16,809	0.0%	167,756	0.0%	235,892	0.0%	364,635	0.0%	999	64.7%
2031	51,327	0.0%	16,809	0.0%	167,756	0.0%	235,892	0.0%	364,635	0.0%	999	64.7%
2032	51,327	0.0%	16,809	0.0%	167,756	0.0%	235,892	0.0%	364,635	0.0%	999	64.7%
2033	51,327	0.0%	16,809	0.0%	167,756	0.0%	235,892	0.0%	364,635	0.0%	999	64.7%
2034	51,327	0.0%	16,809	0.0%	167,756	0.0%	235,892	0.0%	364,635	0.0%	999	64.7%
2035	51,327	0.0%	16,809	0.0%	167,756	0.0%	235,892	0.0%	364,635	0.0%	999	64.7%

Source: Hunden Strategic Partners

Estimated Competitive Set Segmentation	
Corporate Transient	22%
Group	7%
Leisure	70%
<b>Total</b>	<b>100%</b>

Source: Hunden Strategic Partners

# Market Penetration & Business Segmentation

HSP estimated how the proposed hotel would perform comparatively to the competitive set. By offering a new level of quality, the Project is expected to recapture lost room nights and attract new visitors. For this reason, at stabilization the hotel is expected to achieve an occupancy rate approximately 4.6 points greater than the competitive set, with a higher share of corporate transient and group business.

Year	Corporate Transient	Group	Leisure	Total Penetration	Projected Set Occupancy	Subject Occupancy
2026	110%	85%	90%	94%	62%	59%
2027	114%	100%	97%	101%	64%	65%
2028	118%	115%	103%	107%	65%	69%
2029	118%	115%	103%	107%	65%	69%
2030	118%	115%	103%	107%	65%	69%
2031	118%	115%	103%	107%	65%	69%
2032	118%	115%	103%	107%	65%	69%
2033	118%	115%	103%	107%	65%	69%
2034	118%	115%	103%	107%	65%	69%
2035	118%	115%	103%	107%	65%	69%

Source: Hunden Strategic Partners

Segment	Hotel at Stabilization	Competitive Set
Corporate	24%	22%
Group	8%	7%
Leisure	68%	71%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Stabilization year: 2027  
Source: Hunden Strategic Partners

# Projected Demand & Occupancy

The hotel is expected to stabilize operations by Year 3, achieving a 69.3 percent occupancy rate. Contributing to this occupancy rate, 24 percent of visitors are expected to be corporate guests, 7.6 percent group visitors and 68.4 percent leisure guests.

Projected Demand for Proposed 95-Room Hotel												
Year	Corporate Transient	% Demand	Group	% Demand	Leisure	% Demand	Total Demand	% Change	Total Supply	% Change	Total Rooms	Occupancy
2026	5,212	25.6%	1,332	6.5%	13,801	67.8%	20,345	–	34,675	–	95	58.7%
2027	5,509	24.6%	1,598	7.1%	15,321	68.3%	22,429	10.2%	34,675	0.0%	95	64.7%
2028	5,760	24.0%	1,838	7.6%	16,431	68.4%	24,029	7.1%	34,675	0.0%	95	69.3%
2029	5,760	24.0%	1,838	7.6%	16,431	68.4%	24,029	0.0%	34,675	0.0%	95	69.3%
2030	5,760	24.0%	1,838	7.6%	16,431	68.4%	24,029	0.0%	34,675	0.0%	95	69.3%
2031	5,760	24.0%	1,838	7.6%	16,431	68.4%	24,029	0.0%	34,675	0.0%	95	69.3%
2032	5,760	24.0%	1,838	7.6%	16,431	68.4%	24,029	0.0%	34,675	0.0%	95	69.3%
2033	5,760	24.0%	1,838	7.6%	16,431	68.4%	24,029	0.0%	34,675	0.0%	95	69.3%
2034	5,760	24.0%	1,838	7.6%	16,431	68.4%	24,029	0.0%	34,675	0.0%	95	69.3%
2035	5,760	24.0%	1,838	7.6%	16,431	68.4%	24,029	0.0%	34,675	0.0%	95	69.3%

Source: Hunden Strategic Partners

# Average Daily Rate

The proposed hotel would be the newest and highest quality offering in Christian County. Because of this, HSP estimates it will be able to demand rates approximately 10 percent higher than the competitive set.

Average Daily Room Rate Projections Christian County Hotel (95 Rooms)					
Year	Comp. Set ADR	Annual Increase	Hotel Rate Penetration	Projected Hotel Rate	Annual Increase
2020	\$97	–	–	–	–
2021	\$110	12.7%	–	–	–
2022	\$123	12.6%	–	–	–
2023	\$126	2.0%	–	–	–
2024	\$129	2.5%	–	–	–
2025	\$132	2.6%	–	–	–
2026	\$136	2.8%	110%	\$149	–
2027	\$140	3.0%	110%	\$154	2.9%
2028	\$144	3.0%	110%	\$158	2.9%
2029	\$149	3.0%	110%	\$163	3.0%
2030	\$153	3.0%	110%	\$168	3.0%
2031	\$158	3.0%	110%	\$173	3.0%
2032	\$162	3.0%	110%	\$178	3.0%
2033	\$167	3.0%	110%	\$183	3.0%
2034	\$172	3.0%	110%	\$189	3.0%
2035	\$178	3.0%	110%	\$195	3.0%

Source: Hunden Strategic Partners





# Investment Analysis

# Proforma

The proposed 95-room hotel is expected to generate \$868,000 in net operating income in Year 1, achieving a 28 percent net operating margin.

By Year 3, the hotel is projected to operate at a 30 percent net operating margin, generating \$1.17 million in net operating income.

## Projection of Revenues & Expenses (\$000s) - 95-Room Hotel

	Year 1		Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Room Count	95		95	95	95	95	95	95	95	95	95		
Available Room Nights	34,675		34,675	34,675	34,675	34,675	34,675	34,675	34,675	34,675	34,675		
Occupancy Rates	58.7%		64.7%	69.3%	69.3%	69.3%	69.3%	69.3%	69.3%	69.3%	69.3%		
Occupied Room Nights	20,345		22,429	24,029	24,029	24,029	24,029	24,029	24,029	24,029	24,029		
Average Daily Rate	\$ 149.47		\$ 153.76	\$ 158.24	\$ 162.99	\$ 167.88	\$ 172.91	\$ 178.10	\$ 183.44	\$ 188.95	\$ 194.61		
RevPAR	\$ 87.70		\$ 99.46	\$ 109.66	\$ 112.95	\$ 116.33	\$ 119.82	\$ 123.42	\$ 127.12	\$ 130.94	\$ 134.86		
RevPAR % Ch. From Prior Year	-		13.4%	10.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		
(In \$000s)	\$	%	PAR	POR	\$	\$	\$	\$	\$	\$	\$		
<b>REVENUE</b>													
Rooms	\$ 3,041	97.1%	\$ 32,010	\$ 149	\$ 3,449	\$ 3,802	\$ 3,916	\$ 4,034	\$ 4,155	\$ 4,280	\$ 4,408	\$ 4,540	\$ 4,676
Market Store	\$ 61	1.9%	\$ 642	\$ 3	\$ 69	\$ 76	\$ 79	\$ 81	\$ 84	\$ 86	\$ 89	\$ 91	\$ 94
Meeting / Event Catering Charges	\$ 15	0.5%	\$ 160	\$ 1	\$ 17	\$ 19	\$ 20	\$ 20	\$ 21	\$ 21	\$ 22	\$ 23	\$ 23
Other	\$ 15	0.5%	\$ 160	\$ 1	\$ 18	\$ 20	\$ 21	\$ 23	\$ 24	\$ 26	\$ 27	\$ 29	\$ 31
<b>Total Revenue</b>	<b>\$ 3,132</b>	<b>100.0%</b>	<b>\$ 32,973</b>	<b>\$ 154</b>	<b>\$ 3,553</b>	<b>\$ 3,918</b>	<b>\$ 4,036</b>	<b>\$ 4,158</b>	<b>\$ 4,283</b>	<b>\$ 4,413</b>	<b>\$ 4,546</b>	<b>\$ 4,683</b>	<b>\$ 4,824</b>
<b>DEPARTMENTAL EXPENSES</b>													
Rooms	\$ 851	28.0%	\$ 8,963	\$ 42	\$ 948	\$ 1,027	\$ 1,038	\$ 1,049	\$ 1,080	\$ 1,113	\$ 1,146	\$ 1,180	\$ 1,216
Market Store	\$ 44	72.0%	\$ 463	\$ 2	\$ 50	\$ 54	\$ 56	\$ 57	\$ 58	\$ 60	\$ 62	\$ 64	\$ 66
Other	\$ 7	47.0%	\$ 75	\$ 0	\$ 8	\$ 9	\$ 10	\$ 10	\$ 11	\$ 11	\$ 12	\$ 13	\$ 14
<b>Total Dept. Expenses</b>	<b>\$ 903</b>	<b>28.8%</b>	<b>\$ 9,501</b>	<b>\$ 44</b>	<b>\$ 1,006</b>	<b>\$ 1,090</b>	<b>\$ 1,103</b>	<b>\$ 1,116</b>	<b>\$ 1,150</b>	<b>\$ 1,184</b>	<b>\$ 1,220</b>	<b>\$ 1,257</b>	<b>\$ 1,295</b>
<b>Gross Operating Income</b>	<b>\$ 2,230</b>	<b>71.2%</b>	<b>\$ 23,472</b>	<b>\$ 110</b>	<b>\$ 2,547</b>	<b>\$ 2,828</b>	<b>\$ 2,933</b>	<b>\$ 3,042</b>	<b>\$ 3,134</b>	<b>\$ 3,228</b>	<b>\$ 3,326</b>	<b>\$ 3,426</b>	<b>\$ 3,529</b>
<b>UNDIST. OP. EXPENSES</b>													
Administrative and General	\$ 247	7.9%	\$ 2,605	\$ 12	\$ 277	\$ 302	\$ 307	\$ 312	\$ 321	\$ 331	\$ 341	\$ 351	\$ 362
Marketing	\$ 169	5.4%	\$ 1,781	\$ 8	\$ 188	\$ 204	\$ 206	\$ 208	\$ 214	\$ 221	\$ 227	\$ 234	\$ 241
Utility Costs	\$ 135	4.3%	\$ 1,418	\$ 7	\$ 149	\$ 161	\$ 161	\$ 162	\$ 167	\$ 172	\$ 177	\$ 183	\$ 188
Property Operations and Maint.	\$ 144	4.6%	\$ 1,517	\$ 7	\$ 160	\$ 172	\$ 174	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203
<b>Total Undistributed Expenses</b>	<b>\$ 695</b>	<b>22.2%</b>	<b>\$ 7,320</b>	<b>\$ 34</b>	<b>\$ 775</b>	<b>\$ 838</b>	<b>\$ 848</b>	<b>\$ 857</b>	<b>\$ 882</b>	<b>\$ 909</b>	<b>\$ 936</b>	<b>\$ 965</b>	<b>\$ 994</b>
<b>Gross Operating Profit</b>	<b>\$ 1,534</b>	<b>49.0%</b>	<b>\$ 16,152</b>	<b>\$ 75</b>	<b>\$ 1,772</b>	<b>\$ 1,989</b>	<b>\$ 2,086</b>	<b>\$ 2,186</b>	<b>\$ 2,251</b>	<b>\$ 2,319</b>	<b>\$ 2,389</b>	<b>\$ 2,461</b>	<b>\$ 2,535</b>
Franchise Fees	\$ 274	8.7%	\$ 2,881	\$ 13	\$ 310	\$ 342	\$ 352	\$ 363	\$ 374	\$ 385	\$ 397	\$ 409	\$ 421
<b>FIXED EXPENSES</b>													
Property Taxes	\$ 152	4.9%	\$ 1,600	\$ 7	\$ 157	\$ 161	\$ 166	\$ 171	\$ 176	\$ 181	\$ 187	\$ 193	\$ 198
Insurance	\$ 38	1.2%	\$ 396	\$ 2	\$ 41	\$ 43	\$ 42	\$ 42	\$ 43	\$ 44	\$ 45	\$ 47	\$ 48
Management Fee	\$ 110	3.5%	\$ 1,154	\$ 5	\$ 124	\$ 137	\$ 141	\$ 146	\$ 150	\$ 154	\$ 159	\$ 164	\$ 169
Reserve for Replacement	\$ 94	3.0%	\$ 989	\$ 5	\$ 107	\$ 137	\$ 141	\$ 166	\$ 171	\$ 177	\$ 182	\$ 187	\$ 193
<b>Total Fixed Expenses</b>	<b>\$ 393</b>	<b>12.6%</b>	<b>\$ 4,139</b>	<b>\$ 19</b>	<b>\$ 428</b>	<b>\$ 479</b>	<b>\$ 491</b>	<b>\$ 525</b>	<b>\$ 540</b>	<b>\$ 557</b>	<b>\$ 573</b>	<b>\$ 591</b>	<b>\$ 608</b>
<b>Net Operating Income</b>	<b>\$ 868</b>	<b>27.7%</b>	<b>\$ 9,133</b>	<b>\$ 43</b>	<b>\$ 1,034</b>	<b>\$ 1,169</b>	<b>\$ 1,242</b>	<b>\$ 1,298</b>	<b>\$ 1,337</b>	<b>\$ 1,377</b>	<b>\$ 1,419</b>	<b>\$ 1,462</b>	<b>\$ 1,506</b>
Operating Margin	28%				29%	30%	31%	31%	31%	31%	31%	31%	31%

# Supportable Financing

HSP assumed an initial loan interest rate of 7.5 percent amortized over 25 years.

To produce a debt service coverage ratio of 1.40 in year two and an average 10-year return on equity of 17.5 percent, the operations of the 90-room hotel support approximately \$11.5 million in private debt and equity financing, equal to approximately \$120,700 per room.

Supportable Financing (\$000s) - 95-Room Hotel														
	Constr. Yr1	Constr. Yr2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Net Operating Income	\$0	\$0	\$868	\$1,034	\$1,169	\$1,242	\$1,298	\$1,337	\$1,377	\$1,419	\$1,462	\$1,506		
Interest and Debt Reserve W/D	\$154	\$461	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	\$154	\$461	\$868	\$1,034	\$1,169	\$1,242	\$1,298	\$1,337	\$1,377	\$1,419	\$1,462	\$1,506		
Debt Service Payment	(\$154)	(\$461)	(\$736)	(\$736)	(\$736)	(\$685)	(\$685)	(\$685)	(\$685)	(\$685)	(\$685)	(\$685)		
Net Income to Repay Equity	\$0	\$0	\$132	\$298	\$433	\$557	\$613	\$652	\$692	\$734	\$776	\$821		
Princ. Amount*	\$2,050	\$6,150	\$8,200	\$8,079	\$7,950	\$7,810	\$7,691	\$7,563	\$7,426	\$7,279	\$7,122	\$6,953		
Interest	\$154	\$461	\$615	\$606	\$596	\$566	\$558	\$548	\$538	\$528	\$516	\$504		
Less Payment	(\$154)	(\$461)	(\$736)	(\$736)	(\$736)	(\$685)	(\$685)	(\$685)	(\$685)	(\$685)	(\$685)	(\$685)		
Loan Balance	\$2,050	\$6,150	\$8,079	\$7,950	\$7,810	\$7,691	\$7,563	\$7,426	\$7,279	\$7,122	\$6,953	\$6,771		
<b>Assumptions</b>							<b>Refi</b>							
Loan Amount	\$8,200						\$7,810							
Amortization Period (Years)	25						25							
Loan Interest Rate	7.50%						7.25%							
Annual Debt Service Payment	(\$736)						(\$685)							
<b>Sources</b>														
Equity Contribution	\$3,270	29%												
Debt	\$8,200	71%												
<b>Total Supportable Private Financing</b>	<b>\$11,470</b>	<b>100%</b>	<b>\$120,737 per room</b>											
Debt Service Coverage Ratio				1.82	1.18	1.40	1.59	1.81	1.89	1.95	2.01	2.07	2.13	2.20
Return on Equity				17.5%	4.0%	9.1%	13.2%	17.0%	18.7%	19.9%	21.2%	22.4%	23.7%	25.1%

\*Assumes 25% draw in Construction Year 1; 75% average during Construction Year 2

Source: Hunden Strategic Partners

# Value Analysis - Discounted Cash Flow

HSP also conducted a discounted cash flow valuation analysis.


Assuming a cost of capital in line with the supportable financing, the present value of the 90-room hotel after 10 years of operations is \$113,800 per room or \$10.8 million.


Utilizing a 12-year (10 years post construction) terminal capitalization rate of 9.5 percent, the 90-room hotel is expected to yield a 12-year leveraged return of 20 percent.

This return is only calculated off of the supportable financing amount of \$11.5 million. Additional development costs would likely require public subsidy, or if funded by private investment, would reduce overall projected returns on equity and leveraged returns.

Hotel Value Analysis (\$000s) - 95-Room Hotel													
Year	Construction		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
	Constr. Yr1	Constr. Yr2											
Unleveraged Cash Flow	\$0	\$0	\$868	\$1,034	\$1,169	\$1,242	\$1,298	\$1,337	\$1,377	\$1,419	\$1,462	\$1,506	
Leveraged Cash Flow	\$0	\$0	\$132	\$298	\$433	\$557	\$613	\$652	\$692	\$734	\$776	\$821	
Discount Rate (WACC)		10.34%											
<b>Present Value Summary</b>			<b>5 Year</b>	<b>10 Year</b>	Year 5 Net CF			\$1,298	Year 10 Net CF			\$1,506	
PV Residual			\$6,691	\$4,747	Terminal Cap Rate			9.5%	Terminal Cap Rate			9.5%	
PV Income Stream			\$3,398	\$6,064	Year 5 Residual Value			\$13,664	Year 10 Residual Value			\$15,852	
<b>Present Value</b>			<b>\$10,090</b>	<b>\$10,810</b>	(-) Closing Costs (2.5%)			\$342	(-) Closing Costs (2.5%)			\$396	
<b>Present Value Per Room</b>			<b>\$106,205</b>	<b>\$113,794</b>	Net Reversion Proceeds			\$13,322	Net Reversion Proceeds			\$15,455	
Equity Contribution	\$	3,270	29%										
Debt	\$	8,200	71%										
Supportable Financing	\$	11,470	100%										
7-Year Unleveraged Return*	<b>11%</b>	\$ (2,868)	\$ (8,603)	\$868	\$1,034	\$1,169	\$1,242	\$14,620					
7-Year Leveraged Return*	<b>20%</b>	\$ (818)	\$ (2,453)	\$132	\$298	\$433	\$557	\$6,372					
12-Year Unleveraged Return*	<b>12%</b>	\$ (2,868)	\$ (8,603)	\$868	\$1,034	\$1,169	\$1,242	\$1,298	\$1,337	\$1,377	\$1,419	\$1,462	\$16,961
12-Year Leveraged Return*	<b>20%</b>	\$ (818)	\$ (2,453)	\$132	\$298	\$433	\$557	\$613	\$652	\$692	\$734	\$776	\$9,505
* Assumes 25% draw in Construction Year 1; 75% average during Construction Year 2													
Source: Hunden Strategic Partners													



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