CITY OF
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MEMO

To: Mayor and City Council
From: Renee Hall, City Clerk
Date: August 7, 2026
Subject: Packet of Communications to Council

Listed below are the communications to the City Council known to staff as of August 7, 2026:

1. Kathy Bever, Ames Resident – July 28, 2026
   RE: Additional handicap parking at Ames Public Library

2. Steve Bock, Ames Resident – August 5, 2026
   RE: Payment reimbursement from sewer break in the middle of the street

3. Scott Ripperger, Ames Resident – August 6, 2026
   RE: Silencing train whistles & installing horns at both North/South crossing and East/West crossing

4. Luke Jensen, Ames Resident – August 6, 2026
   RE: Campustown deterioration, clean up and enforcement of city codes

5. Kevin Bourke, President & CEO of Discover Ames, IA – August 8, 2026
   RE: Ames Event Center

City Manager's Office
515.239.5105 *main*
515.239.5142 *fax*
515 Clark Ave. P.O. Box 811
Ames, IA 50010
www.CityofAmes.org

From: Kathy Bever <gmak1953@gmail.com>
Sent: Tuesday, July 28, 2026 1:11 PM
To: City Council and Mayor
Subject: Library

Ames has such a lovely library. It is a true blessing to the community. But the parking is a problem. I'm not sure how you can do anything about that as a whole. However, you could certainly alleviate one aspect. I am disabled and my husband drives myself and special needs daughter
BUT there is only one ONE handicap space
I believe this could be improved upon without much trouble. That would be a great thing for those who come to the library.

Thank you for your time.

Kathy Bever
gmak1953@gmail.com

From:	Steve Bock <steve@bockrealestate.com>
Sent:	Wednesday, August 5, 2026 2:51 PM
To:	City Council and Mayor; Walton, Bill; Clausen, Justin; Phillips, Brian
Subject:	Brian Phillips-Bill Walton & Justin Clausen

Some people who received this message don't often get email from steve@bockrealestate.com. Learn why this is important

[External Email]

Dear Ames City Concil,
I have been advised to appeal to the City Council regarding an ongoing payment request from the city concerning a sewer break in the middle of the street. This occurred after previous construction work was completed, and the city-hired contractor incorrectly redid my sewer line causing backups in my building requiring me to open the street to fix their work. I would like to appeal at the city council meeting before taking legal action. Below is the attached email states they cannot approve my request and outlines the next step. I will need to make sure I can get my contractor there as well to present our situation to you. Please let me know a couple of times that would work for the city council to hear the situation.

Phillips, Brian
to me, Justin, Bill

Mr. Bock,

City staff is not able to approve the payment you are requesting. If you would like to appeal to the City Council, you are welcome to do so. They would have the final say as to whether a payment would be made. You can email the City Council as a group at mayorcouncil@cityofames.org.

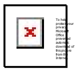
Brian

Brian Phillips
Assistant City Manager
City of Ames, Iowa
brian.phillips@cityofames.org | www.CityOfAmes.org
515.239.5203 | City Hall, 515 Clark Ave. | Ames, IA 50010

Thank you in advance for your time to hear this situation and determine how to make me whole as your city staff have been unable to resolve this.

Sincerely,
Steve Bock

Owner of 203 Campus Ave.apartments
Ames Campus Rentals
&



Hall, Renee

From: Luke Jensen <luke@resgi.com>
Sent: Thursday, August 6, 2026 10:02 AM
To: City Council and Mayor
Subject: Campustown Needs Attention
Attachments: Site_Photos (2).pdf

[External Email]

Council,
I'm writing about the condition of Campustown. Over the last 10 years there has been a substantial deterioration of the district. We really have not seen meaningful investment (public or private) in the area since 2018. I understand enrollment fluctuations have created challenges. From our experience our 2026/2027 rents are pretty much the same as 2017/2018 rents but our operating expenses have increased over 35% during that same period. This impacts how property owners can maintain their properties. We need to find ways to increase vibrancy and attract more people to the district to support the area year round.
I encourage the council to look at the conditions in the area...sadly you will see a lot of challenges:

- High commercial vacancy
- Weeds and lack of property maintenance
- Trash containers littered everywhere including the right of way and on city property
- Unregulated compost pile full of old tree branches
- Dirty sidewalks
- Bent/broken street signs and garbage cans

We need to clean this up by enforcing our city codes. I don't know if anyone is monitoring the area. Then we need to make it easier to invest in the area and promote growth. Campustown is in bad shape and a poor reflection of the community. We need a healthy and vibrant Campustown, and sadly we are far from it.

My family and I have invested in the district and are one of the few remaining local ownership groups. We take a lot of pride in our property and have maintained our offices here since 2004. We serve close to 250 residents in the area and they deserve more than just a nice apartment. They deserve an area they are proud of.

Please consider developing an improvement plan so we can generate investment in this area and get things back on track. Attached are some pictures for reference.

Luke

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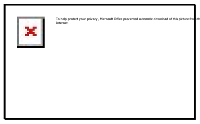
LUKE JENSEN, CCIM
RES Properties | RES Development
2519 Chamberlain St., Ste 101
Ames, IA 50014 | 515.290.3487



Licensed Real Estate Broker in the State of Iowa

Photo 1 of 9 - IMG_1959.jpeg

Photo 2 of 9 - IMG_1960.jpeg

Photo 3 of 9 - IMG_1961.jpeg

Photo 4 of 9 - IMG_1963.jpeg

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Photo 7 of 9 - IMG_1967.jpeg

Photo 8 of 9 - IMG_1972.jpeg

Photo 9 of 9 - IMG_1974.jpeg

Hall, Renee

Subject: FW: Train whistles

From: Jill Ripperger <jsripperger4@gmail.com>
Sent: Thursday, August 6, 2026 9:13 AM
To: Haila, John <john.haila@cityofames.org>
Cc: Jill Ripperger <jsripperger4@gmail.com>
Subject: Train whistles

[You don't often get email from jsripperger4@gmail.com. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

[External Email]

Hi John,
Hope all is going well with you.
I am writing to inquire as to the possibility of someone seriously looking into the possibility of silencing the train whistles and installing horns at the railroad crossings on the north/south rail lines the same as the crossings on the east/west rail lines.
I know there are considerably fewer trains on the north/south lines compared to the east/west line but I still think thousands of citizens are affected by the whistles daily and would greatly appreciate the change to horns.
Thank you for your attention to this matter.

Sincerely,
Scott Ripperger
Sent from my iPad

Sent from my iPad

Hall, Renee

From: Kevin Bourke <kevinb@discoverames.com>
Sent: Friday, August 7, 2026 8:14 AM
To: City Council and Mayor
Cc: Schainker, Steve
Subject: Ames Event Center Request
Attachments: City of Ames Request for AEC_8-7-2026.pdf; CB25US051374-1 Proposed Ames IA Hotel FINAL9.3.2025.pdf; 20260103_Comments on CBRE economic impact estimates.pdf; 20260103 Revised Ames City Report.pdf

[External Email]

Dear Mayor and City Council,
Attached is a request for the Ames Event Center. Also attached are the most current feasibility study and two reports regarding how the event center can impact the community. It's my goal to form a lasting public private partnership that can bring this to fruition so the community may reap the benefits of the Ames Event Center at The LINC.
I respectfully ask to be on the August 25 council agenda to clarify this request and answer questions regarding the Ames Event Center.
Regards,
KB

Kevin M. Bourke
President & CEO
1601 Golden Aspen Drive, #110
cell: 515.460.8870
DiscoverAmes.com

Discover Ames
Ames Event Center
City of Ames Investment Request
August 7, 2026

Discover Ames respectfully requests that the City of Ames invest $12.5 million toward construction of the Ames Event Center at The LINC.

The remaining $12.5million will be secured through private philanthropy, state grants, and other public and private funding sources.

Four independent market studies over nearly thirty years have concluded that Ames lacks adequate event space. Independent economic analysis projects the Ames Event Center will generate:

- $49.6 million in annual economic output
- 417 jobs
- Nearly $1 million in annual local tax revenue
- $15.9 million in annual visitor spending

Other Iowa communities have demonstrated how a public investment in visitor infrastructure can transform a community. Ames has an opportunity to do the same while beginning with significant advantages, including donated land and an established downtown.

The Cost of Inaction
The need for additional conference and event space in Ames is not a new idea or a recent trend. It is a community need that has been identified consistently for nearly three decades.

The first comprehensive feasibility study, completed in 1996, concluded that Ames lacked approximately 30,000 square feet of conference and event space needed to meet existing and future demand. Rather than being an isolated finding, subsequent studies have repeatedly reached the same conclusion. A 2010 feasibility study identified a need for approximately 40,000 square feet of additional event space. A follow-up study in 2014 reaffirmed that conclusion, again recommending approximately 40,000 square feet. Most recently, the 2025 feasibility study concluded that Ames still requires a minimum of 30,000 square feet of new event space to remain competitive and adequately serve the community.

Year	Study Findings	Status
1996	Need for 30,000 sf of event space	No project built
2010	Need for 40,000 sf of event space	No project built
2014	Need for 40,000 sf of event space	No project built
2025	Need for a minimum of 30,000 sf of event space	Decision pending

Four independent studies conducted over nearly thirty years have reached the same conclusion: Ames does not have sufficient conference and event space to meet market demand. The question now is whether Ames will have the leadership and vision to invest in the community’s future.

During that same period, many Iowa communities chose to make strategic investments in visitor infrastructure. Coralville developed its Hyatt Regency Hotel & Conference Center, helping transform the Iowa River Landing into one of Iowa's premier mixed-use districts. Communities such as Cedar Rapids, Sioux City, Dubuque, Des Moines, Council Bluffs, Waterloo, Ottumwa, and others invested in convention centers, event centers, conference facilities, and expo centers to attract conventions, tournaments, trade shows, meetings, and other visitor-generating events. Those facilities have become important economic development assets, generating visitor spending, supporting local businesses, increasing overnight hotel stays, and strengthening their communities' competitiveness for regional and statewide events.

Doing nothing has had consequences. The need has been documented repeatedly since 1996. The community has not made the public investment necessary to address it. As a result, Ames has missed opportunities to host events that require larger, modern, and more flexible facilities—opportunities that have instead benefited competing communities throughout Iowa.

Today, Ames has an opportunity unlike any it has had before. The proposed Ames Event Center at The LINC is supported by nearly thirty years of market analysis, is located adjacent to a vibrant downtown, and includes the donation of the project site by the private developer. Rather than beginning from scratch, Ames can build upon existing strengths while finally addressing a need that has been identified consistently for decades.

Community Owned Event Centers in Iowa

Facility	Owner
Iowa Events Center (Community Choice Convention Center, EMC Expo Center, Casey's Center)	Polk County
Prairie Meadows Event & Conference Center	Polk County
RiverCenter	City of Davenport
Quad Cities Waterfront Convention Center	Bettendorf
Bridge View Center	City of Ottumwa
Grand River Center	City of Dubuque
Five Flags Center	City of Dubuque
Waterloo Convention Center	City of Waterloo
Sioux City Convention Center	City of Sioux City
Tyson Events Center	City of Sioux City
Mid-America Center	City of Council Bluffs
Hyatt Regency Coralville Hotel & Conference Center	City of Coralville

City of Coralville Success

A successful Iowa example of strategic municipal investment is the City of Coralville's Hyatt Regency Hotel & Conference Center (formerly the Coralville Marriott Hotel & Conference Center). Recognizing that a modern conference facility could become the catalyst for long-term economic development, the Coralville City Council chose to invest in a public venue designed to attract visitors, conventions, and private investment.

Coralville did not wait for private investment to solve its conference space needs. Instead, the city made a strategic public investment that encouraged significant private development to follow.

Coralville developed, financed, and continues to own the facility. The approximately $60 million project, which opened in 2006, was funded through a combination of approximately $20 million in hotel/motel tax revenues, approximately $33 million in city-backed financing, and approximately $5 million from the

State of Iowa. To finance the project, Coralville utilized a lease-purchase financing structure, issuing Certificates of Participation rather than relying solely on traditional general obligation bonds.

The Hyatt Regency Coralville Hotel & Conference Center became the catalyst for the Iowa River Landing, which has since grown into one of Iowa's premier mixed-use districts featuring hotels, restaurants, retail, offices, entertainment venues, housing, and Xtream Arena.

The opportunity for Ames is even more compelling in several important respects. Unlike Coralville, which built its hotel and conference center before the surrounding district had developed, the Ames Event Center at The LINC will be located immediately adjacent to our established downtown with an amazing collection of restaurants, shops, and entertainment. Rather than serving as the first piece of a new district, the Ames Event Center at The LINC would immediately enhance and grow an existing destination that already attracts residents and visitors.

Equally important, the developers of The LINC have committed to donating the land for the Ames Event Center. This represents a significant private investment that substantially reduces the City's initial capital cost compared to Coralville's project. It is rare for a community to have the opportunity to develop a major public facility on donated land in a location that is already connected to a thriving downtown.

Nearly twenty years later, Coralville's investment continues to attract visitors, support local businesses, and serve as the centerpiece of the Iowa River Landing. Ames begins with several advantages, including donated land, an established downtown, proximity to Iowa State University, and an existing hospitality industry well-positioned to attract and serve visitors.

The Ames Event Center is more than a building. It is a long-term investment that will support local businesses, attract new visitors, expand tourism, increase overnight stays, and enhance the quality of life for residents while bolstering Ames' position as one of Iowa's premier destinations.

Economic Opportunity for Ames

Independent analyses have concluded that the proposed Ames Event Center represents more than a new public facility—it is an investment in economic development that has the potential to generate substantial and recurring benefits for Ames, Story County, and the region.

CBRE's 2025 market and feasibility study concluded that the Ames market can support a new event center and projected significant visitor activity generated by conferences, tournaments, meetings, banquets, trade shows, and other events. Reviewing and building upon CBRE's work, economist Mark Imerman of Regional Strategic, Ltd. and former Business Analyst and Policy Economist at Iowa State University, evaluated the broader economic impacts of that visitor activity on the Ames area.

According to Imerman's analysis, the completed Ames Event Center is projected to generate approximately $49.6 million in new annual economic output across the Ames metropolitan area. That level of activity is expected to support approximately 417 jobs, generate approximately $12.7 million in annual labor income, and produce an estimated $10.8 million in annual business earnings each year.

These benefits extend well beyond the walls of the Ames Event Center. Visitors attending conventions, sporting events, meetings, trade shows, banquets, and community events spend money throughout the local economy. The analysis estimates approximately $15.9 million in new annual visitor spending at local hotels, restaurants, retailers, entertainment venues, transportation providers, and other businesses across Ames and Story County.

The increased economic activity also generates new public revenues that help support essential local services. According to the analysis, the Ames Event Center has the potential to generate approximately:

- $740,000 annually in hotel/motel tax revenue
- $230,000 annually in local option sales tax revenue

In addition, the analysis estimates that employee earnings generated by the project would support approximately $5 million in annual retail sales, producing additional local sales tax revenue as those dollars are spent within the community.

Perhaps most importantly, these are not one-time construction benefits. They represent continuing annual economic impacts generated by visitors who travel to Ames specifically to attend events at the Ames Event Center. Every conference, tournament, convention, banquet, trade show, concert, and special event brings new customers to local hotels, restaurants, retailers, and service businesses, creating economic activity that would otherwise occur in competing communities.

The findings of both the CBRE feasibility study and Mark Imerman's independent economic impact analysis lead to the same conclusion: the Ames Event Center has the potential to become a long-term economic investment for the community. By attracting new visitors, increasing overnight stays, supporting local businesses, creating jobs, and expanding the local tax base, the project represents an investment whose benefits extend far beyond the facility itself and into the broader Ames economy for decades to come.

Key Findings

Annual Impact	
Economic Output	$49.6 million
Visitor Spending	$15.9 million
Jobs Supported	417
Labor Income	$12.5 million
Local Tax Revenue	Nearly $1 million

City of Ames Investment

Discover Ames exists to attract visitors whose spending strengthens our local economy. Every conference, tournament, and meeting fills hotel rooms, supports restaurants, creates jobs, and generates tax revenue that benefits the entire community. The Ames Event Center represents one of the most significant opportunities in decades to fulfill that mission while creating lasting economic benefits for our residents and businesses.

Opportunities like this rarely come together. The community has identified this need for nearly thirty years. The land is being donated. Independent studies have confirmed the market demand and economic benefit. A public-private funding strategy has been identified. The only remaining ingredient is the City's commitment to move the project forward.

On behalf of Discover Ames, we respectfully request that the Ames City Council commit $12.5 million toward the estimated $25 million cost of constructing the Ames Event Center at The LINC. We believe an equal public-private investment reflects the shared community benefits this project will deliver while demonstrating a strong commitment from both sectors.

The remaining $12.5 million will be pursued by Discover Ames through a combination of private philanthropy, corporate sponsorships, county participation, grants from the Iowa Economic Development Authority, other grant opportunities, and additional private fundraising efforts. Together, these funding sources represent a true public-private partnership that shares both the investment and the benefits of the project.

We further request that the city evaluate financing options similar to the successful approach used by Coralville for its hotel and conference center. Specifically, we ask the city to consider a lease-purchase financing structure, such as Certificates of Participation or another legally available financing mechanism, that would allow the city to construct and own the Ames Event Center while utilizing financing tools that have been successfully used by other Iowa communities. This approach would allow Ames to invest in a transformational public facility while retaining public ownership.

Under this partnership, the City of Ames would own the Ames Event Center as a public asset, ensuring that it remains dedicated to serving the community for generations to come. Discover Ames would work alongside the city during project development and beyond to maximize bookings, attract conferences, secure sponsorships, and promote the facility as a premier destination for meetings and events. Prior to opening the facility, Discover Ames and the City would negotiate an operating and management agreement, including a long-term plan to address any operating shortfalls through a mutually agreed-upon funding strategy.

This request is not for an immediate appropriation. Rather, Discover Ames requests that the city commit to partnering in the project and direct staff to begin evaluating financing alternatives, partnership agreements, and implementation strategies necessary to bring the Ames Event Center to fruition.

This proposal is more than a request to construct a building. It is an opportunity to invest in Ames' future. The Ames Event Center will attract new visitors, support local businesses, create jobs, expand the tax base, enhance the vitality of downtown, and strengthen Ames' position as one of Iowa's premier destinations for conferences, meetings, and community events.

Communities across Iowa have demonstrated what is possible when local leaders make strategic investments in visitor infrastructure. Other cities have followed with convention centers, event centers, and conference facilities that continue to generate economic activity year after year.

Ames now has the opportunity to build on nearly thirty years of planning, capitalize on a donated project site, and create a community asset that will benefit residents, businesses, and visitors for decades to come. We respectfully ask the Ames City Council to take the next step by partnering with Discover Ames to make the Ames Event Center a reality.

Feasibility Study

Proposed Ames Conference Center and Adjoining Hotel at the LINC

Cross Streets of Clark Avenue and Lincoln Way
Ames, Iowa 50014
CBRE File No. CB25US051374-1

CLIENT: Discover Ames and Ames Regional Economic Alliance

September 3, 2025

VALUATION & ADVISORY SERVICES

CBRE

200 Park Avenue
New York, NY 10166

T (212) 207-6100
F (212) 207-6069

www.cbre.com

Date of Report: September 3, 2025

Mr. Chuck Winkleblack
Away Team, LLC.
105 S. 16th Street
Ames, IA 50010

Kevin Bourke, President
Discover Ames
1601 Golden Aspen Dr., Ste 110
Ames, IA 50010

RE: Proposed Ames Conference Center and Hotel at the LINC Preliminary Feasibility Study
Cross Streets of Clark Avenue and Lincoln Way
Ames, Story County, Iowa 50014
CBRE, Inc. File No. CB25US051374-1

Dear Mr. Winkleblack and Mr. Bourke:

At your request and authorization, CBRE, Inc. has prepared a feasibility study of a proposed conference center and hotel in Ames, Iowa. Our initial analysis is presented in the following report.

The subject is recommended to be a 35,000 Square foot conference center with an adjoining 200-room upscale, full-service hotel in Ames Iowa. The Proposed Ames Conference Center and Hotel are contemplated as an anchor of the LINC, a mixed-use development in downtown Ames. The proposed subject will be built in conjunction with a new parking garage that will service existing downtown parking demand as well as induced demand from the conference center. The overall project is expected to include a significant number of market rate apartments, with first floor retail. The estimated opening date is January 1, 2029. We understand that plans for the site have evolved over time, and that the overall project is expected to be constructed in phases, as such we will refer to the subject as the Proposed Ames Conference Center and Hotel.

As in all studies of this type, the estimated results are based on competent and efficient management and presume no significant change in the status of the competitive lodging market from that as set forth in this report. The terms of our engagement are such that we have no obligation to revise our conclusions to reflect events or conditions that occur subsequent to the date of completion of our fieldwork. However, we are available to discuss the necessity for revisions in view of changes in the economy or market factors should such arise.

Since the proposed hotel's future performance is based on estimates and assumptions that are subject to uncertainty and variation, we do not present them as results that will actually be achieved. However, our analysis has been conscientiously prepared on the basis of information obtained during the course of the assignment and on our experience in the industry. This report is subject to the Terms and Conditions presented in the Addenda.

After you have had an opportunity to review this report, please feel free to contact us with any questions. We appreciate the opportunity to work with you on this assignment.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Andrew Hartley
Senior Vice President
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CBRE

Table of Contents

CBRE

Executive Summary

Conclusions Highlights

1. **Area & Neighborhood Analysis**

   Ames is a desired destination for professional and fraternal associations, government agency conferences, corporate meetings, academics and sports with unique shopping, dining, and attractions. The city is proactive in promoting economic growth in the region with a master plan to increase activity in the immediate area and address housing and community concerns. The subject's proposed use as a full-service conference center and hotel will be a key element of the city's continued growth.

2. **Conference Center Demand Survey**

   The survey indicated a need for new hotel and conferencing facilities. Based on the survey, the number of potential events that could be held at the subject is roundly 300 with an attendance up to 100,000. The Downtown location is considered a preferred attribute, and the hotel facilities should be upscale, full-service with a connection to the Conference Center. The average rate the respondents are currently paying is $146 with 41% indicating a willingness to pay more. Limitations of the survey include the sample size of respondents, the timing, as well as the inherent subjectivity of some of the responses. However, the survey is generally a positive response for the proposed project.

3. **Recommended Facilities**

   The recommended facilities are supported by market interviews, industry trends, demand surveys, and comparable properties. Moreover, these recommendations are to assist in the preliminary stages of the development planning. The market analysis and estimated operating results assume the recommended facilities to be high quality and adhering to upscale, full-service standards.

CBRE

Improvements Summary and Analysis				
	Hotel		Conference Center	
Property Type	(full service)			
Number of Buildings	1		1	
Number of Stories	8		2	
Year Built	1/1/2029		1/1/2029	
Gross Building Area	115,000 SF	(575 SF per key)	35,000 SF	
Number of Guest Rooms	200		n/a	
Restaurant/Lounge	Signature Resturarant, terrace/rooftop bar		n/a	
Meeting/Banquet Rooms	3,000 SF		28,000 SF	Including Prefunction/Circulation
Property Amenities	Indoor Pool, Fitness Center, Business Center, Grab and Go/Café		Inhouse Audio/Visual	
Zoning Conformity of Improvements	Legally Conforming		Legally Conforming	

Source: Various sources compiled by CBRE

Meeting/Banquet Rooms (Rounded Recommendations)

Name	Size (SF)	Type/Comments
CONFERENCE CENTER		
Ballroom (Sub-divided into 4-5 rooms)	12,000	1,000 attendees/ Second Floor
Breakout (6-8 rooms)	8,000	1st Floor
Pre-Function/Circulation	8,000	Some Shared Space with Hotel
Back Of House	7,000	Dedicated Conference Center Kitchen, Other Shared Space with Hotel
Total	**35,000**	
HOTEL		
Boardrooms and Hospitality Suites (Hotel)	2,000	1 or 2 Boardroom, 2 Hospitality Suites
Terrace/Rooftop Bar Meeting Room	1,000	Flexible, Can be open to general Public
Total	**3,000**	
Total Interior Four Wall Space	**23,000**	

Compiled by CBRE

4. Induced Room Nights Analysis

Approximately 12,000 to 19,000 room nights could potentially be induced into the local hotel market as overflow from large events.

Conclusion of Induced Room Nights		
12,000	**-**	**19,000**
Potential room nights induced into the Ames competitive market NOT acommodated by the Subject Hotel.		
Source: CBRE Hotels		

5. Hotel Market Analysis

The subject's occupancy, ADR, RevPAR, Revenue Yield and corresponding room revenue for the first several years of our projection analysis are illustrated as follows:

Occupancy, ADR, and Rooms Revenue Conclusions

			Stab'd Year		
As Complete - Fiscal Year Ending 12/31/	**2029**	**2030**	**2031**	**2032**	**2033**
Avg. Available Rooms	200	200	200	200	200
Annual Room Nights	73,000	73,000	73,000	73,000	73,000
Occupancy	57%	61%	66%	66%	66%
Occupied Rooms	41,610	44,530	48,180	48,180	48,180
ADR	$187.22	$198.93	$206.99	$215.35	$221.81
RevPAR	$106.72	$121.35	$136.61	$142.13	$146.40
RevPAR Growth	---	13.7%	12.6%	4.0%	3.0%
Revenue Yield	125.4%	139.7%	146.5%	143.6%	143.6%
Total Rooms Revenue	**$7,790,339**	**$8,858,313**	**$9,972,671**	**$10,375,607**	**$10,686,875**

Source: CBRE

Our projections include a sustainable occupancy and market supported ADR. The stabilized revenue yield in the local Ames market at 143.6% is reasonable based on its new construction and quality level at the upper end of the market. The subject's projection of rooms revenue is illustrated again in the Estimated Operating Income Section of this report.

CBRE

6. Conference Center and Hotel Operating Income

Conference Center 5-Year Cash Flow										
Period	1		2		3		4		5	
Year Ending	12/31/2029		12/31/2030		12/31/2031		12/31/2032		12/31/2033	
Revenues	**$3,239,522**	**100.0%**	**$3,336,707**	**100.0%**	**$3,436,809**	**100.0%**	**$3,539,913**	**100.0%**	**$3,646,110**	**100.0%**
F&B Expense	$1,441,587	44.5%	$1,476,493	44.3%	$1,512,196	44.0%	$1,557,562	44.0%	$1,604,289	44.0%
Other Expense	$259,162	8.0%	$266,937	8.0%	$274,945	8.0%	$283,193	8.0%	$291,689	8.0%
Total Operating Expenses	**$1,700,749**	**52.5%**	**$1,743,430**	**52.3%**	**$1,787,141**	**52.0%**	**$1,840,755**	**52.0%**	**$1,895,977**	**52.0%**
Departmental Income	**$1,538,773**	**47.5%**	**$1,593,278**	**47.8%**	**$1,649,668**	**48.0%**	**$1,699,158**	**48.0%**	**$1,750,133**	**48.0%**
A&G	$340,150	10.5%	$342,013	10.3%	$343,681	10.0%	$353,991	10.0%	$364,611	10.0%
IT	$48,593	1.5%	$50,051	1.5%	$51,552	1.5%	$53,099	1.5%	$54,692	1.5%
Sales & Marketing	$550,719	17.0%	$550,557	16.5%	$549,889	16.0%	$566,386	16.0%	$583,378	16.0%
POM	$226,767	7.0%	$233,570	7.0%	$240,577	7.0%	$247,794	7.0%	$255,228	7.0%
Utilities	$194,371	6.0%	$200,202	6.0%	$206,209	6.0%	$212,395	6.0%	$218,767	6.0%
Total Undistributed	**$1,360,599**	**42.0%**	**$1,376,392**	**41.3%**	**$1,391,908**	**40.5%**	**$1,433,665**	**40.5%**	**$1,476,675**	**40.5%**
Gross Profit	**$178,174**	**5.5%**	**$216,886**	**6.5%**	**$257,761**	**7.5%**	**$265,493**	**7.5%**	**$273,458**	**7.5%**
Management Fee	$97,186	3.0%	$100,101	3.0%	$103,104	3.0%	$106,197	3.0%	$109,383	3.0%
Insurance	$16,198	0.5%	$16,684	0.5%	$17,184	0.5%	$17,700	0.5%	$18,231	0.5%
Reserve For Replacement	$64,790	2.0%	$100,101	3.0%	$137,472	4.0%	$141,597	4.0%	$145,844	4.0%
Total Fixed/other Expense	**$178,174**	**5.5%**	**$216,886**	**6.5%**	**$257,761**	**7.5%**	**$265,493**	**7.5%**	**$273,458**	**7.5%**
Total Expenses	**$3,239,522**	**100.0%**	**$3,336,707**	**100.0%**	**$3,436,809**	**100.0%**	**$3,539,913**	**100.0%**	**$3,646,110**	**100.0%**
NOI	**$0**	**0.0%**	**$0**	**0.0%**	**$0**	**0.0%**	**$0**	**0.0%**	**$0**	**0.0%**

Source: CBRE Hotels

Stabilized Operating Income - Hotel ONLY

Analysis Premise	Stabilized Cash Flow	Period Ending: 12/31/2031
Number of Rooms		**200**
Annual Available Rooms		**73,000**
Occupied Rooms		**48,180**
Occupancy		**66.0%**
Average Rate		**$206.99**
RevPAR		**$136.61**

	Total	Ratio to Sales	PAR	POR
REVENUE				
Rooms	$9,972,671	74.7%	$49,863	$206.99
Food & Beverage	$2,488,724	18.6%	12,444	51.65
Other Operated Departments	$592,553	4.4%	2,963	12.30
Miscellaneous Income (Net)	$296,277	2.2%	1,481	6.15
Total Operating Revenue	$13,350,224	100.0%	$66,751	$277.09
DEPARTMENTAL EXPENSES				
Rooms Expense	$2,073,936	20.8%	$10,370	$43.05
Food & Beverage Expense	$1,471,902	59.1%	7,360	30.55
Other Operated Departments Expense	$296,277	50.0%	1,481	6.15
Total Departmental Expenses	$3,842,115	28.8%	$19,211	$79.75
DEPARTMENTAL PROFIT	$9,508,109	71.2%	$47,541	$197.35
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General	$984,583	7.4%	$4,923	$20.44
Information and Telecommunications Systems	$96,033	0.7%	480	1.99
Sales and Marketing	$901,362	6.8%	4,507	18.71
Franchise Fees (Royalty)	$498,634	5.0%	2,493	10.35
Property Operations and Maintenance	$472,750	3.5%	2,364	9.81
Utilities	$386,345	2.9%	1,932	8.02
Total Undistributed Expenses	$3,339,706	25.0%	$16,699	$69.32
GROSS OPERATING PROFIT	$6,168,403	46.2%	$30,842	$128.03
Management Fee	$400,507	3.0%	$2,003	$8.31
INCOME BEFORE NON-OPERATING INCOME AND	$5,767,896	43.2%	$28,839	$119.72
NON-OPERATING INCOME AND EXPENSES				
Property Taxes	$678,425	5.1%	$3,392	$14.08
Insurance	$253,388	1.9%	1,267	5.26
Reserve for Replacement	$534,009	4.0%	2,670	11.08
Total Non-Operating Income and Expenses	$1,465,822	11.0%	$7,329	$30.42
NET INCOME (EBITDA)	**$4,302,074**	**32.2%**	**$21,510**	**$89.29**
Operating Expense Ratio	**67.78%**			

Departmental expense ratios are based on departmental revenues.

Franchise/Royalty ratio is based on room revenues; all others are based on total revenues.

Compiled by CBRE

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7. Economic and Fiscal Impact

Proposed Conference Center and Hotel - Ames, IA Summary of Economic, Employment & Fiscal Impact			
Economic Impact	**Conference Center**	**Hotel**	**Totals**
Total Economic Impact from Construction	$15,200,000	$42,500,000	**$57,700,000**
Total Economic Impact from Labor - 10-Year Period	$14,800,000	$40,200,000	**$55,000,000**
Total Economic Impact from Operations - 10-Year Period	$14,000,000	$31,700,000	**$45,700,000**
Total Economic Impact from Visitation - 10-Year Period	$407,400,000		**$407,400,000**
TOTAL Economic Impact			**$565,800,000**
Employment Impact			
Total Jobs from Construction within Ames MSA	55	151	**206 Jobs**
Direct Jobs (FTE) from Hotel Operation	52	142	**194 Jobs**
TOTAL Employment Impact			**385 Jobs**
Fiscal Impact			
Potential City Hotel Occupancy Tax Revenues - 10-Year Period		$20,100,000	**$20,100,000**
Potential Sales Tax Revenues - 10-Year Period	$3,628,063	$12,271,937	**$15,900,000**
Potential Property Tax Revenues - 10-Year Period		$7,300,000	**$7,300,000**
TOTAL Fiscal Impact			**$39,671,937**

Source: CBRE Hotels

Introduction

Overview of the Market Study

CBRE Hotels was retained by Away Team, LLC, Discover Ames, and Ames Regional Economic Alliance (client and intended user) to perform a study of the potential market demand for both a conference center and an adjoining hotel (the "Subject") to be located at the cross streets of Clark Avenue and Lincoln Way between Clark and Kellogg Avenues in Ames, Story County, Iowa.

As a component of this analysis, after we identified the potential market demand for conference facilities in the Ames lodging market as well as estimates of the number of events and attendees, we then provided our projections of the occupancy, average daily room rate ("ADR"), and revenue per available room ("RevPAR") the proposed subject hotel could reasonably be expected to achieve for its first 10 years of operation. Given these projections, we have also estimated the subject's annual operating results, including total operating revenues and expenses, net income from operations, and ratio to total revenues for ten years of operation. We assumed the proposed conference center and hotel would be open and available for occupancy/attendance on January 1, 2029. This report represents the culmination of our market research, analysis, and assessments relative to the potential market demand for the proposed hotel.

Assumptions Used For Projections

Our analysis was based on the following set of assumptions:

- The proposed conference center and hotel is to be located at the LINC development along Lincoln Way in Ames, Story County, Iowa;
- The conference center will be adjacent or adjoining to the conference center with an indoor access between the two structures;
- The conference center and hotel will be a synergistic operation with a combined sales and marketing structure to drive events and increase room nights to the Ames market;
- The conference center and hotel are dependent upon each other to achieve regional market success and induce additional demand into the market, as such, the estimated performance of either the conference center or hotel can't be achieved in isolation. They must co-exist;
- The conference center is recommended to be 35,000 SF with 28,000 SF of usable indoor meeting space;
- The proposed hotel is recommended to have 200 guest rooms;
- The subject will be positioned as an upper upscale Conference Center and Hotel;
- The subject will offer facilities and services consistent with a prototypical full-service Conference Center and Hotel;

- The subject will be professionally and competently managed by a brand or reputable third-party operator;
- The ownership/developer of the subject will obtain approvals from local government Planning and Development to develop the property; and,
- The proposed project will open on January 1, 2029.

Methodology

In conducting the study, we:

- Physically inspected the subject site as well as existing and planned surrounding developments;
- Assessed the impact of the proposed subject's accessibility, visibility, and location relative to demand generators and overall marketability;
- Researched and analyzed current economic and demographic trends in the city of Ames and the Des Moines MSA to determine the impact of ongoing trends on future lodging demand within the market;
- Conducted a demand survey through Discover Ames and the Ames Regional Economic Alliance
- Identified the competitive supply of lodging facilities in the area;
- Reviewed the historical performance levels for the competitive lodging supply on a composite basis;
- Estimated the anticipated growth in demand for, and supply of, lodging accommodations in the competitive market area;
- Calculated the potential induced demand into the local Market NOT captured by the subject
- Assessed the positioning of the hotel to be located at the subject site within the competitive market and prepared a forecast of the potential annual occupancy, average daily rate, and RevPAR for the first five years of operation of the proposed subject;
- Prepared a statement of estimated annual operating results for the hotel for the ten-year period beginning January 1, 2029; and,
- Prepared an economic and fiscal impact analysis.

Several sources were used in compiling the background information and preparing the analysis contained in this report. These resources included *Trends in the Hotel Industry*, published by CBRE Hotels; data on the local lodging market gathered through direct interviews with market participants; data provided by sources in the lodging chains, ownership entities, and management companies with which the competitive properties are affiliated; data provided by Smith Travel Research; and economic data on the region from various local governmental and planning entities.

Reliance Language

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

Extent to Which the Property is Inspected

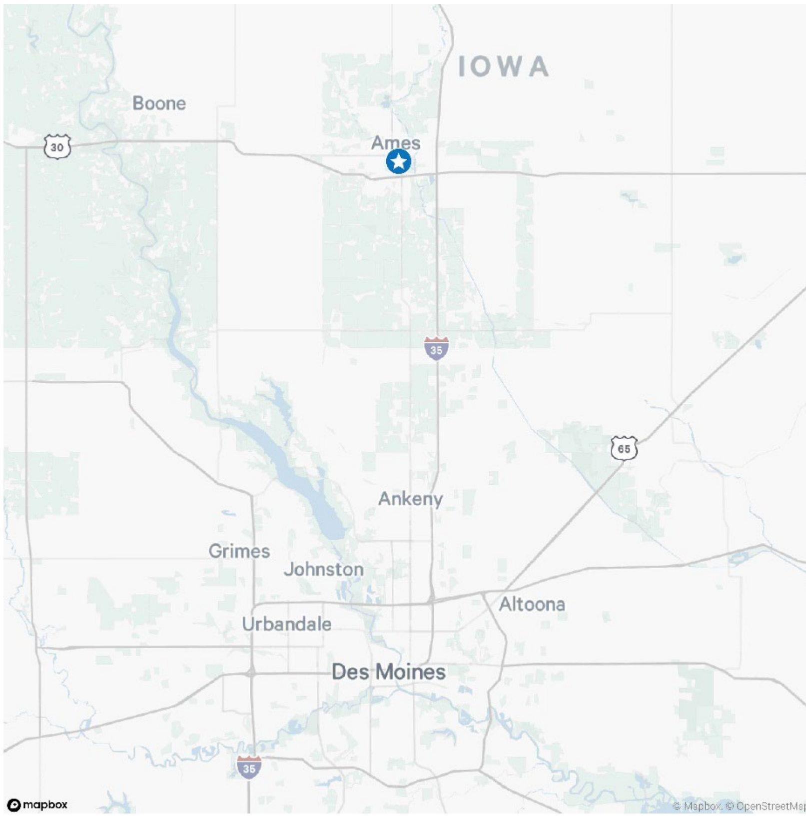
CBRE, Inc. inspected the subject site and its surrounding environs on June 6, 2025. Our inspection included walking the perimeter of the site to observe conditions. We did not walk the entire site or drive the interior of the site. The inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

We are not qualified to render an opinion regarding the adequacy or condition of geologic or other components beyond that which is available on public record. The client is urged to retain an expert in this field if detailed information is required.

Statement of Competency

Andrew Hartley, Brylynn Swayzer, and Michael Cummings have the appropriate knowledge, education, and experience to complete this assignment competently.

Area Analysis

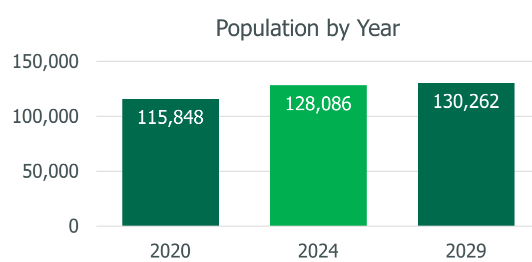


The subject is located in the Ames, IA Metropolitan Statistical Area. Key information about the area is provided in the following tables.

Population

The area has a population of 128,086.

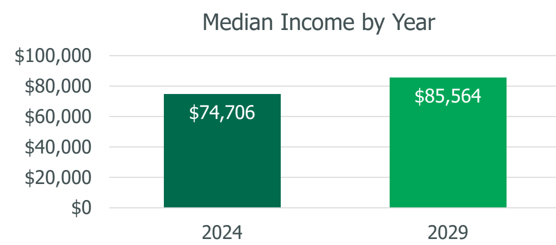
Population has increased by 12,238 since 2020, reflecting an annual increase of 2.5%. Population is projected to increase by an additional 2,176 by 2029, reflecting 0.3% annual population growth.



Source: Esri

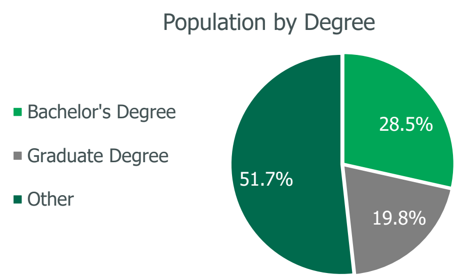
Income

The area features an average household income of $99,232 and a median household income of $74,706. Over the next five years, median household income is expected to increase by 14.5%, or $2,172 per annum.

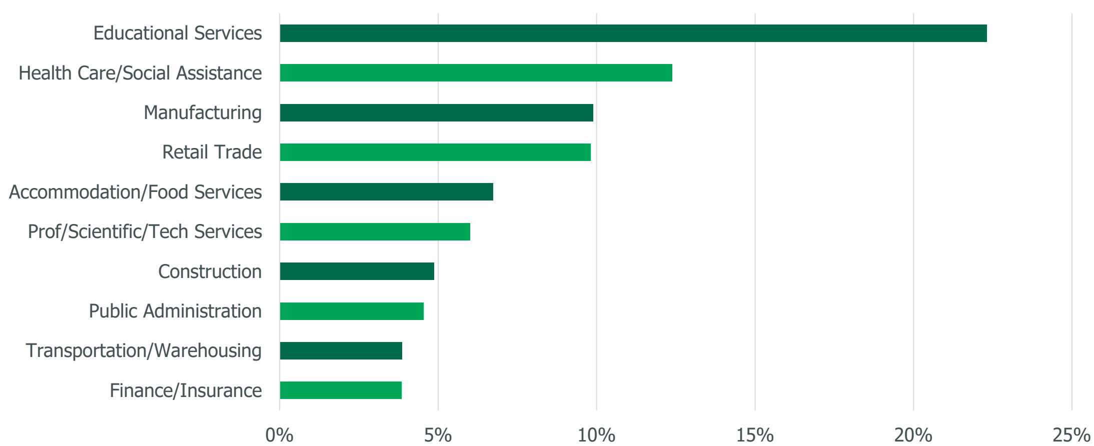


Education

A total of 48.3% of individuals over the age of 24 have a college degree, with 28.5% holding a bachelor's degree and 19.8% holding a graduate degree.



Employment



The area includes a total of 63,168 employees and has a 3.3% unemployment rate. The top three industries within the area are Educational Services, Health Care/Social Assistance and Manufacturing, which represent a combined total of 45% of the workforce.

In summary, the subject area is forecasted to experience an increase in population, an increase in household income, and an increase in household values.

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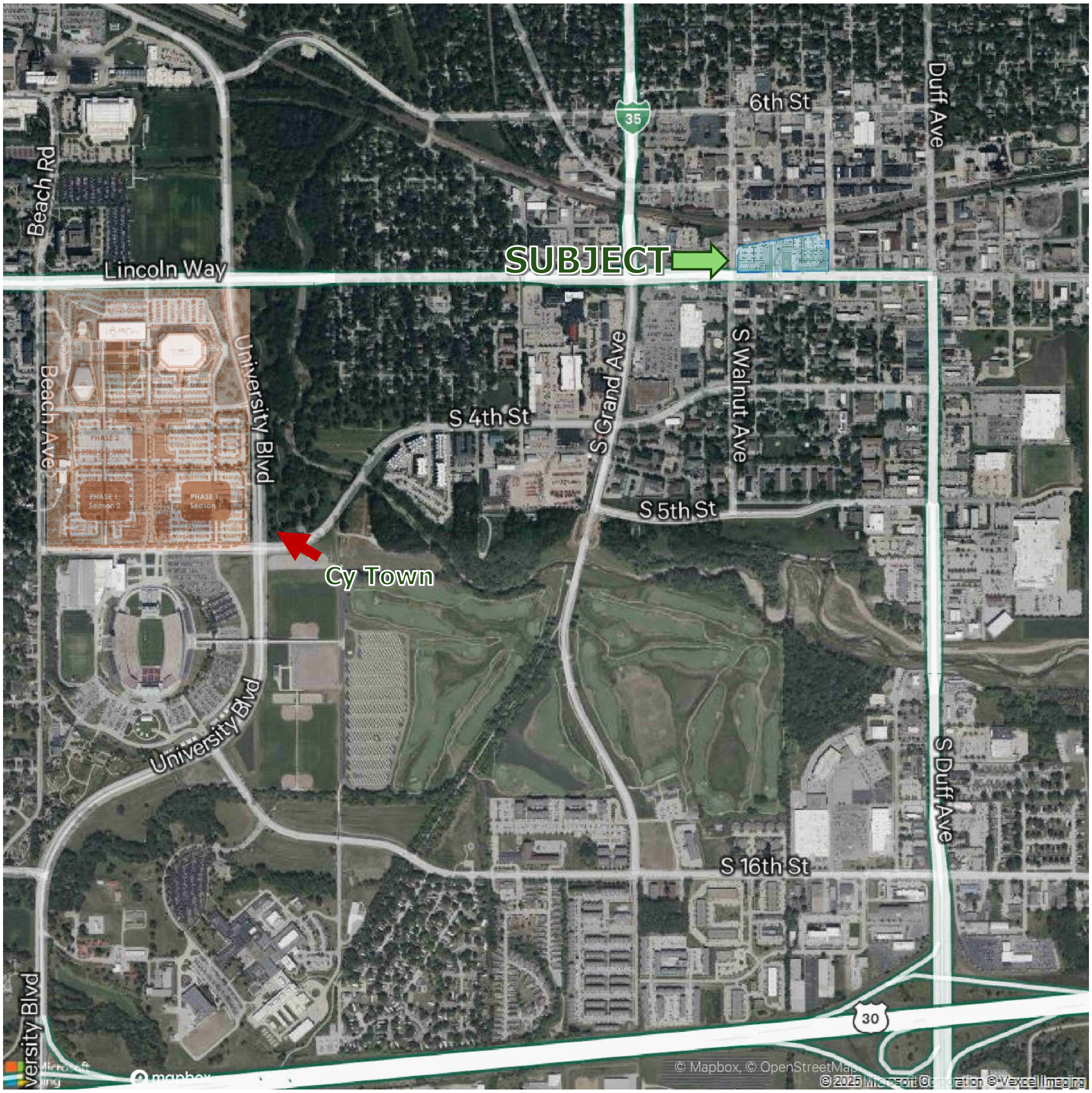
Neighborhood Analysis



Location

The Ames, Iowa market is relatively stable and attractive for investment, with low vacancy rates, modest rent growth, and strong economic fundamentals. It is intrinsically linked to Iowa State University as the founding of the institution preceded the incorporation of the city by 8 years. Geographically, it is situated in a low-lying rolling plane created by the retreat of glaciers during the last ice age. As such, it features fertile soil, but also slow drainage, typical of tallgrass prairies. This makes the area ideal for farming and is one of the reasons it was selected as the location for the university.

The subject site is located in the heart of downtown Ames, developed before 1875, and located nearby the rail line. It formerly held a number of commercial buildings, including a gas station on the southwest corner, a Chinese restaurant, Starbucks, strip mall, a bank, and others. These were closed and demolished between 2018 and 2022. Three buildings remain at the site, a small utility building, an EZ Pawn and Romantix. The land is part of an overall plan of reinvesting along Lincoln Ave, utilizing a development grant paid for with TIF funds.

Boundaries

The subject is South of the UP rail line bound by the following streets:

North:	Gilchrest (angled slightly north from Clark to Kellogg)
South:	Lincoln Way
East:	Kellogg Ave
West:	Clark Ave

Land Use

Land use around the subject consists of a mixture of retail, chain restaurants, business and government offices along Lincoln Way, with single family residential to the south. To the immediate north are a car wash and a single-floor cabinet business. Beyond lies a small greenspace buffer and the train line. To the north of that is a surface parking lot spanning three full city blocks, along the back entrances of the historic main street. The shops and restaurants on that side are more boutique and highly local, in contrast to the chains to the south of the site.

Demographics

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

Selected Demographics				
Cross Streets of Clark Avenue and Lincoln Way Ames, IA 50014	**1 Mile Radius**	**3 Mile Radius**	**5 Mile Radius**	**Ames, IA Metropolitan Statistical Area**
Population				
2029 Total Population	8,186	57,572	73,252	130,262
2024 Total Population	7,801	56,234	71,669	128,086
2010 Total Population	7,313	48,315	62,030	115,848
2000 Total Population	8,157	45,130	53,839	106,205
Annual Growth 2024 - 2029	0.97%	0.47%	0.44%	0.34%
Annual Growth 2010 - 2024	1.63%	3.87%	3.68%	2.54%
Annual Growth 2000 - 2010	-1.09%	0.68%	1.43%	0.87%
Households				
2029 Total Households	4,169	22,238	29,226	52,465
2024 Total Households	3,922	21,278	28,057	50,880
2010 Total Households	3,469	18,343	24,017	45,464
2000 Total Households	3,778	15,782	19,322	39,757
Annual Growth 2024 - 2029	1.23%	0.89%	0.82%	0.62%
Annual Growth 2010 - 2024	3.12%	3.78%	3.96%	2.85%
Annual Growth 2000 - 2010	-0.85%	1.52%	2.20%	1.35%
Income				
2024 Median Household Income	$58,328	$57,882	$61,803	$74,706
2024 Average Household Income	$76,648	$89,789	$92,514	$99,232
2024 Per Capita Income	$38,962	$34,671	$36,794	$39,873
2024 Pop 25+ College Graduates	2,699	16,481	22,300	35,586
Age 25+ Percent College Graduates - 2024	55.4%	63.6%	64.2%	48.3%

Source: ESRI

Major Employers

The primary employer in Ames is Iowa State University, with over 10,000 employees and a reputation for strength in engineering, agriculture, and veterinary medicine. Many employers in the area have ties to, or recruit from, the university programs. The USDA Centers for Animal Health is located in the city, with over 700 employees. As is typical, local schools and government are both significant employers. Non-government employers include McFarland Clinic, a major healthcare provider with over 2,000 employees, software companies, food manufacturing, engineering, and agricultural sciences.

Ames, Iowa Major Employers	
10,000+ Employees	
Iowa State University	
2,000-5,000 Employees	
Iowa Department of Transportation	TMC Transportation
1,000-2,000 Employees	
City of Ames	Mary Greeley Medical Center
Danfoss	Sauer-Danfoss
McFarland Clinic PC	
500-1,000 Employees	
Ames Community School	Hach Companies
National Centers for Animal Health	Workiva
250-500 Employees	
3M	Ag Leader Technology
National Animal Disease Center	American Packaging
Sigler Companies	
Ames Laboratory	Ballard Community School District
Barilla	Burke Corporation
Fareway Stores	Hy-Vee Food Store, Lincoln Center
Hy-Vee Food Stores, West	Key Cooperative
Mary Ann's Specialty Foods	Renewable Energy Group
Story County	Van Diest Supply Company

Economic Highlights

Not only does Ames have a diverse array of industries, they have experienced significant investment and growth over the last 15 years, owing to business a friendly environment, a highly educated workforce pipeline (thanks to the university), and a culture of fostering innovation and startups within the ISU Research Park.

In an environment in which many universities are facing declining enrollment, ISU has grown year-over-year, though like most institutions, is still recovering from the effects of COVID. Being a state University, it has a high acceptance rate, though it also boasts an impressive retention rate of 88%, and a 75% graduation rate (9% better than the national average).

It has kept tuition low, at around $10,000, and out of state costs are competitive with other public universities. More importantly, ISU is a land grant university with a large and respected research department. While its US News ranking is below its peers, its agricultural programs are the best in the nation, and rank highly among global programs.

John Deere, in conjunction with ISU, opened a demonstration farm in 2022 to test sustainable farming techniques, with rumored plans of creating a showcase building sometime in the future.

In the city and its surrounds, advanced manufacturing, ag tech, and bio tech companies sit at the cutting edge of technology, with food processing and traditional manufacturing taking advantage of the centralized location between several major markets.

The city has successfully attracted and facilitated the growth of companies with financial assistance, gap financing, tax increment financing and other incentives.

CYTown

ISU is investing roundly $200 million in a new mixed-use development between Jack Trice Stadium and Hilton Coliseum. Called CyTown, this new project will expand the research park, and create new campus attractions. It will feature 8 new buildings on the 94-acre site in addition to the existing 5. There is a hotel planned for the development to be operated and branded as a Marriott. Currently, the room count and facilities are not finalized as multiple interviews in the marketplace indicate either various room counts. At this point, CBRE assumes roundly 150 rooms as additions to Hotel supply. Other uses include retail space, office, a dining hall, as well as an amphitheater.

The LINC on Lincoln Way

Another major development set to improve and expand Ames is the Downtown Adjacent LINC on Lincoln Way. This mixed-use development will include the subject Conference Center and Hotel as a major anchor. It will expand the retail footprint in Downtown into a more dense and walkable destination. Other uses include new offices, as well as high end apartments. The development will promote a live, work, learn, and play environment while also bringing more density to the City of Ames. Coupled with the CyTown project at ISU, these two developments are likely to spur further centralized growth in the area.

Retail

Overall vacancies for retail are much lower than the nation at 1.2%, with nominal rent growth of 0.4%. This indicates a resilient sector with long-term potential. However, this varies by property type and location. North Grand faces ongoing challenges typical of malls across the country, while the corridor along Duff consists of chains, big-box retail, and fast food.

Most relevant to the subject is the downtown area, which includes a mix of boutique and specialty shops, restaurants, bars, and other "college town" focused businesses. The City, Economic Alliance, and other support institutions have focused on improving the area, activating underused spaces, and creating a hub for locals and visitors alike.

The LINC is an important component of this plan, bringing retail, residential, hotel and meeting spaces to the heart of the city.

Office

Ames offices remain robust, with a vacancy of 1.2%. The minimal amount of new space has been slow to absorb, the University Research Park serves as an incubator, meaning that long-term prospects remain positive. Owing to the variety of businesses in the area, buildings have increased rents by around 2.2%, though there is no new supply currently under construction.

There will be several office buildings in CyTown with tenants already lined up for the planned opening in 2028.

Industrial

Due to the presence of ISU, the industrial sector in Ames includes a mixture of class A office, high-tech, and laboratories. In addition, logistics, processing and specialty manufacturing all contribute to a robust sector. Vacancy of 3.2% and rent growth of 1.7% are strong leading indicators. While there are no new projects currently under construction, the last ten years saw an average annual increase of 63,000 sq ft.

Housing

As a big 12 university, ISU has a substantial student body, though its on-campus capacity is only around 10,000. This means that most students must seek off-campus housing. As of 2025, there are 6 purpose-built student apartments. As these are typically shared units, somewhere between 4-5,000 students can be accommodated. This leaves over 10,000 students in the single family and multi-family sector.

This dynamic has created a market with very low (3.7%) vacancy, with modest rent growth. Off-campus students compete with residents for space, though their presence has not skewed housing prices as much in Ames as elsewhere. However, despite high turnover, they represent a strong and stable base. While rents increased during recovery, average rent increases have cooled to around 1.3%.

Notably, the city has not seen new construction at a large scale since 2019, when vacancies exceeded 10%. There was no post-covid jump in vacancies in contrast to the US on average, which sits at around 8%. There is little difference in occupancy by size or quality, an a fairly tight rate spread from $1325 for 5 stars to $936 for 1-star properties.

As is typical of "college towns" students are most likely temporary residents, to which the city has responded by incentivizing additional housing, mixed use development, and placing rental restrictions on certain neighborhoods. This funnels development into specific areas, such as the LINC, where infrastructure and development costs may be partially subsidized.

Student Dynamics

While universities provide major demand for restaurants, bars, and retail, they also pose challenges. Seasonal employment, high turnover, labor shortages and volatile incomes are endemic to "college towns", though the academic year is long enough that businesses remain open. This requires a diverse customer base and year-round engagement. Mixed-use developments with dining, events, and entertainment in a centralized location are an ideal solution to this dynamic.

Transportation

Highway Transportation

Ames is served by Interstate 35, which begins in Duluth in Minnesota to the north, and runs the entire length of the country to Laredo Texas in the south. It connects with I 80 in Des Moines to the south, and I 90 to the north around halfway between Ames and Minneapolis. US 30 intersects I-35 in the south portion of the city, with ongoing construction to widen US 30 to 6 lanes through the city and increasing capacity along I-35 to Des Moines.

Traffic along US 30 is highest between I-35 and US 69, 2 miles to the west, averaging 16,300 vehicles each way a day, of which 15,000 are passenger vehicles. US 69 from US 30 to downtown is the highest volume in-town route, with 12,600 vehicles daily in each direction.

The I-35 ramp to Des Moines reaches 8,800, while the off-ramp sees 7,700 vehicles daily. Around 15% of vehicles on I 35 are commercial, while in-town percentages are 4% or under.

Air Transportation

James Herman Banning Ames Municipal Airport is a 2-runway regional airport, with 63 local aircraft. It averages 921 flights per day, including training. It is operated by Central Iowa Air Service and includes private and charter aircraft. Notably, ISU uses the airport for athletic teams, with the exception of the football team which flies out of Des Moines, as the runways are too small for the required 757 or 747s.

The Des Moines International Airport is 20 miles south of Ames, and is a commercial service airport, with flights from American, Allegiant, Delta, Frontier, Southwest, and United. It has three restaurants, cafes, and Hudson shops. It includes a TSA checkpoint and serves over 2.5 million passengers annually.

Other Transportation

The city has a Union Pacific freight rail line, though the nearest passenger rail lies in Osceola, south of Des Moines. It has a robust bus system with free service for students and low cost fares for residents. The city also has an Intermodal facility, with intercity bus and private shuttle services.

Tourism

According to Discover Ames, Story County received $228 million in visitor spending in 2023, generating $48.6 million in taxes. 98% of lodging revenue ($43.2 million) is attributable to Ames amounting to 350,000 room nights. In total, 2,470 jobs are supported by tourism.

Iowa State University is the primary draw, with game days, commencement and graduations, and related events filling hotels to capacity. This amounts to around 20 citywide fill nights annually. In addition, the campus itself includes multiple museums and cultural attractions, including

Reiman Gardens, a Campanielle, Farmhouse Museum, and Brunnier Art Museum. Stephens Auditorium hosts plays, concerts, and other events throughout the year.

In addition, high school sports and academic conferences provide summer demand, as do city events such as farmers markets, a history museum, parks and bike trails, concert series, and garden shows.

According to Travel Iowa, day trips and 1-night stays account for around 50% of tourism visits. Visitors from Des Moines represents 27% of travelers, with Cedar Rapids, Minneapolis, Chicago, the quad cities, and Omaha rounding out the effective market area. August (move-in) is the most popular month, followed by January (sports), then May (graduation). While this indicates that there is some leisure tourism in the market, given high Friday and Saturday demand, events continue to be a primary driver.

In discussing the competitive set of hotels later in this study, it should be noted that by isolating the newer franchised hotels in the market, the expected seasonal pattern for Midwest hotels of strong summer and low winter demand is clearly visible. This contrasts with the overall regional market, which underperforms in all seasons.

Groups and Meetings

After interviews with Discover Ames, the city department of planning, Regional Economic Partnership, local hoteliers, as well as other key stakeholders in the business community, there is broad consensus that there is high demand for additional meeting facilities. This is an issue that has been examined at length, from a 1996 study to a 2024 survey. The existing facilities in Ames are not large enough to accommodate many of the groups and do not offer the quality facilities that meeting planners expect.

Ames is strategically located to attract numerous conference and meeting functions. Being centrally located in the State along Interstate 35. However, despite the numerous venues available within Iowa State University, existing spaces are frequently booked by academic and athletic departments.

The Scheman Building, a conference center operated under the ISU extension program, accommodated a variety of association business, corporate conferences, and various other events, although maximum size was limited. Three factors have resulted in significant loss in events over the previous decade.

First, Des Moines has expanded its offerings dramatically. While the Community Choice Credit Union is an older facility, it has been renovated into a nearly 30,000 square foot ballroom with 25 additional meeting rooms. Concerts and sports now take place in the Casey's Center (previously Wells Fargo Arena), while the EMC Expo Center (formerly Hy-Vee hall) includes over 100,000 sq ft of flat space in addition to 8 meeting rooms. Further, the events center includes a connected Hilton hotel, and a nearby airport.

Second, the pandemic caused many events to postpone or cancel for the years of 2020 and 2021, with reduced sizes upon their return. Due to this gap and reorientation, meeting planners reassessed how they approach events, shifting the market.

Third, the Scheman Building was repurposed for the ISU Athletic Department, and now includes a fan-zone and other elements. While it still has a number of dedicated meeting rooms and can host events, like the other university operated spaces, it is frequently closed for booking due to school events.

The CVB has indicated more than 41 groups in 2025 alone were lost due to venue constraints. This effect is compounded in the upcoming years, as events typically are booked well in advance. According to their records, over 600 events representing over 350,000 hotel nights have been lost. Although space exists to accommodate groups of up to 360, it can only host one event at a time, and is somewhat dated. These groups consist of various statewide professional associations, governmental agencies, medical institutions, and corporate meeting planners. After interviews and some of the initial survey feedback, the following sentiments were expressed:

- Many groups are in need of facilities to host events in excess of 400 attendees annually or biannually. Some groups expressed needing space to accommodate roundly 1,000 attendees. There is not an adequate facility in the market that can accommodate these large events.
- The Memorial Hall and other campus spaces is configurable for weddings and banquets, but with limited windows of availability and shorter lead times.
- While conference space has been considered as part of the University's CyTown development, it is not actively in planning for the initial construction phases.
- There is not adequate flat space to host conferences or events within the city, with current options requiring extensive setup and teardown to host non-sports meetings.
- Existing hotels are located 2 miles from the center of the city and require shuttling to and from events, raising expense and lowering potential ancillary revenue. Furthermore, this market dynamic is not attractive to most meeting planners.
- The restaurants and shops downtown are a desirable location for travelers and residents alike. With the LINC Development, additional walkable retail and dining options will increase the attraction for groups to the subject site.

Conclusion

Ames is a desired destination for professional and fraternal associations, government agency conferences, corporate meetings, academics and sports with unique shopping, dining, and attractions. The city is proactive in promoting economic growth in the region with a master plan to increase activity in the immediate area and address housing and community concerns. The subject's proposed use as a full-service conference center and hotel will be a key element of the city's continued growth.

Demand Survey

Introduction

In order to maximize the input from the community and other potential users, CBRE Hotels conducted email surveys to identify the types, number and size of the potential events, number of breakout rooms, number of hotel rooms and the potential average daily room rate for the proposed Conference Center and Hotel. The survey results are summarized below.

We surveyed meeting planners through Discover Ames. These meeting planners were groups which currently hold events in Ames, as well as groups turned away due to lack of facilities. CBRE received 152 responses to this survey. This sample size was considered reliable in gathering data and is represented in the following charts.

We also surveyed the Ames Regional Economic Alliance member list to maximize the input from the community since members include corporations, business owners, healthcare and educational institutions, non-profit organizations, community organizations, existing meeting facilities, hotels, restaurants, churches, performing arts groups, etc. The survey generated 15 responses. Since there were minimal responses, the results were not analyzed but the responses were included in the addendum of this report.

Number of Events - Current

The following table presents the number of annual events the Meeting Planner respondents currently hold. In summary, the respondents indicated 1,805 events held every year.

Events per Year

Type of Event	Annual Frequency 1-3		Annual Frequency 4-7		Annual Frequency 7-10		Annual Frequency 10-15		Annual Frequency 15-20		Annual Frequency 20+		Total (Including Frequency)
	%	#	%	#	%	#	%	#	%	#	%	#	#
Gala/Banquet Events	47%	53	4%	4	0%	0	0%	0	0%	0	2%	2	109
Social Event/Wedding	26%	28	6%	7	0%	0	3%	3	1%	1	3%	3	161
Meeting/Training	39%	54	18%	24	9%	13	7%	10	4%	6	12%	16	751
Trade/Consumer Show	29%	31	4%	4	0%	0	0%	0	0%	0	2%	2	87
Convention/Conference	64%	85	9%	12	3%	4	2%	3	1%	1	1%	1	226
Sports Events	10%	11	3%	3	1%	1	0%	0	1%	1	7%	7	185
Other Events	26%	27	5%	5	7%	7	2%	2	2%	2	7%	7	286
Totals		289		59		25		18		11		38	
Avg. # of Events		1		4		7		10		15		20	
Total Events		**289**		**236**		**175**		**180**		**165**		**760**	**1,805**

Source: CBRE Hotels

The greatest concentration of events are Meeting/Trainings, Convention/Conference, and Other.

CBRE

Size of Events - Current

The following table presents the average size of events the Meeting Planner respondents currently hold.

Typical Size of Events

Type of Event	Number of Attendees Indicated Min	Max	Median	Average		Number of Responses 1 to 100	100 to 200	200 to 300	300 to 500	500 to 800	800 to 1200
Gala/Banquet Events	50	1200	175	241		22	24	11	10	6	1
Social Event/Wedding	50	800	100	147		27	15	15	15	15	15
Meeting/Training	50	500	50	108		89	21	21	21	21	21
Trade/Consumer Show	50	1200	350	472		5	10	10	10	10	10
Convention/Conference	50	1200	250	386		19	24	24	24	24	24
Sports Events	50	1200	500	617		2	6	6	6	6	6
Other Events	50	1200	100	256		27	5	5	5	5	5
					Total	**191**	**105**	**92**	**91**	**87**	**82**
						29%	16%	14%	14%	13%	13%

Source: CBRE Hotels

The largest sized events are Sports, Trade/Consumer, and Convention/Conference. However, most responses indicated a greater frequency of Conference/Convention events, this indicates the need for conferencing space to accommodate up to 1,000 attendees.

Breakout Space

The following table presents the number of breakout rooms indicated in the survey. Breakout rooms are considered secondary space from the main exhibit hall or ballroom space that large events will need for other uses, such as group breakouts, staging, registration, etc. The respondents indicated the most need for 3 to 8 breakout rooms. CBRE recommends facilities for 6 to 8 breakout rooms.

Number of Breakout Rooms		
Breakout Rooms	Responses	%
1	4	3%
2	12	10%
3	28	23%
4	24	20%
5	16	13%
6	15	12%
7	0	0%
8	24	20%

CBRE Recommendation

6 to 8
Breakout Rooms

Source: CBRE Hotels

Hotel Rooms

The following table is a summary of the hotel rooms needed per event. 47% of the responses indicated no hotel rooms needed, likely attributed to local events. However, convention/conference events had the most responses and indicated the need for the most hotel rooms.

Number of Hotel Rooms Needed per Event

Type of Event	None		<25 Rooms		25-50		50-100		100-200		200-300		>300 Rooms		Total
	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Gala/Banquet Events	49%	52	26%	28	8%	9	6%	6	7%	7	1%	1	3%	3	106
Social Event/Wedding	65%	62	18%	17	9%	9	3%	3	1%	1	2%	2	1%	1	95
Meeting/Training	28%	35	46%	57	14%	17	7%	9	3%	4	1%	1	1%	1	124
Trade/Consumer Show	61%	57	7%	7	7%	7	6%	6	6%	6	6%	6	5%	5	94
Convention/Conference	15%	19	16%	21	19%	25	12%	15	18%	23	5%	6	16%	20	129
Sports Events	69%	59	9%	8	5%	4	3%	3	6%	5	1%	1	7%	6	86
Other Events	61%	54	24%	21	8%	7	2%	2	2%	2	0%	0	3%	3	89
Total Events	**47%**	**338**	**22%**	**159**	**11%**	**78**	**6%**	**44**	**7%**	**48**	**2%**	**17**	**5%**	**39**	**724**

Summary		
Rooms	Responses	
0	**47%**	**338**
1 to 25	**22%**	**159**
25 to 50	**11%**	**78**
50 to 100	**6%**	**44**
100 to 200	**7%**	**48**
200-300	**2%**	**17**
300+	**5%**	**39**

Source: CBRE Hotels

Hotel Rate

The respondents were asked the average hotel rate quoted for their events currently. The following table summarizes the results of the survey. In summary, the survey portrayed a weighted average hotel rate quoted of $146. Moreover, 32% of the respondents indicated a hotel rate ranging from $150 to $200.

Average Hotel Rate Quoted			
Min	Max	Median	Average
$80	$280	$130	$146

Distribution				
$80 to $100	$100 to $125	$125 to $150	$150 to $200	$200 to $300
7	19	47	41	15
5%	15%	36%	32%	12%

Source: CBRE Hotels

Facilities

The following table presents the Survey results indicating the preference for amenities. An indoor connection to conference space is the most needed amenity according to the survey followed by a restaurant, and Café/Grab and Go. These amenities indicate a need for a full-service Conference Center and Hotel.

Hotel & Conference Center Amenities							
Amenity	Highly Needed - Required		Somewhat Needed - But Not Required		Indifferent		Total
Indoor Connection to Conference Space	54%	74	33%	45	14%	19	138
Cafe/Grab and Go	40%	53	49%	65	11%	14	132
3-meal restaurant	28%	38	50%	69	22%	30	137
Hospitality Suite	24%	31	37%	48	40%	52	131
Business Center/Services	23%	30	47%	62	31%	41	133
Fitness	14%	18	41%	52	44%	56	126
Rooftop/Terrace Bar	13%	17	42%	55	45%	58	130
Other	8%	5	5%	3	87%	53	61
Pool	8%	10	34%	43	58%	72	125
Wellness/Spa	3%	4	21%	26	75%	91	121
Other (please specify)	0%	0	0%	0	0%	0	15

Source: CBRE Hotels

Guestroom Mix

The following table presents the preference for the type of hotel guestroom. Standard king bed rooms are considered most in need with comments indicating many single occupancy preferences.

Hotel Guestroom Mix							
Guestroom Type	Highly Needed - Required		Somewhat Needed - But Not Required		Indifferent		Total
Standard King Rooms	76%	103	16%	22	8%	11	136
Double Queen Rooms	69%	94	26%	36	5%	7	137
Suites	20%	25	37%	45	43%	53	123
Connecting Rooms	7%	8	34%	39	59%	69	116
Other (please specify)	0%	0	0%	0	0%	0	1

Source: CBRE Hotels

Site Attributes

The following table presents various site attributes and the level of preference from the respondents. The most needed attribute was for a site walkable to retail shops and restaurants. This is very supportive of the downtown location of the Subject site. While 23% of the respondents indicated a requirement for their events to be held on ISU campus, 46% were indifferent. This reflects the positive potential for events being held off ISU campus.

Site Attributes							
Attributes	Highly Needed - Required		Somewhat Needed - But Not Required		Indifferent		Total
Walkable to retail shops and restaurants	38%	54	42%	59	20%	28	141
Consideration of distance traveled for attendees	31%	43	46%	63	23%	32	138
Load In Dock/Staging	30%	41	29%	39	41%	55	135
On Campus at Iowa State University	23%	31	32%	43	46%	62	136
Proximate to Area entertainment	20%	28	48%	66	31%	43	137
Proximate to the Interstate/Highway	20%	28	54%	77	26%	37	142
Proximity to the Airport	15%	20	33%	45	52%	71	136
Other (please specify)	0%	0	0%	0	0%	0	1

Source: CBRE Hotels

Event Relocation

The following table presents the Survey results indicating the potential preference for the proposed Conference Center and Hotel. 80% of the respondents will consider moving their events to the new facilities. Based on the survey, the need for new facilities is desired among meeting planners.

Event Relocation		
Responses	Yes	NO
132	106	26
	80%	20%

Source: CBRE Hotels

Events Willing to Relocate

The following table presents the typical size of events the respondents indicate could be accommodated by the Subject Conference Center. The survey implied roundly 300 events could be accommodated at the subject with potentially 65,000 to 100,000 annual attendees.

If Relocated to Ames - Typical Size and Number of Events

Type of Event	1 to 50		50 to 100		100 to 200		200 to 400		400 to 600		600 to 800		800 to 1000		1000 to 1200		Total
Gala/Banquet Events	18%	8	13%	6	24%	11	18%	8	18%	8	4%	2	4%	2	0%	0	45
Social Event/Wedding	28%	8	17%	5	34%	10	17%	5	3%	1	0%	0	0%	0	0%	0	29
Meeting/Training	36%	28	32%	25	26%	20	5%	4	0%	0	0%	0	1%	1	0%	0	78
Trade/Consumer Show	6%	2	9%	3	12%	4	27%	9	18%	6	9%	3	6%	2	12%	4	33
Convention/Conference	5%	4	6%	5	23%	19	27%	23	23%	19	6%	5	2%	2	8%	7	84
Sports Events	40%	8	5%	1	5%	1	0%	0	10%	2	10%	2	0%	0	30%	6	20
Other Events	42%	8	32%	6	5%	1	11%	2	5%	1	0%	0	0%	0	5%	1	19
Total Implied Events	**21%**	**66**	**17%**	**51**	**21%**	**66**	**17%**	**51**	**12%**	**37**	**4%**	**12**	**2%**	**7**	**6%**	**18**	**308** 48%
Range of Identified Attendees	**66 - 3,300**		**2,550 - 5,100**		**6,600 - 13,200**		**10,200 - 20,400**		**14,800 - 22,200**		**7,200 - 9,600**		**5,600 - 7,000**		**18,000 - 21,600**		**65,016 - 102,400**

Source: CBRE Hotels

Willingness to Pay

The respondents were asked about their willingness to pay **MORE** to use the proposed facilities. Only 41% of the respondents indicated a willingness to pay more for the new facilities.

If Relocated to Ames - Would You be Willing to Pay More?

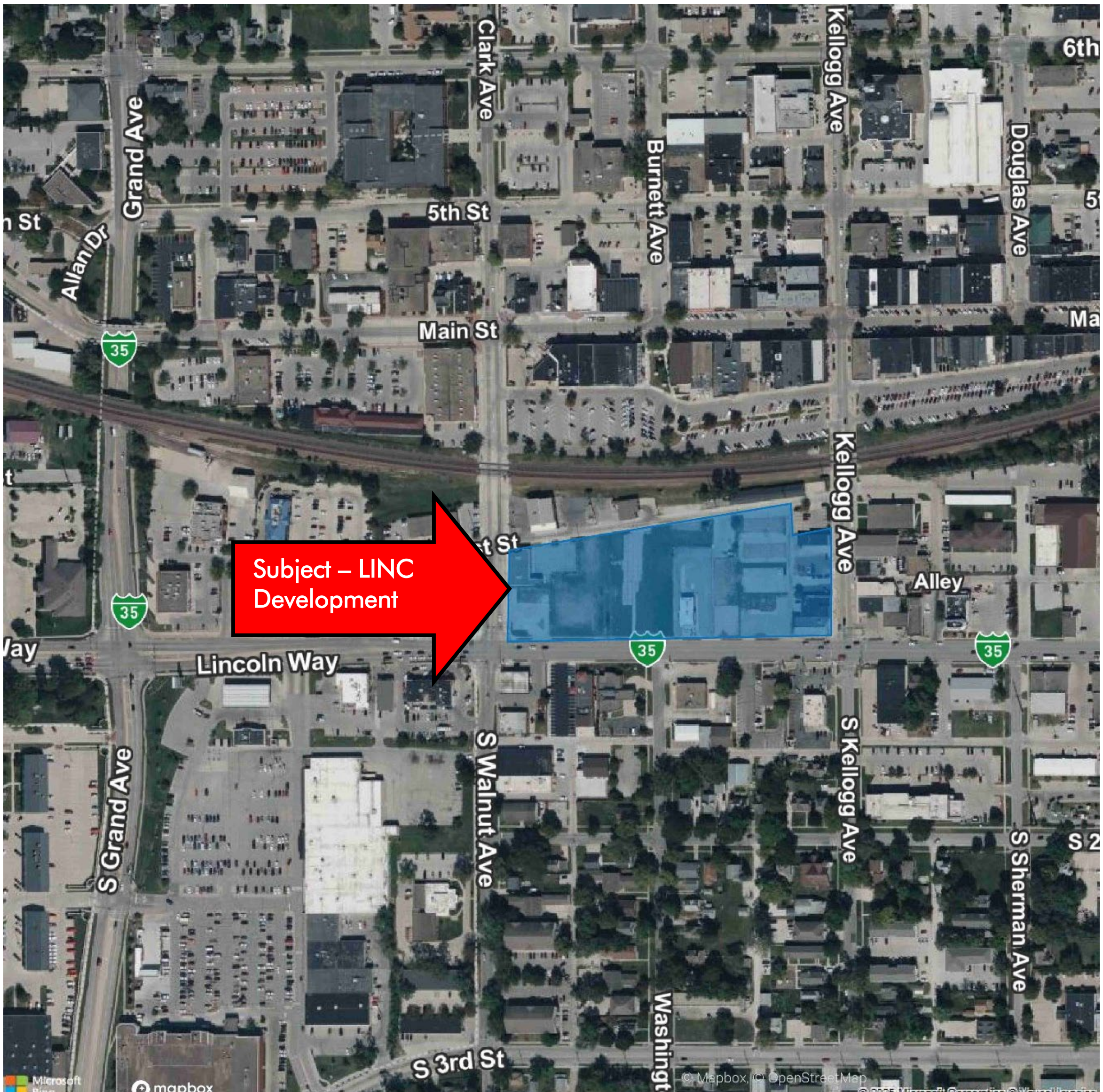
Responses	Yes	NO
134	54	80
	41%	61%

Source: CBRE Hotels

Conclusion

The survey indicated a need for new conference and hotel facilities. Based on the survey, the number of potential events that could be held at the subject is roundly 300 with an attendance up to 100,000 annually. The Downtown location is considered a preferred attribute, and the hotel facilities should be upscale, full-service with a connection to the Conference Center. The average rate the respondents are currently paying is $146 with 41% indicating a willingness to pay more. Limitations of the survey include the sample size of respondents, the timing, as well as the inherent subjectivity of some of the responses. However, the survey is generally a positive response for the proposed project.

Hotel Site and Facilities Recommendations



Aerial View

CBRE

Site

The Site for the proposed subject within the LINC Development is not explicitly determined at this time, as the final massing is still in the planning phases. However, for the purposes of this study we have recommended an improvement of 140,000 to 150,000 SF within 7 to 9 stories. As such, we are assuming a 35,000 to 45,000 SF allocation on the LINC site be available for the Conference Center and Hotel. This should account for setbacks, landscaping, and egress/ingress.

In addition to the land needed for the footprint of the building we assume adequate parking needs in the planned parking structure. While typical hotel development or zoned parking requirements indicate a minimum of 1 parking space per guestroom, with the conference center, we recommend a minimum of 1.5 parking spaces per guestroom allocated to the hotel. A third-party parking study is recommended to determine any additional parking needs. Additionally, we recommend offering valet parking for hotel guests and large events as a parking structure can create bottlenecks for many attendees.

Recommended Facilities

CBRE Hotels was not provided with plans or renderings of the proposed Conference Center and Hotel. The following table shows a summary of the recommended facilities utilized for this market study.

Improvements Summary and Analysis

	Hotel		Conference Center
Property Type	(full service)		
Number of Buildings	1		1
Number of Stories	8		2
Year Built	1/1/2029		1/1/2029
Gross Building Area	115,000 SF	(575 SF per key)	35,000 SF
Number of Guest Rooms	200		n/a
Restaurant/Lounge	Signature Resturarant, terrace/rooftop bar		n/a
Meeting/Banquet Rooms			20,000 SF
Property Amenities	Indoor Pool, Fitness Center, Business Center, Grab and Go/Café		Inhouse Audio/Visual
Zoning Conformity of Improvements	Legally Conforming		Legally Conforming

Source: Various sources compiled by CBRE

The development is considered in the preliminary stages of concepting, the above recommended facilities were developed as a hypothetical concept.

Design and Layout

We have assumed the total improvements will be two buildings adjoining or adjacent to one another with an access via hallway or short covered walkway. The front entrances to the conference center and hotel should be accessed via self-parking. The hotel may also include a valet stand which could also service the conference center depending on the layout, type of event, and capacity. The ground level of the hotel will house the lobby, registration desk, administrative areas, restaurant and bar, as well as an access point to the conference center. It is likely many event attendees will enter the hotel side, however the Additionally, all "back of the house" facilities will be located on the main level including shipping, mechanical rooms, et cetera.

Guestrooms

The subject's guestrooms should be located on all floors of the facility and accessible via interior corridors. The guestroom mix should be generally commensurate with brand standards and similar full-service hotels in the marketplace. The subject's guest units will feature hard and soft goods similar in quality and function as its competitors, such as: drapes, bedding, wallpaper, wall-prints, chairs, tables, televisions, furniture such as dressers, and lighting. The bathrooms will include modern fixtures and units will include a standalone shower or soaking tub, depending on the brand requirements and standards. The standard rooms at the subject will feature either one king-size or two queen-size beds. The suites at the facility should feature a small wetbar.

Guest Room Configuration

Room Type	No. Rooms	Percent of	Size (SF)
Standard King Room	90	45.00%	325
Standard Double Queen	90	45.00%	350
King Suite	12	6.00%	500
Double Queen Suite	8	4.00%	550
Total/Average:	**200**	**100%**	**356**

Source: Compiled by CBRE

Food & Beverage Facilities

The facility's restaurants will range from a grab and go market and a lobby bar to a full-service signature restaurant/rooftop bar. We recommend the restaurant have easy access and visibility to attract local diners. The menu and marketing should include the latest trends and be constantly evolving to stay relevant. All of the F&B outlets are recommended to be operated by property ownership/management, and none will be leased to third-party operators.

Food & Beverage Facilities

Name	Seating Capacity	Comments
Lobby Restaurant/bar	100	All day
Café/grab and Go	15	All day
Rooftop Bar	60	Evening

Compiled by CBRE

Conference Center

The subject is recommended to include a total of 20,000 to 25,000 square feet of meeting space for the conference center. The largest single breakout meeting or ballroom space should measure between 10,000 and 15,000 square feet to accommodate roundly 1,000 guests. Ample breakout space should be provided proximate to the conference center. Furthermore, we anticipate the Hotel rooftop F&B offerings, hospitality suites, and restaurant space to serve as additional event space for groups. The following table also includes square footage needed for pre-function space and back of house. Overall, the Conference Center will likely require a GBA of 35,000 SF.

Meeting/Banquet Rooms (Rounded Recommendations)

Name	Size (SF)	Type/Comments
	CONFERENCE CENTER	
Ballroom (Sub-divided into 4-5 rooms)	12,000	1,000 attendees/ Second Floor
Breakout (6-8 rooms)	8,000	1st Floor
Pre-Function/Circulation	8,000	Some Shared Space with Hotel
Back Of House	7,000	Dedicated Conference Center Kitchen
Total	**35,000**	
	HOTEL	
Boardrooms and Hospitality Suites (Hotel)	2,000	1 or 2 Boardroom, 2 Hospitality Suites
Terrace/Rooftop Bar Meeting Room	1,000	Flexible, Can be open to general Public
Total	**3,000**	
Total Interior Four Wall Space	**23,000**	

Compiled by CBRE

Amenities/Additional Services

Based on the competitive market and typical brand standards, the hotel should also include a pool, fitness center, grab and go market, and a business center.

ADA Compliance

All common areas of the property are expected to have full accessibility.

Brand Recommendations

It is recommended the Proposed Hotel adopt a brand from one of the major hotel companies such as Marriott, Hilton, Hyatt, or InterContinental Hotel Group (IHG). These brands have the ability to open up significant distribution with national and regional sales and marketing efforts, especially in the groups and meeting space. Furthermore, after-market interviews with various meeting planners nationally, these brands are generally preferred for attendees.

Potential brands available include:

- Doubletree, Curio – Hilton
- Marriott, Autograph Collection – Marriott
- Hyatt Centric, Hyatt Regency – Hyatt
- Kimpton – IHG

Conclusion

The recommended facilities are supported by market interviews, industry trends, demand surveys, and comparable properties. Moreover, these recommendations are to assist in the preliminary stages of the development planning. The market analysis and estimated operating results assume the recommended facilities to be high quality and adhering to upscale, full-service standards.

CBRE

Tax and Assessment Data

The following summarizes the potential estimate of the subject hotel's assessed value, and taxes, based on the comparable data, and does not include any furniture, fixtures or equipment. The CBRE estimated tax obligation is also shown.

Tax Comparables

As a crosscheck to the subject's applicable real estate taxes, CBRE, Inc. has reviewed the real estate tax information according to Story County for comparable properties in the market area. The following table summarizes the comparables employed for this analysis:

Ad Valorem Tax Comparables

Comparable Hotel	Holiday Inn Express & Suites Ames	Fairfield Inn & Suites Ames	TownePlace Suites Ames	Hampton by Hilton Inn & Suites Ames	Courtyard Ames	Staybridge Suites Ames	SpringHill Suites Ames	Hilton Garden Inn Ames	Subject Estimate
Year Built	2000	2007	2016	2016	2020	2023	2021	2008	2029
No. Rooms	75	76	89	90	119	82	96	112	200
Tax Year	2025	2025	2025	2025	2025	2025	2025	2025	2025
Estimated Assessor's Taxable Value	**$3,321,450**	**$3,603,240**	**$5,400,000**	**$5,669,280**	**$9,801,180**	**$7,250,220**	**$7,247,970**	**$6,822,000**	**$18,000,000**
AV Per Room	$44,286	$47,411	$60,674	$62,992	$82,363	$88,417	$75,500	$60,911	$90,000
Combined Tax Rate (per $1000 A.V.)	30.645640	30.645640	30.645640	30.645640	30.645640	30.645640	30.645640	30.645640	30.645640
Total Taxes	**$101,788**	**$110,424**	**$165,486**	**$173,739**	**$300,363**	**$222,188**	**$222,119**	**$209,065**	**$551,622**
Per Room	**$1,357**	**$1,453**	**$1,859**	**$1,930**	**$2,524**	**$2,710**	**$2,314**	**$1,867**	**$2,758**

Source: Assessor's Office

As illustrated, the assessed values for comparable properties range from $44,286 to $88,417 per room, since the subject will be a higher quality hotel relative to the local properties, we have positioned it just above the range at $90,000/key.

Conclusion

Based on the foregoing, the total taxes for the subject have been estimated as $551,622 for the base year of our analysis, based upon an assessed value of $18,000,000 or $90,000 per room. Additionally, we have assumed taxes will increase 3.0% percent per annum over the projection period. While the conference center as a publicly owned facility will be exempt from property taxes, the hotel is assumed to pay property taxes for this study.

Market Analysis

Understanding the relationship between supply and demand is a critical component of any appraisal, particularly with respect to hotels. Unlike other property types, hotels essentially lease their rooms on a daily basis. While this characteristic allows for an immediate response to changes in market conditions, it also requires a high level of management intensity. There is an inverse relationship between occupancy and average daily rate (ADR) and raising or lowering rates typically has an immediate impact on room-nights sold. Effective management entails finding the proper balance that allows for the maximization of revenue.

In this section we first identify the subject property's competitive set (e.g., those hotels that tend to compete for the same sources of demand). We then identify relevant demand sources, analyze historical growth patterns and assess the potential for growth (or lack thereof) in demand by segment. The result is a projection of future market performance. Lastly, we conclude with a projection of occupancy and ADR for the subject property, taking into consideration its competitive strengths and weaknesses relative to the overall market.

Some hotels are more directly competitive than others based on their locations, facilities, branding, etc. This disparity in the level of competitiveness can be handled in a number of ways. Some appraisers assign a percentage to each property and include only a portion of their guest rooms in the competitive set. This technique, while theoretically sound, is highly subjective and the overall analysis can be extremely sensitive to the assumptions made. Alternatively, we have chosen to address this issue through our projected penetration rates. For example, the introduction of a new property that is only marginally competitive will have a limited impact on the subject property's penetration level, whereas a directly competitive property will likely have a substantial effect. Regardless of the method employed, properly assessing the relationship between supply and demand and its impact on the subject property and market occupancy requires a level of professional judgment.

Neighborhood Hotel Inventory

A summary inventory of hotel rooms located in the subject's identified neighborhood is provided in the following table:

Exisiting Hotel Rooms (5 Mile Radius)						
Hotel	**State**	**Date Built**	**# of Rooms**	**Price Tier**	**Chain Scale**	**Dist from Subject (Miles)**
Days Inn Ames	IA	6/1/1998	47	Economy	Economy	0.3
Comfort Inn & Suites Near ISU Campus Ames	IA	8/1/2019	82	Upper Midscale	Upper Midscale	1.0
GrandStay Hotel & Suites Ames	IA	9/1/2005	53	Upper Midscale	Upper Midscale	1.1
Courtyard Ames	IA	7/1/2020	119	Upscale	Upscale	1.1
SpringHill Suites Ames	IA	3/1/2021	96	Upscale	Upscale	1.8
Staybridge Suites Ames	IA	12/15/2023	82	Upscale	Upscale	1.8
Iowa House	IA	---	16	Independent	Midscale	1.8
Best Western Plus University Park Inn & Suites	IA	1/1/1992	86	Upper Midscale	Upper Midscale	1.9
Hampton by Hilton Inn & Suites Ames	IA	5/1/2016	90	Upper Midscale	Upper Midscale	2.0
Fairfield Inn & Suites Ames	IA	8/1/2007	76	Upper Midscale	Upper Midscale	2.0
Gateway Hotel & Conference Center at Iowa State University	IA	6/1/1978	187	Independent	Upscale	2.0
Microtel Inn & Suites by Wyndham Ames	IA	3/31/1999	66	Economy	Economy	2.0
TownePlace Suites Ames	IA	11/10/2016	89	Upper Midscale	Upper Midscale	2.0
Baymont Inn & Suites Ames	IA	2/1/1989	51	Midscale	Midscale	2.1
Radisson Hotel Ames Conference Center at ISU	IA	11/1/2000	75	Upscale	Upscale	2.1
Sonesta Essential Hotels Ames	IA	3/1/1995	75	Upper Midscale	Upper Midscale	2.1
University Inn	IA	1/1/1979	60	Independent	Economy	2.1
Holiday Inn Express & Suites Ames	IA	11/1/2000	75	Upper Midscale	Upper Midscale	2.1
Quality Inn Ames Conference Center Near ISU Campus	IA	6/1/1979	120	Midscale	Midscale	2.1
AmericInn Ames	IA	6/1/1998	66	Midscale	Midscale	2.2
Country Inn & Suites Ames	IA	3/1/2000	78	Upper Midscale	Upper Midscale	2.2
Econo Lodge Ames	IA	6/1/1985	85	Economy	Economy	2.2
Sleep Inn & Suites Ames Near ISU Campus	IA	5/1/2015	67	Midscale	Midscale	3.4
Hilton Garden Inn Ames	IA	12/1/2008	112	Upscale	Upscale	3.5
Count/Average/Total		**24 Properties**	**1,953**			

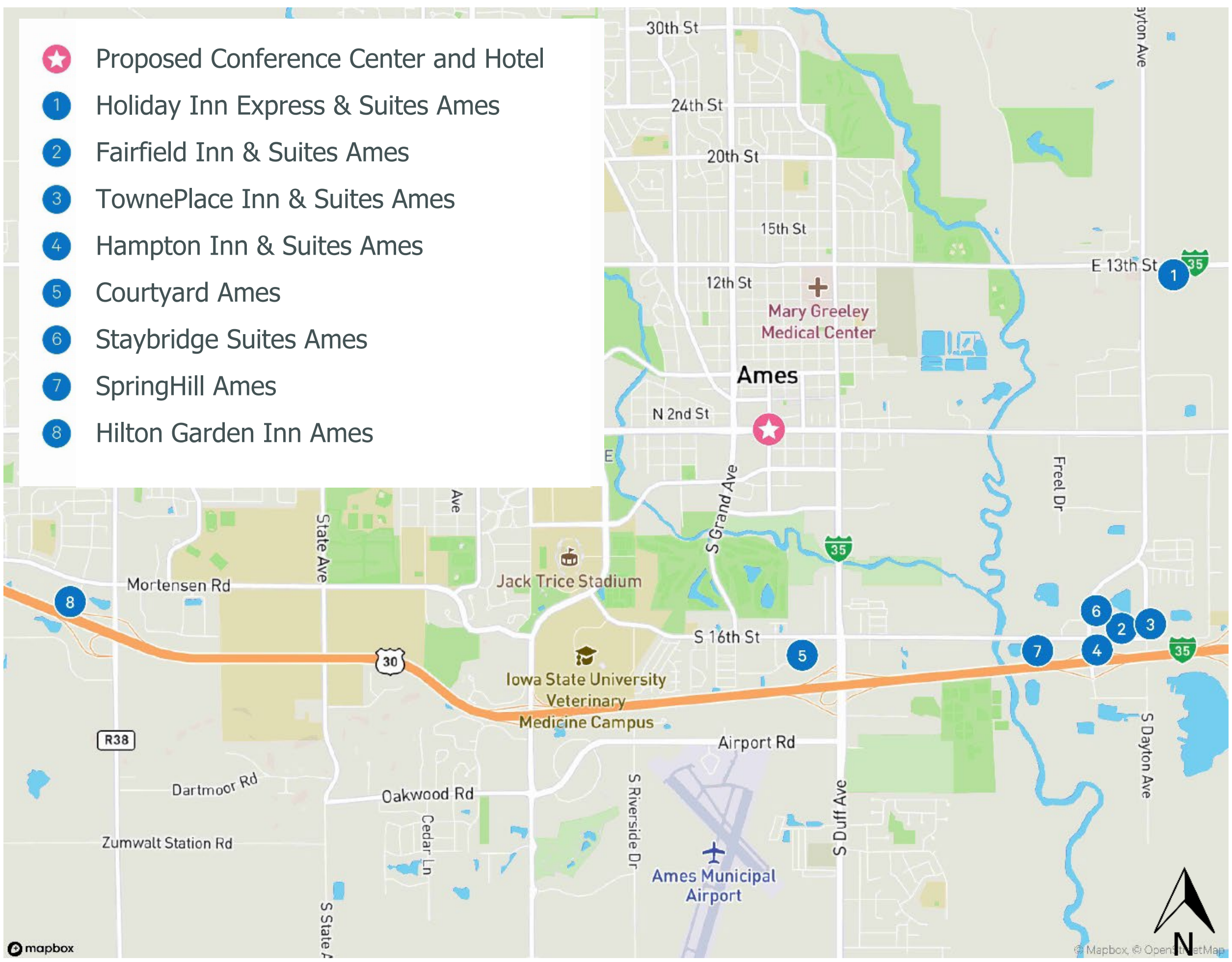
Source: STR Census Report

Lodging supply within a five-mile radius of the subject consists of 1,953 hotel rooms in 24 hotels. Overall, the hotel inventory in the neighborhood ranges from upper-midscale to economy properties, with the three newest hotel properties reaching into the upscale, limited service category.

Of the 24 properties in the market, 13 are over 25 years of age, representing slightly more than half of all rooms. The most recent opening was the 82 room Staybridge Suites, with a 90 room sister property open in summer 2025. The majority of hotels are concentrated along the I-35 exit ramp, with the rest to the west on US 30 or the next interstate exit to the north.

Competitive Hotel Market Analysis

There are eight properties with a total of 739 guest rooms in the market, which would compete to varying degrees with the subject. These include a variety of limited, select-service, and extended stay hotels located in the subject's competitive market. Although additional lodging facilities are present or planned in the market area, they are not considered to be directly competitive due to disparities in terms of location, product, pricing, affiliation and/or quality. Accordingly, a guest who patronizes one of the competitive properties is not likely to be the same type of traveler who, under normal circumstances, would choose these other facilities. The following map depicts the location of each property in relation to the subject. The table on the page after the map provides a summary profile of the defined competitive properties.



CBRE

Competitive Supply - Proposed Ames Conference Center and Hotel Ames, Iowa

2024 Hotel	Rooms	Year Built	Occupancy	Occupancy Penetration	ADR	ADR Penetration	RevPAR	RevPAR Penetration
Holiday Inn Express & Suites Ames	75	2000	55% - 65%	95% - 105%	$120 - $130	90% - 100%	$70 - $80	90% - 95%
Fairfield Inn & Suites Ames	76	2007	55% - 65%	95% - 105%	$125 - $135	90% - 100%	$75 - $85	90% - 95%
TownePlace Suites Ames	89	2016	55% - 65%	95% - 105%	$125 - $135	90% - 100%	$75 - $85	95% - 100%
Hampton by Hilton Inn & Suites Ames	90	2016	60% - 70%	105% - 115%	$145 - $155	105% - 115%	$95 - $105	120% - 125%
Courtyard Ames	119	2020	55% - 65%	95% - 105%	$130 - $140	95% - 105%	$75 - $85	95% - 100%
Staybridge Suites Ames	82	2023	55% - 65%	95% - 105%	$125 - $135	90% - 100%	$75 - $85	95% - 100%
SpringHill Suites Ames	96	2021	55% - 65%	95% - 105%	$125 - $135	95% - 105%	$75 - $85	95% - 100%
Hilton Garden Inn Ames	112	2008	55% - 65%	90% - 100%	$135 - $145	100% - 110%	$80 - $90	100% - 105%
COMP SET TOTALS/AVERAGES	**739**		**61%**		**$135.13**		**$82.78**	

As shown, the primary competitive set has a total of 939 rooms. The calendar year 2024 occupancy and ADR achieved by these properties was roughly 61% and $135.13, respectively. The competitive supply consists primarily of upper-midscale and upscale, limited, select-service, and extended-stay hotels. The subject hotel will be a unique addition within the local competitive set due to its full-service meeting space and conference center amenities.

Additions/Deletions to Supply

New supply for the subject's market area is illustrated in the table below. We have also considered any planned reduction in room count inventory as the result of renovations or redesign for the subject and its competitors:

Supply Additions					
Name	Estimated Opening	Additional Competitive Rooms	Dist from Subject (miles)	Chain Scale	Status
Proposed Ames Conference Center and Hotel	1/1/2029	200	-		Planning
Home2 Suites by Hilton Ames	6/1/2025	90	1.9	Upper Midscale	Open
CY Town Hotel	1/1/2028	150	1.5	Upper Upscale	Planning
Total Additional Rooms		**440**			
Total Annualized Additional Room Inventory		**160,600**			

Compiled by CBRE

As shown, our research indicates that 440 new hotel rooms in three projects are under construction, recently opened or planned for near term development that we expect to compete directly with the subject.

- The Home2 Suites, an extended stay product recently opened in June of 2025 and will compete mostly with the other extended stay hotels like the TownePlace Suites.
- The CY Town Hotel is a seven-story, 150-room planned hotel within a 94-acre mixed-use development located between Jack Trice Stadium and Hilton Coliseum. This ISU development is in the early planning phases with various announcements indicating different potential room counts. However, after interviews in the marketplace, roundly 150 rooms and lifestyle branding is the most likely, and current plan for facilities.

While CBRE has made several attempts to determine the level of new hotel supply entering the marketplace, it is impossible to determine every hotel that will be developed in the future, when they will be completed, or their potential impact to the subject. Should any competitive supply additions occur beyond those listed above and the subject, the estimates of occupancy (and possibly ADR) contained herein would thus be affected and a revision might be required.

Hotel Demand

Demand for hotel rooms is categorized in three ways:

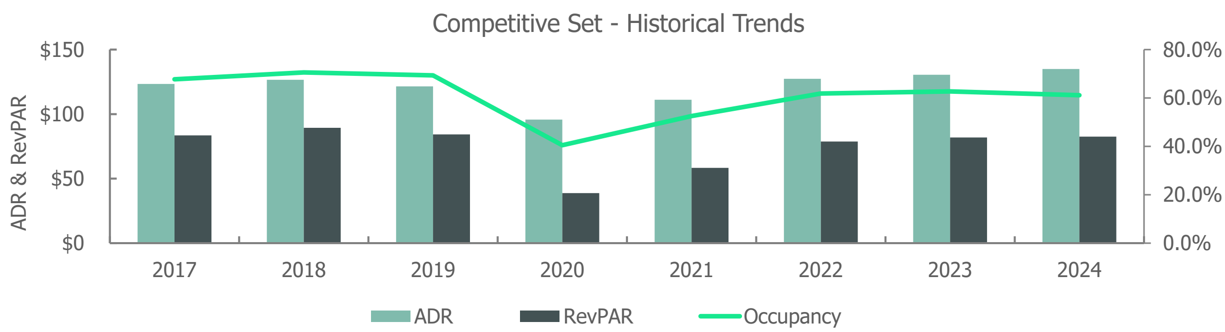
1. Demonstrated Demand: the demand already captured at competitive hotels;
2. Induced Demand: the demand that does not presently seek accommodations in the competitive market, but could be persuaded to do so through marketing efforts, room rates, facilities, services and amenities.
3. Displaced/Unsatisfied Demand: the demand that seeks accommodations in the market but is not satisfied due to a number of factors including: sell-outs during peak season; lack of a particular type of accommodation; lack of meeting space; or high room rates.

Historical Performance of the Competitive Market

As noted, the preceding properties all compete for area lodging demand and are considered directly competitive with the subject. In order to more precisely identify hotel market trends, as they relate to the subject, CBRE has relied on a customized report prepared by STR, Inc., a national firm specializing in tracking hotel data. The hotels included in the report are based on interviews with representatives of the subject and subsequent field research.

The trends in room supply, occupancy, average daily rate, and room-night demand (defined as the number of occupied rooms) for the subject's competitive set are illustrated in the following table.

Historical Market Performance STR Trend Competitive Properties									
Year	Room Night Supply	% Δ	Room Night Demand	% Δ	Market Occupancy	Average Daily Rate	% Δ	RevPAR	% Δ
2017	161,330	---	109,250	---	67.7%	$123.34	---	$83.52	---
2018	161,330	0.0%	113,819	4.2%	70.6%	$126.61	2.7%	$89.32	6.9%
2019	161,330	0.0%	111,855	-1.7%	69.3%	$121.49	-4.0%	$84.23	-5.7%
2020	183,226	13.6%	74,189	-33.7%	40.5%	$95.76	-21.2%	$38.77	-54.0%
2021	234,141	27.8%	122,959	65.7%	52.5%	$111.14	16.1%	$58.36	50.5%
2022	239,805	2.4%	148,276	20.6%	61.8%	$127.31	14.6%	$78.72	34.9%
2023	242,347	1.1%	152,026	2.5%	62.7%	$130.51	2.5%	$81.87	4.0%
2024	269,735	11.3%	164,840	8.4%	61.1%	$135.00	3.4%	$82.50	0.8%
CAG *		7.6%		6.1%			1.3%		-0.2%
May TTM 2023	239,805	---	154,996	---	64.6%	$128.00	---	$82.73	---
May TTM 2024	254,729	6.2%	152,504	-1.6%	59.9%	$132.32	3.4%	$79.22	-4.2%
May TTM 2025	269,735	5.9%	165,281	8.4%	61.3%	$132.67	0.3%	$81.30	2.6%
CAG *		6.1%		3.3%			1.8%		-0.9%
May YTD 2022	99,207		56,078	---	56.5%	$122.17	---	$69.06	---
May YTD 2023	99,207	0.0%	62,798	12.0%	63.3%	$124.43	1.8%	$78.76	14.1%
May YTD 2024	111,589	12.5%	63,276	0.8%	56.7%	$128.84	3.5%	$73.06	-7.2%
May YTD 2025	111,589	0.0%	63,717	0.7%	57.1%	$122.84	-4.7%	$70.14	-4.0%
CAGR *		4.0%		4.3%			0.2%		0.5%



* Compound Annual Growth Rate

Source: STR Custom Trends Report

Based on trends in the preceding table, critical observations are as follows:

- The market received three new hotel openings since 2020. Specifically, the 119-room Courtyard Ames in 2020, 96-room SpringHill Suites Ames in 2021 and 82-room Staybridge Suites Ames in 2023. The increase in supply began during COVID, altering the market's ability to properly absorb the new additions and reach stabilization.
- The 8-year CAGR, or compound annual growth rate, resulted in a 7.6% supply increase, while demand increased at 6.1% over the same period. The market has demonstrated a slow recovery post-COVID, however, while occupancy shows a decline, overall demand has increase year-over-year.
- ADR has increased at a CAGR of 1.3% over the 8-year period, below national market averages. RevPAR has decreased over the same period, mostly driven by the low ADR growth rates.
- Year to date 2025, the competitive market has declined, posting a -4.0 percent reduction in RevPAR.
- Going forward, we expect the market to improve notably. Demand for all forms of travel should accelerate recovery in the near term with the addition of the subject Conference Center and Hotel, along with other market demand drivers. For this analysis, we have forecast stabilized, long term revenue growth for the market at 3.0 percent annually.
- As mentioned, the subject will be one of the newer hotels in the competitive market and is considered one of the highest quality hotels in the market in terms of services and amenities offered.

Demand Segmentation

In most markets, overall demand varies based on the nature of travel. In most markets, the lodging demand is generated from three different segments: Corporate, Group/Meeting and Leisure travelers. In some markets, a fourth classification may be present, such as extended stay, airline contract, government, university, or medical. A breakdown of the overall market segments is illustrated in the following table.

Historical Demand Segmentation

	Competitive Set	
Segment	2024 Demand	%
CORPORATE	81,604	49%
LEISURE	69,528	42%
GROUP	14,101	9%
Total	**165,233**	**100%**

Compiled by CBRE

Based on historical trends for the various demand segments, the state of the local and national economies, and conversations with local hotel operators in the marketplace, the applicable demand segments are projected to exhibit the following growth trends. Primarily, we anticipate significant growth from the first phase opening of CyTown in 2028, as well as the LINC development (includes the subject hotel) in 2029. As the new supply is absorbed and the two mixed-uses become established in the area, by 2031, the market will be stabilized.

Annual Demand Growth Rates								
Segment	2025	2026	2027	2028	2029	2030	2031	2032 and beyond
CORPORATE	1.5%	1.5%	1.5%	5.0%	4.0%	3.0%	3.0%	0.0%
LEISURE	1.5%	1.5%	1.5%	6.0%	5.0%	5.0%	3.0%	0.0%
GROUP	1.5%	1.5%	1.5%	4.0%	10.0%	6.0%	3.0%	0.0%

Compiled by CBRE

Latent Demand

Latent demand indicates potential room nights in the marketplace that is not being satisfied. It comes in two forms: induced demand and displaced demand. Induced demand represents room nights accruing to the market area due to the introduction of a new demand generator (such as a convention center or a major company), or the introduction of a new hotel that has distinct advantages over the existing competitors. Displaced demand (also referred to as unaccommodated demand) occurs when the market reaches capacity and additional guests cannot be accommodated. Of course, as rooms are added to the marketplace, the level of displaced demand diminishes.

As noted previously, supply additions include the subject Conference Center and Hotel, Home2 Suites Ames, and the CY Town Hotel. Each of these properties is likely to induce a certain level of additional demand due to their presence, unique market orientation, marketing efforts or branding. The following table depicts the level of induced demand expected to be generated by each supply addition.

Induced Demand from New Supply					
Name	Estimated Opening	No. Rooms	Estimated Stab. Occ.	% Induced	Induced Demand
Proposed Ames Conference Center and Hotel	1/1/2029	200	66%	60%	79
Home2 Suites by Hilton Ames	6/1/2025	90	68%	30%	18
CY Town Hotel	1/1/2028	150	66%	30%	30
Total Daily Induced Demand					**127**
Total Annual Induced Room Night Demand					**46,450**

Compiled by CBRE

Based on the above, the total amount of daily induced demand from new supply is projected to be 127, phased in over the initial years of the projection period as the new projects open.

The phase-in of the induced room nights is illustrated as follows.

Induced Demand by Number of Room Nights								
	Future			Induced Demand Phase-In				
Segment	Demand	2025	2026	2027	2028	2029	2030	2031
CORPORATE	45	5	9	9	25	45	45	45
LEISURE	36	4	7	7	20	36	36	36
GROUP	46	6	9	9	25	46	46	46
Totals	127	15	26	26	69	127	127	127

Compiled by CBRE

Induced Demand Rates - Percentage of Forecasted Induced Demand								
	Future			Induced Demand Phase-In				
Segment	Demand	2025	2026	2027	2028	2029	2030	2031
CORPORATE	45	12.0%	20.5%	20.5%	54.5%	100.0%	100.0%	100.0%
LEISURE	36	12.0%	20.5%	20.5%	54.5%	100.0%	100.0%	100.0%
GROUP	46	12.0%	20.5%	20.5%	54.5%	100.0%	100.0%	100.0%

Compiled by CBRE

Market Demand Summary

Based on the preceding discussion of demand characteristics, expected growth rates, latent demand and seasonality patterns, our projections of supply and demand are presented below, along with the resulting projection of market area occupancy.

Projected Base Demand, Annual Growth, and Market-Wide Occupancy								
Competitive Set Year Ending 12/31/	2024	2025	2026	2027	2028	2029	2030	2031
CORPORATE								
Annual Growth		1.5%	1.5%	1.5%	5.0%	4.0%	3.0%	3.0%
Base Nightly Demand	224	227	230	234	245	255	263	271
Annual Room Nights	81,604	82,828	84,070	85,332	89,598	93,182	95,977	98,857
Induced Demand	-	1,973	3,380	3,431	7,939	16,885	17,435	17,958
Total Segment Demand	81,604	84,801	87,450	88,763	97,537	110,067	113,412	116,815
LEISURE								
Annual Growth		1.5%	1.5%	1.5%	6.0%	5.0%	5.0%	3.0%
Base Nightly Demand	190	193	196	199	211	222	233	240
Annual Room Nights	69,528	70,571	71,629	72,703	77,066	80,919	84,965	87,514
Induced Demand	-	1,776	3,042	3,088	7,609	13,743	14,459	14,892
Total Segment Demand	69,528	72,346	74,671	75,791	84,675	94,662	99,424	102,406
GROUP								
Annual Growth		1.5%	1.5%	1.5%	4.0%	10.0%	6.0%	3.0%
Base Nightly Demand	39	39	40	40	42	46	49	50
Annual Room Nights	14,101	14,313	14,527	14,745	15,335	16,868	17,881	18,417
Induced Demand	-	197	338	343	2,525	17,159	18,261	18,809
Total Segment Demand	14,101	14,510	14,865	15,088	17,860	34,028	36,141	37,226
Accommodated Totals								
CORPORATE	81,604	84,801	87,450	88,763	97,537	110,067	113,412	116,815
LEISURE	69,528	72,346	74,671	75,791	84,675	94,662	99,424	102,406
GROUP	14,101	14,510	14,865	15,088	17,860	34,028	36,141	37,226
Accommodated Market Demand[2]	**165,233**	**171,657**	**176,987**	**179,643**	**200,072**	**238,756**	**248,977**	**256,447**
Growth over Prior Year		3.9%	3.1%	1.5%	11.4%	19.3%	4.3%	3.0%
Market Statistics								
Existing Rooms Supply	737	739	739	739	739	739	739	739
Proposed Rooms Supply	-	53	90	90	240	440	440	440
Total Available Room Nights	269,735	289,080	302,585	302,585	357,335	430,335	430,335	430,335
Growth over Prior Year		7.2%	4.7%	0.0%	18.1%	20.4%	0.0%	0.0%
Potential Market-wide Occupancy	61.3%	59.4%	58.5%	59.4%	56.0%	55.5%	57.9%	59.6%
Accommodated Market Occupancy	61.3%	59.4%	58.5%	59.4%	56.0%	55.5%	57.9%	59.6%

[1] After the base year, displaced demand grows at the respective segment's annual growth rate.

[2] If a market occupancy cap is used, accommodated market demand may not equal implied accommodated room night demand.

Source: CBRE

As shown in the table above, the accommodated market occupancy is forecast to increase over the first few years after the opening of the proposed subject, as the market absorbs the new supply and benefits from the conference center demand. Market occupancy is forecast to stabilize in the 60 percent range throughout the holding period, which is reasonable given the projected growth of the Ames market and the amount of directly competitive new supply coming on line around the MSA and in the submarket.

Forecast of Occupancy and Average Daily Rate

The average daily rate and the overall occupancy of a lodging facility are the foundation for the property's financial performance. While a property's other revenue components (food and beverage, telephone, spa, other income, etc) are crucial to the operation of the hotel, they are dependent on the overall number of occupied rooms. Furthermore, the occupancy and average daily rate of a hotel are highly correlated. In reality, one cannot make a projection of one without a projection of the other. Therefore, while we have made specific projections of occupancy, we have also considered the subject's positioned rate in our forecast.

In order to project the future occupancy levels of the subject, we have estimated the level of patronage by market segment that can be reasonably captured (penetration). The extent to which the subject can capture demand from each market segment was estimated by performing a fair share penetration analysis.

A hotel's fair share is defined as the number of available rooms divided by the total supply of available rooms in the competitive market, including the subject. Factors indicating the subject would possess competitive advantages suggest a market penetration in excess of 100 percent of fair share, while competitive weaknesses are reflected in penetration less than 100 percent.

Penetration

Penetration is the relationship between a market's fair share and its actual share of the overall demand. For example, a 100-room hotel would equate to 10% of a 1,000-room competitive set. If this hotel were to capture 10% of the overall lodging demand, it would penetrate the market by 100 percent.

Market penetration, or penetration rate, is the ratio of captured demand to fair share of demand. Factors indicating competitive advantages are typically reflected in penetration rates above 100 percent, while, conversely, competitive disadvantages are reflected in penetration rates below 100 percent. Actual penetration of each market segment by the Subject may deviate from fair market share for the reasons such as the following:

- The competitive advantages or disadvantages of the hotel versus the competition taking into consideration such factors as age, location, room rate structure, chain affiliation, quality of management, marketing efforts, and image;
- The physical characteristics of the property, e.g. size, amenities, food & beverage outlets, meeting facilities, property condition, etc.
- Management objectives and marketing strategies.
- Capacity constraints of both the subject property and the market.

Corporate Penetration

The subject will be affiliated with a major hotel franchise. This brand should be recognized across the country for quality lodging accommodations. Additionally, it will be of higher quality to most of the competitive hotels and is proximate to Downtown. However, this hotel is expected to house group activity first and foremost. As such For this analysis, we have projected the subject's corporate penetration rate will ramp up to a stabilized level of 70%.

Leisure Penetration

The subject will feature various on-site amenities, such as the restaurant and meeting space, that will appeal to the group demand segment. Other competitive advantages for the subject will include expansive and flexible meeting space, high quality and modern F&B outlets, an indoor pool, and a location walkable to a variety of shops and restaurants. For this analysis, we have projected the subject will achieve a stabilized leisure penetration rate of 70%.

Group Penetration

The subject will be the leading hotel with meeting space, and the only full-service hotel, with the exception of the CY Town Hotel. With the hotel amenities and F&B outlets, and the Conference Center, we anticipate this hotel to induce and secure most of the group demand in the market. For this analysis, we have projected the subject's group penetration rate will ramp up to a stabilized level of 350%.

Overall, the subject improvements, as proposed, consist of a viable hotel. The projections of captured penetration rates for the subject by demand segment along with the resulting projections of occupied room-nights are illustrated as follows:

Projected Subject Penetration Schedule			
Year Ending 12/31/	**2029**	**2030**	**2031**
Subject Property Fair Share			
Market Room Supply	1,179	1,179	1,179
Subject Avg. Room Count	200	200	200
Fair Share	17.0%	17.0%	17.0%
Room Nights Captured by Subject			
CORPORATE			
Fair Share	17.0%	17.0%	17.0%
Penetration Factor	65.0%	68.0%	70.0%
Market Share	11.0%	11.5%	11.9%
Demand	110,067	113,412	116,815
Capture	12,136	13,082	13,871
LEISURE			
Fair Share	17.0%	17.0%	17.0%
Penetration Factor	70.0%	68.0%	70.0%
Market Share	11.9%	11.5%	11.9%
Demand	94,662	99,424	102,406
Capture	11,241	11,469	12,160
GROUP			
Fair Share	17.0%	17.0%	17.0%
Penetration Factor	320.0%	330.0%	350.0%
Market Share	54.3%	56.0%	59.4%
Demand	34,028	36,141	37,226
Capture	18,471	20,232	22,102
Total Capture	**41,848**	**44,783**	**48,133**
Subject Occupancy	**57.3%**	**61.3%**	**65.9%**
Penetration as % of Fair Market Share	**103.3%**	**106.0%**	**110.6%**

Compiled by CBRE

The overall accommodated room night demand is multiplied by the subject's fair share and by the projected penetration ratio to derive the subject's accommodated room night demand.

We have selected roundly 66% as the stabilized occupancy for the subject, recognizing that as yet unknown supply additions are possible. At a market occupancy approximating 60 percent, there is a slight possibility that developers will be attracted to the market. The stabilized occupancy figure is intended to be an average figure over the projected holding period. Based upon the expected positioning of the subject, and considering the seasonality monthly and weekly patterns and new supply projections, our stabilized penetration estimate for the subject of 110.6% is considered reasonable.

Average Daily Rate

As noted previously, one of the most important considerations in deriving an opinion of value of a hotel is its forecast of a supportable average daily rate (ADR). The ADR of a hotel can be calculated by dividing the total rooms revenue by the total number of occupied rooms achieved during a specified period of time.

Subject's Competitive Positioning

Although the forecast of average daily rate follows the discussion of future occupancy, these two figures are highly correlated, and one cannot make projections of occupancy without specific assumptions of ADR. This relationship is defined by RevPAR, or Revenue Per Available Room. RevPAR is the measure of a property's ability to maximize rooms revenue. Theoretically, for example, if a lodging property's ADR increases substantially (with no market influencing factors), its occupancy would decrease. Conversely, if a property's ADR decreases, an increase in occupancy would be anticipated. In each instance, RevPAR would remain unchanged. The historical ADR and RevPAR for the competitive set is illustrated as follows:

Competitive ADR and RevPAR

Property	2024 ADR	2024 RevPAR
Holiday Inn Express & Suites Ames	$120 - $130	$70 - $80
Fairfield Inn & Suites Ames	$125 - $135	$75 - $85
TownePlace Suites Ames	$125 - $135	$75 - $85
Hampton by Hilton Inn & Suites Ames	$145 - $155	$95 - $105
Courtyard Ames	$130 - $140	$75 - $85
Staybridge Suites Ames	$125 - $135	$75 - $85
SpringHill Suites Ames	$125 - $135	$75 - $85
Hilton Garden Inn Ames	$135 - $145	$80 - $90
Market Weighted Average	**$135.13**	**$82.78**

Source: CBRE

As illustrated in the preceding chart, the competitive set properties suggest an ADR range of approximately $120 to $155. Furthermore, the weighted average for the market is $135.13. The subject property is expected to offer more advantages than most of the local comparables in terms of brand affiliation, quality, and amenities, and is more favorable in terms of age and condition.

CBRE

As a Conference Center and Hotel, the subject is likely to outperform and over penetrate the local market in ADR. Since there is no direct comparable facility in the Ames market, a secondary set of regional comparables was compiled to benchmark the subject's performance. These secondary full-service hotels were selected because they included a conference center or were connected to a convention center. The following table presents the regional comparables. Moreover, through interviews and preliminary survey results, these properties were indicated as alternative options to Ames.

Regional Competitive Set

Property	City	ST	Year Opened	Rooms	Meeting Space	Largest Space	Meeting Space Per Room
DoubleTree Cedar Rapids Convention Complex	Cedar Rapids	IA	1979	267	68,822	27,300	258
Embassy Suites Des Moines	Des Moines	IA	1990	234	20,054	10,725	86
Renaissance Des Moines Savery Hotel	Des Moines	IA	1887	209	12,053	6,496	58
Marriott West Des Moines	West Des Moines	IA	1979	220	8,623	4,602	39
Hilton Des Moines Downtown	Des Moines	IA	2018	330	19,338	9,940	59
Embassy Suites Peoria	East Peoria	IL	2008	226	35,063	20,000	155
Hilton Minneapolis/Bloomington	Bloomington	MN	2008	256	82,152	24,780	321
Embassy Suites Omaha - La Vista	La Vista	NE	2008	257	16,504	10,658	64
Marriott Omaha Downtown	Omaha	NE	2017	333	35,322	10,275	106
Sheraton Sioux Falls Hotel	Sioux Falls	SD	1998	243	5,930	2,600	24
Hilton Madison Monona Terrace	Madison	WI	2001	239	5,478	1,690	23
AVG			**1990**	**256**	**28,122**	**11,733**	**110**
					2024 Performance		
					OCC	**ADR**	**RevPAR**
				Min	56.8%	$140	$91
				Max	74.3%	$193	$139
				Median	65.5%	$160	$105
				Average	66.8%	$165	$110
				Subject Estimate (2024$)	**66%**	**$170**	**$112**

Compiled by CBRE Hotels

In 2024, the regional set achieved an average occupancy of 66.8% at $165. The subject Conference Center and Hotel, as a new high-quality property with minimal local competition, will potentially perform above the regional average. As such, CBRE estimates an ADR of $170, as if the hotel were open in 2024, as reasonable. Furthermore, the stabilized occupancy at 66% is in line with the regional comparables.

The calendar year projections of ADR growth for the subject are illustrated in the following table.

Subject's Calendar Year and Fiscally Adjusted ADR Estimates						
Subject's Positioned ADR (Calendar Year 2024)			**$170.00**			
Calendar Year	**% Growth**	**Constant 2024 Dollars**	**Indicated ADR**	**Discount**	**Adj. ADR**	**Index**
2025	3.0%	$170.00	$175.10			
2026	3.0%	$170.00	$180.35	0.0%	$180.35	129.7%
2027	3.0%	$170.00	$185.76	0.0%	$185.76	129.7%
2028	3.0%	$170.00	$191.34	0.0%	$191.34	129.7%
2029	3.0%	$170.00	$197.08	**5.0%**	$187.22	123.2%
2030	3.0%	$170.00	$202.99	**2.0%**	$198.93	127.1%
2031	3.0%	$170.00	$209.08	**1.0%**	$206.99	128.4%
2032	3.0%	$170.00	$215.35	0.0%	$215.35	129.7%
2033	3.0%	$170.00	$221.81	0.0%	$221.81	129.7%
2034	3.0%	$170.00	$228.47	0.0%	$228.47	129.7%

Compiled by CBRE

The subject opens in 2029 and stabilizes in 2032; it is fairly common for discounted rates in the first few years of operation as the property is building a market presence and attracting new demand. As such we have discounted ADR in 2029, 2030, and 2031 by 5%, 2%, and 1% respectively. Therefore, ADR for the opening year of operation in 2029 is projected to be $187.

Conclusion

The subject's occupancy, ADR, RevPAR, Revenue Yield and corresponding room revenue for the first several years of our projection analysis are illustrated as follows:

Occupancy, ADR, and Rooms Revenue Conclusions					
			Stab'd Year		
As Complete - Fiscal Year Ending 12/31/	**2029**	**2030**	**2031**	**2032**	**2033**
Avg. Available Rooms	200	200	200	200	200
Annual Room Nights	73,000	73,000	73,000	73,000	73,000
Occupancy	57%	61%	66%	66%	66%
Occupied Rooms	41,610	44,530	48,180	48,180	48,180
ADR	$187.22	$198.93	$206.99	$215.35	$221.81
RevPAR	$106.72	$121.35	$136.61	$142.13	$146.40
RevPAR Growth	---	13.7%	12.6%	4.0%	3.0%
Revenue Yield	125.4%	139.7%	146.5%	143.6%	143.6%
Total Rooms Revenue	**$7,790,339**	**$8,858,313**	**$9,972,671**	**$10,375,607**	**$10,686,875**

Source: CBRE

Our projections include a sustainable occupancy and market supported ADR. The stabilized revenue yield in the local Ames market at 143.6% is reasonable based on its new construction and quality level at the upper end of the market. The subject's projection of rooms revenue is illustrated again in the Estimated Operating Income Section of this report.

Induced Demand Analysis

The purpose of this analysis is to isolate the induced demand from the addition of the proposed Conference Center and Hotel that would likely **NOT** be accommodated by the subject due to capacity constraints. The facilities can hold events for 1,000 attendees; however, the guestrooms at 200-rooms are undersized to accommodate all of the attendees needing guestrooms. Thus, for large events utilizing a significant portion of the conference space, many of the overnight attendees will 'overflow' to the surrounding hotel market. This is a common market factor for conference and convention facilities where the meeting space can accommodate more overnight attendees than the primary or headquarter hotel's number of guestrooms. In many cases, this is akin to a 'headquarter hotel' accommodating large groups at a convention/conference space but sized to allow additional group room nights to flow to the surrounding market area.

Groups and Meetings

After the survey and interviews with Discover Ames, Ames Economic Alliance, local hoteliers, as well as other key stakeholders in the business community, there is significant demand in Ames for a facility to host multiple day conferences and meetings for statewide professional associations, government agencies, and private businesses. The existing facilities in Ames are not large enough to accommodate many of the groups and do not offer the quality facilities that meeting planners expect.

Downtown Ames is strategically located to attract numerous conference and meeting functions which would benefit from the central location and nearby downtown shops and restaurants. Historically, some events have utilized various conference and hotel facilities in Ames and ISU, however, the size and availability of facilities has been a limiting factor. The Survey indicated more than 300 groups would consider the Subject Conference Center and Hotel.

Methodology

To determine a reasonable number of large groups that could be hosted by the subject conference hotel, CBRE Hotels generated a hypothetical annual schedule of large events. This build up of events were based on the survey, various interviews with meeting planners, regional hotel conference sales managers, as well as visitor statistics utilizing Placer.ai data. It does not present any specific event but is informed by actual events referenced in our fieldwork.

Number of events

The hypothetical events consist of a minimum of 200 attendees and a maximum of 1,000 attendees. In general, based on the proposed and recommended plans, this range of group sizes are likely to utilize a significant portion of the hotel's facilities, as well as generate substantial room nights. The following is a breakdown of the size of events, an estimate of the number of events that could be accommodated, as well as an average number of nights the events would need to be accommodated.

- 1,000 person events – Based on interviews with operators of similar sized hotels and conference centers in comparable markets, a sales and marketing team would target an event of this size once per quarter at a minimum. They generally need hotel rooms from 2 to 4 nights per event.
- 600 - 800 person events – the interviews indicated events in these categories would be more frequent and total roundly 16 per year, a little over 1 per month. They generally need hotel rooms from 2 to 4 nights per event.
- 200 - 400 person events – Interviews indicated events of this size could occur approximately 30 time per year. They generally need hotel rooms for 2 to 3 nights per event.
- 50 - 200 person events – interviews indicated events of this size would be most frequent, have shorter lead times, more locally sourced, and would generally induce less demand to the other competitive hotels in the market. As such, CBRE hotels did not include these potential events in this analysis.

The following table breaks down the number of hypothetical large events that could be hosted in the subject's stabilized operating year.

Number of Events (200+)

Event Sizes	Number of Events	Nights per Event	Total Event Nights
1,000	5	2.75	14
800	8	2.75	22
600	12	2.75	33
400	30	2.50	75
200	30	2.50	75
Total	**85**		**219**

Source: CBRE Hotels, Market Interviews, Survey

Potential Room Nights per Event

The following table summarizes CBRE Hotel's estimate for the hypothetical number of room nights per event and is calculated below based on industry interviews for like kind Conference Center and Hotels to the subject.

Potential Room Nights per Large Event				
Event Sizes	Attendees Needing Accomodation	Number of potential Hotel Guests	Guests per Room	Number of Potential Room Nights
1,000	50%	500	1.25	400
800	50%	400	1.25	320
600	55%	330	1.25	264
400	60%	240	1.25	192
200	70%	140	1.25	112

Source: CBRE Hotels, Market Interviews

Not all the attendees for events to this facility would need hotel rooms, specifically, since the Ames market is likely most attractive to local, regional and state groups. Most of the attendees would be driving into this market rather than flying. As such, less hotel rooms are likely needed. Based on interviews, the largest events would average roundly 50% of the attendees potentially needing accommodations. For smaller events, the sales and marketing teams would generally attempt to attract groups that need more accommodations, as such CBRE assumes 55% to 70% of attendees needing accommodation in the 200-600 size category. The interviews indicated a desire for attendees to not share rooms with other attendees, specifically since COVID as social distancing and work from home trends increased the desire for personal space and privacy. For this analysis, CBRE assumes roundly 1.25 guests per room as a reasonable metric in today's market.

Proposed Hotel Rooms Available for Events

The following table summarizes CBRE Hotels estimate for the potential number of guest rooms from the proposed Conference Center that could be available for the potential events. While large events may be able to 'buy out' all of the proposed hotel's 200-guestroom inventory, it's unlikely management would open up all inventory for every large event due to seasonality from transient (non-group) demand such as corporate, government, and/or leisure travel. This is especially true for Ames, a college town, in which the various university and sports-related events will sell out the market. Group room blocks are typically discounted from a hotel's daily rate or 'rack rate'. As such, when revenue managing the property, the hotel would likely allocate a portion of rooms to still remain open for transient demand to drive significant revenues.

Subject Hotel Rooms Available For Events					
Event Sizes	Number of Potential Room Nights	Hotel Available Inventory	% available for Group	Rooms Available for Groups	Room Nights Induced per event
1,000	400	200	90%	180	**220**
800	320	200	90%	180	**140**
600	264	200	85%	170	**94**
400	192	200	60%	120	**72**
200	112	200	50%	100	**12**

Source: CBRE Hotels, Market Interviews

For this analysis of the available hotel inventory, CBRE estimates an average of 85% of the inventory would be allocated to group room blocks per large event. The table above presents an estimate for induced room nights per event per night. This is calculated by subtracting the potential room nights by the rooms available for groups. For 1,000 attendee events, potential rooms need for attendees (per night) is 400. The hotel will likely only allocate 173 rooms to groups, as such the remaining attendees would have to be accommodated within the competitive market (400 room nights – 173 available rooms = 227 room nights induced into the market). After applying all factors, event sizes of roundly 200 attendees are likely to not overflow to the local market and be fully accommodated by the subject Hotel.

Induced Room Nights

Utilizing the estimate of potential room nights induced into the local market per event per night, CBRE applied industry-based estimates for the total number of events, as well as the number of nights per event. These estimates were derived from interviews with comparable hotels. The following table presents the total number of hotel room nights induced into the local market hotels in a stabilized year.

Summary of Potential Room Night Induced into Market Hotels

Event Sizes	Number of Events	Nights per Event	Room Nights Induced per event	Total Induced Room Nights
1,000	5	2.75	220	3,025
800	8	2.75	140	3,080
600	12	2.75	94	3,102
400	30	2.50	72	5,400
200	30	2.50	12	900
Totals	**85**		**538**	**15,507**

Source: CBRE Hotels, Market Interviews

In summary, building out a hypothetical schedule of large events greater than 200 attendees, could potentially yield roundly 16,000 room nights induced into the local market. To clarify, these induced room nights **ARE NOT** captured by the subject conference hotel but are effectively 'overflow' to the local competitive market and considered a net benefit to Ames.

Visitor Travel Patterns

As a test of reasonableness, CBRE utilized Placer.ai data to measure estimated travel patterns of visitors attending conventions and conferences in similar locations to Ames. Furthermore, CBRE isolated the percentage of visitors attending these meeting facilities but not staying in the host or headquarter Hotel. This provides an alternative estimate of how citywide group activity potentially overflows into the local hotel market.

Placer.ai is a location analytics platform which uses geofencing to track visitor traffic in a defined area. Primarily a marketing tool, it also allows the tracking of points of interest a particular visitor will go in a day. It effectively tracks cell phone traffic of visitors when they enter into primary points of interest. The platform can isolate for numerous variable to estimate potential visitors that are not residents, employees, or based locally. For this analysis, CBRE applied the following variables to isolate visitors that would likely attend an event at the local conference/convention center, as well as a hotel. The variables are as follows:

- Distance from Home: 100 miles
- Visit duration: over 60 minutes
- Non-Employee
- Non-Resident

Visit duration selected is relatively short to account for conference attendees as the base set of visitors and the primary destination being a conference center. A driving distance of greater than 100 miles could likely lead to a hotel stay for an average event attendee, and most employees and local residents are not tracked in this data set, as well. However, since the data provided through geofencing doesn't necessarily account for visitor intentions, attitudes, purpose, etc. but is raw data, there are some limitations to the data set.

The following comparables included locations with similar size and demographics to Ames, however, the meeting and conference facilities varied significantly, as well as the square feet of meeting space per host hotel room. Each table of the comparables includes total visitor traffic to the convention/conference facility, as well as the percent traveling to Hotels and Casinos as a point of interest category versus the host or headquarter hotel. The traffic patterns indicated both coming from (pre-visit) and going to (post-visit) hotels. We note, placer.ai combines hotel and casinos as a single category.

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Hyatt Regency Coralville

Visitors	Hotels and Casinos Pre-Visit	Post-Visit		
	6.5%	9.2%		
149,700	9,731	13,772		
Non-Headquarter Visitors			9,731	13,772
Total Pre and Post Non-Headquarter Visits				**23,503**
Convention/Conference Space (Indoor)				57,588
Total Host Hotel Rooms				288
Meeting Space/SF				200

Source: Placer.ai

Des Moines Marriott Downtown

Visitors	Hotels and Casinos Pre-Visit	Post-Visit		
	8.1%	6.5%		
215,500	17,456	14,008		
Non-Headquarter Visitors			17,456	14,008
Total Pre and Post Non-Headquarter Visits				**31,463**
Convention/Conference Space (Indoor)				33,851
Total Host Hotel Rooms				200
Meeting Space/SF				169

Source: Placer.ai

Holiday Inn & Suites Cedar Falls

Visitors	Hotels and Casinos Pre-Visit	Post-Visit		
	3.8%	3.5%		
67,400	2,561	2,359		
Non-Headquarter Visitors			2,561	2,359
Total Pre and Post Non-Headquarter Visits				**4,920**
Convention/Conference Space (Indoor)				25,125
Total Host Hotel Rooms				129
Meeting Space/SF				195

Source: Placer.ai

Holiday Inn Des Moines Airport

Visitors	Hotels and Casinos Pre-Visit	Post-Visit		
	3.5%	5.9%		
111,600	3,906	6,584		
Non-Headquarter Visitors			3,906	6,584
Total Pre and Post Non-Headquarter Visits				**10,490**
Convention/Conference Space (Indoor)				34,000
Total Host Hotel Rooms				213
Meeting Space/SF				160

Source: Placer.ai

Stoney Creek Sioux City

Visitors	Hotels and Casinos Pre-Visit	Post-Visit		
	15.3%	15.1%		
63,400	9,700	9,573		
Non-Headquarter Visitors			9,700	9,573
Total Pre and Post Non-Headquarter Visits				**19,274**
Convention/Conference Space (Indoor)				19,000
Total Host Hotel Rooms				161
Meeting Space/SF				118

Source: Placer.ai

Hotel at Kirkwood Center

Visitors	Hotels and Casinos Pre-Visit	Post-Visit		
	3.4%	5.4%		
25,500	867	1,377		
Non-Headquarter Visitors			867	1,377
Total Pre and Post Non-Headquarter Visits				**2,244**
Convention/Conference Space (Indoor)				17,361
Total Host Hotel Rooms				71
Meeting Space/SF				245

Source: Placer.ai

Comparable Visitor Traffic Summary		
Market	**Total Visitors**	**Total Non-Headquarter Overnight Stays**
Hyatt Regency Coralville	149,700	23,503
Des Moines Marriott Downtown	215,500	31,463
Holiday Inn & Suites Cedar Falls	67,400	4,920
Holiday Inn Des Moines Airport	111,600	10,490
Stoney Creek Sioux City	63,400	19,274
Hotel at Kirkwood Center	25,500	2,244
Min		2,244
Max		31,463
Average		15,316
Median		14,882
CBRE Estimates Rounded	**100,000**	**15,500**
Source: Placer.ai, CBRE Hotels, Meeting Planner Survey		

Based on the referenced comparables, the non-headquarter hotel visits ranged from 2,244 to 31,463. Our estimate of induced demand from the previous build up approach is within the range of these comparables.

Conclusions

There are limitations in all studies forecasting potential performance as the analysis presented a hypothetical schedule of events based on survey of meeting planners, hotel/conference operators, visitor traffic, and property group bookings reports. Furthermore, the Ames Market has not demonstrated significant citywide conference demand in recent history due to lack of adequate and quality facilities. The primary data sources contributed to these estimates are based on the following:

- Survey of 153 meeting planners.
- Interviews with Discover Ames and other local representatives.
- Interviews with Hotel and conference operators and sales and marketing teams.
- Multiple Group pace reports and booking summaries.
- Placer.ai location intelligence and visitor traffic data.

CBRE is concluding to a reasonable range as an estimate for the subject hotel to account for market uncertainty. Approximately 12,000 to 19,000 room nights could potentially be induced into the local hotel market as overflow from large events.

Conclusion of Induced Room Nights		
12,000	**-**	**19,000**
Potential room nights induced into the Ames competitive market NOT acommodated by the Subject Hotel.		
Source: CBRE Hotels		

Estimated Hotel Operating Income

The following section presents estimates of future operating results for the proposed subject Conference Center and Hotel. We have assumed that the property will be open and operating as of January 1, 2029. Our projections inherently assume competent and efficient management of the property.

The 10-year projection of cash flow is presented in a format that conforms to the *Uniform System of Accounts for the Lodging Industry*, an industry-standard accounting format. The *Uniform System of Accounts for the Lodging Industry* was developed by the American Hotel & Lodging Association and is in general use throughout the hospitality industry. In conformance with this system of account classifications, only direct operating expenses are charged to operating departments of the hotel. The general overhead items which are applicable to operations as a whole are classified as undistributed operating expenses and include administration and general expenses, information and telecommunications systems expenses, marketing expenses, property operations and maintenance expenses, energy and utility costs. Other property expenses include management fees, property taxes, insurance, and a reserve for replacement.

Occupancy, ADR, and RevPAR Conclusions

The subject's occupancy, ADR, RevPAR, and corresponding room revenue for the first several years of our projection analysis are illustrated as follows and were discussed and analyzed in the hotel market analysis:

Occupancy, ADR, and Rooms Revenue Conclusions

As Complete - Fiscal Year Ending 12/31/	2029	2030	Stab'd Year 2031	2032	2033
Avg. Available Rooms	200	200	200	200	200
Annual Room Nights	73,000	73,000	73,000	73,000	73,000
Occupancy	57%	61%	66%	66%	66%
Occupied Rooms	41,610	44,530	48,180	48,180	48,180
ADR	$187.22	$198.93	$206.99	$215.35	$221.81
RevPAR	$106.72	$121.35	$136.61	$142.13	$146.40
RevPAR Growth	---	13.7%	12.6%	4.0%	3.0%
Revenue Yield	125.4%	139.7%	146.5%	143.6%	143.6%
Total Rooms Revenue	**$7,790,339**	**$8,858,313**	**$9,972,671**	**$10,375,607**	**$10,686,875**

Source: CBRE

Income and Expense Comparables

This analysis incorporates revenue estimates based on our survey of comparable and competitive properties, and general market trend information. The revenue and expense comparisons include full-service hotels all located in the region. The comparable hotels' financial information is obtained in part from confidential information submitted to the CBRE Hotels' Americas Research Publication *Trends® in the Hotel Industry* (U.S. edition). For reasons of confidentiality, we have not disclosed the identity of the comparable hotels. The following charts summarize income and expenses taken from regional revenue/expense comparables as well as data from *Trends® in the Hotel Industry (U.S. edition) report.*

For the purposes of benchmarking the revenues and expenses of the proposed Conference Center and Hotel, CBRE combined the operation into a single cash flow Statement as that is most in line with our comparable data of Conference Center Hotels. Once our statements of Operating Income was prepared, we allocated separate statements for the Hotel piece and the Conference Center Piece.

CBRE

Comparable Income and Expense Data - Selected Hotels

Property		Comparable 1			Comparable 2			Comparable 3			Comparable 4			Comparable 5	
US Region		SC			SC			SC			SC			NC	
Hotel Description / Name		Upscale			Upper Upscale			Upper Upscale			Upper Upscale			Upper Upscale	
Year		**2024**			**2024**			**2024**			**2024**			**2024**	
Days Open		**366**			**366**			**366**			**366**			**366**	
Avg. No. of Rooms		**210 - 270**			**370 - 470**			**240 - 320**			**240 - 320**			**290 - 380**	
Occupancy		**65% - 75%**			**70% - 75%**			**70% - 75%**			**70% - 75%**			**70% - 75%**	
Average Daily Rate		**$165 - $175**			**$155 - $165**			**$160 - $170**			**$145 - $155**			**$185 - $195**	
	Ratio to Sales	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**
REVENUE															
Rooms	65.6%	$43,754	$170.21	56.6%	$41,813	$159.97	55.1%	$42,901	$163.94	61.1%	$40,824	$151.93	58.8%	$49,141	$189.41
Food & Beverage	29.9%	19,934	77.55	37.3%	27,577	105.51	42.7%	33,263	127.11	36.4%	24,333	90.56	33.4%	27,940	107.69
Other Operated Departments	0.4%	234	0.91	4.9%	3,601	13.78	1.3%	1,040	3.97	1.4%	957	3.56	6.4%	5,374	20.71
Miscellaneous Income (Net)	4.2%	2,775	10.80	1.2%	906	3.47	0.9%	722	2.76	1.0%	666	2.48	1.4%	1,153	4.44
Total Operating Revenue	100.0%	$66,697	$259.47	100.0%	$73,898	$282.73	100.0%	$77,925	$297.78	100.0%	$66,780	$248.52	100.0%	$83,607	$322.26
DEPARTMENTAL EXPENSES*															
Rooms Expense	21.4%	$9,353	$36.38	20.1%	$8,407	$32.16	25.1%	$10,749	$41.08	26.2%	$10,709	$39.85	24.1%	$11,840	$45.64
Food & Beverage Expense	63.5%	12,664	49.26	49.7%	13,716	52.47	38.1%	12,687	48.48	46.0%	11,195	41.66	66.6%	18,621	71.77
Other Operated Departments Expense	32.5%	76	0.30	69.4%	2,499	9.56	10.7%	111	0.43	14.7%	141	0.53	35.2%	1,892	7.29
Total Departmental Expenses	33.1%	$22,092	$85.94	33.3%	$24,621	$94.20	30.2%	$23,547	$89.98	33.0%	$22,045	$82.04	38.7%	$32,352	$124.70
DEPARTMENTAL PROFIT	66.9%	$44,605	$173.52	66.7%	$49,276	$188.53	69.8%	$54,378	$207.80	67.0%	$44,735	$166.48	61.3%	$51,255	$197.56
UNDISTRIBUTED OPERATING EXPENSES															
Administrative and General	7.9%	$5,286	$20.56	6.2%	$4,598	$17.59	7.1%	$5,535	$21.15	9.2%	$6,121	$22.78	7.2%	$6,018	$23.20
Information and Telecommunications Systems	0.9%	584	2.27	1.2%	904	3.46	0.9%	733	2.80	1.0%	663	2.47	1.6%	1,367	5.27
Sales and Marketing	8.2%	5,443	21.17	7.1%	5,245	20.07	8.2%	6,381	24.38	9.2%	6,162	22.93	7.5%	6,253	24.10
Franchise Fees (Royalty)	7.2%	3,168	12.33	10.2%	4,277	16.36	4.0%	1,717	6.56	5.0%	2,055	7.65	7.8%	3,844	14.82
Property Operations and Maintenance	3.7%	2,472	9.62	2.7%	1,966	7.52	3.8%	2,964	11.33	4.3%	2,848	10.60	3.2%	2,702	10.41
Utilities	2.8%	1,884	7.33	3.4%	2,491	9.53	4.0%	3,089	11.80	4.1%	2,717	10.11	4.8%	3,997	15.41
Total Undistributed Expenses	28.2%	$18,837	$73.28	26.4%	$19,481	$74.53	26.2%	$20,419	$78.03	30.8%	$20,567	$76.54	28.9%	$24,180	$93.20
GROSS OPERATING PROFIT	38.6%	$25,768	$100.24	40.3%	$29,795	$113.99	43.6%	$33,959	$129.77	36.2%	$24,168	$89.94	32.4%	$27,075	$104.36
Management Fee	3.0%	$2,001	$7.78	3.0%	$2,217	$8.48	3.0%	$2,338	$8.93	3.0%	$2,003	$7.46	3.0%	$2,508	$9.67
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	35.6%	$23,767	$92.46	37.3%	$27,578	$105.51	40.6%	$31,621	$120.83	33.2%	$22,165	$82.49	29.4%	$24,567	$94.69
NON-OPERATING INCOME AND EXPENSES															
Property Taxes	2.5%	$1,656	$6.44	1.5%	$1,120	$4.28	3.0%	$2,354	$8.99	3.1%	$2,051	$7.63	4.6%	$3,846	$14.83
Insurance	1.9%	1,262	4.91	1.1%	776	2.97	1.6%	1,246	4.76	1.7%	1,158	4.31	1.4%	1,137	4.38
Reserve for Replacement	4.0%	2,668	10.38	4.0%	2,956	11.31	4.0%	3,117	11.91	4.0%	2,671	9.94	4.0%	3,344	12.89
Total Non-Operating Income and Expenses	8.4%	$5,586	$21.73	6.6%	$4,852	$18.56	8.6%	$6,717	$25.67	8.8%	$5,881	$21.88	10.0%	$8,327	$32.10
INCOME AFTER FIXED CHARGES	27.3%	$18,181	$70.73	30.8%	$22,727	$86.95	32.0%	$24,904	$95.17	24.4%	$16,284	$60.60	19.4%	$16,239	$62.59
NET INCOME (EBITDA)	**27.3%**	**$18,181**	**$70.73**	**30.8%**	**$22,727**	**$86.95**	**32.0%**	**$24,904**	**$95.17**	**24.4%**	**$16,284**	**$60.60**	**19.4%**	**$16,239**	**$62.59**

* Departmental expense ratios are based on departmental revenues; Franchise/Royalty ratio is based on room revenues; all others are based on total revenues.

* Operating Comparables have been adjusted for management fee and/or reserves for replacement to normalize our expense comparison

Source: Hotel Operating Statements

CBRE

CBRE Trends® - Selected Categories

Property	Convention Hotels - Under 500 Rooms			Full Service Hotels - North Central			Convention Hotels - North Central			Full Service Hotels - All			Trends® Report - Weighted Average		
Year	**2023**			**2023**			**2023**			**2023**			**2023**		
Avg. No. of Rooms	**314**			**231**			**979**			**237**			**440**		
Occupancy	**62.5%**			**61.4%**			**59.3%**			**68.5%**			**61.4%**		
Average Daily Rate	**$193**			**$179**			**$198**			**$214**			**$197**		
	Ratio to Sales	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**
REVENUE															
Rooms	59.9%	$43,949	$192.69	69.4%	$40,100	$178.97	61.6%	$42,854	$198.14	71.9%	$53,563	$214.11	63.7%	$44,129	$196.80
Food & Beverage	35.3%	25,904	$113.58	25.8%	14,923	$66.61	33.6%	23,414	$108.26	21.9%	16,347	$65.34	31.3%	$21,793	$97.97
Other Operated Departments	3.1%	2,267	$9.94	3.0%	1,748	$7.80	3.1%	2,128	$9.84	3.7%	2,727	$10.90	3.2%	$2,184	$9.73
Miscellaneous Income (Net)	1.7%	1,265	$5.55	1.8%	1,043	$4.66	1.8%	1,224	$5.66	2.5%	1,900	$7.59	1.9%	$1,299	$5.77
Total Operating Revenue	100.0%	$73,386	$321.76	100.0%	$57,815	$258.04	100.0%	$69,620	$321.89	100.0%	$74,536	$297.95	100.1%	$69,404	$310.27
DEPARTMENTAL EXPENSES															
Rooms Expense	26.5%	$11,651	$51.09	27.9%	$11,176	$49.88	29.1%	$12,456	$57.59	27.4%	$14,685	$58.70	28.3%	$12,445	$55.57
Food & Beverage Expense	67.2%	$17,395	$76.27	71.5%	$10,677	$47.65	65.6%	$15,358	$71.01	76.0%	$12,428	$49.68	68.1%	$14,713	$66.01
Other Operated Departments Expense	36.4%	$825	$3.62	45.9%	$802	$3.58	32.8%	$698	$3.23	43.4%	$1,184	$4.73	36.6%	$800	$3.55
Total Departmental Expenses	40.7%	$29,872	$130.97	39.2%	$22,655	$101.12	41.0%	$28,512	$131.83	38.0%	$28,296	$113.11	40.3%	$27,957	$125.13
DEPARTMENTAL PROFIT	59.3%	$43,514	$190.79	60.8%	$35,159	$156.92	59.0%	$41,108	$190.06	62.0%	$46,240	$184.84	59.7%	$41,447	$185.14
UNDISTRIBUTED OPERATING EXPENSES															
Administrative and General	9.4%	$6,911	$30.30	9.3%	$5,393	$24.07	7.3%	$5,112	$23.64	8.9%	$6,649	$26.58	8.2%	$5,676	$25.28
Information and Telecommunications Systems	1.7%	$1,221	$5.35	1.7%	$974	$4.35	1.5%	$1,069	$4.94	1.5%	$1,096	$4.38	1.6%	$1,087	$4.86
Sales and Marketing*	8.1%	$5,979	$26.21	10.4%	$6,027	$26.90	8.2%	$5,715	$26.42	9.6%	$7,131	$28.51	8.7%	$5,994	$26.73
Property Operations and Maintenance	4.9%	$3,588	$15.73	4.9%	$2,819	$12.58	4.9%	$3,405	$15.74	4.5%	$3,334	$13.33	4.8%	$3,351	$15.00
Utilities	3.4%	$2,478	$10.86	3.6%	$2,080	$9.28	3.4%	$2,356	$10.89	3.3%	$2,423	$9.69	3.4%	$2,351	$10.51
Total Undistributed Expenses	27.5%	$20,176	$88.46	29.9%	$17,292	$77.18	25.4%	$17,658	$81.64	27.7%	$20,634	$82.48	26.6%	$18,459	$82.38
GROSS OPERATING PROFIT	31.8%	$23,338	$102.33	30.9%	$17,867	$79.74	33.7%	$23,451	$108.42	34.4%	$25,606	$102.36	33.1%	$22,988	$102.77
Management Fee	3.3%	$2,406	$10.55	3.3%	$1,911	$8.53	3.2%	$2,219	$10.26	3.4%	$2,501	$10.00	3.3%	$2,272	$9.87
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	28.5%	$20,932	$91.78	27.6%	$15,956	$71.21	30.5%	$21,231	$98.16	31.0%	$23,105	$92.36	29.8%	$20,717	$92.90
NON-OPERATING INCOME AND EXPENSES															
Property Taxes	2.4%	$1,780	$7.81	4.8%	$2,781	$12.41	3.8%	$2,675	$12.37	3.8%	$2,823	$11.28	3.7%	$2,549	$11.42
Insurance	0.9%	$697	$3.05	1.1%	$623	$2.78	0.8%	$532	$2.46	1.5%	$1,150	$4.60	1.0%	$657	$2.90
Reserve for Replacement**	4.0%	$2,935	$12.87	4.0%	$2,313	$10.32	4.0%	$2,785	$12.88	4.0%	$2,981	$11.92	4.0%	$2,776	$12.41
Total Non-Operating Income and Expenses	7.4%	$5,412	$23.73	9.9%	$5,717	$25.51	8.6%	$5,992	$27.71	9.3%	$6,954	$27.80	8.7%	$5,982	$26.72
INCOME AFTER FIXED CHARGES	21.1%	$15,520	$68.05	17.7%	$10,239	$45.70	21.9%	$15,239	$70.45	21.7%	$16,151	$64.56	21.2%	$14,756	$65.99
NET INCOME (EBITDA)	**21.1%**	**$15,520**	**$68.05**	**17.7%**	**$10,239**	**$45.70**	**21.9%**	**$15,239**	**$70.45**	**21.7%**	**$16,151**	**$64.56**	**21.2%**	**$14,756**	**$65.99**

*Sales and Marketing Expenses are Inclusive of Franchise Fees (Royalty)

**Reserves are based on a normalized 4.0% of Total Operating Revenue

Source: CBRE Trends®

CBRE

Fixed and Variable Revenue and Expense Analysis

Operating revenues and expenses for hotels have a component that is fixed and a component that is variable with respect to increases or decreases in occupancy. The fixed component increases at an inflationary level, while the variable component is adjusted in proportion to the use of the hotel facility.

The applicable fixed and variable ratios were derived through discussions with hotel experts and are consistent with industry norms. These ratios and the associated revenue component drivers are illustrated as follows:

Fixed and Variable Amounts

COMPONENT	FIXED %	%	VAR. DRIVER
REVENUE			
Rooms	N/A	N/A	N/A
Food & Beverage	20.0%	80.0%	Occ Rooms
Other Operated Departments	30.0%	70.0%	Occ Rooms
Miscellaneous Income (Net)	20.0%	80.0%	Occ Rooms
DEPARTMENTAL EXPENSES			
Rooms Expense	60.0%	40.0%	Occ Rooms
Food & Beverage Expense	40.0%	60.0%	Food Rev
Other Operated Departments Expense	50.0%	50.0%	OOD Rev
UNDISTRIBUTED OPERATING EXPENSES			
Administrative and General	75.0%	25.0%	Total Rev
Information and Telecommunications Systems	75.0%	25.0%	Total Rev
Sales and Marketing	75.0%	25.0%	Total Rev
Franchise Fees (Royalty)	0.0%	100.0%	Total Rev
Property Operations and Maintenance	65.0%	35.0%	Total Rev
Utilities	65.0%	35.0%	Total Rev
Management Fee	0.0%	100.0%	Total Rev
FIXED CHARGES			
Property Taxes	100.0%	0.0%	N/A
Insurance	100.0%	0.0%	N/A
Reserve for Replacement	0.0%	100.0%	N/A

Source: CBRE

Departmental Projections

Rooms Department

Rooms Revenues

The subject's and the comparable data revenues for this department as a percentage of total revenues, on a per available room basis, and on a per occupied room basis are summarized as follows:

Rooms				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		65.6%	$43,754	$170.21
Expense Comparable 2		56.6%	$41,813	$159.97
Expense Comparable 3		55.1%	$42,901	$163.94
Expense Comparable 4		61.1%	$40,824	$151.93
Expense Comparable 5		58.8%	$49,141	$189.41
Trends® Report - Weighted Average		63.7%	$44,129	$196.80
Convention Hotels - Under 500 Rooms		59.9%	$43,949	$192.69
Full Service Hotels - North Central		69.4%	$40,100	$178.97
Convention Hotels - North Central		61.6%	$42,854	$198.14
Full Service Hotels - All		71.9%	$53,563	$214.11
DCF Estimate Year 1 (As Complete)	**$7,790**	**57.6%**	**$38,952**	**$187.22**
DCF Stabilized Estimate (Year 3)	**$9,973**	**59.4%**	**$49,863**	**$206.99**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$9,400**	**59.4%**	**$47,001**	**$195.11**
Base Year (Calendar Year 2024)	**$8,191**	**59.6%**	**$40,953**	**$170.00**

Compiled by CBRE

Analysis of Rooms Department Revenues was previously provided.

Rooms Expenses

Rooms expenses include labor costs such as salaries and wages for front desk, housekeeping, reservations, bell staff and laundry, plus employee benefits. Also included herein are linens, cleaning supplies, guest supplies, uniforms, central or franchise reservation fees, equipment leases and travel agent commissions. Payroll costs are typically the largest component. A hotel is labor-intensive, although relatively low-paying. Overall, wages typically account for 50% to 60% of the total departmental expense. The comparable data and projections for the subject are summarized as follows:

Rooms Expense

Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		21.4%	$9,353	$36.38
Expense Comparable 2		20.1%	$8,407	$32.16
Expense Comparable 3		25.1%	$10,749	$41.08
Expense Comparable 4		26.2%	$10,709	$39.85
Expense Comparable 5		24.1%	$11,840	$45.64
Trends® Report - Weighted Average		28.3%	$12,445	$55.57
Convention Hotels - Under 500 Rooms		26.5%	$11,651	$51.09
Full Service Hotels - North Central		27.9%	$11,176	$49.88
Convention Hotels - North Central		29.1%	$12,456	$57.59
Full Service Hotels - All		27.4%	$14,685	$58.70
DCF Estimate Year 1 (As Complete)	**$1,848**	**23.7%**	**$9,241**	**$44.42**
DCF Stabilized Estimate (Year 3)	**$2,074**	**20.8%**	**$10,370**	**$43.05**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$1,955**	**20.8%**	**$9,774**	**$40.57**
Base Year (Calendar Year 2024)	**$1,686**	**20.6%**	**$8,432**	**$35.00**

Compiled by CBRE

As shown, we projected Rooms expenses at $35.00 per occupied room in the Base Year (Calendar Year 2024) of our analysis. Our estimate is supported by the comparable properties.

Food & Beverage Department

Food & Beverage Revenue

Food & Beverage revenue is generated by a hotel's restaurants, lounges, coffee shops, snack bars, banquet rooms, and room service. In the case of the subject, food revenue will be generated by the various food and beverage outlets. Beverage revenue is generated by the sale of alcoholic beverages in a hotel's restaurants and banquet rooms and the sale of alcoholic and non-alcoholic beverages in the bars and lounges. The subject's and the comparable data revenues for this department as a percentage of total revenues, on a per available room basis, and on a per occupied room basis are summarized as follows:

Food & Beverage				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		29.9%	$19,934	$77.55
Expense Comparable 2		37.3%	$27,577	$105.51
Expense Comparable 3		42.7%	$33,263	$127.11
Expense Comparable 4		36.4%	$24,333	$90.56
Expense Comparable 5		33.4%	$27,940	$107.69
Trends® Report - Weighted Average		31.3%	$21,793	$97.97
Convention Hotels - Under 500 Rooms		35.3%	$25,904	$113.58
Full Service Hotels - North Central		25.8%	$14,923	$66.61
Convention Hotels - North Central		33.6%	$23,414	$108.26
Full Service Hotels - All		21.9%	$16,347	$65.34
DCF Estimate Year 1 (As Complete)	**$4,976**	**36.8%**	**$24,880**	**$119.59**
DCF Stabilized Estimate (Year 3)	**$5,926**	**35.3%**	**$29,628**	**$122.99**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$5,585**	**35.3%**	**$27,927**	**$115.93**
Base Year (Calendar Year 2024)	**$4,818**	**35.1%**	**$24,090**	**$100.00**

Compiled by CBRE

Food & Beverage Expenses

Food & Beverage expenses include the costs of goods sold (Food & Beverage), labor and related benefits, and other operating expenses. Labor costs include departmental management, cooks and kitchen personnel, service staff, banquet staff and bartenders. Other operating expenses include china, silverware, linens, restaurant and kitchen supplies, menus and printing, and special promotions. As with the rooms department, payroll costs are typically the largest component. The comparable data and projections for the subject are summarized as follows:

Food & Beverage Expense

Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		63.5%	$12,664	$49.26
Expense Comparable 2		49.7%	$13,716	$52.47
Expense Comparable 3		38.1%	$12,687	$48.48
Expense Comparable 4		46.0%	$11,195	$41.66
Expense Comparable 5		66.6%	$18,621	$71.77
Trends® Report - Weighted Average		68.1%	$14,713	$66.01
Convention Hotels - Under 500 Rooms		67.2%	$17,395	$76.27
Full Service Hotels - North Central		71.5%	$10,677	$47.65
Convention Hotels - North Central		65.6%	$15,358	$71.01
Full Service Hotels - All		76.0%	$12,428	$49.68
DCF Estimate Year 1 (As Complete)	**$2,871**	**57.7%**	**$14,354**	**$69.00**
DCF Stabilized Estimate (Year 3)	**$3,259**	**55.0%**	**$16,295**	**$67.64**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$3,072**	**55.0%**	**$15,360**	**$63.76**
Base Year (Calendar Year 2024)	**$2,650**	**55.0%**	**$13,250**	**$55.00**

Compiled by CBRE

As illustrated above, we projected F&B expenses at 55.0% of departmental revenue in the Base Year (Calendar Year 2024) of our analysis. Our estimate is supported by the comparable properties.

Other Operated Department

Other Operated Departments Revenue

Other Operated Departments revenues are those derived from garage and parking, guest laundry, gift shop, retail, newsstand, spa et cetera, when operated by the hotel. Also included are revenues generated from sources not included elsewhere, such as on-demand movie rentals, vending machines, fax and business services.

Specific to the subject, this line item includes revenues from valet parking revenues and other revenues.

The subject's and the comparable data revenues for this department as a percentage of total revenues, on a per available room basis, and on a per occupied room basis are summarized as follows:

Other Operated Departments				
Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		0.4%	$234	$0.91
Expense Comparable 2		4.9%	$3,601	$13.78
Expense Comparable 3		1.3%	$1,040	$3.97
Expense Comparable 4		1.4%	$957	$3.56
Expense Comparable 5		6.4%	$5,374	$20.71
Trends® Report - Weighted Average		3.2%	$2,184	$9.73
Convention Hotels - Under 500 Rooms		3.1%	$2,267	$9.94
Full Service Hotels - North Central		3.0%	$1,748	$7.80
Convention Hotels - North Central		3.1%	$2,128	$9.84
Full Service Hotels - All		3.7%	$2,727	$10.90
DCF Estimate Year 1 (As Complete)	**$505**	**3.7%**	**$2,526**	**$12.14**
DCF Stabilized Estimate (Year 3)	**$593**	**3.5%**	**$2,963**	**$12.30**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$559**	**3.5%**	**$2,793**	**$11.59**
Base Year (Calendar Year 2024)	**$482**	**3.5%**	**$2,409**	**$10.00**

Compiled by CBRE

Other Operated Departments Expense

The subject's and the comparable data expenses for this department as a percentage of total revenues, on a per available room basis, and on a per occupied room basis are summarized as follows:

Other Operated Departments Expense				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		32.5%	$76	$0.30
Expense Comparable 2		69.4%	$2,499	$9.56
Expense Comparable 3		10.7%	$111	$0.43
Expense Comparable 4		14.7%	$141	$0.53
Expense Comparable 5		35.2%	$1,892	$7.29
Trends® Report - Weighted Average		36.6%	$800	$3.55
Convention Hotels - Under 500 Rooms		36.4%	$825	$3.62
Full Service Hotels - North Central		45.9%	$802	$3.58
Convention Hotels - North Central		32.8%	$698	$3.23
Full Service Hotels - All		43.4%	$1,184	$4.73
DCF Estimate Year 1 (As Complete)	**$266**	**52.6%**	**$1,330**	**$6.39**
DCF Stabilized Estimate (Year 3)	**$296**	**50.0%**	**$1,481**	**$6.15**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$279**	**50.0%**	**$1,396**	**$5.80**
Base Year (Calendar Year 2024)	**$241**	**50.0%**	**$1,205**	**$5.00**
Compiled by CBRE				

As illustrated above, we projected Other Operated expenses at 50.0% of departmental revenue in the Base Year (Calendar Year 2024) of our analysis. Our estimate is supported by the comparable properties.

Miscellaneous Income (Net)

Miscellaneous revenues include resort and cancellation fees. The subject's and the comparable data revenues for this department as a percentage of total revenues, on a per available room basis, and on a per occupied room basis are summarized on the following table. Note that the revenues are presented net of associated expenses:

Miscellaneous Income (Net)				
Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		4.2%	$2,775	$10.80
Expense Comparable 2		1.2%	$906	$3.47
Expense Comparable 3		0.9%	$722	$2.76
Expense Comparable 4		1.0%	$666	$2.48
Expense Comparable 5		1.4%	$1,153	$4.44
Trends® Report - Weighted Average		1.9%	$1,299	$5.77
Convention Hotels - Under 500 Rooms		1.7%	$1,265	$5.55
Full Service Hotels - North Central		1.8%	$1,043	$4.66
Convention Hotels - North Central		1.8%	$1,224	$5.66
Full Service Hotels - All		2.5%	$1,900	$7.59
DCF Estimate Year 1 (As Complete)	**$249**	**1.8%**	**$1,244**	**$5.98**
DCF Stabilized Estimate (Year 3)	**$296**	**1.8%**	**$1,481**	**$6.15**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$279**	**1.8%**	**$1,396**	**$5.80**
Base Year (Calendar Year 2024)	**$241**	**1.8%**	**$1,205**	**$5.00**

Compiled by CBRE

Total Operating Revenue

The subject's total operating revenue estimates are detailed as follows:

Total Operating Revenue				
Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		100.0%	$66,697	$259.47
Expense Comparable 2		100.0%	$73,898	$282.73
Expense Comparable 3		100.0%	$77,925	$297.78
Expense Comparable 4		100.0%	$66,780	$248.52
Expense Comparable 5		100.0%	$83,607	$322.26
Trends® Report - Weighted Average		100.1%	$69,404	$310.27
Convention Hotels - Under 500 Rooms		100.0%	$73,386	$321.76
Full Service Hotels - North Central		100.0%	$57,815	$258.04
Convention Hotels - North Central		100.0%	$69,620	$321.89
Full Service Hotels - All		100.0%	$74,536	$297.95
DCF Estimate Year 1 (As Complete)	**$13,520**	**100.0%**	**$67,602**	**$324.93**
DCF Stabilized Estimate (Year 3)	**$16,787**	**100.0%**	**$83,935**	**$348.42**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$15,823**	**100.0%**	**$79,117**	**$328.42**
Base Year (Calendar Year 2024)	**$13,731**	**100.0%**	**$68,657**	**$285.00**

Compiled by CBRE

Total Departmental Expenses

The subject's total departmental expense estimates are detailed as follows:

Total Departmental Expenses				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		33.1%	$22,092	$85.94
Expense Comparable 2		33.3%	$24,621	$94.20
Expense Comparable 3		30.2%	$23,547	$89.98
Expense Comparable 4		33.0%	$22,045	$82.04
Expense Comparable 5		38.7%	$32,352	$124.70
Trends® Report - Weighted Average		40.3%	$27,957	$125.13
Convention Hotels - Under 500 Rooms		40.7%	$29,872	$130.97
Full Service Hotels - North Central		39.2%	$22,655	$101.12
Convention Hotels - North Central		41.0%	$28,512	$131.83
Full Service Hotels - All		38.0%	$28,296	$113.11
DCF Estimate Year 1 (As Complete)	**$4,985**	**36.9%**	**$24,925**	**$119.80**
DCF Stabilized Estimate (Year 3)	**$5,629**	**33.5%**	**$28,146**	**$116.84**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$5,306**	**33.5%**	**$26,531**	**$110.13**
Base Year (Calendar Year 2024)	**$4,577**	**33.3%**	**$22,886**	**$95.00**

Compiled by CBRE

Departmental Profit

Total departmental profit is as follows.

Departmental Profit				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		66.9%	$44,605	$173.52
Expense Comparable 2		66.7%	$49,276	$188.53
Expense Comparable 3		69.8%	$54,378	$207.80
Expense Comparable 4		67.0%	$44,735	$166.48
Expense Comparable 5		61.3%	$51,255	$197.56
Trends® Report - Weighted Average		59.7%	$41,447	$185.14
Convention Hotels - Under 500 Rooms		59.3%	$43,514	$190.79
Full Service Hotels - North Central		60.8%	$35,159	$156.92
Convention Hotels - North Central		59.0%	$41,108	$190.06
Full Service Hotels - All		62.0%	$46,240	$184.84
DCF Estimate Year 1 (As Complete)	**$8,535**	**63.1%**	**$42,677**	**$205.13**
DCF Stabilized Estimate (Year 3)	**$11,158**	**66.5%**	**$55,789**	**$231.59**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$10,517**	**66.5%**	**$52,586**	**$218.29**
Base Year (Calendar Year 2024)	**$9,154**	**66.7%**	**$45,771**	**$190.00**

Compiled by CBRE

Expense Projections

In order to estimate expenses for the subject, the following data has been reviewed and analyzed:

- published industry averages for similar hotel segments and geographic regions; and
- actual operating expense data for similar properties.

The individual expense categories applicable to the subject are discussed in the following sections.

Undistributed Operating Expenses

Undistributed operating expenses are typically not directly related to an associated revenue source but can be compared on the basis of total revenues for similar types of hotels. These expenses are therefore compared and estimated as a percentage of total revenues, or on a per available or per occupied room basis.

Administrative and General Expenses

Administrative and general expenses include payroll and related expenses for the general manager, human resources and training, security, clerical staff, controller and accounting staff. Other expenses include office supplies, computer services, accounting and legal fees, cash overages and shortages, bad debt expenses, travel insurance, credit card commissions, transportation (non-guest) and travel and entertainment. These payroll costs are significant. The comparable data and projections for the subject are summarized as follows:

Administrative and General

Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		7.9%	$5,286	$20.56
Expense Comparable 2		6.2%	$4,598	$17.59
Expense Comparable 3		7.1%	$5,535	$21.15
Expense Comparable 4		9.2%	$6,121	$22.78
Expense Comparable 5		7.2%	$6,018	$23.20
Trends® Report - Weighted Average		8.2%	$5,676	$25.28
Convention Hotels - Under 500 Rooms		9.4%	$6,911	$30.30
Full Service Hotels - North Central		9.3%	$5,393	$24.07
Convention Hotels - North Central		7.3%	$5,112	$23.64
Full Service Hotels - All		8.9%	$6,649	$26.58
DCF Estimate Year 1 (As Complete)	**$1,213**	**9.0%**	**$6,065**	**$29.15**
DCF Stabilized Estimate (Year 3)	**$1,328**	**7.9%**	**$6,641**	**$27.57**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$1,252**	**7.9%**	**$6,260**	**$25.99**
Base Year (Calendar Year 2024)	**$1,080**	**7.9%**	**$5,400**	**$22.42**

Compiled by CBRE

As shown, we have estimated A&G department expenses at $5,400 per available room in the Base Year (Calendar Year 2024) of our analysis. Our estimate is supported by the comparable properties.

Information and Telecommunications Systems

Telecommunications expenses include the costs of calls, labor cost of operators and other related expenses. Information systems include the cost of high-speed internet and associated maintenance costs. Specifically excluded are associated capital lease payments. The comparable data and projections for the subject are summarized as follows:

Information and Telecommunications Systems				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		0.9%	$584	$2.27
Expense Comparable 2		1.2%	$904	$3.46
Expense Comparable 3		0.9%	$733	$2.80
Expense Comparable 4		1.0%	$663	$2.47
Expense Comparable 5		1.6%	$1,367	$5.27
Trends® Report - Weighted Average		1.6%	$1,087	$4.86
Convention Hotels - Under 500 Rooms		1.7%	$1,221	$5.35
Full Service Hotels - North Central		1.7%	$974	$4.35
Convention Hotels - North Central		1.5%	$1,069	$4.94
Full Service Hotels - All		1.5%	$1,096	$4.38
DCF Estimate Year 1 (As Complete)	**$135**	**1.0%**	**$674**	**$3.24**
DCF Stabilized Estimate (Year 3)	**$148**	**0.9%**	**$738**	**$3.06**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$139**	**0.9%**	**$696**	**$2.89**
Base Year (Calendar Year 2024)	**$120**	**0.9%**	**$600**	**$2.49**

Compiled by CBRE

As shown, we have estimated Information and Telecommunications Systems expenses at $600 per available room in the Base Year (Calendar Year 2024) of our analysis, which is well supported by the comparable data.

Sales and Marketing Expenses

Sales and Marketing expenses include payroll and related expenses for the sales and marketing staff, direct sales expenses, advertising and promotion, travel expenses for the sales staff and civic and community projects. This category may also include a national advertising fee or assessment paid to the franchise company, plus the cost of frequent guest stay programs. The comparable data and projections for the subject are summarized as follows:

Sales and Marketing

Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		8.2%	$5,443	$21.17
Expense Comparable 2		7.1%	$5,245	$20.07
Expense Comparable 3		8.2%	$6,381	$24.38
Expense Comparable 4		9.2%	$6,162	$22.93
Expense Comparable 5		7.5%	$6,253	$24.10
Trends® Report - Weighted Average		8.7%	$5,994	$26.73
Convention Hotels - Under 500 Rooms		8.1%	$5,979	$26.21
Full Service Hotels - North Central		10.4%	$6,027	$26.90
Convention Hotels - North Central		8.2%	$5,715	$26.42
Full Service Hotels - All		9.6%	$7,131	$28.51
DCF Estimate Year 1 (As Complete)	**$1,325**	**9.8%**	**$6,626**	**$31.85**
DCF Stabilized Estimate (Year 3)	**$1,451**	**8.6%**	**$7,256**	**$30.12**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$1,368**	**8.6%**	**$6,840**	**$28.39**
Base Year (Calendar Year 2024)	**$1,180**	**8.6%**	**$5,900**	**$24.49**

Compiled by CBRE

We have estimated Sales and Marketing expenses at $5,900 per available room in the Base Year (Calendar Year 2024) of our analysis. This is generally in line with and is well supported by the comparable data.

Franchise Fees (Royalty)

Franchise fees include only the royalty fees charged by the franchise company. We have estimated typical franchise fees for an upper upscale major franchise brand.

We have assumed that the subject will operate as this brand throughout the projection period. If the subject does not maintain a similar affiliation, it could have an impact on our concluded opinion(s) of market value.

Franchise fees are subject to change on an annual basis (within a reasonable range) based on actual costs incurred. The franchise fees for the subject are summarized as follows:

Franchise Fees (Royalty)

Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		7.2%	$3,168	$12.33
Expense Comparable 2		10.2%	$4,277	$16.36
Expense Comparable 3		4.0%	$1,717	$6.56
Expense Comparable 4		5.0%	$2,055	$7.65
Expense Comparable 5		7.8%	$3,844	$14.82
Trends® Report - Weighted Average		0.0%	$0	$0.00
Convention Hotels - Under 500 Rooms		0.0%	$0	$0.00
Full Service Hotels - North Central		0.0%	$0	$0.00
Convention Hotels - North Central		0.0%	$0	$0.00
Full Service Hotels - All		0.0%	$0	$0.00
DCF Estimate Year 1 (As Complete)	**$390**	**5.0%**	**$1,948**	**$9.36**
DCF Stabilized Estimate (Year 3)	**$499**	**5.0%**	**$2,493**	**$10.35**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$470**	**5.0%**	**$2,350**	**$9.76**
Base Year (Calendar Year 2024)	**$410**	**5.0%**	**$2,048**	**$8.50**

Compiled by CBRE

Property Operations & Maintenance

Property operations & maintenance expenses includes all payroll and related expenses for maintenance personnel, cost of maintenance supplies, cost of repairs and maintenance of the building, furniture and equipment, the grounds and the removal of waste matter. The comparable data and projections for the subject are summarized as follows:

Property Operations and Maintenance				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		3.7%	$2,472	$9.62
Expense Comparable 2		2.7%	$1,966	$7.52
Expense Comparable 3		3.8%	$2,964	$11.33
Expense Comparable 4		4.3%	$2,848	$10.60
Expense Comparable 5		3.2%	$2,702	$10.41
Trends® Report - Weighted Average		4.8%	$3,351	$15.00
Convention Hotels - Under 500 Rooms		4.9%	$3,588	$15.73
Full Service Hotels - North Central		4.9%	$2,819	$12.58
Convention Hotels - North Central		4.9%	$3,405	$15.74
Full Service Hotels - All		4.5%	$3,334	$13.33
DCF Estimate Year 1 (As Complete)	**$643**	**4.8%**	**$3,215**	**$15.45**
DCF Stabilized Estimate (Year 3)	**$713**	**4.2%**	**$3,567**	**$14.81**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$672**	**4.2%**	**$3,362**	**$13.96**
Base Year (Calendar Year 2024)	**$580**	**4.2%**	**$2,900**	**$12.04**

Compiled by CBRE

For this analysis, we have estimated POM expenses at $2,900 per available room in the Base Year (Calendar Year 2024) of our analysis. Our estimate is supported by the comparable properties.

Utility Costs

Utility expenses typically include electricity, fuel (oil, gas and coal), purchased steam and water. This category also includes any central plant and energy management systems. The comparable data and projections for the subject are summarized as follows:

Utilities				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		2.8%	$1,884	$7.33
Expense Comparable 2		3.4%	$2,491	$9.53
Expense Comparable 3		4.0%	$3,089	$11.80
Expense Comparable 4		4.1%	$2,717	$10.11
Expense Comparable 5		4.8%	$3,997	$15.41
Trends® Report - Weighted Average		3.4%	$2,351	$10.51
Convention Hotels - Under 500 Rooms		3.4%	$2,478	$10.86
Full Service Hotels - North Central		3.6%	$2,080	$9.28
Convention Hotels - North Central		3.4%	$2,356	$10.89
Full Service Hotels - All		3.3%	$2,423	$9.69
DCF Estimate Year 1 (As Complete)	**$534**	**4.0%**	**$2,671**	**$12.84**
DCF Stabilized Estimate (Year 3)	**$593**	**3.5%**	**$2,963**	**$12.30**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$559**	**3.5%**	**$2,793**	**$11.59**
Base Year (Calendar Year 2024)	**$482**	**3.5%**	**$2,409**	**$10.00**

Compiled by CBRE

We have estimated Utilities expenses at $10.00 per occupied room in the Base Year (Calendar Year 2024) of our analysis. Our estimate is supported by the comparable properties.

Total Undistributed Operating Expenses

The subject's total undistributed expense estimates are detailed as follows:

Total Undistributed Expenses				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		28.2%	$18,837	$73.28
Expense Comparable 2		26.4%	$19,481	$74.53
Expense Comparable 3		26.2%	$20,419	$78.03
Expense Comparable 4		30.8%	$20,567	$76.54
Expense Comparable 5		28.9%	$24,180	$93.20
Trends® Report - Weighted Average		26.6%	$18,459	$82.38
Convention Hotels - Under 500 Rooms		27.5%	$20,176	$88.46
Full Service Hotels - North Central		29.9%	$17,292	$77.18
Convention Hotels - North Central		25.4%	$17,658	$81.64
Full Service Hotels - All		27.7%	$20,634	$82.48
DCF Estimate Year 1 (As Complete)	**$4,240**	**31.4%**	**$21,198**	**$101.89**
DCF Stabilized Estimate (Year 3)	**$4,732**	**28.2%**	**$23,658**	**$98.21**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$4,460**	**28.2%**	**$22,300**	**$92.57**
Base Year (Calendar Year 2024)	**$3,851**	**28.0%**	**$19,257**	**$79.94**

Compiled by CBRE

Management Fees

The projection of income and expense assumes competent management by a professional management company. We assume that upon a sale, if the subject could be obtained free and clear of any prior management encumbrance, a prudent investor would retain competent management with fees structured at current rates. Some companies provide management services alone, while others offer both management services and a brand name affiliation. When a management company has no brand identification, the property owner can often acquire a franchise that provides the necessary image and recognition. Management fees have typically equated to roughly 3 to 5 percent of total revenues. The comparable data and projections for the subject are summarized as follows:

Management Fee

Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		3.0%	$2,001	$7.78
Expense Comparable 2		3.0%	$2,217	$8.48
Expense Comparable 3		3.0%	$2,338	$8.93
Expense Comparable 4		3.0%	$2,003	$7.46
Expense Comparable 5		3.0%	$2,508	$9.67
Trends® Report - Weighted Average		3.3%	$2,272	$9.87
Convention Hotels - Under 500 Rooms		3.3%	$2,406	$10.55
Full Service Hotels - North Central		3.3%	$1,911	$8.53
Convention Hotels - North Central		3.2%	$2,219	$10.26
Full Service Hotels - All		3.4%	$2,501	$10.00
DCF Estimate Year 1 (As Complete)	**$406**	**3.0%**	**$2,028**	**$9.75**
DCF Stabilized Estimate (Year 3)	**$504**	**3.0%**	**$2,518**	**$10.45**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$475**	**3.0%**	**$2,374**	**$9.85**
Base Year (Calendar Year 2024)	**$412**	**3.0%**	**$2,060**	**$8.55**

Compiled by CBRE

Expenses Before Non-Operating Income and Expenses

Expenses Before Non-Operating Income & Expenses				
Year	**Total $ (000's)**	**Ratio to Sales**	**PAR**	**POR**
Expense Comparable 1		64.4%	$42,930	$167.01
Expense Comparable 2		62.7%	$46,319	$177.21
Expense Comparable 3		59.4%	$46,304	$176.94
Expense Comparable 4		66.8%	$44,615	$166.03
Expense Comparable 5		70.6%	$59,041	$227.57
Trends® Report - Weighted Average		70.2%	$48,688	$217.37
Convention Hotels - Under 500 Rooms		71.5%	$52,454	$229.98
Full Service Hotels - North Central		72.4%	$41,859	$186.83
Convention Hotels - North Central		69.5%	$48,389	$223.73
Full Service Hotels - All		69.0%	$51,431	$205.59
DCF Estimate Year 1 (As Complete)	**$9,630**	**71.2%**	**$48,151**	**$231.44**
DCF Stabilized Estimate (Year 3)	**$10,864**	**64.7%**	**$54,322**	**$225.50**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$10,241**	**64.7%**	**$51,204**	**$212.55**
Base Year (Calendar Year 2024)	**$8,840**	**64.4%**	**$44,202**	**$183.49**

Compiled by CBRE

Total expenses ***before non-operating income and expenses*** for the subject in the first year of the projection period are estimated at 71.2% of total revenues, or $231.44 per occupied room, decreasing to and stabilizing at 64.7% and $225.50 per occupied room in the third year of the analysis. By way of comparison, the comparable data exhibit expense ratios of 59.4% to 70.6%, and a per occupied room range from $166.03 to $227.57. The subject's expenses are reasonable and are well within the expense comparable ranges.

Non-Operating Income and Expenses

These items are typically not directly related to an associated revenue source, and are typically not compared on the basis of total revenues for similar types of hotels. These expenses are therefore not typically compared and estimated as a percentage of total revenues. This general category also includes other income that is not directly related to operations (such as cell tower income and longer-term rental of space).

Property Taxes

Property taxes were discussed in greater detail earlier in the report. The projections for the subject are summarized as follows:

Property Taxes				
Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		2.5%	$1,656	$6.44
Expense Comparable 2		1.5%	$1,120	$4.28
Expense Comparable 3		3.0%	$2,354	$8.99
Expense Comparable 4		3.1%	$2,051	$7.63
Expense Comparable 5		4.6%	$3,846	$14.83
Trends® Report - Weighted Average		3.7%	$2,549	$11.42
Convention Hotels - Under 500 Rooms		2.4%	$1,780	$7.81
Full Service Hotels - North Central		4.8%	$2,781	$12.41
Convention Hotels - North Central		3.8%	$2,675	$12.37
Full Service Hotels - All		3.8%	$2,823	$11.28
DCF Estimate Year 1 (As Complete)	**$639**	**4.7%**	**$3,197**	**$15.37**
DCF Stabilized Estimate (Year 3)	**$678**	**4.0%**	**$3,392**	**$14.08**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$639**	**4.0%**	**$3,197**	**$13.27**
Base Year (Calendar Year 2024)	**$552**	**4.0%**	**$2,758**	**$11.45**

Compiled by CBRE

Insurance

The insurance expense includes the cost of insuring the hotel building and contents against fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, or other perils such as terrorism. This category includes all insurance costs except workers' compensation. The comparable data and projections for the subject are summarized as follows:

Insurance				
Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		1.9%	$1,262	$4.91
Expense Comparable 2		1.1%	$776	$2.97
Expense Comparable 3		1.6%	$1,246	$4.76
Expense Comparable 4		1.7%	$1,158	$4.31
Expense Comparable 5		1.4%	$1,137	$4.38
Trends® Report - Weighted Average		1.0%	$657	$2.90
Convention Hotels - Under 500 Rooms		0.9%	$697	$3.05
Full Service Hotels - North Central		1.1%	$623	$2.78
Convention Hotels - North Central		0.8%	$532	$2.46
Full Service Hotels - All		1.5%	$1,150	$4.60
DCF Estimate Year 1 (As Complete)	**$255**	**1.9%**	**$1,275**	**$6.13**
DCF Stabilized Estimate (Year 3)	**$271**	**1.6%**	**$1,353**	**$5.62**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$255**	**1.6%**	**$1,275**	**$5.29**
Base Year (Calendar Year 2024)	**$220**	**1.6%**	**$1,100**	**$4.57**

Compiled by CBRE

We have estimated Insurance expenses at $1,100 per available room in the Base Year (Calendar Year 2024) of our analysis. Our estimate is supported by the comparable properties.

Reserves For Replacement

Structural reserves account for the replacement of short-lived items, including the roof, building systems, and parking lot. FF&E reserves for replacement are typically included in hotel expense projections to account for the periodic replacement of the furniture, fixtures and equipment (FF&E). It does not reflect the value of existing FF&E. It is solely an expense to reflect future replacements of short-lived items. This expense can be based on the actual replacement cost of the FF&E, its projected economic life and a reasonable reinvestment rate for the reserve funds (essentially a sinking fund account). An alternative and more widely utilized method is to estimate FF&E reserves based on a percentage of total revenues. Using this method, the typical ratio ranges from 2 to 5 percent of total revenues depending on the quality level of the property and the specific amenities and services present. The comparable data and projections for the subject are summarized as follows:

Reserve For Replacement

Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		4.0%	$2,668	$10.38
Expense Comparable 2		4.0%	$2,956	$11.31
Expense Comparable 3		4.0%	$3,117	$11.91
Expense Comparable 4		4.0%	$2,671	$9.94
Expense Comparable 5		4.0%	$3,344	$12.89
Trends® Report - Weighted Average		4.0%	$2,776	$12.41
Convention Hotels - Under 500 Rooms		4.0%	$2,935	$12.87
Full Service Hotels - North Central		4.0%	$2,313	$10.32
Convention Hotels - North Central		4.0%	$2,785	$12.88
Full Service Hotels - All		4.0%	$2,981	$11.92
DCF Estimate Year 1 (As Complete)	**$270**	**2.0%**	**$1,352**	**$6.50**
DCF Stabilized Estimate (Year 3)	**$671**	**4.0%**	**$3,357**	**$13.94**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$633**	**4.0%**	**$3,165**	**$13.14**
Base Year (Calendar Year 2024)	**$275**	**2.0%**	**$1,373**	**$5.70**

Compiled by CBRE

As noted, we have included a reduced reserve amount in Years 1 and 2 which allows for 2% in Year 1, 3% in Year 2, and a market-oriented amount of 4%, beginning in Year 3 and extending for the balance of the holding period. This amount is market supported and considered adequate to fund future capital needs.

CBRE

Total Non-Operating Income and Expenses

The subject's total non-operating income and expense estimates are detailed as follows:

Total Non-Operating Income and Expenses				
Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		8.4%	$5,586	$21.73
Expense Comparable 2		6.6%	$4,852	$18.56
Expense Comparable 3		8.6%	$6,717	$25.67
Expense Comparable 4		8.8%	$5,881	$21.88
Expense Comparable 5		10.0%	$8,327	$32.10
Trends® Report - Weighted Average		8.7%	$5,982	$26.72
Convention Hotels - Under 500 Rooms		7.4%	$5,412	$23.73
Full Service Hotels - North Central		9.9%	$5,717	$25.51
Convention Hotels - North Central		8.6%	$5,992	$27.71
Full Service Hotels - All		9.3%	$6,954	$27.80
DCF Estimate Year 1 (As Complete)	**$1,165**	**8.6%**	**$5,825**	**$28.00**
DCF Stabilized Estimate (Year 3)	**$1,620**	**9.7%**	**$8,102**	**$33.63**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$1,527**	**9.7%**	**$7,637**	**$31.70**
Base Year (Calendar Year 2024)	**$1,046**	**7.6%**	**$5,231**	**$21.72**

Compiled by CBRE

Net Income (EBITDA) Conclusion

The subject's net operating income is detailed as follows:

Net Income (EBITDA)				
Year	Total $ (000's)	Ratio to Sales	PAR	POR
Expense Comparable 1		27.3%	$18,181	$70.73
Expense Comparable 2		30.8%	$22,727	$86.95
Expense Comparable 3		32.0%	$24,904	$95.17
Expense Comparable 4		24.4%	$16,284	$60.60
Expense Comparable 5		19.4%	$16,239	$62.59
Trends® Report - Weighted Average		21.2%	$14,756	$65.99
Convention Hotels - Under 500 Rooms		21.1%	$15,520	$68.05
Full Service Hotels - North Central		17.7%	$10,239	$45.70
Convention Hotels - North Central		21.9%	$15,239	$70.45
Full Service Hotels - All		21.7%	$16,151	$64.56
DCF Estimate Year 1 (As Complete)	**$2,725**	**20.2%**	**$13,626**	**$65.49**
DCF Stabilized Estimate (Year 3)	**$4,302**	**25.6%**	**$21,510**	**$89.29**
Stabilized Estimate Deflated to Year 1 (As Complete)	**$4,055**	**25.6%**	**$20,276**	**$84.17**
Base Year (Calendar Year 2024)	**$3,845**	**28.0%**	**$19,223**	**$79.80**

Compiled by CBRE

As shown, we have estimated Net Operating Income at 20.2% of total revenue in the first year of the projection period, and 25.6% in the first stabilized year.

Operating Conclusion

The following pages present the following illustrations:

- Stabilized Operating Proforma – Conference Center and Hotel Combined
- Detailed Forecast Schedule - Conference Center and Hotel Combined
- Conference Center ONLY
    - 5-year Cash Flow
- Hotel ONLY
    - Stabilized and 10-year Cash flow

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Stabilized Operating Income - Conference Center and Hotel

Analysis Premise	Stabilized Cash Flow	Period Ending: 12/31/2031
Number of Rooms		**200**
Annual Available Rooms		**73,000**
Occupied Rooms		**48,180**
Occupancy		**66.0%**
Average Rate		**$206.99**
RevPAR		**$136.61**

	Total	Ratio to Sales	PAR	POR
REVENUE				
Rooms	$9,972,671	59.4%	$49,863	$206.99
Food & Beverage	$5,925,532	35.3%	29,628	122.99
Other Operated Departments	$592,553	3.5%	2,963	12.30
Miscellaneous Income (Net)	$296,277	1.8%	1,481	6.15
Total Operating Revenue	$16,787,033	100.0%	$83,935	$348.42
DEPARTMENTAL EXPENSES				
Rooms Expense	$2,073,936	20.8%	$10,370	$43.05
Food & Beverage Expense	$3,259,043	55.0%	16,295	67.64
Other Operated Departments Expense	$296,277	50.0%	1,481	6.15
Total Departmental Expenses	$5,629,256	33.5%	$28,146	$116.84
DEPARTMENTAL PROFIT	$11,157,777	66.5%	$55,789	$231.59
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General	$1,328,264	7.9%	$6,641	$27.57
Information and Telecommunications Systems	$147,585	0.9%	738	3.06
Sales and Marketing	$1,451,251	8.6%	7,256	30.12
Franchise Fees (Royalty)	$498,634	5.0%	2,493	10.35
Property Operations and Maintenance	$713,327	4.2%	3,567	14.81
Utilities	$592,553	3.5%	2,963	12.30
Total Undistributed Expenses	$4,731,613	28.2%	$23,658	$98.21
GROSS OPERATING PROFIT	$6,426,164	38.3%	$32,131	$133.38
Management Fee	$503,611	3.0%	$2,518	$10.45
INCOME BEFORE NON-OPERATING INCOME AND	$5,922,553	35.3%	$29,613	$122.93
NON-OPERATING INCOME AND EXPENSES				
Property Taxes	$678,425	4.0%	$3,392	$14.08
Insurance	$270,572	1.6%	1,353	5.62
Reserve for Replacement	$671,481	4.0%	3,357	13.94
Total Non-Operating Income and Expenses	$1,620,478	9.7%	$8,102	$33.63
NET INCOME (EBITDA)	**$4,302,074**	**25.6%**	**$21,510**	**$89.29**
Operating Expense Ratio	**74.37%**			

Departmental expense ratios are based on departmental revenues.

Franchise/Royalty ratio is based on room revenues; all others are based on total revenues.

Compiled by CBRE

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As Complete Cash Flow - Proposed Ames Conference Center and Hotel, Beginning 01/01/2029

YEAR	1	2	3	4	5	6	7	8	9	10
Year Ended:	12/31/29	12/31/30	12/31/31	12/31/32	12/31/33	12/31/34	12/31/35	12/31/36	12/31/37	12/31/38
Number of Rooms	200	200	200	200	200	200	200	200	200	200
Annual Available Rooms	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Occupied Rooms	41,610	44,530	48,180	48,180	48,180	48,180	48,180	48,180	48,180	48,180
Occupancy	57.0%	61.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%
Average Rate	$187.22	$198.93	$206.99	$215.35	$221.81	$228.47	$235.32	$242.38	$249.65	$257.14
REVENUE										
Rooms	$7,790,339	$8,858,313	$9,972,671	$10,375,607	$10,686,875	$11,007,481	$11,337,706	$11,677,837	$12,028,172	$12,389,017
Food & Beverage	4,976,068	5,404,281	5,925,532	6,103,298	6,286,397	6,474,989	6,669,239	6,869,316	7,075,395	7,287,657
Other Operated Departments	505,223	544,786	592,553	610,330	628,640	647,499	666,924	686,932	707,540	728,766
Miscellaneous Income (Net)	248,803	270,214	296,277	305,165	314,320	323,749	333,462	343,466	353,770	364,383
Total Operating Revenue	**$13,520,434**	**$15,077,594**	**$16,787,033**	**$17,394,400**	**$17,916,232**	**$18,453,719**	**$19,007,331**	**$19,577,550**	**$20,164,877**	**$20,769,823**
DEPARTMENTAL EXPENSES										
Rooms Expense	$1,848,254	$1,952,514	$2,073,936	$2,136,154	$2,200,239	$2,266,246	$2,334,234	$2,404,261	$2,476,388	$2,550,680
Food & Beverage Expense	$2,870,887	$3,049,060	$3,259,043	$3,356,814	$3,457,518	$3,561,244	$3,668,081	$3,778,124	$3,891,467	$4,008,212
Other Operated Departments Expense	265,940	280,020	296,277	305,165	314,320	323,749	333,462	343,466	353,770	364,383
Total Departmental Expenses	$4,985,081	$5,281,595	$5,629,256	$5,798,133	$5,972,077	$6,151,240	$6,335,777	$6,525,850	$6,721,626	$6,923,274
DEPARTMENTAL PROFIT	**$8,535,353**	**$9,796,000**	**$11,157,777**	**$11,596,267**	**$11,944,155**	**$12,302,479**	**$12,671,554**	**$13,051,700**	**$13,443,251**	**$13,846,549**
UNDISTRIBUTED OPERATING EXPENSES										
Administrative and General	$1,212,928	$1,267,209	$1,328,264	$1,368,112	$1,409,155	$1,451,430	$1,494,973	$1,539,822	$1,586,016	$1,633,597
Information and Telecommunications Systems	$134,770	$140,801	$147,585	$152,012	$156,573	$161,270	$166,108	$171,091	$176,224	$181,511
Sales and Marketing	$1,325,236	$1,384,544	$1,451,251	$1,494,789	$1,539,632	$1,585,821	$1,633,396	$1,682,398	$1,732,870	$1,784,856
Franchise Fees (Royalty)	$389,517	$442,916	$498,634	$518,780	$534,344	$550,374	$566,885	$583,892	$601,409	$619,451
Property Operations and Maintenance	$642,991	$675,734	$713,327	$734,727	$756,768	$779,472	$802,856	$826,941	$851,750	$877,302
Utilities	$534,126	$561,325	$592,553	$610,330	$628,640	$647,499	$666,924	$686,932	$707,540	$728,766
Total Undistributed Expenses	$4,239,567	$4,472,528	$4,731,613	$4,878,750	$5,025,112	$5,175,865	$5,331,141	$5,491,076	$5,655,808	$5,825,482
GROSS OPERATING PROFIT	**$4,295,786**	**$5,323,471**	**$6,426,164**	**$6,717,517**	**$6,919,043**	**$7,126,614**	**$7,340,412**	**$7,560,625**	**$7,787,443**	**$8,021,067**
Management Fee	$405,613	$452,328	$503,611	$521,832	$537,487	$553,612	$570,220	$587,327	$604,946	$623,095
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	**$3,890,173**	**$4,871,144**	**$5,922,553**	**$6,195,685**	**$6,381,556**	**$6,573,002**	**$6,770,192**	**$6,973,298**	**$7,182,497**	**$7,397,972**
NON-OPERATING INCOME AND EXPENSES										
Property Taxes	$639,481	$658,665	$678,425	$698,778	$719,741	$741,333	$763,573	$786,480	$810,075	$834,377
Insurance	$255,040	$262,692	$270,572	$278,689	$287,050	$295,662	$304,531	$313,667	$323,077	$332,770
Reserve for Replacement	$270,409	$452,328	$671,481	$695,776	$716,649	$738,149	$760,293	$783,102	$806,595	$830,793
Total Non-Operating Income and Expenses	$1,164,930	$1,373,684	$1,620,478	$1,673,243	$1,723,440	$1,775,144	$1,828,398	$1,883,250	$1,939,747	$1,997,940
NET INCOME (EBITDA)	**$2,725,244**	**$3,497,459**	**$4,302,074**	**$4,522,442**	**$4,658,115**	**$4,797,859**	**$4,941,794**	**$5,090,048**	**$5,242,750**	**$5,400,032**

Operating Proforma Conference Center Allocation

The preceding cash flow schedule combined the Conference Center and Hotel performance. This was due to benchmarking with comparable Conference Center and Hotel facilities, as well as best practices in the industry in which the sales and marketing, revenues, as well as expenses are synergistically managed between the two components. For example, it is common practice to offer discounted packages on conference center space rental and F&B spend for a better room rate in the hotel. Regardless of the operating structure between the Hotel and the Conference Center, best market practices from prudent and competent management indicate a collaborative management of the two components as either a single owner/manager or an agreed upon multiple owner/manager structure with aligned interests.

Conference Center Manager Budget

The following table presents a budget provided by a potential manager of the Conference Center. At this time, CBRE is not aware of any signed contract with an operator at this time.

Conference Center Manager Budget

Line Item	Year 1	%	Year 2	%	Year 3	%
Building Rent Income	$455,846	16.6%	$478,638	16.6%	$502,570	16.6%
Reimbursed Event Expenses	$279,131	10.1%	$293,087	10.1%	$307,742	10.1%
Contributed Income	$58,124	2.1%	$61,030	2.1%	$64,081	2.1%
Food and Beverage Income	$1,958,495	71.2%	$2,056,420	71.2%	$2,159,241	71.2%
Total	**$2,751,596**	100.0%	**$2,889,175**	100.0%	**$3,033,634**	100.0%
Cost of Goods	$516,023	18.8%	$541,824	18.8%	$568,915	18.8%
Gross Profit	**$2,235,573**	81.2%	**$2,347,351**	81.2%	**$2,464,719**	81.2%
Payroll - Full-time	$1,075,000	39.1%	$1,107,250	38.3%	$1,140,468	37.6%
Payroll - Part-Time	$546,660	19.9%	$563,060	19.5%	$579,952	19.1%
Payroll- Taxes and Benefits	$332,373	12.1%	$342,344	11.8%	$352,614	11.6%
Payroll - Other	$13,351	0.5%	$13,751	0.5%	$14,164	0.5%
A&G	$69,725	2.5%	$71,817	2.5%	$73,971	2.4%
Occupancy Expense	$254,429	9.2%	$262,062	9.1%	$269,924	8.9%
Services & Operations Expense	$111,260	4.0%	$114,598	4.0%	$118,036	3.9%
Event Expense	$128,192	4.7%	$132,037	4.6%	$135,999	4.5%
Food & Beverage Expense	$51,052	1.9%	$52,584	1.8%	$54,161	1.8%
Total Expense	**$2,582,042**	93.8%	**$2,659,503**	92.1%	**$2,739,289**	90.3%
NOI	**-$346,469**	-12.6%	**-$312,152**	-10.8%	**-$274,570**	-9.1%

Source: Sponsor

Comparable Conference Center Allocation

The following table presents an actual conference center allocation of revenues and expenses. This comparable is similar to the subject in terms of size, facilities, as well as market dynamics.

The comparable conference center allocation presented below is a result of a contractual agreement between the owners of the Conference Center and Hotel.

Comparable Conference Center		
Line Item		**%**
Food & Beverage Revenue	$4,939,208	86.2%
Other Operating Revenues	$769,718	13.4%
Miscellaneous Income	$19,879	0.3%
Total	**$5,728,805**	**100.0%**
F&B Expense	$2,343,567	40.9%
Other Expense	$392,349	6.8%
Total Operating Expenses	**$2,735,916**	**47.8%**
		0.0%
Departmental Income	**$2,992,888**	**52.2%**
A&G	$566,963	9.9%
IT	$88,816	1.6%
Sales & Marketing	$932,314	16.3%
POM	$413,271	7.2%
Utilities	$358,285	6.3%
Total Undistributed	**$2,359,650**	**41.2%**
Gross Profit	**$633,239**	**11.1%**
Management Fee	$115,641	2.0%
Insurance	$6,038	0.1%
Other	$8,827	0.2%
Total Fixed/other Expense	**$130,506**	**2.3%**
NOI	**$502,733**	**8.8%**

Source: CBRE Hotels

CBRE Estimate for the Conference Center Allocation

The following presents a summary of the management proforma and comparable conference center, as well as an estimate from CBRE. In summary, the management proforma indicates the conference center would operate at a loss and the comparable conference center operates at a profit of 9%. Based on interviews with similar managers of such facilities, publicly-owned conference centers generally target an operational breakeven with indirect income resulting from the fiscal taxes and economic benefit. As such, CBRE Hotels estimates the subject conference center (isolated from the hotel) to operate at a breakeven.

Conference Center Summary and CBRE Conclusion						
	Management Proforma		Comparable		CBRE Estimate (2024$)	
Revenues	$3,033,634		$5,728,805		$2,794,440	
Total Expenses	$3,308,204	109%	$5,226,072	91%	$2,794,440	100%
NOI	-$274,570	-9%	$502,733	9%	$0	0%

Source: CBRE Hotels

The following presents a schedule of cash flows for the proposed Conference Center for the first 5 years of operations.

Conference Center 5-Year Cash Flow										
Period	1		2		3		4		5	
Year Ending	12/31/2029		12/31/2030		12/31/2031		12/31/2032		12/31/2033	
Revenues	**$3,239,522**	**100.0%**	**$3,336,707**	**100.0%**	**$3,436,809**	**100.0%**	**$3,539,913**	**100.0%**	**$3,646,110**	**100.0%**
F&B Expense	$1,441,587	44.5%	$1,476,493	44.3%	$1,512,196	44.0%	$1,557,562	44.0%	$1,604,289	44.0%
Other Expense	$259,162	8.0%	$266,937	8.0%	$274,945	8.0%	$283,193	8.0%	$291,689	8.0%
Total Operating Expenses	**$1,700,749**	**52.5%**	**$1,743,430**	**52.3%**	**$1,787,141**	**52.0%**	**$1,840,755**	**52.0%**	**$1,895,977**	**52.0%**
Departmental Income	**$1,538,773**	**47.5%**	**$1,593,278**	**47.8%**	**$1,649,668**	**48.0%**	**$1,699,158**	**48.0%**	**$1,750,133**	**48.0%**
A&G	$340,150	10.5%	$342,013	10.3%	$343,681	10.0%	$353,991	10.0%	$364,611	10.0%
IT	$48,593	1.5%	$50,051	1.5%	$51,552	1.5%	$53,099	1.5%	$54,692	1.5%
Sales & Marketing	$550,719	17.0%	$550,557	16.5%	$549,889	16.0%	$566,386	16.0%	$583,378	16.0%
POM	$226,767	7.0%	$233,570	7.0%	$240,577	7.0%	$247,794	7.0%	$255,228	7.0%
Utilities	$194,371	6.0%	$200,202	6.0%	$206,209	6.0%	$212,395	6.0%	$218,767	6.0%
Total Undistributed	**$1,360,599**	**42.0%**	**$1,376,392**	**41.3%**	**$1,391,908**	**40.5%**	**$1,433,665**	**40.5%**	**$1,476,675**	**40.5%**
Gross Profit	**$178,174**	**5.5%**	**$216,886**	**6.5%**	**$257,761**	**7.5%**	**$265,493**	**7.5%**	**$273,458**	**7.5%**
Management Fee	$97,186	3.0%	$100,101	3.0%	$103,104	3.0%	$106,197	3.0%	$109,383	3.0%
Insurance	$16,198	0.5%	$16,684	0.5%	$17,184	0.5%	$17,700	0.5%	$18,231	0.5%
Reserve For Replacement	$64,790	2.0%	$100,101	3.0%	$137,472	4.0%	$141,597	4.0%	$145,844	4.0%
Total Fixed/other Expense	**$178,174**	**5.5%**	**$216,886**	**6.5%**	**$257,761**	**7.5%**	**$265,493**	**7.5%**	**$273,458**	**7.5%**
Total Expenses	**$3,239,522**	**100.0%**	**$3,336,707**	**100.0%**	**$3,436,809**	**100.0%**	**$3,539,913**	**100.0%**	**$3,646,110**	**100.0%**
NOI	**$0**	**0.0%**	**$0**	**0.0%**	**$0**	**0.0%**	**$0**	**0.0%**	**$0**	**0.0%**

Source: CBRE Hotels

Operating Proforma Hotel Allocation

The following Schedule presents the **hotel only cash flow** without the revenues and expenses from the Conference Center. We note, the NOI of the hotel is the same as the Conference Center and Hotel combined cash flow presented earlier.

Stabilized Operating Income - Hotel ONLY

Analysis Premise	Stabilized Cash Flow	Period Ending: 12/31/2031
Number of Rooms		**200**
Annual Available Rooms		**73,000**
Occupied Rooms		**48,180**
Occupancy		**66.0%**
Average Rate		**$206.99**
RevPAR		**$136.61**

	Total	Ratio to Sales	PAR	POR
REVENUE				
Rooms	$9,972,671	74.7%	$49,863	$206.99
Food & Beverage	$2,488,724	18.6%	12,444	51.65
Other Operated Departments	$592,553	4.4%	2,963	12.30
Miscellaneous Income (Net)	$296,277	2.2%	1,481	6.15
Total Operating Revenue	$13,350,224	100.0%	$66,751	$277.09
DEPARTMENTAL EXPENSES				
Rooms Expense	$2,073,936	20.8%	$10,370	$43.05
Food & Beverage Expense	$1,471,902	59.1%	7,360	30.55
Other Operated Departments Expense	$296,277	50.0%	1,481	6.15
Total Departmental Expenses	$3,842,115	28.8%	$19,211	$79.75
DEPARTMENTAL PROFIT	$9,508,109	71.2%	$47,541	$197.35
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General	$984,583	7.4%	$4,923	$20.44
Information and Telecommunications Systems	$96,033	0.7%	480	1.99
Sales and Marketing	$901,362	6.8%	4,507	18.71
Franchise Fees (Royalty)	$498,634	5.0%	2,493	10.35
Property Operations and Maintenance	$472,750	3.5%	2,364	9.81
Utilities	$386,345	2.9%	1,932	8.02
Total Undistributed Expenses	$3,339,706	25.0%	$16,699	$69.32
GROSS OPERATING PROFIT	$6,168,403	46.2%	$30,842	$128.03
Management Fee	$400,507	3.0%	$2,003	$8.31
INCOME BEFORE NON-OPERATING INCOME AND	$5,767,896	43.2%	$28,839	$119.72
NON-OPERATING INCOME AND EXPENSES				
Property Taxes	$678,425	5.1%	$3,392	$14.08
Insurance	$253,388	1.9%	1,267	5.26
Reserve for Replacement	$534,009	4.0%	2,670	11.08
Total Non-Operating Income and Expenses	$1,465,822	11.0%	$7,329	$30.42
NET INCOME (EBITDA)	**$4,302,074**	**32.2%**	**$21,510**	**$89.29**
Operating Expense Ratio	**67.78%**			

Departmental expense ratios are based on departmental revenues.

Franchise/Royalty ratio is based on room revenues; all others are based on total revenues.

Compiled by CBRE

CBRE

As Complete Cash Flow - Hotel ONLY, Beginning 01/01/2029

YEAR	1	2	3	4	5	6	7	8	9	10
Year Ended:	**12/31/29**	**12/31/30**	**12/31/31**	**12/31/32**	**12/31/33**	**12/31/34**	**12/31/35**	**12/31/36**	**12/31/37**	**12/31/38**
Number of Rooms	200	200	200	200	200	200	200	200	200	200
Annual Available Rooms	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Occupied Rooms	41,610	44,530	48,180	48,180	48,180	48,180	48,180	48,180	48,180	48,180
Occupancy	57.0%	61.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%
Average Rate	$187.22	$198.93	$206.99	$215.35	$221.81	$228.47	$235.32	$242.38	$249.65	$257.14
REVENUE										
Rooms	$7,790,339	$8,858,313	$9,972,671	$10,375,607	$10,686,875	$11,007,481	$11,337,706	$11,677,837	$12,028,172	$12,389,017
Food & Beverage	1,736,546	2,067,573	2,488,724	2,563,385	2,640,287	2,719,495	2,801,080	2,885,113	2,971,666	3,060,816
Other Operated Departments	505,223	544,786	592,553	610,330	628,640	647,499	666,924	686,932	707,540	728,766
Miscellaneous Income (Net)	248,803	270,214	296,277	305,165	314,320	323,749	333,462	343,466	353,770	364,383
Total Operating Revenue	**$10,280,912**	**$11,740,887**	**$13,350,224**	**$13,854,487**	**$14,270,122**	**$14,698,225**	**$15,139,172**	**$15,593,347**	**$16,061,148**	**$16,542,982**
DEPARTMENTAL EXPENSES										
Rooms Expense	$1,848,254	$1,952,514	$2,073,936	$2,136,154	$2,200,239	$2,266,246	$2,334,234	$2,404,261	$2,476,388	$2,550,680
Food & Beverage Expense	$1,170,138	$1,305,631	$1,471,902	$1,516,059	$1,561,541	$1,608,387	$1,656,639	$1,706,338	$1,757,528	$1,810,254
Other Operated Departments Expense	265,940	280,020	296,277	305,165	314,320	323,749	333,462	343,466	353,770	364,383
Total Departmental Expenses	$3,284,332	$3,538,165	$3,842,115	$3,957,379	$4,076,100	$4,198,383	$4,324,334	$4,454,064	$4,587,686	$4,725,317
DEPARTMENTAL PROFIT	**$6,996,580**	**$8,202,722**	**$9,508,109**	**$9,897,108**	**$10,194,022**	**$10,499,842**	**$10,814,838**	**$11,139,283**	**$11,473,461**	**$11,817,665**
UNDISTRIBUTED OPERATING EXPENSES										
Administrative and General	$872,778	$925,197	$984,583	$1,014,120	$1,044,544	$1,075,880	$1,108,157	$1,141,401	$1,175,643	$1,210,913
Information and Telecommunications Systems	$86,177	$90,750	$96,033	$98,914	$101,881	$104,938	$108,086	$111,328	$114,668	$118,108
Sales and Marketing	$774,517	$833,987	$901,362	$928,403	$956,255	$984,942	$1,014,491	$1,044,925	$1,076,273	$1,108,561
Franchise Fees (Royalty)	$389,517	$442,916	$498,634	$518,780	$534,344	$550,374	$566,885	$583,892	$601,409	$619,451
Property Operations and Maintenance	$416,224	$442,164	$472,750	$486,933	$501,541	$516,587	$532,085	$548,047	$564,488	$581,423
Utilities	$339,754	$361,122	$386,345	$397,935	$409,873	$422,169	$434,834	$447,879	$461,316	$475,155
Total Undistributed Expenses	$2,878,968	$3,096,136	$3,339,706	$3,445,085	$3,548,437	$3,654,891	$3,764,537	$3,877,473	$3,993,798	$4,113,611
GROSS OPERATING PROFIT	**$4,117,612**	**$5,106,585**	**$6,168,403**	**$6,452,024**	**$6,645,584**	**$6,844,952**	**$7,050,300**	**$7,261,809**	**$7,479,664**	**$7,704,054**
Management Fee	$308,427	$352,227	$400,507	$415,635	$428,104	$440,947	$454,175	$467,800	$481,834	$496,289
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	**$3,809,185**	**$4,754,359**	**$5,767,896**	**$6,036,389**	**$6,217,481**	**$6,404,005**	**$6,596,125**	**$6,794,009**	**$6,997,829**	**$7,207,764**
NON-OPERATING INCOME AND EXPENSES										
Property Taxes	$639,481	$658,665	$678,425	$698,778	$719,741	$741,333	$763,573	$786,480	$810,075	$834,377
Insurance	$238,843	$246,008	$253,388	$260,990	$268,820	$276,884	$285,191	$293,746	$302,559	$311,636
Reserve for Replacement	$205,618	$352,227	$534,009	$554,179	$570,805	$587,929	$605,567	$623,734	$642,446	$661,719
Total Non-Operating Income and Expenses	$1,083,941	$1,256,900	$1,465,822	$1,513,947	$1,559,365	$1,606,146	$1,654,331	$1,703,961	$1,755,079	$1,807,732
NET INCOME (EBITDA)	**$2,725,244**	**$3,497,459**	**$4,302,074**	**$4,522,442**	**$4,658,115**	**$4,797,859**	**$4,941,794**	**$5,090,048**	**$5,242,750**	**$5,400,032**

Economic Feasibility

Estimated Development Cost

After developing our cash flow forecast for the proposed hotel, we then developed a hypothetical estimate of the total cost to develop the 200-room hotel improvements and 35,000 SF Conference Center. Estimates of the cost to develop on the recommended site were based on development cost estimates from hotel brands like Marriott, Hilton, as well as Marshall & Swift Valuation Service and comparable developments.

The land for the site is city owned and may not be comparable with typical land sales or market conditions of the area. Furthermore, the dynamics around any contributing factor of the land is not yet established at this time. As such, based on our understanding of the current site, we have assumed no cost of land for the development project.

Indirect costs can represent a significant portion of the overall budget, often ranging between 15% to 25% of total development costs. These expenses are crucial for ensuring a well-executed project that complies with regulations, minimizes risk, and aligns with market needs. We have assumed indirect costs at 18% of direct costs for both the Conference Center and Hotel.

Replacement Cost of the Improvements

The replacement cost for the subject’s improvements was derived by application of current cost factors from the Marshall Valuation Services (a nationally recognized costing index) providing cost data on similar-type properties. The cost estimate includes all hard and some soft construction costs, including:

1. Average architects’ and engineers’ fees, including plans, building permits, and surveys to establish building lines and grades;
2. Normal interest on building funds during periods of construction and associated processing fees or service charges;
3. Sales taxes on materials;
4. Normal site preparation, including excavation for foundation and backfill;
5. Utilities from the structure to lot line figured for typical setback; and,
6. Contractors' overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, and unemployment insurance.

Building Improvements and FF&E

In the system utilized by Marshall Valuation Services, the subject is assumed to be classified as a good Class A full-service hotel and a good class A conference center. For Class A hotels, the base cost for good improvements is $310.00 per square foot. For Class A conference centers, the base cost for good improvements is $369.00 per square foot. Added to this base cost are additions for incorporating wet sprinklers, an indoor pool, number of stories, current and location multipliers, and total personal property (FF&E) required to outfit the subject. As requested, the Conference Center and Hotel are separated in the cost build up analysis. However, when compared to the comparable developments, we combined the two components. The conclusion of costs, excluding contingency, is presented in the table below:

CBRE

Marshall Valuation Service Cost Schedule

Primary Building Type:	Hotel	Height per Story:	25'
Effective Age:	0 YRS	Number of Buildings:	1
Condition:	0	Gross Building Area:	150,000 SF
Number of Units:	200	Average Unit Size:	750 SF
Number of Stories:	8	Average Floor Area:	18,750 SF

MVS Sec/Page		**16/16**	**11/25**
Quality/Bldg. Class		**Good/A**	**Good/A**
Building Component		**Conference Center**	**Hotel**
Component Sq. Ft.		**35,000 SF**	**115,000 SF**
Base Square Foot Cost		**$369.00**	**$310.00**
Component Units		**N/A**	**200 Units**
Square Foot Refinements			
Sprinklers		$4.95	$3.91
Subtotal		$373.95	$313.91
Height and Size Refinements			
Number of Stories Multiplier		1.000	1.025
Subtotal		$373.95	$321.76
Cost Multipliers			
Current Cost Multiplier		1.03	0.99
Local Multiplier		0.93	0.93
Final Square Foot Cost		**$358.21**	**$296.24**
Base Component Cost		**$12,537,235**	**$34,067,871**
Base Building Costs	(via Marshall Valuation Service cost data)	**$12,537,235**	**$34,067,871**
Additions			
Pool			$296,700
Pool Enclosure			$456,000
Direct Building Cost Rounded		**$12,500,000**	**$34,800,000**
FF&E		**$2,000,000**	**$5,600,000**
Indirect Costs	18.0% of Direct Building Cost	**$2,250,000**	**$6,264,000**
Direct and Indirect Building Cost		**$16,750,000**	**$46,664,000**
Cost per Room		**$83,750**	**$233,320**
Cost Per SF		**$479**	**$406**
Combined Rounded			**$63,400,000**
Cost per Room			**$317,000**
Cost Per SF			**$423**

Compiled by CBRE

As a test of reasonableness, comparable construction costs are presented below. Generally, our estimate is within the range of comparables on a per room basis.

Construction Costs					
Comparable:	**1**	**2**	**3**	**Average**	**Subject**
Name:	Embassy Suites	AC	Marriott		Hotel & Conference Center
Property Type	Full-Service	Life-Style	Full-Service		Full Service
Year of Cost Data	2023	2024	2022		2025
Cost Data Based Upon…	Budget	Budget	Budget		CBRE Estimate
Number of Units:	175	129	255	186	200
Size (SF):	122,500	86,800	196,727	135,342	150,000
Cost Component					
Direct Cost	$29,750,000	$26,825,000	$65,869,934	$40,814,978	$47,300,000
Indirect Cost	$7,962,500	$4,116,750	$8,432,219	$6,837,156	$8,514,000
% of Direct Cost	27%	15%	13%	17%	18%
Total Direct & Indirect	$37,712,500	$30,941,750	$74,302,153	$47,652,134	$55,814,000
Cost Adjustment	$0	$5,000,000	$0	$1,666,667	$0
Total Adjusted Costs	$37,712,500	$35,941,750	$74,302,153	$49,318,801	$55,814,000
Rounded				$49,319,000	$55,814,000
Cost Per Room	$215,500	$278,618	$291,381	$261,833	$279,070
Cost Per SF	$307.86	$414.08	$377.69	$366.54	$372.09
FF&E Costs	$4,375,000	$3,107,147	$9,805,595	$5,762,581	$7,600,000
Cost Per Room	$25,000	$24,086	$38,453	$29,180	$38,000
Cost Per SF	$35.71	$35.80	$49.84	$42.58	$50.67
Total Costs	$42,087,500	$39,048,897	$84,107,748	$55,081,382	$63,414,000
Cost Per Room	$240,500	$302,705	$329,834	$291,013	$317,070
Cost Per SF	$343.57	$449.87	$427.54	$409.12	$422.76

Compiled by CBRE

Direct Costs

The direct cost estimates include materials, labor, normal interest on building funds, sales tax on materials, normal site preparation, utilities from lot line to structure, and contractor's overhead and profit. Certain items not encompassed in the above base costs, but which are components of replacement cost, include professional fees, marketing costs and off-site costs.

Contingency

Contingency costs are considered an addition to the overall cost budget to account for costs related to the unknowns. These are costs that may occur, but there is uncertainty regarding the amount due to unknown cost escalation, stage of the project, and other various factors. Incorporated into the overall cost estimate is a contingency percent of 10.0 percent of direct and indirect costs.

CBRE

Estimated Development Costs

The following table summarizes our estimated development costs.

Hotel and Conference Center Cost Summary

Hotel	Estimate	%	$/Unit	$/SF
Units	**200**			
GBA	**150,000 SF**			
Direct	$47,300,000	69%	$236,500	$315
Indirect (% of Direct)	$8,500,000	18%	$42,500	$57
Contingency (% of Direct+Indirect)	$5,600,000	10%	$28,000	$37
FF&E	$7,600,000	11%	$38,000	$51
Total	**$69,000,000**		**$345,000**	**$460**

Compiled by CBRE

Hotel Only Cost Summary

Apartment	Estimate	%	$/Unit	$/SF
Units	**200**			
GBA	**115,000 SF**			
Direct	$34,800,000	69%	$174,000	$303
Indirect (% of Direct)	$6,250,000	18%	$31,250	$54
Contingency (% of Direct+Indirect)	$4,125,000	10%	$20,625	$36
FF&E	$5,600,000	11%	$28,000	$49
Total	**$50,775,000**		$253,875	$442

Compiled by CBRE

Conference Center Summary

Hotel	Estimate	%	$/Unit	$/SF
Units	**200**			
GBA	**35,000 SF**			
Direct	$12,500,000	69%	$236,500	$357
Indirect (% of Direct)	$2,250,000	18%	$42,500	$64
Contingency (% of Direct+Indirect)	$1,475,000	10%	$28,000	$42
FF&E	$2,000,000	11%	$38,000	$57
Total	**$18,225,000**		**$345,000**	**$521**

Compiled by CBRE

IRR Analysis – HOTEL ONLY

As Requestion, the following is a concise returns analysis for the hotel portion in isolation. Below is the calculation the range of internal rate of return ("IRR") based on an assumed equity investment required to develop the project based on our range of development budget, projected income stream, and the following financing assumptions.

- The development cost for the **HOTEL ONLY**, including financing points, would be approximately $51,149,000 , excluding any allocation of land.
- Financing the project will be in line with current market terms, including Financing Points of 1.25 percent. Specifically, we have assumed that a developer could obtain a loan of 55 percent of the cost estimate above. The balance of the project cost plus Financing Points would be funded through an equity investment or alternative financing. This totals $22,860,000 .
- We have assumed that the developer of the Subject would hold the Hotel for ten years and then sell the property. The terminal sales price of the Subject is estimated to be roundly 8.5 percent reversionary rate as a Conference Center and Hotel facility. However, this hypothetical analysis assumes a terminal sale of the hotel ONLY. The conference center is not included. This inherently poses a risk to a potential buyer as they would not have as much control of the conference center. To account for this, we have adjusted the terminal capitalization rate 25 bps to account for this potential risk. The terminal rate for the hotel portion of the development is concluded to be 8.75 percent. The following presents published surveys of terminal capitalization rates.

Terminal Capitalization Rates

Investment Type	Rate Range			Average
PwC Full Service Hotels 2nd Qtr. 2025				
National Data - OAR	7.00%	-	10.00%	8.68%
National Data - Residual OAR	4.50%	-	10.50%	8.65%
Spread: Basis Points (BP)	(250)	-	50	(3)
Concluded BP Spread				**50**
CBRE Estimate				**8.8%**

Compiled by: CBRE

LEVERAGED IRR ANALYSIS
Hotel and Conference Center

SOURCE AND USE OF FUNDS (Including Contingency)

		First Mortgage		$27,940,000	**55.0%**
Hotel Costs	$50,775,000	Equity		**$22,860,000**	45.0%
		Financing Points	1.25%	**$349,000**	
Total Use of Funds	**$50,800,000**	Total Source of Funds		$51,149,000	100.0%
Gross Building Square Feet	150,000				
Total Cost per Room	$317,000				

FIRST MORTGAGE

Mortgage Amount	$27,940,000	Monthly Payment	$208,876
Interest Rate	**7.50%**	Annual Payment	$2,506,516
Amortization Period	**25** years		

	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036	12/31/2037	12/31/2038
Beginning Balance	$27,940,000	$27,528,984	$27,087,141	$26,612,161	$26,101,557	$25,552,657	$24,962,591	$24,328,269	$23,646,373	$22,913,334
Annual Payment	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516
Portion to Interest	$2,095,500	$2,064,674	$2,031,536	$1,995,912	$1,957,617	$1,916,449	$1,872,194	$1,824,620	$1,773,478	$1,718,500
Portion to Principal	$411,016	$441,842	$474,981	$510,604	$548,899	$590,067	$634,322	$681,896	$733,038	$788,016
Ending Balance	$27,528,984	$27,087,141	$26,612,161	$26,101,557	$25,552,657	$24,962,591	$24,328,269	$23,646,373	$22,913,334	$22,125,318

YEARLY CASH FLOW SUMMARY

	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036	12/31/2037	12/31/2038
Hotel Net Operating Income	$2,725,244	$3,497,459	$4,302,074	$4,522,442	$4,658,116	$4,797,858	$4,941,794	$5,090,048	$5,242,749	$5,400,033
First Mortgage Annual Payment	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516
Cash Flow after Debt Service	$218,727	$990,943	$1,795,558	$2,015,926	$2,151,599	$2,291,342	$2,435,278	$2,583,532	$2,736,233	$2,893,517
Debt Service Coverage Ratio	1.09	1.40	1.72	1.80	1.86	1.91	1.97	2.03	2.09	2.15

CAPITAL GAIN CALCULATION

Eleventh Year Net Operating Income	$5,562,033
Terminal Cap Rate	8.75%
Gross Sales Price	$63,566,090
Selling Costs	2.0%
Net Sales Price	$62,294,768
Remaining First Mortgage Balance	$22,125,318
Return of Equity	$23,557,135
Capital Gain	$16,612,315

LEVERAGED IRR ANALYSIS

	Construction Y1	Construction Y2	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036	12/31/2037	12/31/2038
Equity	($11,604,500)	($11,952,635)										
Other Incentives			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow after Debt Service			$218,727	$990,943	$1,795,558	$2,015,926	$2,151,599	$2,291,342	$2,435,278	$2,583,532	$2,736,233	$2,893,517
Net Sales Price												$62,294,768
Remaining First Mortgage Balance												$22,125,318
	($11,604,500)	($11,952,635)	$218,727	$990,943	$1,795,558	$2,015,926	$2,151,599	$2,291,342	$2,435,278	$2,583,532	$2,736,233	$43,062,967
Cash-on-Cash Return	-100.0%	-103.0%	1.9%	8.5%	15.5%	17.4%	18.5%	19.7%	21.0%	22.3%	23.6%	371.1%

10-Year Leveraged IRR	10.9%

Funding Gap Analysis

As shown, the project without additional funding yields a 10.9% leveraged IRR, a below market-rate return. Hotel investors typically require an IRR on their equity investments of between 15 and 25 percent. Using a funding gap of $6,000,000 , the IRR of the project increases to 14.8%, slightly below the range of returns generally desired by investors. Therefore, the total required equity is reduced from $22,860,000 to $16,860,000 . Furthermore, due to the public/private nature of this development, property, sales, or hotel occupancy taxes could be exempt depending on the overall structure of this project. However, for this preliminary analysis, we have assumed taxes are not exempt and did not credit them in the cash flow.

Additionally, due to the preliminary nature of this project, below represents a capital gap range that will allow for the hotel portion to be feasible.

Potental Capital Gap Conclusion		
$4,000,000	**-**	**$8,000,000**

CBRE Hotels

This IRR analyses is presented on the following page, with a $6,000,000 addition to the capital sources, reducing the equity.

LEVERAGED IRR ANALYSIS
Hotel and Conference Center

SOURCE AND USE OF FUNDS (Including Contingency)

		First Mortgage		$27,940,000	**55.0%**
		Capital Gap		$6,000,000	**11.8%**
Hotel Costs	$50,775,000	Equity		**$16,860,000**	33.2%
		Financing Points	1.25%	**$349,000**	
Total Use of Funds	**$50,800,000**	Total Source of Funds		$51,149,000	100.0%
Gross Building Square Feet	150,000				
Total Cost per Room	$317,000				

FIRST MORTGAGE

Mortgage Amount	$27,940,000	Monthly Payment	$208,876
Interest Rate	**7.50%**	Annual Payment	$2,506,516
Amortization Period	**25** years		

	10/31/3650	5/11/3703	6/16/3757	3/8/3813	7/30/3870	9/12/3929	8/3/3990	4/21/4053	11/26/4117	6/10/4184
Beginning Balance	$27,940,000	$27,528,984	$27,087,141	$26,612,161	$26,101,557	$25,552,657	$24,962,591	$24,328,269	$23,646,373	$22,913,334
Annual Payment	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516
Portion to Interest	$2,095,500	$2,064,674	$2,031,536	$1,995,912	$1,957,617	$1,916,449	$1,872,194	$1,824,620	$1,773,478	$1,718,500
Portion to Principal	$411,016	$441,842	$474,981	$510,604	$548,899	$590,067	$634,322	$681,896	$733,038	$788,016
Ending Balance	$27,528,984	$27,087,141	$26,612,161	$26,101,557	$25,552,657	$24,962,591	$24,328,269	$23,646,373	$22,913,334	$22,125,318

YEARLY CASH FLOW SUMMARY

	10/31/3650	5/11/3703	6/16/3757	3/8/3813	7/30/3870	9/12/3929	8/3/3990	4/21/4053	11/26/4117	6/10/4184
Hotel Net Operating Income	$2,725,244	$3,497,459	$4,302,074	$4,522,442	$4,658,116	$4,797,858	$4,941,794	$5,090,048	$5,242,749	$5,400,033
First Mortgage Annual Payment	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516	$2,506,516
Cash Flow after Debt Service	$218,727	$990,943	$1,795,558	$2,015,926	$2,151,599	$2,291,342	$2,435,278	$2,583,532	$2,736,233	$2,893,517
Debt Service Coverage Ratio	1.09	1.40	1.72	1.80	1.86	1.91	1.97	2.03	2.09	2.15

CAPITAL GAIN CALCULATION

Eleventh Year Net Operating Income	$5,562,033
Terminal Cap Rate	8.75%
Gross Sales Price	$63,566,090
Selling Costs	2.0%
Net Sales Price	$62,294,768
Remaining First Mortgage Balance	$22,125,318
Return of Equity	$17,467,135
Capital Gain	$22,702,315

LEVERAGED IRR ANALYSIS

	Construction Y1	Construction Y2	10/31/3650	5/11/3703	6/16/3757	3/8/3813	7/30/3870	9/12/3929	8/3/3990	4/21/4053	11/26/4117	6/10/4184
Equity	($8,604,500)	($8,862,635)										
Other Incentives			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow after Debt Service			$218,727	$990,943	$1,795,558	$2,015,926	$2,151,599	$2,291,342	$2,435,278	$2,583,532	$2,736,233	$2,893,517
Net Sales Price												$62,294,768
Remaining First Mortgage Balance												$22,125,318
	($8,604,500)	($8,862,635)	$218,727	$990,943	$1,795,558	$2,015,926	$2,151,599	$2,291,342	$2,435,278	$2,583,532	$2,736,233	$43,062,967
Cash-on-Cash Return	-100.0%	-103.0%	2.5%	11.5%	20.9%	23.4%	25.0%	26.6%	28.3%	30.0%	31.8%	500.5%

10-Year Leveraged IRR	14.8%

Economic Impact

Total economic impact is a product of new direct and indirect spending within the local economy. CBRE Hotels analyzed the direct spending relative to construction of the development and activities associated with the proposed full-service Conference Hotel and Event Center. We also analyzed the direct spending relative to the operation of the proposed Conference Hotel and Event Center. Each new dollar spent (direct) has a multiplied effect on the economy in the form of increased revenues (spin off activity) to local businesses, increased employment, and increased earnings (indirect). Furthermore, the direct and indirect expenditure from the increased household earnings is considered induced impact.

An example would be a new hotel purchases wholesale food and beverage inventory from a local wholesale retailer (Direct) who purchases more goods in the local economy and hires more employees as a result of an increase in sales volume (Indirect). Each new employee or wage increase also contributes a direct and indirect expenditure within the local economy (Induced). These direct, indirect, and induced expenditures represent the total impact to the economy.

Our methodology separates economic impact into two categories: Construction and Operations. We then utilized the Regional Input-Output Modeling System (BEA RIMS II) for the Ames MSA developed by the U.S. Department of Commerce's Bureau of Economic Analysis. Specifically, this analysis represents the Economic Impact from expenditures in the Ames MSA. There are potentially additional impacts at the County, Regional, and State levels, however, they are not presented in the report. The summary of the input/output model and multipliers used in this analysis is presented below as provided from the BEA.

Table 2.5 Total Multipliers - industry aggregations
Region: Ames, IA Metropolitan Statistical Area (Type II)
Series: 2017 U.S. Benchmark I-O data and 2023 Regional Data

		Final-demand Output /1/ (dollars)	Final-demand Earnings /2/ (dollars)	Final-demand Employment /3/ (number of jobs)
7	Construction	1.4617	0.3601	6.4645
29	Food and beverage stores	1.5356	0.4208	13.2594
30	General merchandise stores	1.5319	0.4058	13.0246
31	Other retail	1.5046	0.3688	11.2848
36	Transit and ground passenger transportation*	1.5331	0.3715	18.3582
48	Real estate	1.3748	0.2226	8.336
54	Educational services	1.5435	0.5323	15.6648
60	Amusement, gambling, and recreation industries	1.5276	0.3631	10.4973
61	Accommodation	1.4943	0.3876	10.6404
62	Food services and drinking places	1.5773	0.445	15.2027
64	Households	0.7342	0.189	4.8658

Based on these multipliers, we developed estimates for total direct, indirect, and induced output from the local industries and the increased earnings to the area from elevated wages or added employment.

Construction - The impact from the costs for the physical construction of the Conference Center and Hotel and the one-time increase it has on spending. The construction spending also influences employment in many sectors of the local economy. Economic impact from the construction of the hotel and event center comes in the form of wages paid to construction personnel as well as the purchase of construction materials.

Operations – The creation of jobs and paying of wages to the employees of the proposed facility, as well as the day to day expenditures in the local market for goods and services from the subject hotel and event center.

Visitation – The impact of visitors to Ames. Reflected in an estimate of total new visitors and their estimated expenditures.

Economic Impact From Construction

In addition to the ongoing impacts from the operation of the facilities, the construction of the proposed Conference Center Hotel and Event Center would create a one-time increase in spending. The estimated cost to develop the proposed Conference Center and Hotel based on comparable properties and MVS is $63,400,000. These costs provide an order of magnitude estimate of the development costs for the proposed subject to assess economic impact. The estimates could change once the final design and costing of the project by qualified architects, engineers and contractors is completed.

CBRE Hotels interviewed local representatives to determine a reasonable assumption for materials and labor originating from within the Ames MSA. Based on that information, and typical costs, we estimated 50% of all materials and labor would originate from defined area. The following table uses the BEA RIMS II multipliers for the Ames MSA to estimate economic impact resulting from construction. Output represents the dollar increase in output in all industries for every dollar increase in direct spending. That direct spending affects earnings. Earnings represent the increase in earnings of households employed by all industries for each dollar increase in direct spending.

Proposed Hotel and Conference Center - Ames, IA
Economic Impact from Construction

		Hotel	Conference Center	Combined
Total Construction Cost [1]		$46,664,000	$16,736,000	$63,400,000
Cost Generated From Within Ames	50% [2]	$23,332,000	$8,368,000	$31,700,000
Output - represents the dollar increase in output in all industries for every dollar increase in direct spending	1.4617 [3]	$34,104,384	$12,231,506	$46,335,890
Earnings - represents the dollar increase in earnings of households in all industries for every dollar increase in direct spending	0.3601 [3]	$8,401,853	$3,013,317	$11,415,170
Total Economic Impact From Construction		**$42,500,000**	**$15,200,000**	**$57,800,000**
Employment - represents the increase in jobs in all industries for every $1 million in direct spending	6.4645 [3]	**151**	**55**	**206**

[1] Construction cost estimated based on typical estimate for full-service hotel and conference center
[2] Estimate from local economic development representative
[3] US Department of Commerce - Bureau of Economic Analysis (BEA) RIMS II Multipliers
Source: CBRE Hotels

Economic Impact from Operations

Employment

Direct economic impact from employment is generated by the creation of jobs and the paying of wages to the employees of the proposed facility. According to our comparables, a typical full-service hotel would have payroll costs of approximately 35% of its total revenue. As much as 30% of these wages are typically withheld for taxes and savings and are not spent, which leaves 65% of these wages to be spent on household products and services. For the purposes of the analysis, we estimated that 75% of the left over wages would be spent within the local economy. The sum of the first 10 years of operation is estimated to provide $62,500,000 in direct wages with $32,800,000 spent in the local economy. Based on a stabilized revenue of $16,787,033 and a multiplier of according to RIMS of 10.6404 per $1,000,000 of expenditure, we estimate the total employment for the Conference Center and Hotel to be 179 Jobs.

The local Direct economic input in wage expenditures is calculated as follows:

CBRE

Proposed Hotel and Conference Center - Ames, IA Local Economic Impact From Employment				
Year	Total Revenue[1]	Total Payroll (35% of Total Revenue)	Taxes & Savings - (30% of Payroll)	Direct Spending In Local Economy (75%)
1	$13,520,434	$ 4,732,152	$1,419,646	$2,484,380
2	$15,077,594	$ 5,277,158	$1,583,147	$2,770,508
3	$16,787,033	$ 5,875,462	$1,762,638	$3,084,617
4	$17,394,400	$ 6,088,040	$1,826,412	$3,196,221
5	$17,916,232	$ 6,270,681	$1,881,204	$3,292,108
6	$18,453,719	$ 6,458,802	$1,937,640	$3,390,871
7	$19,007,331	$ 6,652,566	$1,995,770	$3,492,597
8	$19,577,550	$ 6,852,143	$2,055,643	$3,597,375
9	$20,164,877	$ 7,057,707	$2,117,312	$3,705,296
10	$20,769,823	$ 7,269,438	$2,180,831	$3,816,455
Total	$178,700,000	$62,500,000	$18,800,000	$32,800,000

[1]CBRE Hotels' projections for the proposed Conference Center Hotel scheduled to open 1/1/2028
[2]US Department of Commerce - Bureau of Economic Analysis (BEA) RIMS II Multipliers
Source: CBRE Hotels

After calculating the amount spent by employees in the local economy, we then applied the BEA RIMS II multipliers. Indirect induced impact occurs when the industries that produce these products and deliver these services hire more persons and pay more wages.

Utilizing the average household expenditure by category within Ames in 2024 according to ESRI, we broke down the potential expenditure in wages by industry and applied the RIMS II multipliers corresponding to each industry. The indirect and induced impact from output and earnings for the first 10 years of hotel operations is presented in the following table. Overall, the indirect and induced impact from the household expenditures derived from employment at the proposed subject is potentially $55,000,000 over the 10-year period.

Local Expenditures Over 10 Years						
Expenditure	Local Spending	% of Local Spending	Output[1]		Earnings[2]	
Food and Beverage Stores	$4,920,000	15%	1.5356	$7,555,152	0.4208	$2,070,336
General Merchandise Stores	$1,640,000	5%	1.5319	$2,512,316	0.4058	$665,512
Other Services	$2,952,000	9%	1.5046	$4,441,579	0.3688	$1,088,698
Transit and Ground Passenger Transportation	$3,781,840	12%	1.5331	$5,797,939	0.3715	$1,404,954
Amusement, Gambling, and Recreation Industries	$3,280,000	10%	1.5276	$5,010,528	0.3631	$1,190,968
Households	$4,592,000	14%	0.7342	$3,371,446	0.189	$867,888
Education	$984,000	3%	1.5435	$1,518,804	0.5323	$523,783
Real Estate	$10,591,120	32%	1.3748	$14,560,672	0.2226	$2,357,583
Total Local Spending	**$32,700,000**	**100%**		**$44,800,000**		**$10,200,000**
Total Output and Earnings						**$55,000,000**

[1]Output represents the dollar increase for in all industries for every dollar increase in direct spending
[2] Earnings represents the dollar increase in earnings of households in all industires for every dollar increase in direct spending

Number of Jobs and Allocated Economic Impact

To calculate the potential number of jobs generated from the proposed project, CBRE utilized the RIMS multipliers for the following industries; accommodations and food services and drinking places. The following table presents our estimates using the stabilized conference center and hotel revenues separately.

Proposed Conference Center and Hotel - Ames, IA Estimated Number of Jobs	
Conference Center	
Stabilized Revenues	$3,436,809
RIMS Multiplier (Jobs Per $1M of Revenue)	15.2027
Direct Jobs (Full-Time Equivalent) from Conference Center	52
%	27%
Hotel	
Stabilized Revenues (HOTEL ONLY)	$13,350,224
RIMS Multiplier (Jobs Per $1M of Revenue)	10.6404
Direct Jobs (Full-Time Equivalent) from Hotel	142
%	73%
Combined	
Direct Jobs (Full-Time Equivalent)	**194**
Source: CBRE Hotels	

Total number of jobs created for the hotel project is estimated to be 194. The Conference Center accounts for 52 jobs or 27% of the total. The hotel portion accounts for 142 (73%). To allocate the impact from household expenditures, we allocated 27% of the previous Output and Earnings calculations to the Conference Center with the remainder to the Hotel. The following table presents the estimated allocation.

Proposed Conference Center and Hotel - Ames, IA Labor Economic Impact allocation			
Output	**Output (rounded)**	**Earnings (rounded)**	**Totals (rounded)**
Conference Center	$12,050,000	$2,740,000	**$14,800,000**
%	27%	27%	
Hotel	$32,750,000	$7,460,000	**$40,200,000**
%	73%	73%	
Totals	**$44,800,000**	**$10,200,000**	**$55,000,000**

Source: CBRE Hotels

Goods and Services Expenditures

Direct economic impact from all other operating expenses in the subject is effectively the difference between overall operating expenses and employee wages. This represents the direct spending for goods and services in the local economy from the hotel and event center operations. For this purpose, we are defining overall operating expenses as departmental expense plus undistributed expenses. We then deduct wages or payroll expenses (expressed previously) to get **Net Operating Expenses**. Lastly, we determine a reasonable estimate of those net operating expenses spent in Ames.

After calculating the local operating expenditures, we then applied the BEA RIMS II multipliers attributed to the accommodation industry. This results in a total of $45,700,000 of total impact from output and increased earnings over the first 10 years of operations. The following table presents this calculation.

Proposed Hotel and Conference Center - Ames, IA Local Economic Impact From Operations							
					Economic Impact[2]		
	Total Operating Expense[1]	Total Payroll (35% of Total Revenue)	Net Operating Expense Less Payroll	Operating Expenses Spent Locally (50%)	Output[3] 1.4943	Earnings[4] 0.3876	TOTAL
1	$9,224,648	$ 4,732,152	$4,492,496	$2,246,248	$3,356,568	$870,646	$4,227,214
2	$9,754,123	$ 5,277,158	$4,476,965	$2,238,483	$3,344,965	$867,636	$4,212,600
3	$10,360,869	$ 5,875,462	$4,485,408	$2,242,704	$3,351,272	$869,272	$4,220,545
4	$10,676,883	$ 6,088,040	$4,588,843	$2,294,421	$3,428,554	$889,318	$4,317,871
5	$10,997,189	$ 6,270,681	$4,726,508	$2,363,254	$3,531,410	$915,997	$4,447,408
6	$11,327,105	$ 6,458,802	$4,868,304	$2,434,152	$3,637,353	$943,477	$4,580,830
7	$11,666,918	$ 6,652,566	$5,014,353	$2,507,176	$3,746,474	$971,782	$4,718,255
8	$12,016,926	$ 6,852,143	$5,164,783	$2,582,392	$3,858,868	$1,000,935	$4,859,803
9	$12,377,434	$ 7,057,707	$5,319,727	$2,659,864	$3,974,634	$1,030,963	$5,005,597
10	$12,748,756	$ 7,269,438	$5,479,318	$2,739,659	$4,093,872	$1,061,892	$5,155,764
Total	$111,200,000	$62,500,000	$48,600,000	$24,300,000	$36,300,000	$9,400,000	**$45,700,000**

[1] Sum of the departmental and undistributed expenses
[2] US Department of Commerce - Bureau of Economic Analysis (BEA) RIMS II Multipliers
[3] Output represents the dollar increase in output in all industries for every dollar increase in direct spending
[4] Earnings represents the dollar increase in earnings of households in all industires for every dollar increase in direct spending

Source: CBRE Hotels

To allocate economic impact from operations, we applied the ratio of Conference Center operating expenses to Hotel. In the stabilized year, the Conference Center alone is approximately 31% of the combined operating expenses (before fixed building costs). We applied the 31% ratio to the previous table's 10-year economic impact conclusions for the conference center. The remainder was allocated to the hotel. The allocations for Conference Center and Hotel are summarized below.

Proposed Conference Center and Hotel - Ames, IA Operations Impact Allocations				
	Stabilized Operating Expenses	Output over 10 years (rounded)	Earnings (rounded)	Totals (rounded)
Conference Center %	$3,179,048 31%	$11,138,008	$2,884,222	$14,000,000
Hotel %	$7,181,821 69%	$25,161,992	$6,515,778	$31,700,000
Totals	$10,360,869	$36,300,000	$9,400,000	$45,700,000

Source: CBRE Hotels

Economic Impact from Visitation

Direct economic impact from visitation is generated by local expenditures from visitors to the proposed facilities. Specifically, this includes expenditures **APART FROM** what is captured at the subject hotel. These expenditures could include local restaurants, retail, fuel costs, entertainment, as well as other hotels.

Visitation

Utilizing placer.ai, an industry leading geofencing service, we tracked general visitation statistics of 5 comparable venues to determine the number of visitors that could be attracted to the subject. Furthermore, we isolated 2 data sets defined as follows:

- Total Visitors: All non-resident and non-employee visits to the property for over 60 minutes.
- Total Non-Headquarter Overnight Stays: All non-resident and non-employee visits to the Ames Market property for over 60 minutes from **OUTSIDE a 2-hour drive.** Additionally, we isolated overnight visitors NOT staying in the Subject Hotel.

After review of the comparable venues, approximately 100,000 total visitors is estimated including 15,500 potential overnight visitors Not captured by the Subject Hotel. Moreover, this is the estimate concluded in the Induced Demand Analysis.

The following table presents the data from Placer.ai utilizing the previously defined filters and our subject estimate from the Induced Demand Analysis. Our subject estimate took into consideration potential redundancies or inaccuracies in Placer.ai data which may not account for visitors with multiple cell phones, deliveries, or other limiting factors attributed to the data set. Furthermore, for NEW visitors to the market, our interviews indicated most of the events that could be re-located to Ames are not currently held there due to the lack of facilities. As such, we calculated approximately 70% of visitors would be NEW visitors to the area.

Comparable Visitor Traffic Summary

Market	Total Visitors	Total Non-Headquarter Overnight Stays
Hyatt Regency Coralville	149,700	23,503
Des Moines Marriott Downtown	215,500	31,463
Holiday Inn & Suites Cedar Falls	67,400	4,920
Holiday Inn Des Moines Airport	111,600	10,490
Stoney Creek Sioux City	63,400	19,274
Hotel at Kirkwood Center	25,500	2,244
Min		2,244
Max		31,463
Average		15,316
Median		14,882
CBRE Estimates Rounded	**100,000**	**15,500**

Source: Placer.ai, CBRE Hotels, Meeting Planner Survey

Estimate of NEW Visitors to Ames		
CBRE Estimate Large Group Visitors	Percent New Visitors	Total New Visitors
100,000	70%	**70,000**

Conclusion of Induced Room Nights
15,500

Source: Placer.ai, CBRE Hotels, Meeting Planner Survey

Based on the most recent Discover Ames Economic Impact report, the average lodging expenditure in Story County for all overnight visitors is as follows:

Story County Overnight Expenditures			
	Total Visitors	Lodging Expenditure	Average Lodging Spend per Visit
Overnight	348,311	$42,300,000	$121

Source: Discover Ames 2025 Annual Report

The report also provided the average visitor expenditure for the County summarized as follows:

Story County Total Visitor Expenditures		
Category	Spend	%
Total	**$228,300,000**	
Transportation	$58,000,000	25.4%
Food and Beverage	$58,200,000	25.5%
Recreation	$32,500,000	14.2%
Retail	$36,400,000	15.9%
Lodging	$43,200,000	18.9%

Source: Discover Ames 2025 Annual Report

The tourism economic report did not reference the number of visitors to determine the average spend per visit. However, after our initial market interviews, as well as a review of the economic and demographic profile of the local region, CBRE estimated a reasonable estimate of average expenditures for all visitors, as well as overnight. As a comparable, Cedar Rapids, Iowa indicated an average visitor spend of $248 in 2021 (most recent data available).

Additional adjustments were made due to the likelihood event attendees would be spending more per day than the average traveler currently. The following presents our estimate of the average spend per visit, total expenditure, as well as the breakdown by category of the expenditure for all visitors to the proposed Subject.

Subject Estimated Visitor Expenditures			
Category	**Visitors**	**Average Spend Per Visit**	**Total Expenditures**
		CBRE Estimate (2024$)	
New Visitors	**70,000**	**$260**	$18,200,000
Total visitor Expenditure by Category - Adjusted to Ames MSA			
		2024$	**Inflated 3% YoY to Stabilized Year (2031)**
Transportation	25%	$4,623,741	$5,686,618
Food and Beverage	25%	$4,639,685	$5,540,026
Recreation	14%	$2,590,889	$3,093,657
Retail	16%	$2,901,796	$3,464,896
Lodging	19%	$3,443,890	$4,112,184

Source: CBRE Hotels

The estimated visitor expenditure is not all captured in the local market or may be accounted for in the previous employment and operation sections. As such, further adjustments were made for each category to estimate the direct impact to Ames MSA. A summary of the adjustments are as follows:

- Transportation – 50% of the expenditure is estimated to be captured in the area.
- Food & Beverage – 85% captured locally, as well as a deduction of the Subject F&B revenues from these expenditures to isolate the spend outside the subject Conference Center and Hotel. We estimate an additional 70% of the expenditure is captured by the Subject.
- Recreation – 70% is captured locally due to the ISU, sports, museums, arts, etc.
- Retail – 70% is captured locally due to the location next to downtown and major shopping centers in the area.
- Lodging – Only accounted for the Induced demand **NOT** captured by the subject. The Subject's lodging expenditures is accounted for in the Operation analysis earlier in this section.

The adjustments for Hotel and Food and Beverage expenditures are presented in the following tables.

Hotel Expenditure Adjustment	
Category	**Total Expenditures**
Induced Overnight visitors	15,500
Average Rate	$130
Lodging Expenditure Induced to the Market	**$2,015,000**

Source: CBRE Hotels

Food and Beverage Expenditure Adjustment	
Category	**F&B spend (2031$)**
Total Local F&B Spend (85%)	$4,709,022
Subject Hotel Captured F&B (70%)	$3,296,316
Lodging Expenditure Induced to the Market	**$1,412,707**

Source: CBRE Hotels

The following table presents a summary of the adjustments and direct Ames MSA Visitor expenditures.

Estimated Visitor Expenditures Captured in Ames, IA	
Category	**Expenditure (rounded)**
Transportation (50% Local Capture)	$2,843,309
Food and Beverage (Less Subject Capture)	$1,412,707
Recreation (80'% Local Capture)	$2,474,926
Retail (70% Local Capture)	$2,425,427
Lodging (Induced ONLY)	$2,015,000

Source: CBRE Hotels

CBRE utilized the RIMS multipliers which most suited the categories defined by the tourism report in 2025. The following table presents the direct local expenditures and the resulting output and increased earnings from indirect and induced impact in the stabilized year of operations (2031). Additionally, we calculated the impact over a 10-year period starting from 2029 and ending 2038 using a 3% inflation rate.

Estimated Visitor Expenditures - In Ames, IA							
Category	**RIMS Industry**	**Direct Local Expenditure (Rounded)**	**Output**		**Earnings**		**Total**
Transportation	Other retail	$2,800,000	1.5046	$4,212,880	0.3688	$1,032,640	$5,245,520
Food and Beverage (Less Subject Capture)	Food services and drinking places	$1,400,000	1.5773	$2,208,220	0.445	$623,000	$2,831,220
Recreation	Amusement, gambling, and recreation industries	$2,500,000	1.5276	$3,819,000	0.3631	$907,750	$4,726,750
Retail	Other retail	$2,400,000	1.5046	$3,611,040	0.3688	$885,120	$4,496,160
Lodging (Less Subject Capture)	Accommodation	$2,000,000	1.4943	$2,988,600	0.3876	$775,200	$3,763,800
Totals		**$11,100,000**		**$16,839,740**		**$4,223,710**	**$21,063,450**
Total over a 10 Year Period 2029-2038		$140,611,479		$213,320,788		$53,504,695	$407,436,962
Rounded		**$140,600,000**		**$213,300,000**		**$53,500,000**	**$407,400,000**

Source: CBRE Hotels

TOTAL ECONOMIC IMPACT

The following table summarizes the aggregate local economic impact of the proposed Conference Center and Hotel beginning with construction in 2026 through the proposed facilities first 10 years (2029 through 2038) of operations.

CBRE

Proposed Conference Center and Hotel - Ames, IA Total Economic Impact over 10 years					
	Construction	Employment	Operations (Combined)	Visitor	Total Economic Impact
Hotel	$42,500,000	$40,200,000	$45,700,000	n/a	$128,400,000
Conference Center	$15,200,000	$14,800,000		$407,400,000	$437,400,000
Combined	**$57,700,000**	**$55,000,000**	**$45,700,000**	**$407,400,000**	**$565,800,000**

Number of Jobs	Construction	Employment
Hotel	55	142
Conference Center	151	52
Combined	206	194

Source: CBRE Hotels

Fiscal Impact

In addition to the economic impact, we also identified the fiscal benefit to the local community. This analysis estimates fiscal impacts for the governmental units that levy taxes in the jurisdiction. The fiscal impacts are tax revenues resulting from the spending and income related to activities at the new hotel and event center. CBRE Hotels estimated fiscal impact by multiplying the applicable tax rates by the estimated amounts of direct and indirect spending.

Hotel Occupancy Tax

The State of Iowa and Ames will benefit from the collection of a Hotel Occupancy Tax levied on the Rooms Revenue of the proposed Hotel. Currently the hotel occupancy tax is 5% in the State and 7% in Ames. The following table summarizes the potential hotel occupancy taxes for the period 2029 through 2038, the first 10 years of hotel operations.

Proposed Conference Center and Hotel - Ames, IA
Potential Hotel Occupancy Tax Revenues

Year	Projected Rooms Revenue [1]	Potential State Hotel Occupancy Tax Revenue [2]	Potential Ames Hotel Occupancy Tax Revenue [2]	Total Potential Occupancy Tax Revenue
1	$7,790,339	$389,517	$545,324	$934,841
2	$8,858,313	$442,916	$620,082	$1,062,998
3	$9,972,671	$498,634	$698,087	$1,196,720
4	$10,375,607	$518,780	$726,292	$1,245,073
5	$10,686,875	$534,344	$748,081	$1,282,425
6	$11,007,481	$550,374	$770,524	$1,320,898
7	$11,337,706	$566,885	$793,639	$1,360,525
8	$11,677,837	$583,892	$817,449	$1,401,340
9	$12,028,172	$601,409	$841,972	$1,443,381
10	$12,389,017	$619,451	$867,231	$1,486,682
Total	$106,100,000	$5,306,201	**$7,400,000**	**$12,700,000**

[1]CBRE Hotels' projections for the proposed Hotel and Conference
[2] Ames occupancy tax = 7% of Rooms Revenue, Iowa occupancy tax = 5% of Rooms Revenue
Source: CBRE Hotels

Sales Tax

The following table summarizes the potential sales taxes generated by the proposed Hotel for the period 2029 through 2038, which encompasses the period from construction through the first 10 years of operations. The State of Iowa Tax Rate is 6% and Story county is an additional 1%, there is no sales tax for the City of Ames. The following table presents the potential sales tax revenues from the construction spending and operation of the proposed Conference Center and Hotel.

CBRE

Proposed Conference Center and Hotel - Ames, IA Potential State Sales Tax Revenues				
Year	**Impact from Construction**	**Revenues Rooms and F&B**	**Potential Sales Tax County (1%)**	**Potential Sales Tax State (6%)**
2026/2027	$57,700,000	--	$577,000	$3,462,000
1	--	$12,766,407	$127,664	$765,984
2	--	$14,262,594	$142,626	$855,756
3	--	$15,898,203	$158,982	$953,892
4	--	$16,478,905	$164,789	$988,734
5	--	$16,973,272	$169,733	$1,018,396
6	--	$17,482,471	$174,825	$1,048,948
7	--	$18,006,945	$180,069	$1,080,417
8	--	$18,547,153	$185,472	$1,112,829
9	--	$19,103,568	$191,036	$1,146,214
10	--	$19,676,675	$196,767	$1,180,600
Total	$57,700,000	$169,200,000	**$2,300,000**	**$13,600,000**

Source: CBRE Hotels

To allocate the conference center and hotel separately, CBRE calculated the ratios of the separate revenues relative to the combined operations on a stabilized basis. The conference center estimate is roundly 22% of combined rooms and F&B revenues, with the remaining hotel at 78%. Using those ratios, we applied the cumulative 10-year fiscal impact from sales taxes presented in the prior table. Furthermore, we separated the construction expenditures as well. A summary of this analysis is presented in the following table.

Proposed Conference Center and Hotel - Ames, IA Sales Tax Allocations - 10 years (2029-2038)					
Component			**Potential Sales Tax County (1%)**	**Potential Sales Tax State (6%)**	**County & State Totals**
Construction					
Conference Center	$15,200,000		$152,000	$912,000	**$1,064,000**
Hotel	$42,500,000		$425,000	$2,550,000	**$2,975,000**
Subtotal	**$57,700,000**		**$577,000**	**$3,462,000**	**$4,039,000**
Revenues Allocation	**Stabilized (Rooms and F&B)**		**10 year Sales Tax Impact**		
Conference Center	$3,436,809	**22%**	$372,471	$2,191,592	**$2,564,063**
Hotel	$12,461,394	**78%**	$1,350,529	$7,946,408	**$9,296,937**
Subtotal	**$15,898,203**		**$1,723,000**	**$10,138,000**	**$11,861,000**
TOTALS (Construction, Revenues, All components)			**$2,300,000**	**$13,600,000**	**$15,900,000**

Property Tax

We have used our projected property tax estimates from the CBRE Hotels market study for the proposed Hotel as a baseline for estimating the expected property tax receipts related to the development. For purposes of this analysis, CBRE Hotels has assumed no tax rebates are associated with the development. The following table presents the total property taxes generated by the proposed Hotel.

Proposed Conference Center and Hotel - Ames, IA Forecasted Property Tax	
Year	**Forecasted Property Tax**
1	$639,481
2	$658,665
3	$678,425
4	$698,778
5	$719,741
6	$741,333
7	$763,573
8	$786,480
9	$810,075
10	$834,377
Total	**$7,330,928**
Source: CBRE Hotels	

Total Projected Economic, Employment, and Fiscal Impact Summary

The first table below presents the total Summary of Economic, Employment and Fiscal Impact for the proposed full-service Hotel.

CBRE

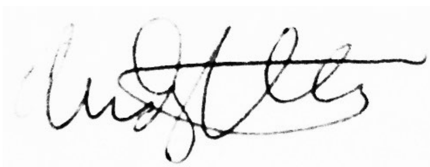
Proposed Conference Center and Hotel - Ames, IA Summary of Economic, Employment & Fiscal Impact			
Economic Impact	**Conference Center**	**Hotel**	**Totals**
Total Economic Impact from Construction	$15,200,000	$42,500,000	**$57,700,000**
Total Economic Impact from Labor - 10-Year Period	$14,800,000	$40,200,000	**$55,000,000**
Total Economic Impact from Operations - 10-Year Period	$14,000,000	$31,700,000	**$45,700,000**
Total Economic Impact from Visitation - 10-Year Period	$407,400,000		**$407,400,000**
TOTAL Economic Impact			**$565,800,000**
Employment Impact			
Total Jobs from Construction within Ames MSA	55	151	**206 Jobs**
Direct Jobs (FTE) from Hotel Operation	52	142	**194 Jobs**
TOTAL Employment Impact			**385 Jobs**
Fiscal Impact			
Potential City Hotel Occupancy Tax Revenues - 10-Year Period		$20,100,000	**$20,100,000**
Potential Sales Tax Revenues - 10-Year Period	$3,628,063	$12,271,937	**$15,900,000**
Potential Property Tax Revenues - 10-Year Period		$7,300,000	**$7,300,000**
TOTAL Fiscal Impact			**$39,671,937**

Source: CBRE Hotels

This concludes our analysis of the potential market demand and economic impact for the proposed Conference Center and Hotel. After you have had an opportunity to review this report, please feel free to contact us with any questions or comments. Thank you for this opportunity and we look forward to working with you on this engagement in the future.

Yours sincerely,

CBRE Hotels



Andrew Hartley
Senior Vice President
andrew.hartley@cbre.com

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.

2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.

3. Unless otherwise expressly noted in the Report, CBRE has assumed that:

   (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.

   (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.

   (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.

   (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.

   (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.

   (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.

   (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.

   (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently, nor super-efficiently.

   (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.

(x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

(xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property, nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report and any conclusions stated therein. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including, without limitation, any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. This Report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this Report, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections. Further, other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later change or be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge including, but not limited to, environmental, social, and governance principles ("ESG"), beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.

10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

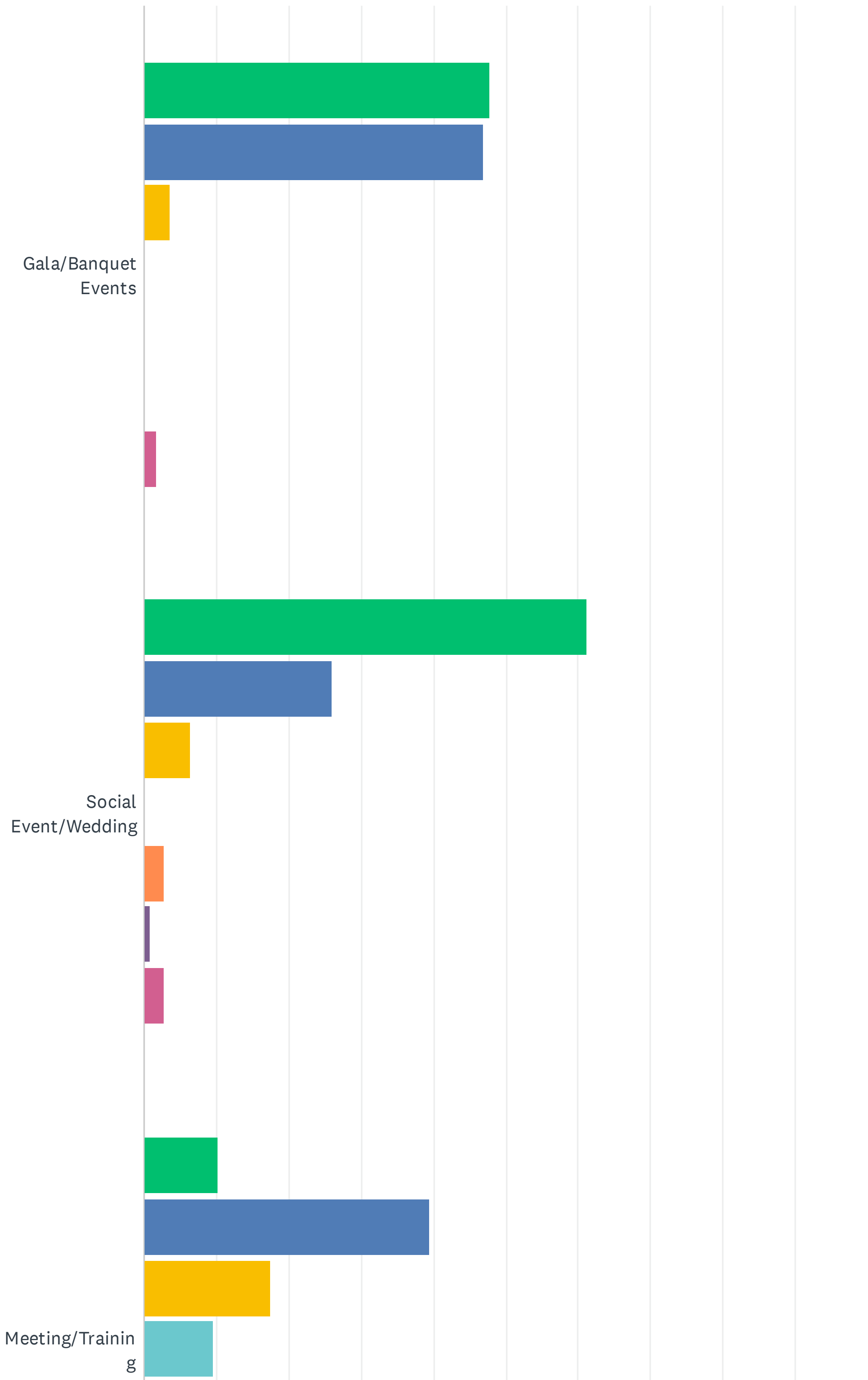
Survey Responses - Discover Ames

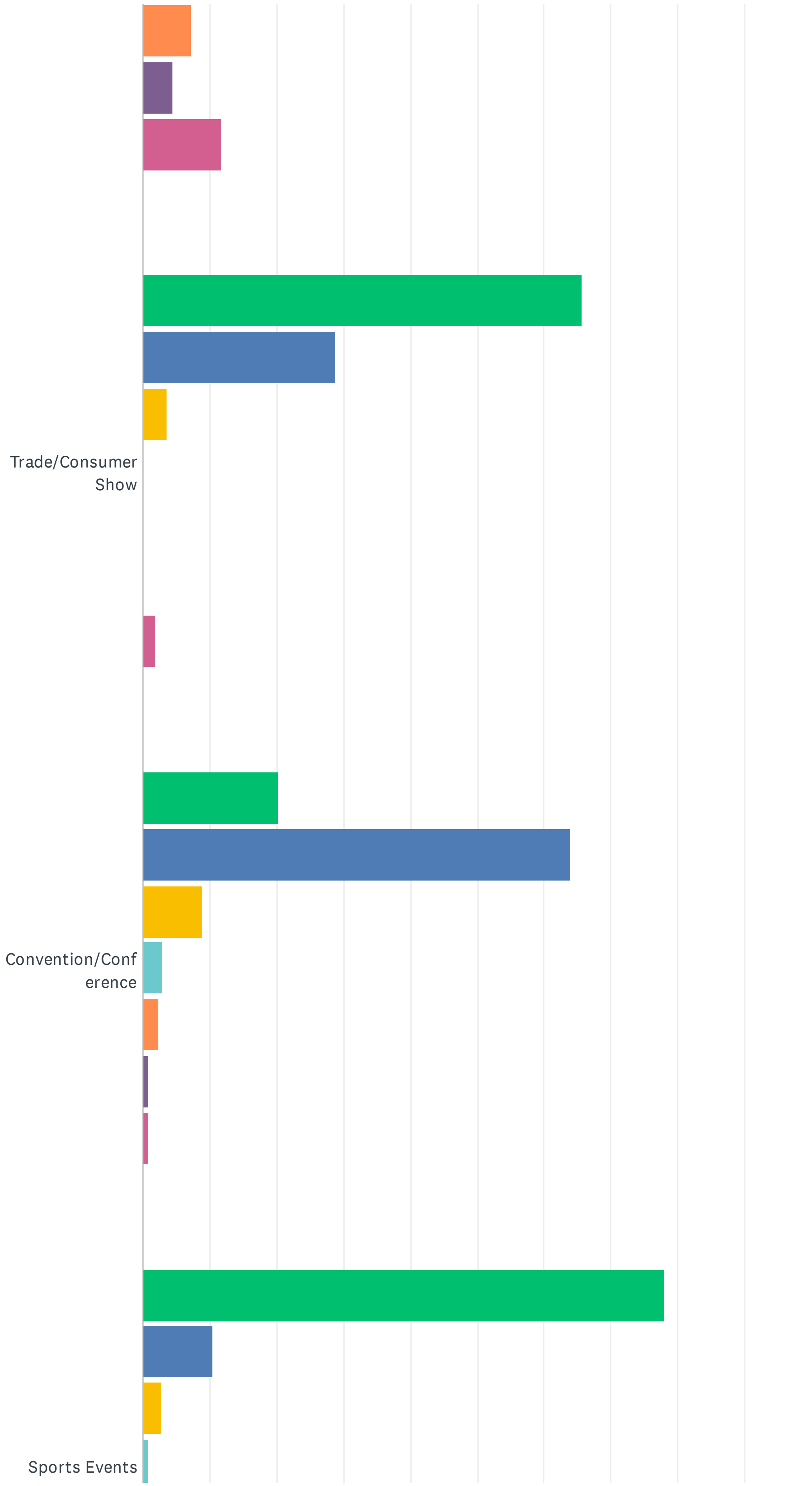
Q1 What is the name of your company/organization? (Optional)

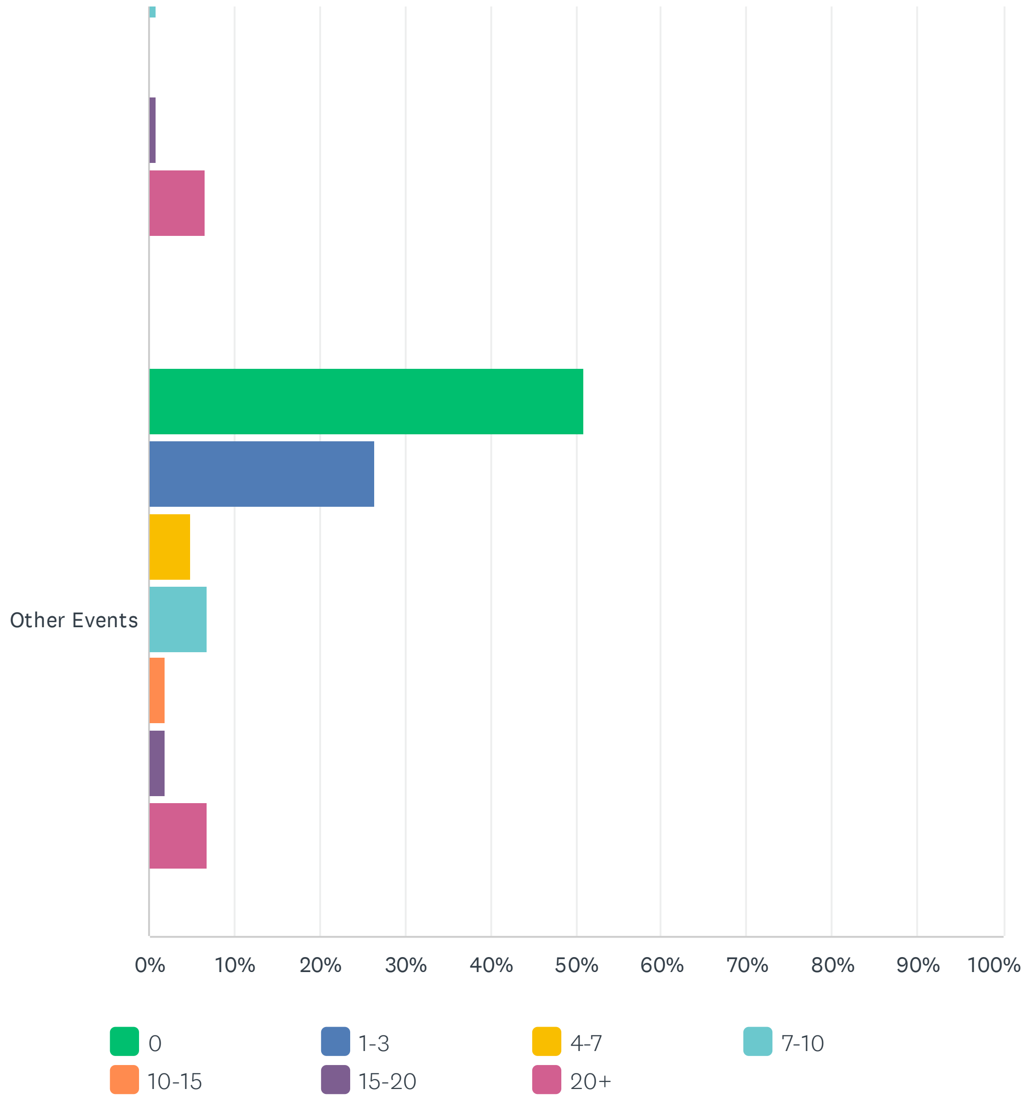
Answered: 104 Skipped: 48

Q2 Roughly how many times PER YEAR do you host the following event types. Leave blank if 0 (Check all that apply for each category.)

Answered: 150 Skipped: 2



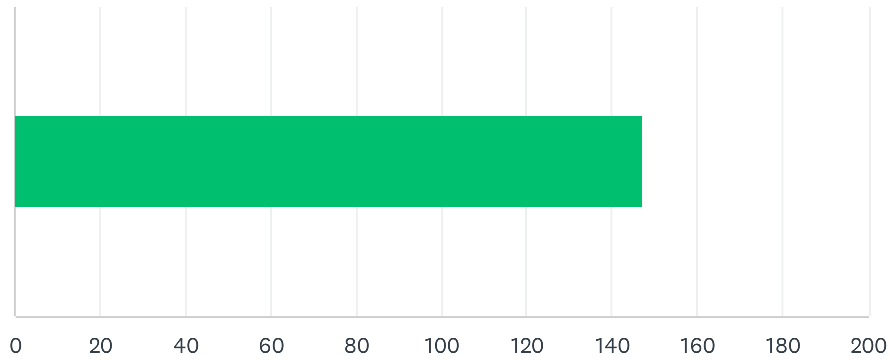

Trade/Consumer Show
Convention/Conference
Sports Events



	0	1-3	4-7	7-10	10-15	15-20	20+	TOTAL
Gala/Banquet Events	47.79% 54	46.90% 53	3.54% 4	0.00% 0	0.00% 0	0.00% 0	1.77% 2	113
Social Event/Wedding	61.11% 66	25.93% 28	6.48% 7	0.00% 0	2.78% 3	0.93% 1	2.78% 3	108
Meeting/Training	10.22% 14	39.42% 54	17.52% 24	9.49% 13	7.30% 10	4.38% 6	11.68% 16	137
Trade/Consumer Show	65.74% 71	28.70% 31	3.70% 4	0.00% 0	0.00% 0	0.00% 0	1.85% 2	108
Convention/Conference	20.30% 27	63.91% 85	9.02% 12	3.01% 4	2.26% 3	0.75% 1	0.75% 1	133
Sports Events	78.10% 82	10.48% 11	2.86% 3	0.95% 1	0.00% 0	0.95% 1	6.67% 7	105
Other Events	50.98% 52	26.47% 27	4.90% 5	6.86% 7	1.96% 2	1.96% 2	6.86% 7	102

Q3 What is the typical size of your Gala/Banquet Events? (adjust the slider)

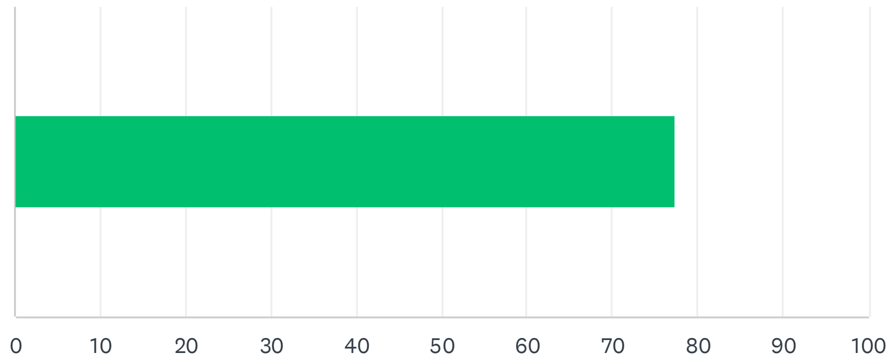
Answered: 121 Skipped: 31



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	147	17,800	121
Total Respondents: 121			

Q4 What is the typical size of your Social/Wedding Events? (adjust the slider)

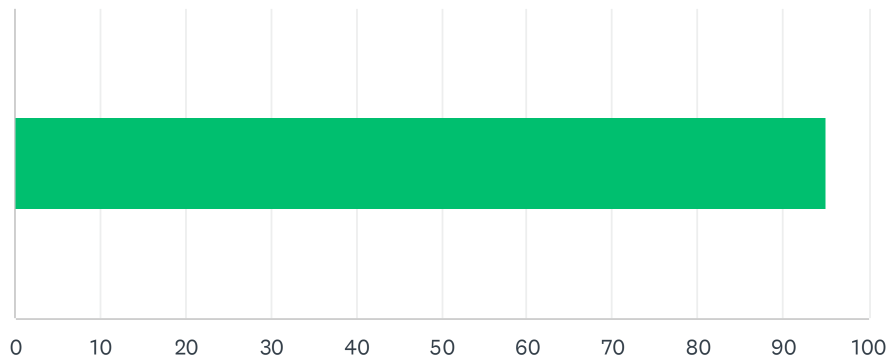
Answered: 97 Skipped: 55



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	77	7,500	97
Total Respondents: 97			

Q5 What is the typical size of your Meetings/Trainings? (adjust the slider)

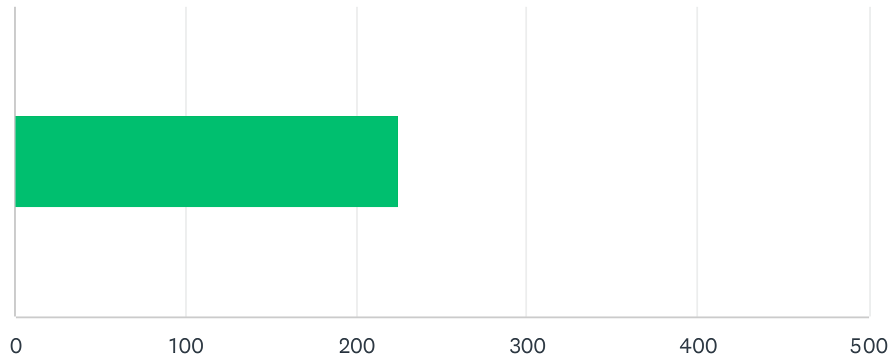
Answered: 135 Skipped: 17



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	95	12,850	135
Total Respondents: 135			

Q6 What is the typical size of your Trade/Consumer Shows? (adjust the slider)

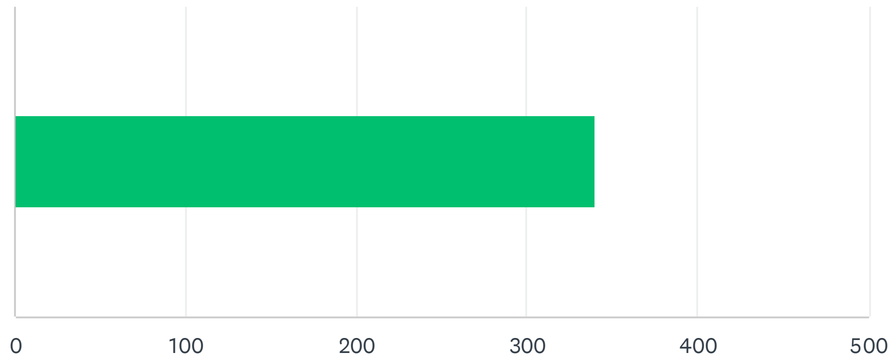
Answered: 86   Skipped: 66



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	225	19,350	86
Total Respondents: 86			

Q7 What is the typical size of your Conference/Conventions? (adjust the slider)

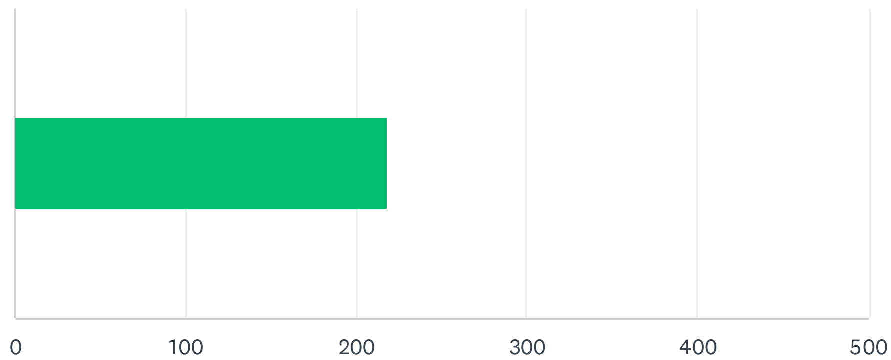
Answered: 126 Skipped: 26



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	340	42,900	126
Total Respondents: 126			

Q8 What is the typical size of your Sports Events? (adjust the slider)

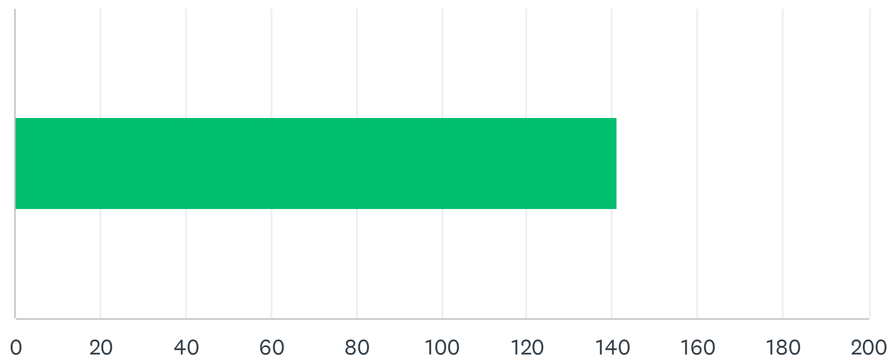
Answered: 76 Skipped: 76



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	219	16,650	76
Total Respondents: 76			

Q9 What is the typical size of your Other Events? (adjust the slider)

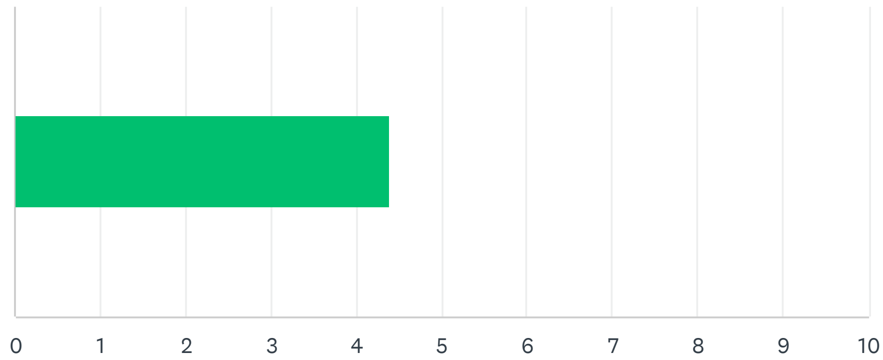
Answered: 89 Skipped: 63



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	141	12,550	89
Total Respondents: 89			

Q10 How many break out rooms would you require for medium to large events? (Check all that apply for each category.)

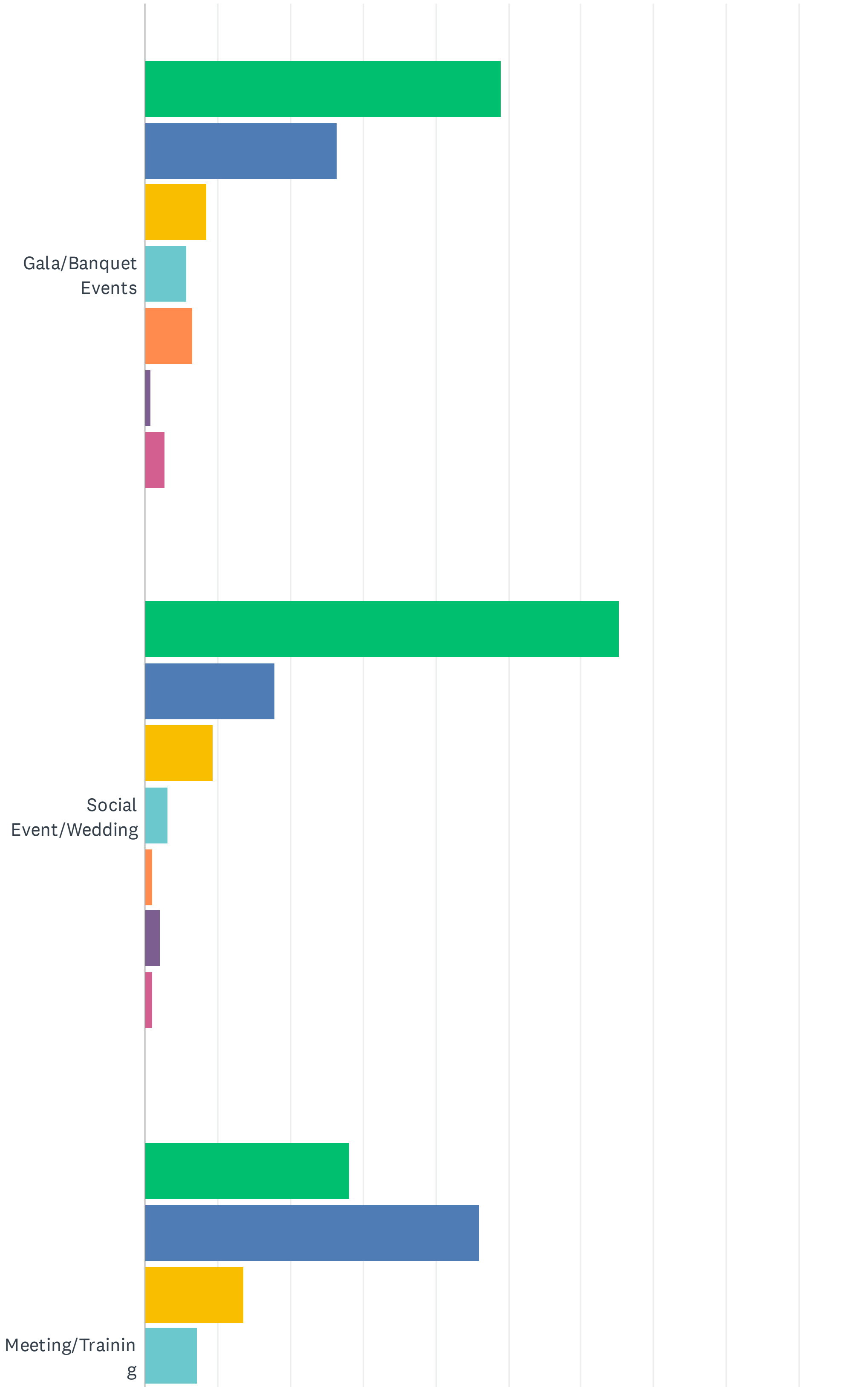
Answered: 130   Skipped: 22

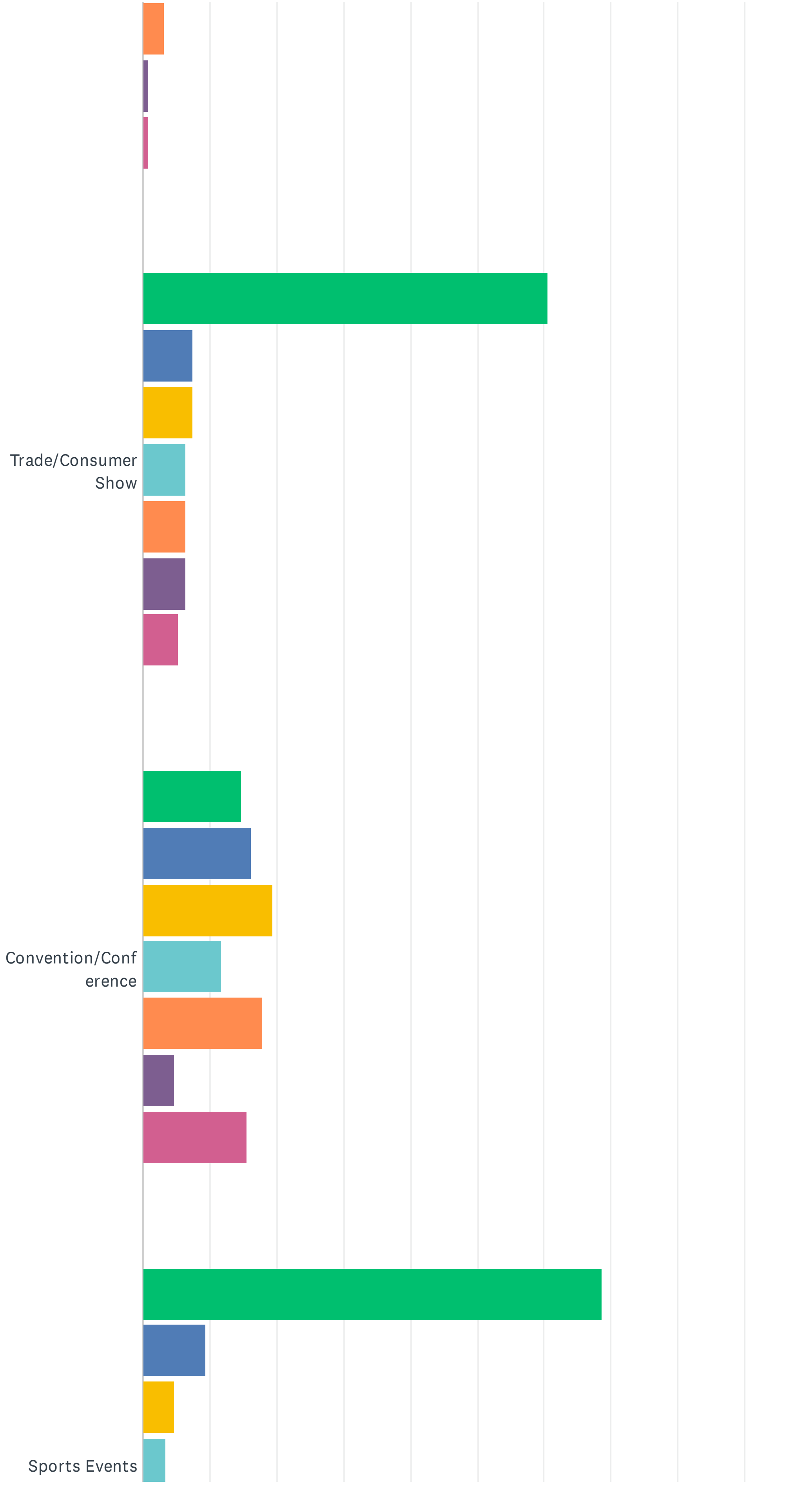


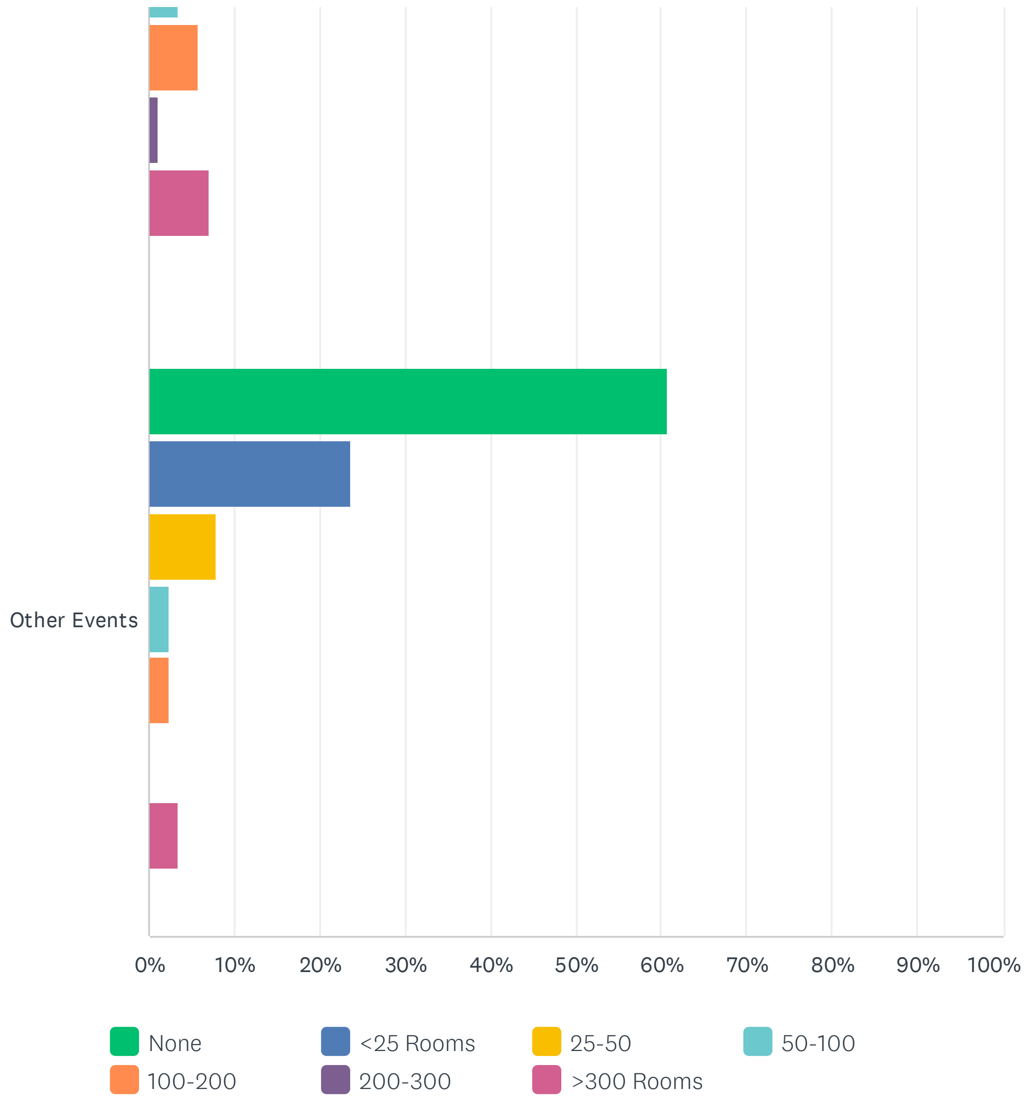
ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	4	570	130
Total Respondents: 130			

Q11 What is the typical number of hotel rooms you would need for these events?(Check all that apply for each category)

Answered: 148 Skipped: 4



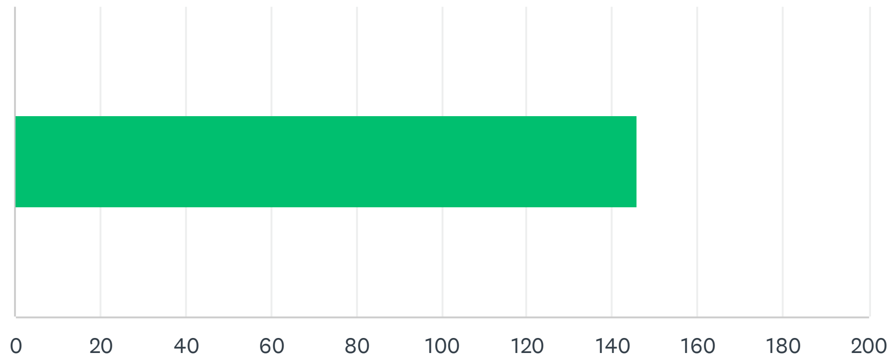

Trade/Consumer Show
Convention/Conference
Sports Events



	NONE	<25 ROOMS	25-50	50-100	100-200	200-300	>300 ROOMS	TOTAL
Gala/Banquet Events	49.06% 52	26.42% 28	8.49% 9	5.66% 6	6.60% 7	0.94% 1	2.83% 3	106
Social Event/Wedding	65.26% 62	17.89% 17	9.47% 9	3.16% 3	1.05% 1	2.11% 2	1.05% 1	95
Meeting/Training	28.23% 35	45.97% 57	13.71% 17	7.26% 9	3.23% 4	0.81% 1	0.81% 1	124
Trade/Consumer Show	60.64% 57	7.45% 7	7.45% 7	6.38% 6	6.38% 6	6.38% 6	5.32% 5	94
Convention/Conference	14.73% 19	16.28% 21	19.38% 25	11.63% 15	17.83% 23	4.65% 6	15.50% 20	129
Sports Events	68.60% 59	9.30% 8	4.65% 4	3.49% 3	5.81% 5	1.16% 1	6.98% 6	86
Other Events	60.67% 54	23.60% 21	7.87% 7	2.25% 2	2.25% 2	0.00% 0	3.37% 3	89

Q12 What average hotel rate are you currently quoted for most of your events? (adjust the slider)

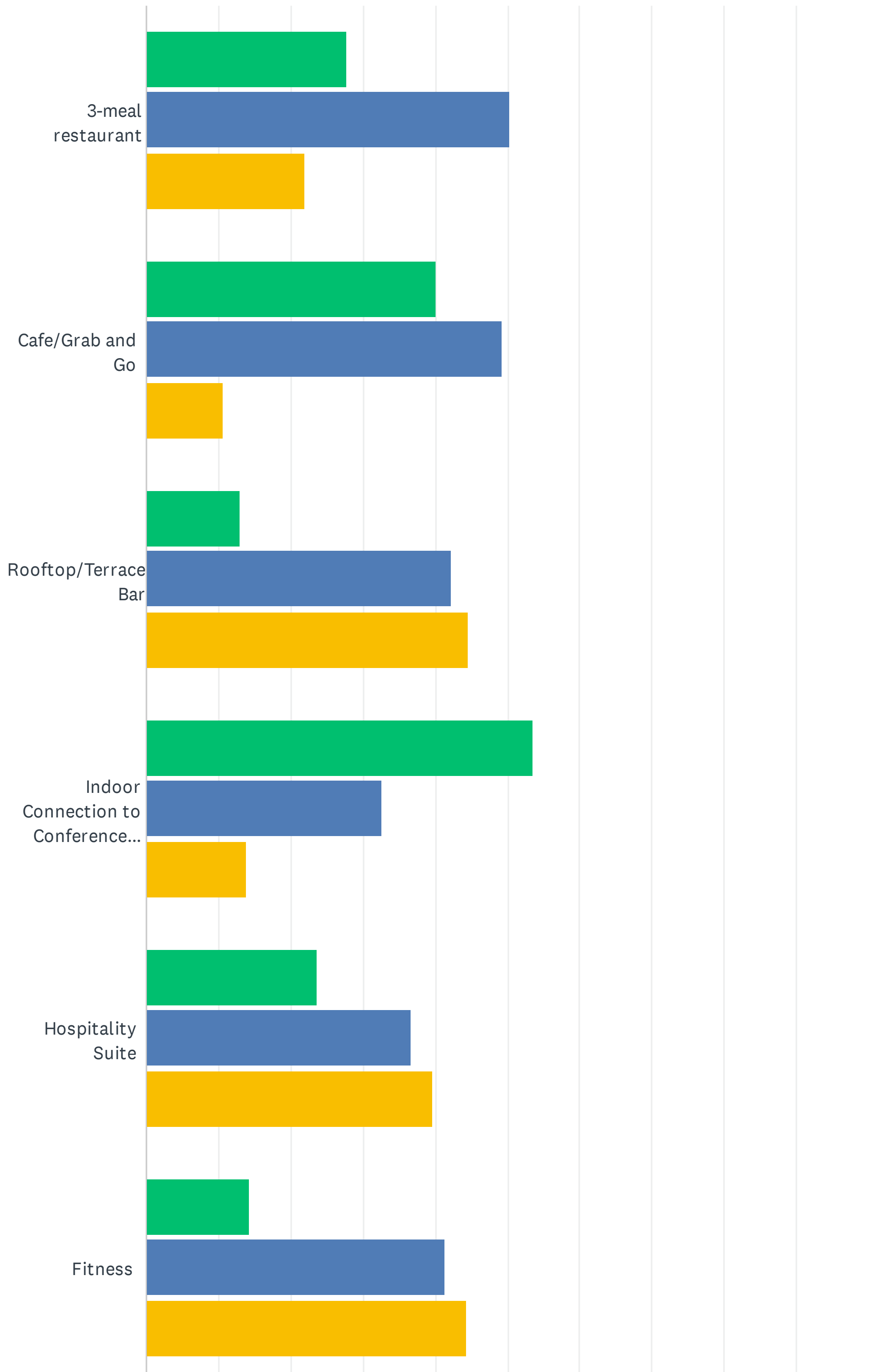
Answered: 129 Skipped: 23

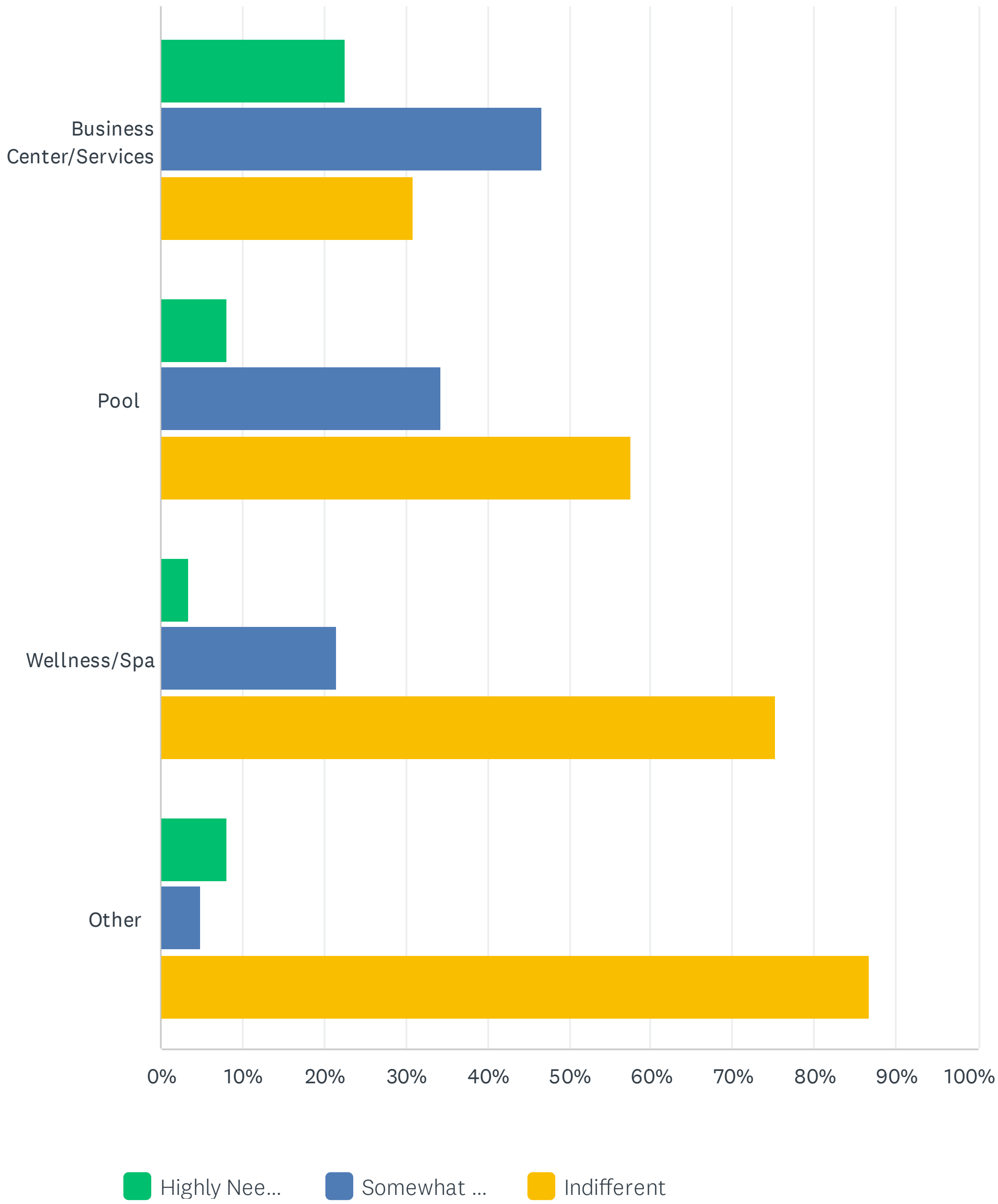


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	146	18,820	129
Total Respondents: 129			

Q13 For HOTEL FACILITY amenities, please indicate a level of need for you and/or your groups.

Answered: 145   Skipped: 7

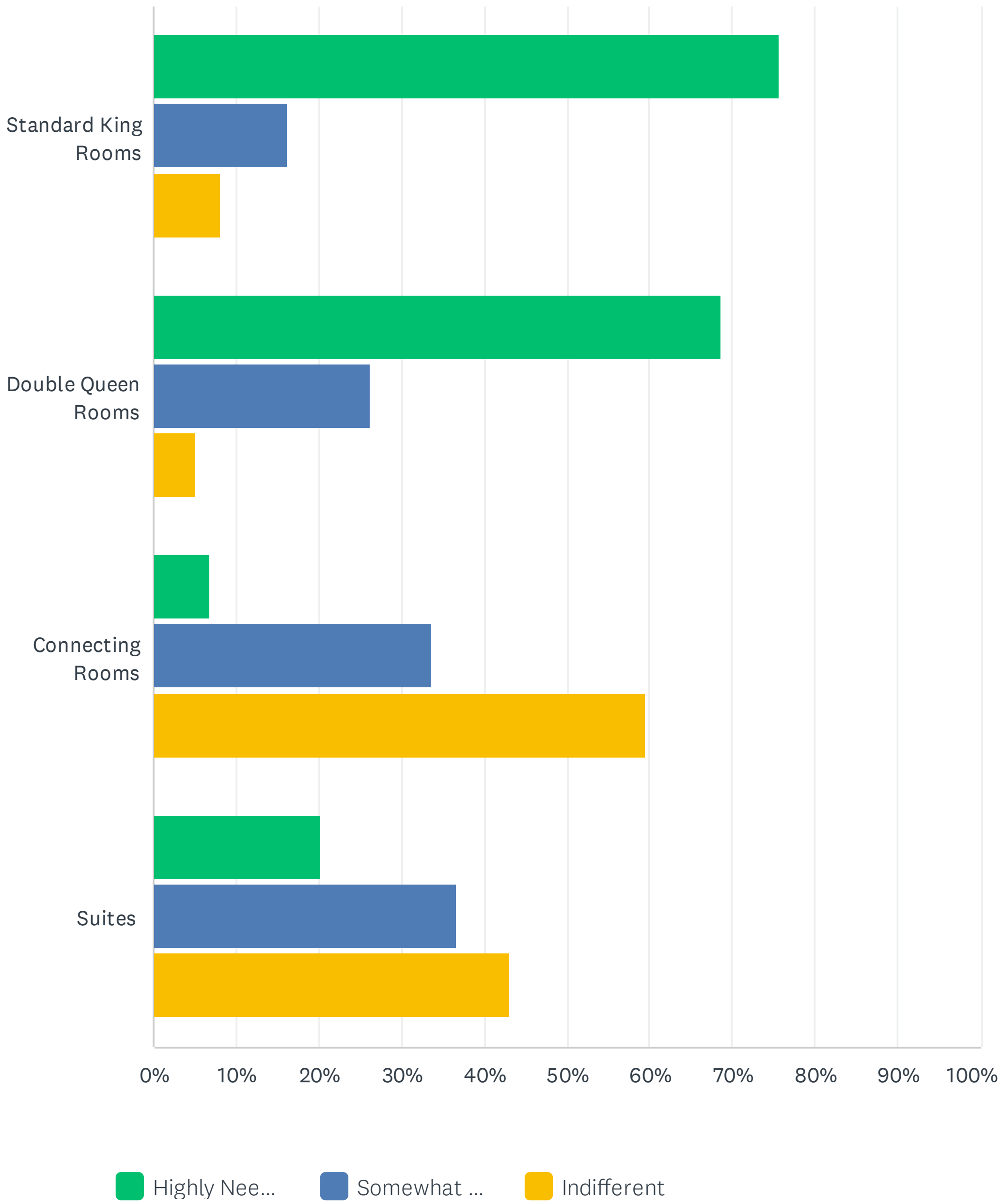



Business Center/Services
Pool
Wellness/Spa
Other
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Highly Nee...
Somewhat ...
Indifferent

	HIGHLY NEEDED - REQUIRED	SOMEWHAT NEEDED - BUT NOT REQUIRED	INDIFFERENT	TOTAL
3-meal restaurant	27.74% 38	50.36% 69	21.90% 30	137
Cafe/Grab and Go	40.15% 53	49.24% 65	10.61% 14	132
Rooftop/Terrace Bar	13.08% 17	42.31% 55	44.62% 58	130
Indoor Connection to Conference Space	53.62% 74	32.61% 45	13.77% 19	138
Hospitality Suite	23.66% 31	36.64% 48	39.69% 52	131
Fitness	14.29% 18	41.27% 52	44.44% 56	126
Business Center/Services	22.56% 30	46.62% 62	30.83% 41	133
Pool	8.00% 10	34.40% 43	57.60% 72	125
Wellness/Spa	3.31% 4	21.49% 26	75.21% 91	121
Other	8.20% 5	4.92% 3	86.89% 53	61

Q14 For HOTEL GUESTROOM TYPES, please indicate a level of need for you and/or your groups.

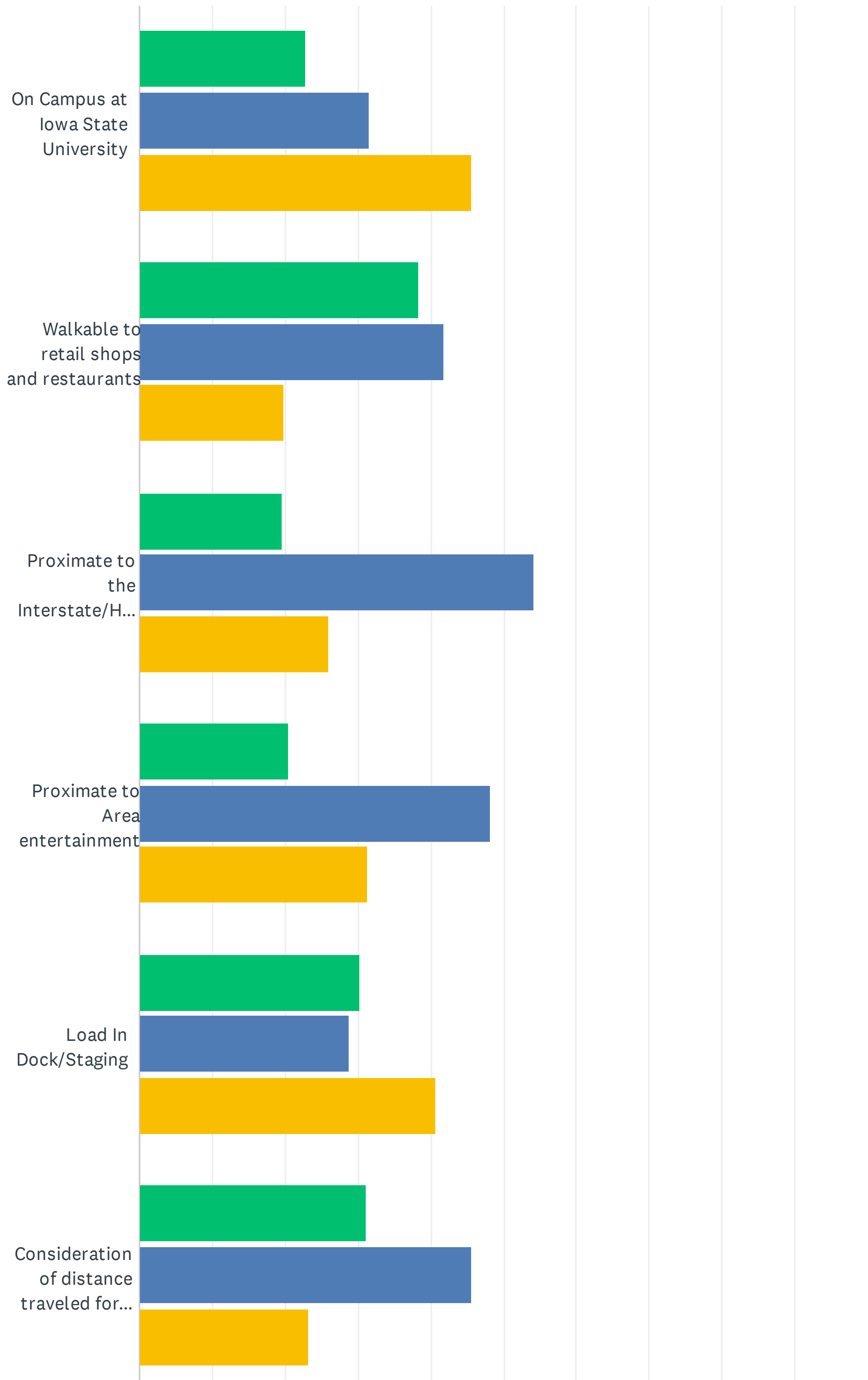
Answered: 140 Skipped: 12

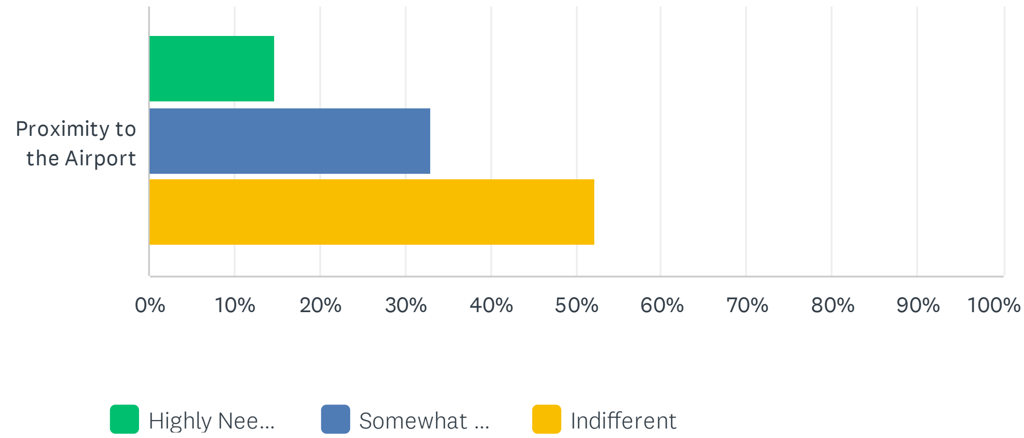


	HIGHLY NEEDED - REQUIRED	SOMEWHAT NEEDED - BUT NOT REQUIRED	INDIFFERENT	TOTAL
Standard King Rooms	75.74% 103	16.18% 22	8.09% 11	136
Double Queen Rooms	68.61% 94	26.28% 36	5.11% 7	137
Connecting Rooms	6.90% 8	33.62% 39	59.48% 69	116
Suites	20.33% 25	36.59% 45	43.09% 53	123

Q15 For SITE ATTRIBUTES, please indicate a level of need for you and/or your groups.

Answered: 146   Skipped: 6

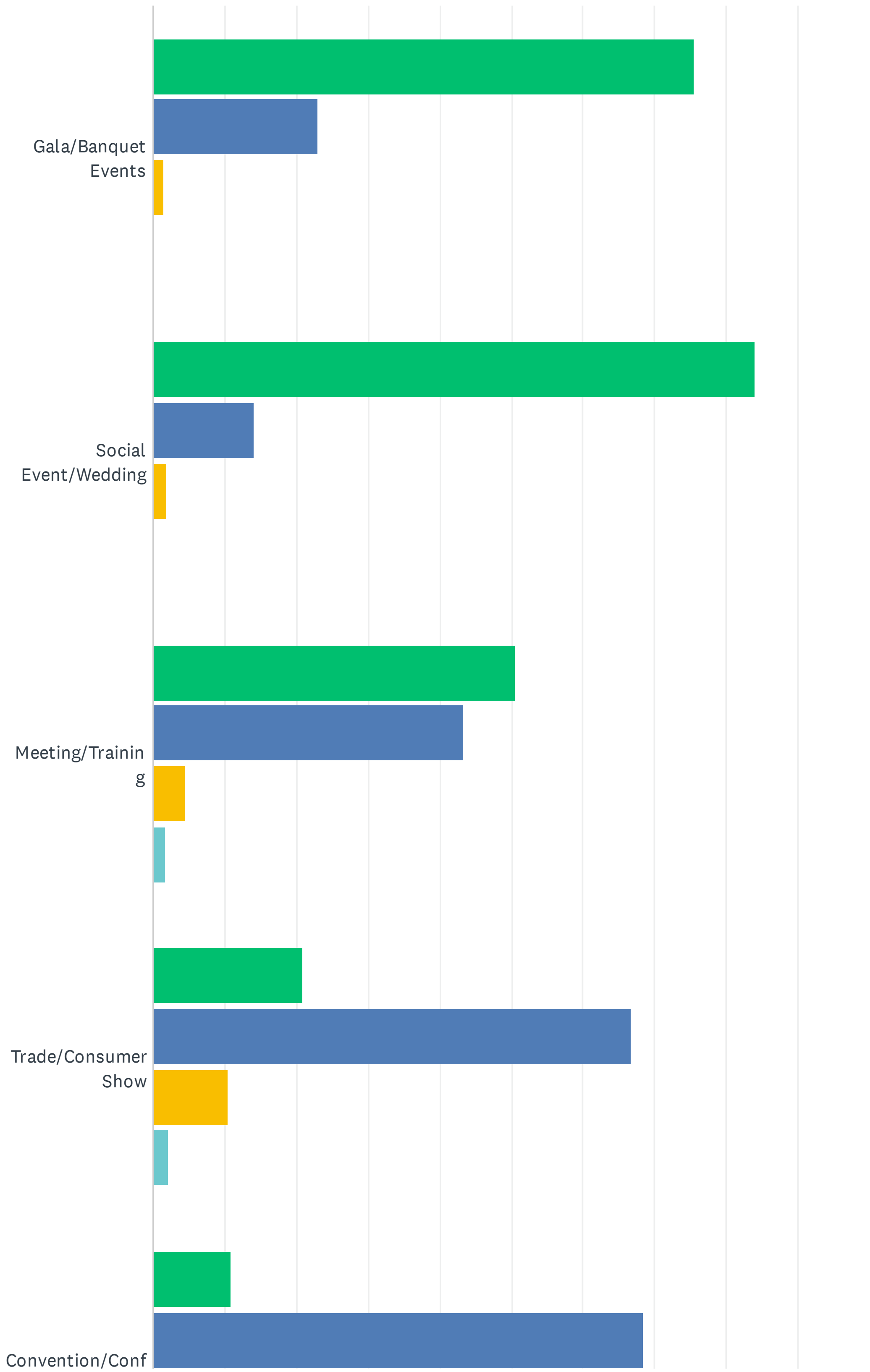


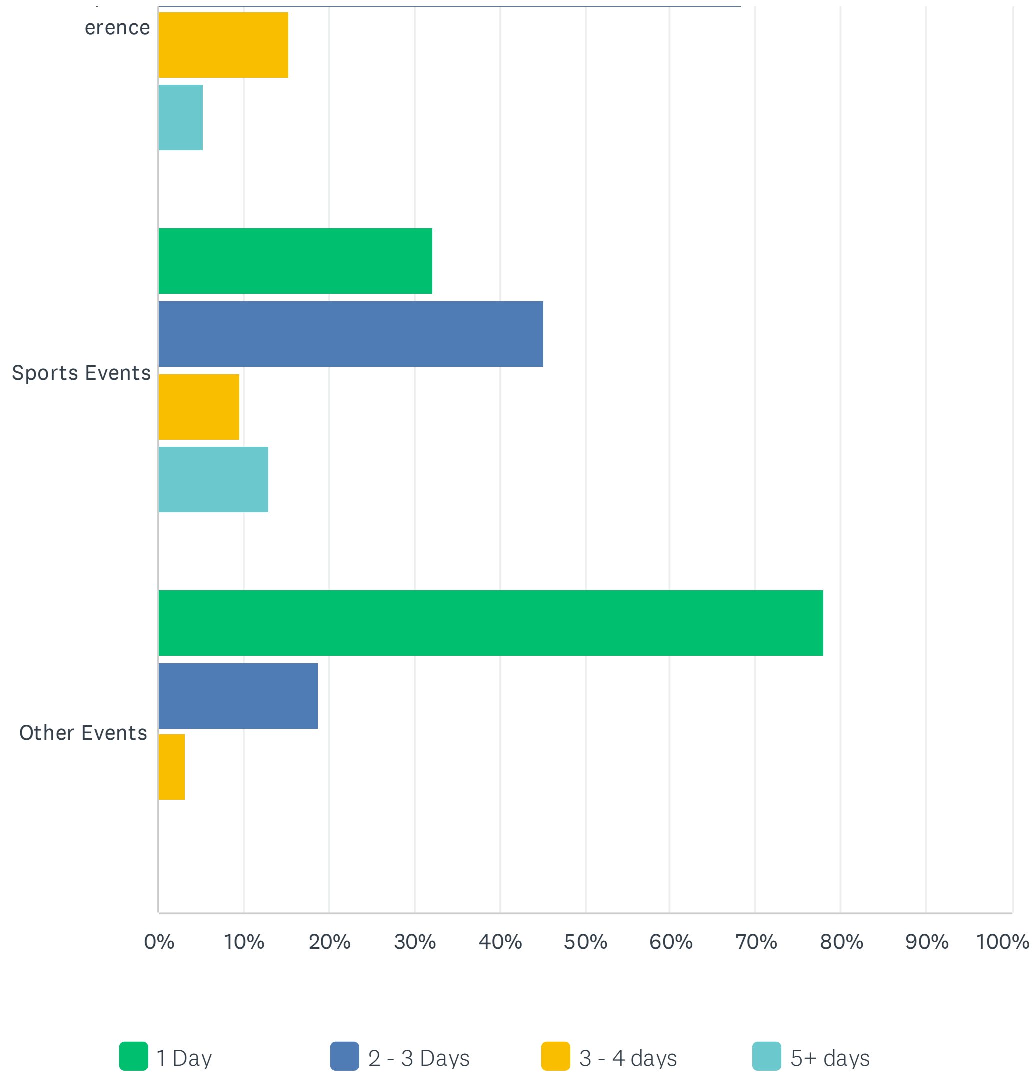


	HIGHLY NEEDED - REQUIRED	SOMEWHAT NEEDED - BUT NOT REQUIRED	INDIFFERENT	TOTAL
On Campus at Iowa State University	22.79% 31	31.62% 43	45.59% 62	136
Walkable to retail shops and restaurants	38.30% 54	41.84% 59	19.86% 28	141
Proximate to the Interstate/Highway	19.72% 28	54.23% 77	26.06% 37	142
Proximate to Area entertainment	20.44% 28	48.18% 66	31.39% 43	137
Load In Dock/Staging	30.37% 41	28.89% 39	40.74% 55	135
Consideration of distance traveled for attendees	31.16% 43	45.65% 63	23.19% 32	138
Proximity to the Airport	14.71% 20	33.09% 45	52.21% 71	136

Q16 How many days do/does your event typically last? (Check all that apply)

Answered: 147 Skipped: 5





	1 DAY	2 - 3 DAYS	3 - 4 DAYS	5+ DAYS	TOTAL
Gala/Banquet Events	75.38% 49	23.08% 15	1.54% 1	0.00% 0	65
Social Event/Wedding	84.00% 42	14.00% 7	2.00% 1	0.00% 0	50
Meeting/Training	50.45% 56	43.24% 48	4.50% 5	1.80% 2	111
Trade/Consumer Show	20.83% 10	66.67% 32	10.42% 5	2.08% 1	48
Convention/Conference	10.81% 12	68.47% 76	15.32% 17	5.41% 6	111
Sports Events	32.26% 10	45.16% 14	9.68% 3	12.90% 4	31
Other Events	78.13% 25	18.75% 6	3.13% 1	0.00% 0	32

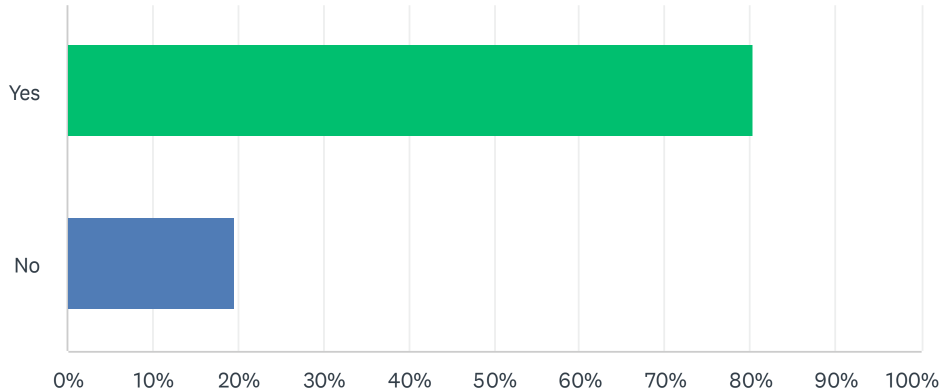
Q17 Where do you normally hold your meetings/events? In order of preference.

Answered: 127 Skipped: 25

ANSWER CHOICES	RESPONSES	
Location 1	100.00%	127
Location 2	77.95%	99
Location 3	54.33%	69
Location 4	33.86%	43
Location 5	19.69%	25
Other	10.24%	13

Q18 Now that a new full-service, Conference Center and Hotel will be opening in Ames at the Linc, would you prefer relocating your events there?

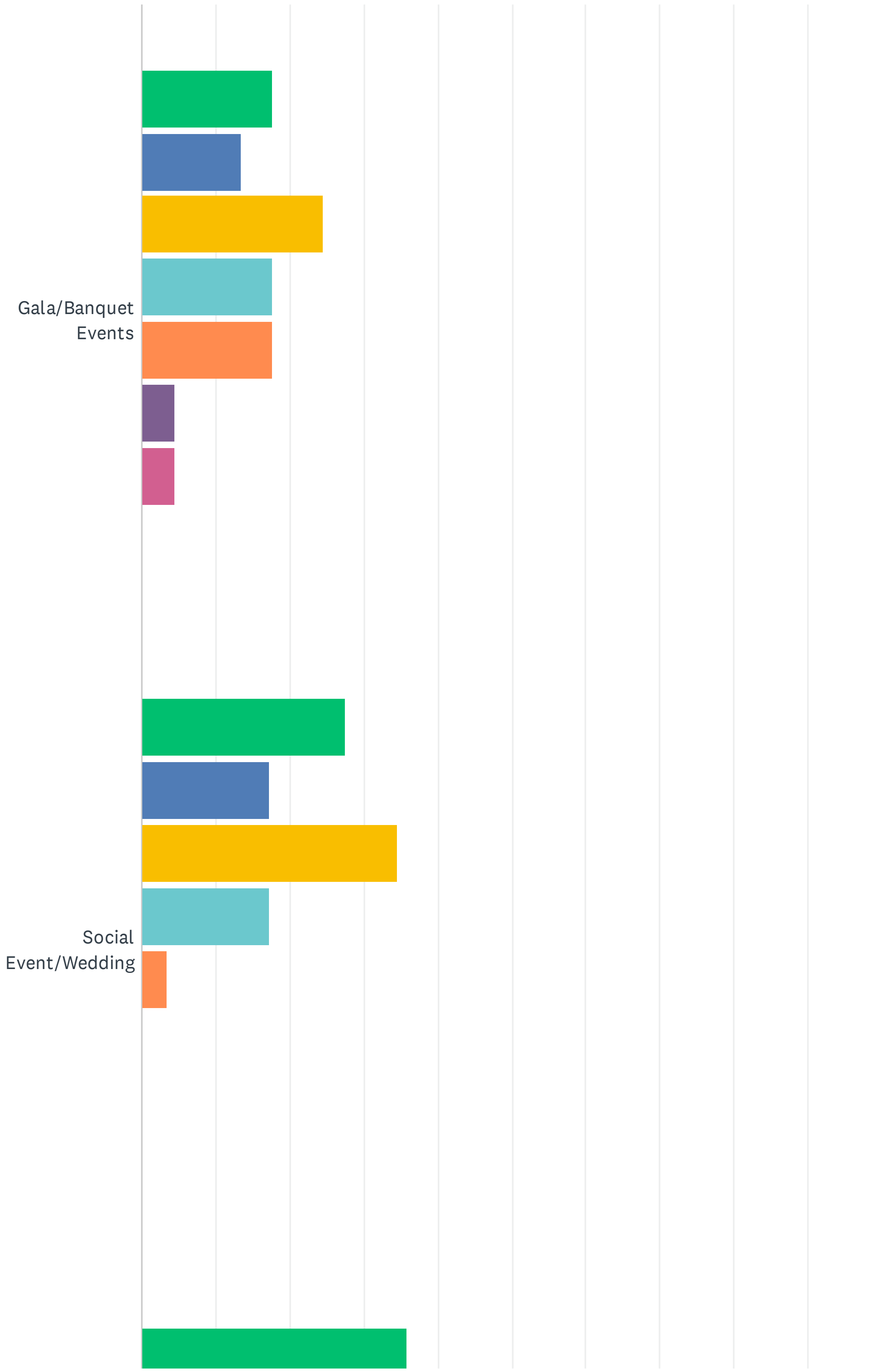
Answered: 132 Skipped: 20

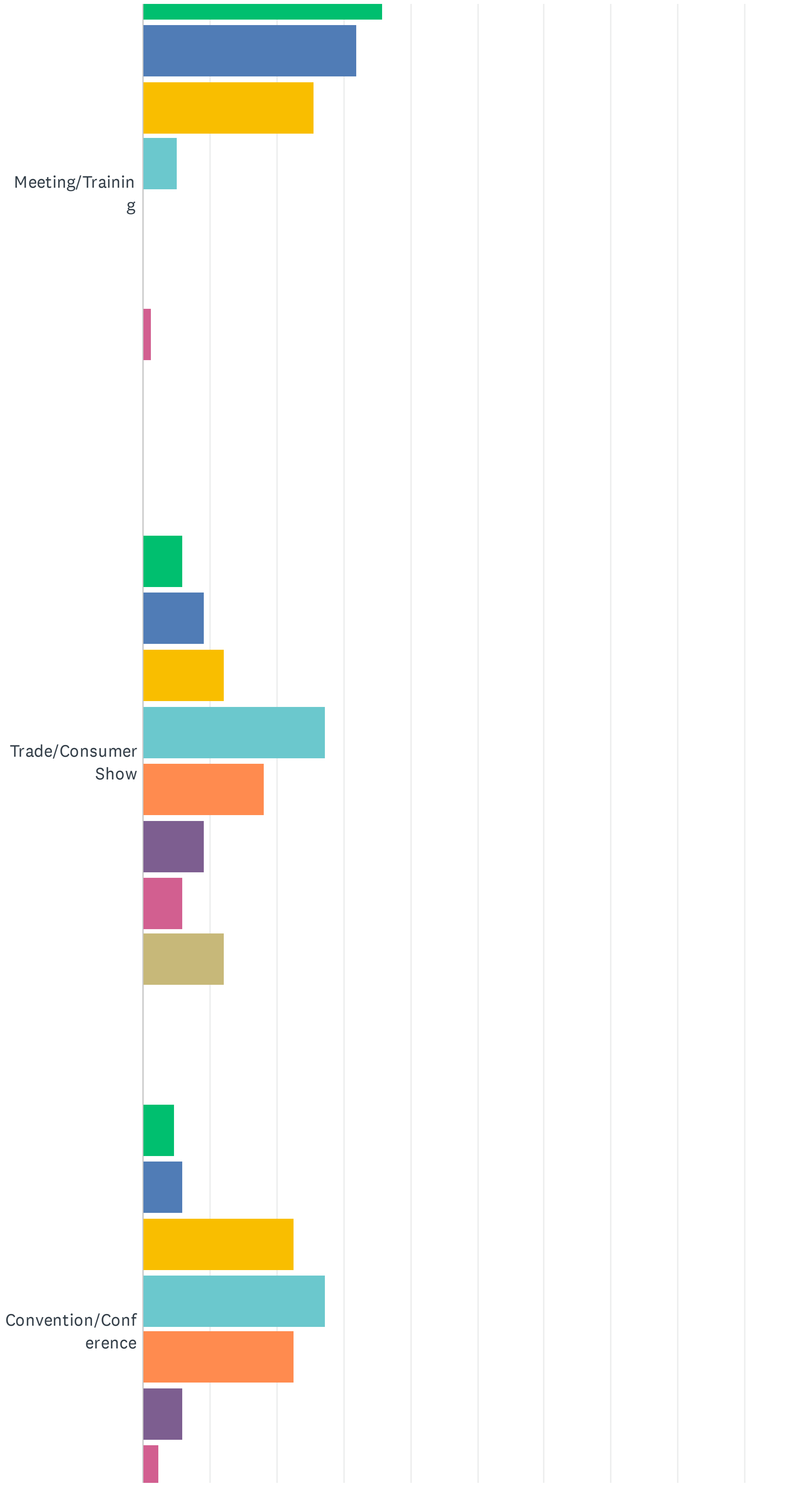


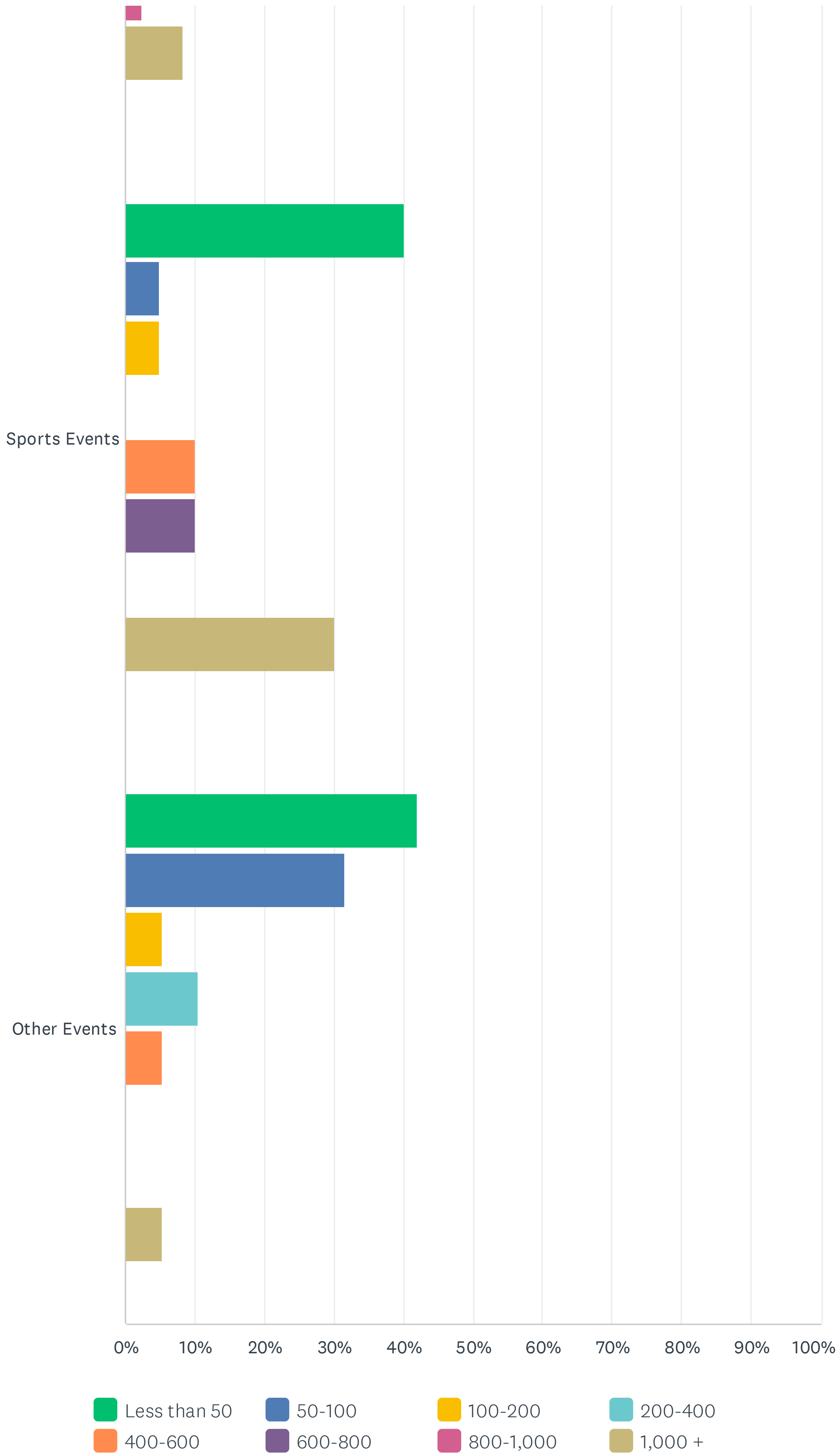
ANSWER CHOICES	RESPONSES	
Yes	80.30%	106
No	19.70%	26
TOTAL		132

Q19 If you answered yes to the previous question, what type and size of events would you consider relocating to Ames if they could be accommodated? (Check all that apply for each category.)

Answered: 116 Skipped: 36



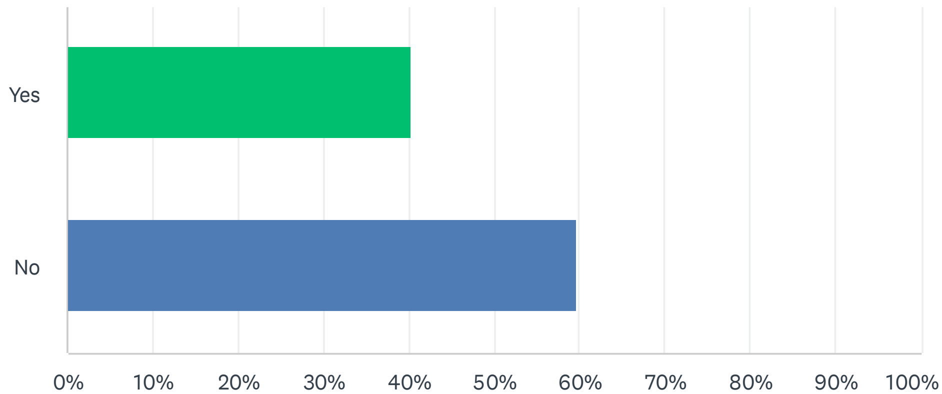

Meeting/Training
Trade/Consumer Show
Convention/Conference


Sports Events
Other Events
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Less than 50
50-100
100-200
200-400
400-600
600-800
800-1,000
1,000 +

	LESS THAN 50	50-100	100-200	200-400	400-600	600-800	800-1,000	1,000 +	TOTAL
Gala/Banquet Events	17.78% 8	13.33% 6	24.44% 11	17.78% 8	17.78% 8	4.44% 2	4.44% 2	0.00% 0	45
Social Event/Wedding	27.59% 8	17.24% 5	34.48% 10	17.24% 5	3.45% 1	0.00% 0	0.00% 0	0.00% 0	29
Meeting/Training	35.90% 28	32.05% 25	25.64% 20	5.13% 4	0.00% 0	0.00% 0	1.28% 1	0.00% 0	78
Trade/Consumer Show	6.06% 2	9.09% 3	12.12% 4	27.27% 9	18.18% 6	9.09% 3	6.06% 2	12.12% 4	33
Convention/Conference	4.76% 4	5.95% 5	22.62% 19	27.38% 23	22.62% 19	5.95% 5	2.38% 2	8.33% 7	84
Sports Events	40.00% 8	5.00% 1	5.00% 1	0.00% 0	10.00% 2	10.00% 2	0.00% 0	30.00% 6	20
Other Events	42.11% 8	31.58% 6	5.26% 1	10.53% 2	5.26% 1	0.00% 0	0.00% 0	5.26% 1	19

Q20 Would it be worth paying more to have an event located in Downtown Ames within a new full-service, branded, upscale Hotel and Conference Center in a mixed-used development?

Answered: 134 Skipped: 18



ANSWER CHOICES	RESPONSES	
Yes	40.30%	54
No	59.70%	80
TOTAL		134

Q21 Please provide and comments or suggestions related to a proposed hotel and conference center.

Answered: 69 Skipped: 83

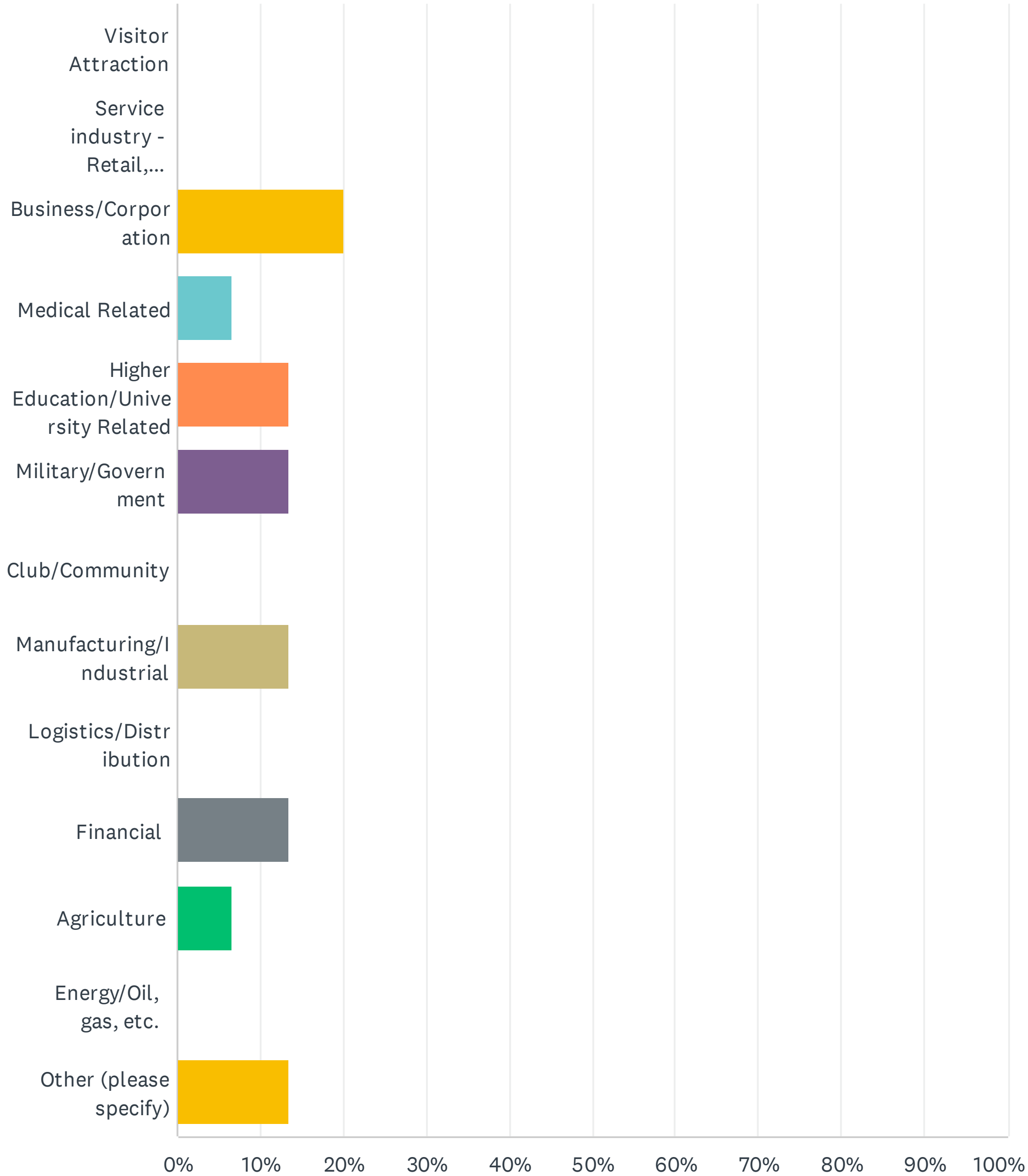
Survey Responses – Ames Regional Economic Alliance

Q1 What is the name of your company/organization? (Optional)

Answered: 11 Skipped: 4

Q2 Which term best describes you Company/Organization?

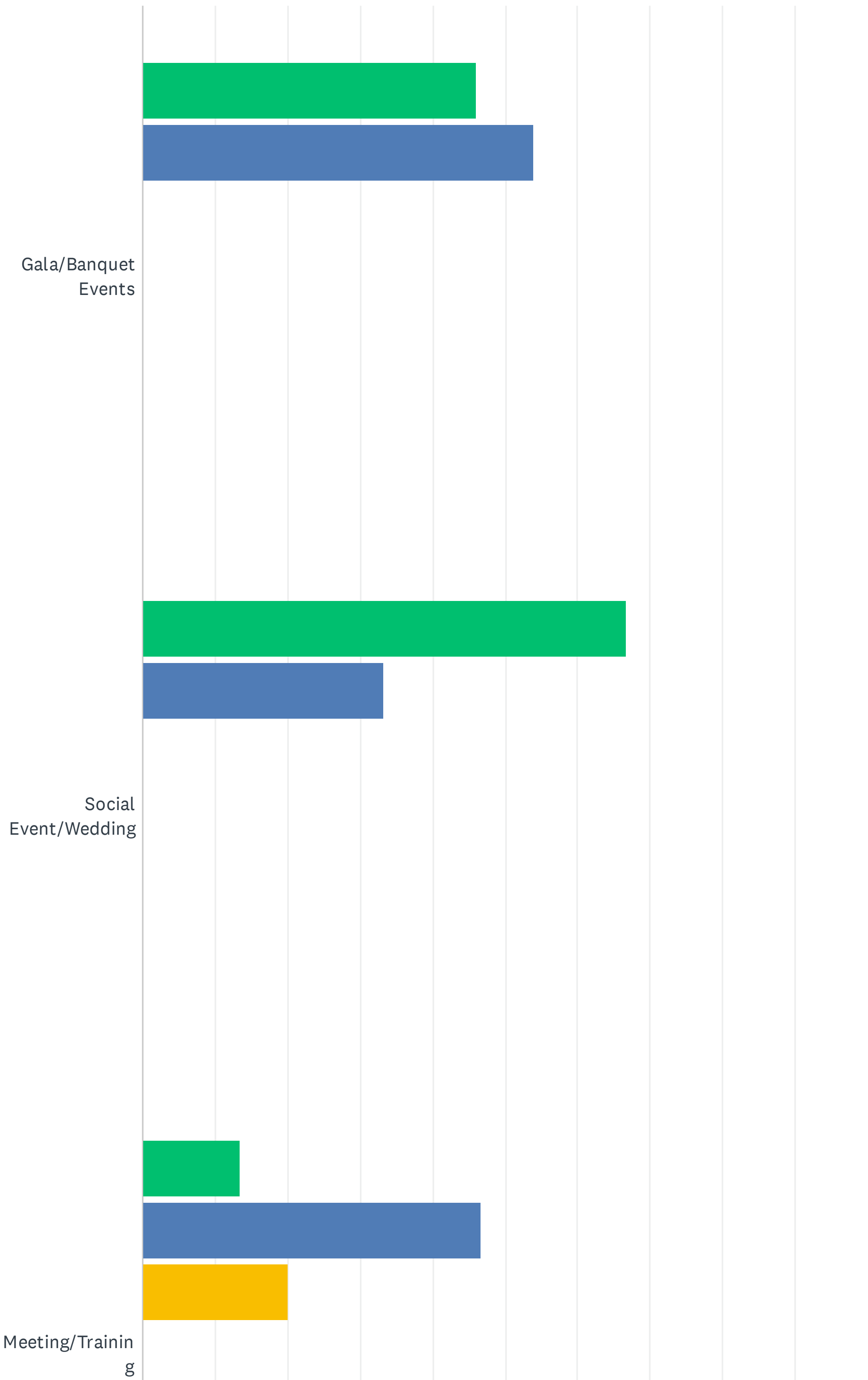
Answered: 15 Skipped: 0

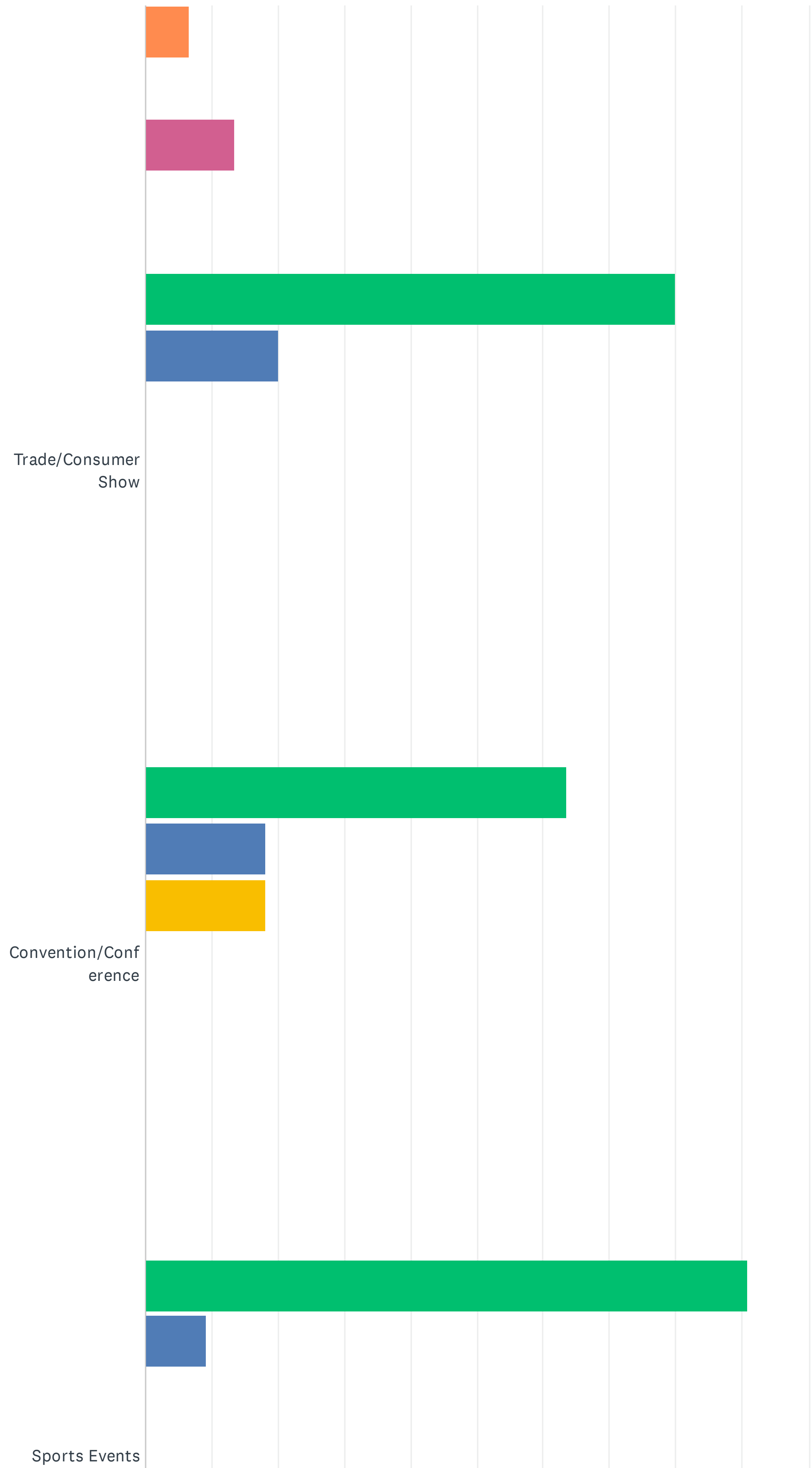


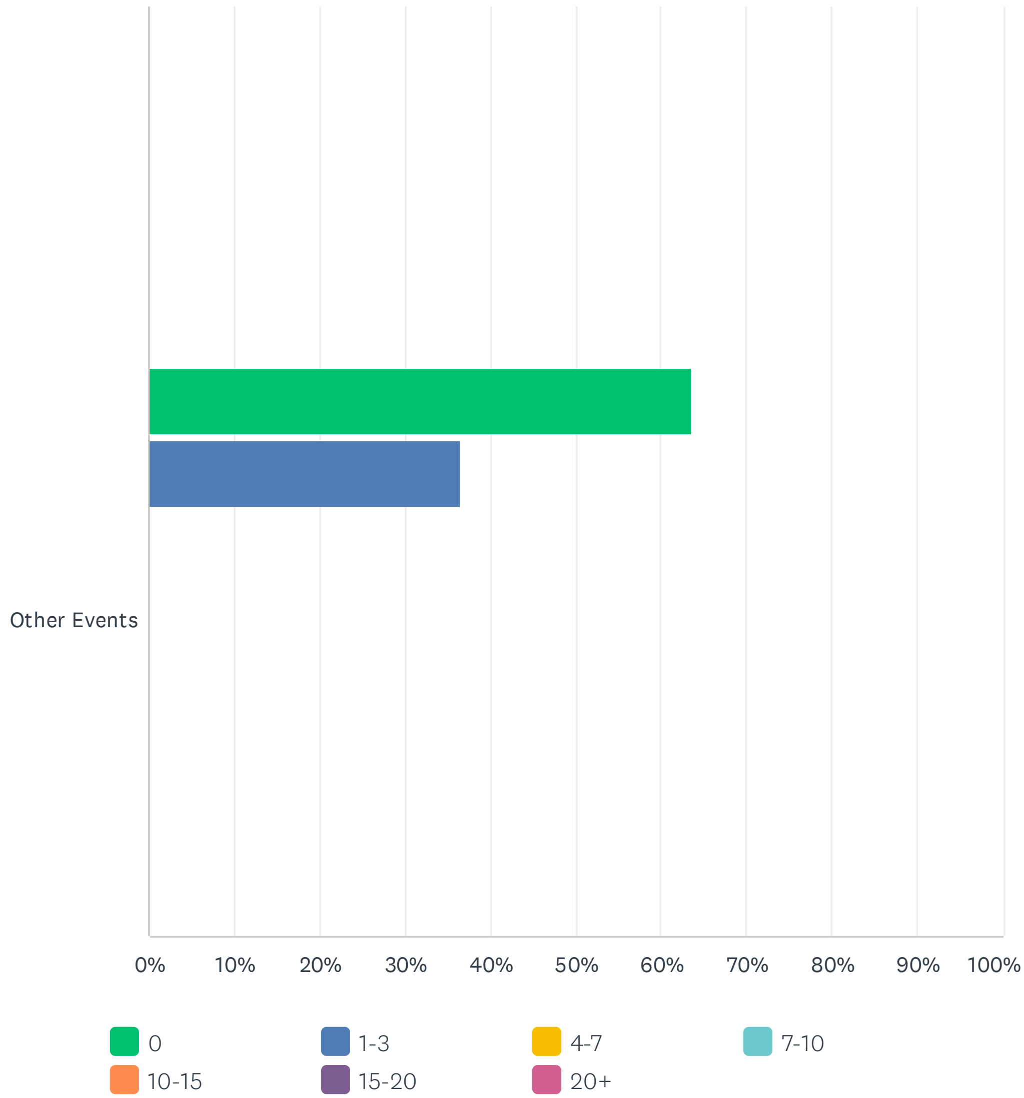
ANSWER CHOICES	RESPONSES	
Visitor Attraction	0.00%	0
Service industry - Retail, Restaurant, Hotel	0.00%	0
Business/Corporation	20.00%	3
Medical Related	6.67%	1
Higher Education/University Related	13.33%	2
Military/Government	13.33%	2
Club/Community	0.00%	0
Manufacturing/Industrial	13.33%	2
Logistics/Distribution	0.00%	0
Financial	13.33%	2
Agriculture	6.67%	1
Energy/Oil, gas, etc.	0.00%	0
Other (please specify)	13.33%	2
TOTAL		15

Q3 Roughly how many times PER YEAR do you host the following event types. (Check all that apply for each category.)

Answered: 15 Skipped: 0



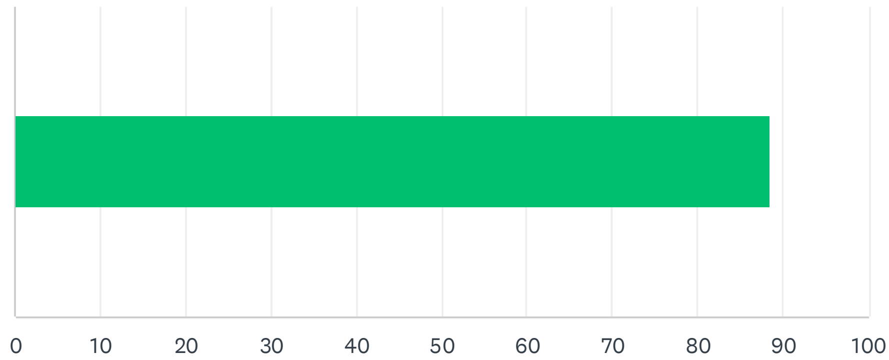

Trade/Consumer Show
Convention/Conference
Sports Events



	0	1-3	4-7	7-10	10-15	15-20	20+	TOTAL
Gala/Banquet Events	46.15% 6	53.85% 7	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	13
Social Event/Wedding	66.67% 6	33.33% 3	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	9
Meeting/Training	13.33% 2	46.67% 7	20.00% 3	0.00% 0	6.67% 1	0.00% 0	13.33% 2	15
Trade/Consumer Show	80.00% 8	20.00% 2	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	10
Convention/Conference	63.64% 7	18.18% 2	18.18% 2	0.00% 0	0.00% 0	0.00% 0	0.00% 0	11
Sports Events	90.91% 10	9.09% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	11
Other Events	63.64% 7	36.36% 4	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	11

Q4 What is the typical size of your Gala/Banquet Events? (adjust the slider)

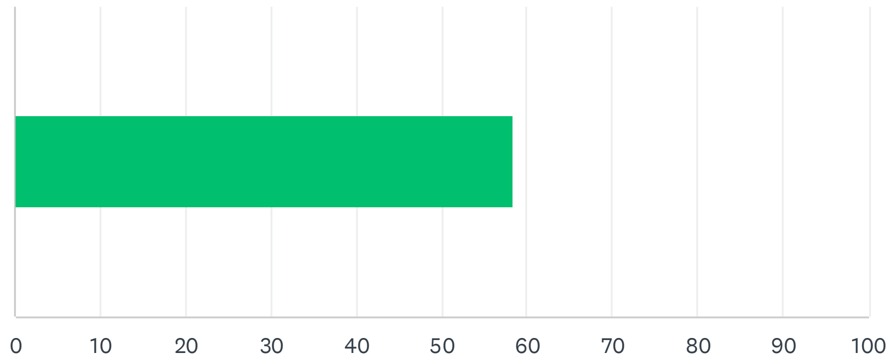
Answered: 13 Skipped: 2



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	88	1,150	13
Total Respondents: 13			

Q5 What is the typical size of your Social/Wedding Events? (adjust the slider)

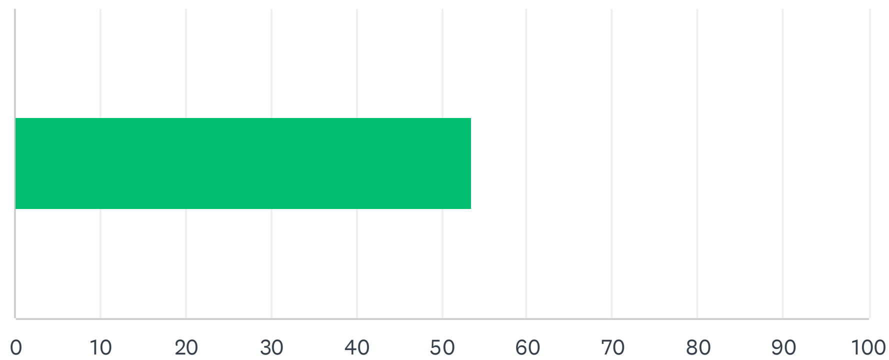
Answered: 12 Skipped: 3



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	58	700	12
Total Respondents: 12			

Q6 What is the typical size of your Meetings/Trainings? (adjust the slider)

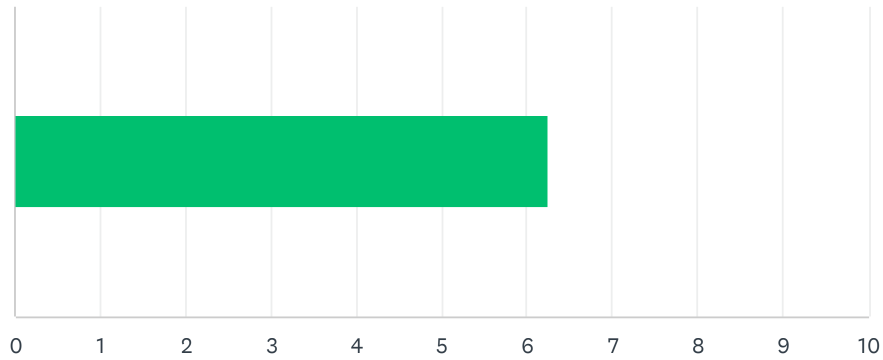
Answered: 14 Skipped: 1



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	54	750	14
Total Respondents: 14			

Q7 What is the typical size of your Trade/Consumer Shows? (adjust the slider)

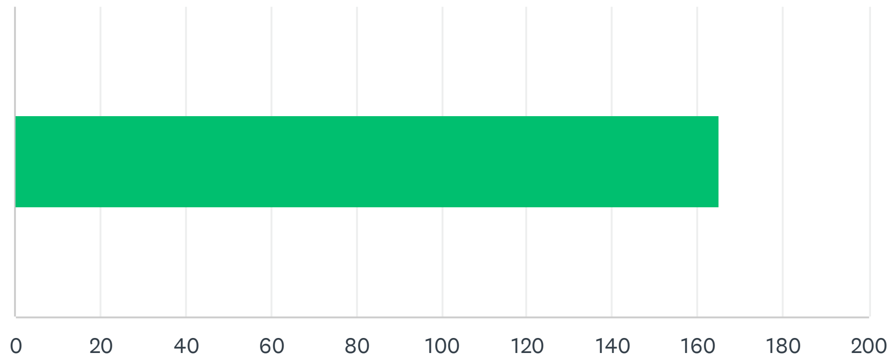
Answered: 8 Skipped: 7



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	6	50	8
Total Respondents: 8			

Q8 What is the typical size of your Conference/Conventions? (adjust the slider)

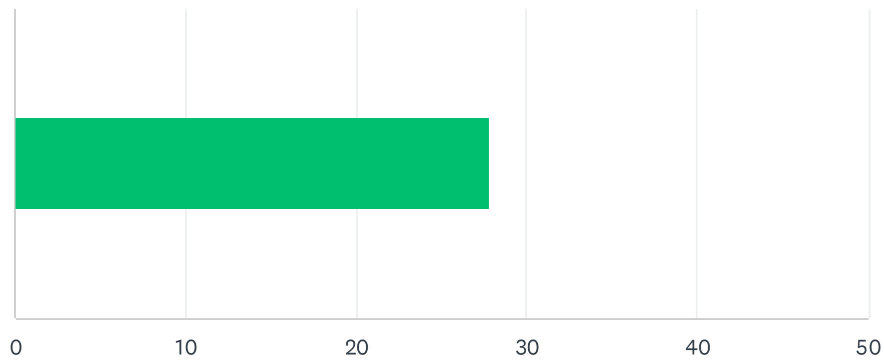
Answered: 10   Skipped: 5



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	165	1,650	10
Total Respondents: 10			

Q9 What is the typical size of your Sports Events? (adjust the slider)

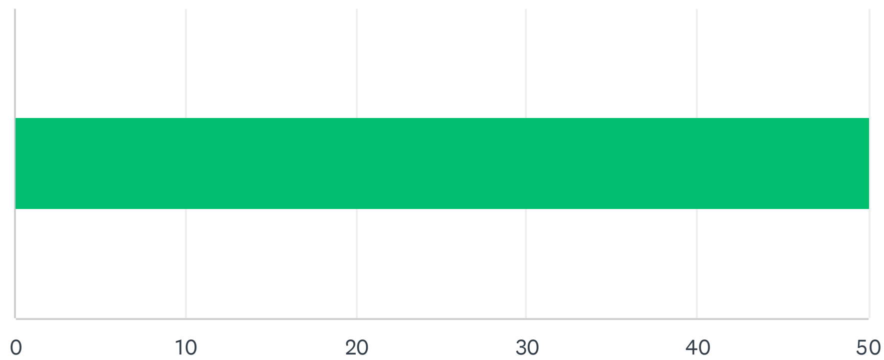
Answered: 9 Skipped: 6



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	28	250	9
Total Respondents: 9			

Q10 What is the typical size of your Other Events? (adjust the slider)

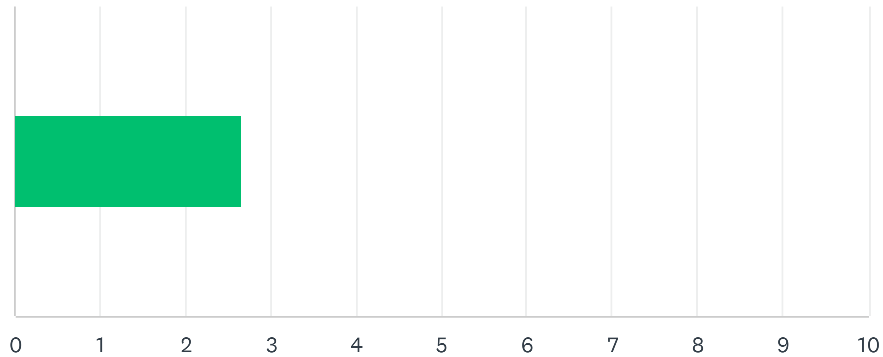
Answered: 10   Skipped: 5



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	50	500	10
Total Respondents: 10			

Q11 How many break out rooms would you require for medium to large events? (Check all that apply for each category.)

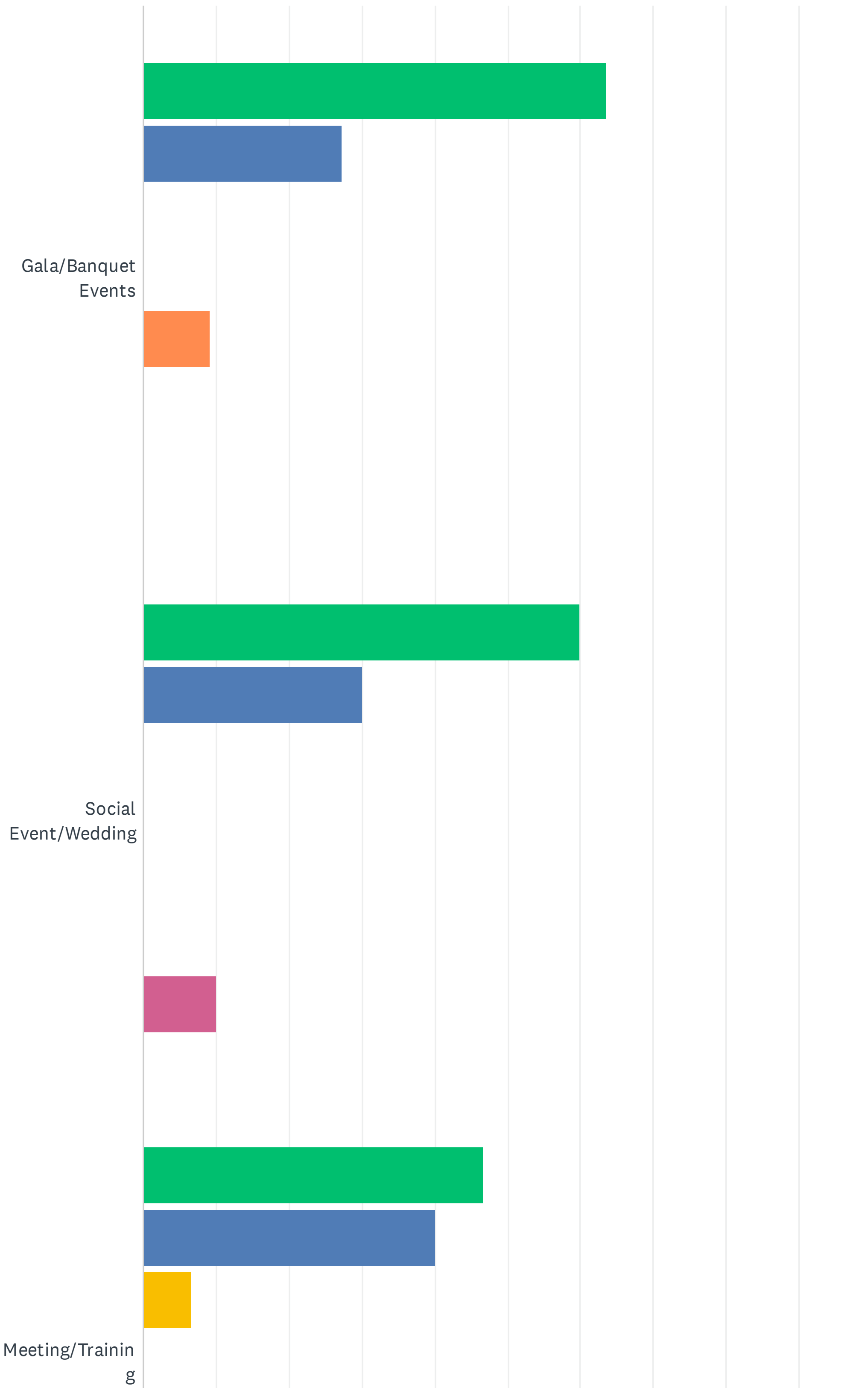
Answered: 9   Skipped: 6

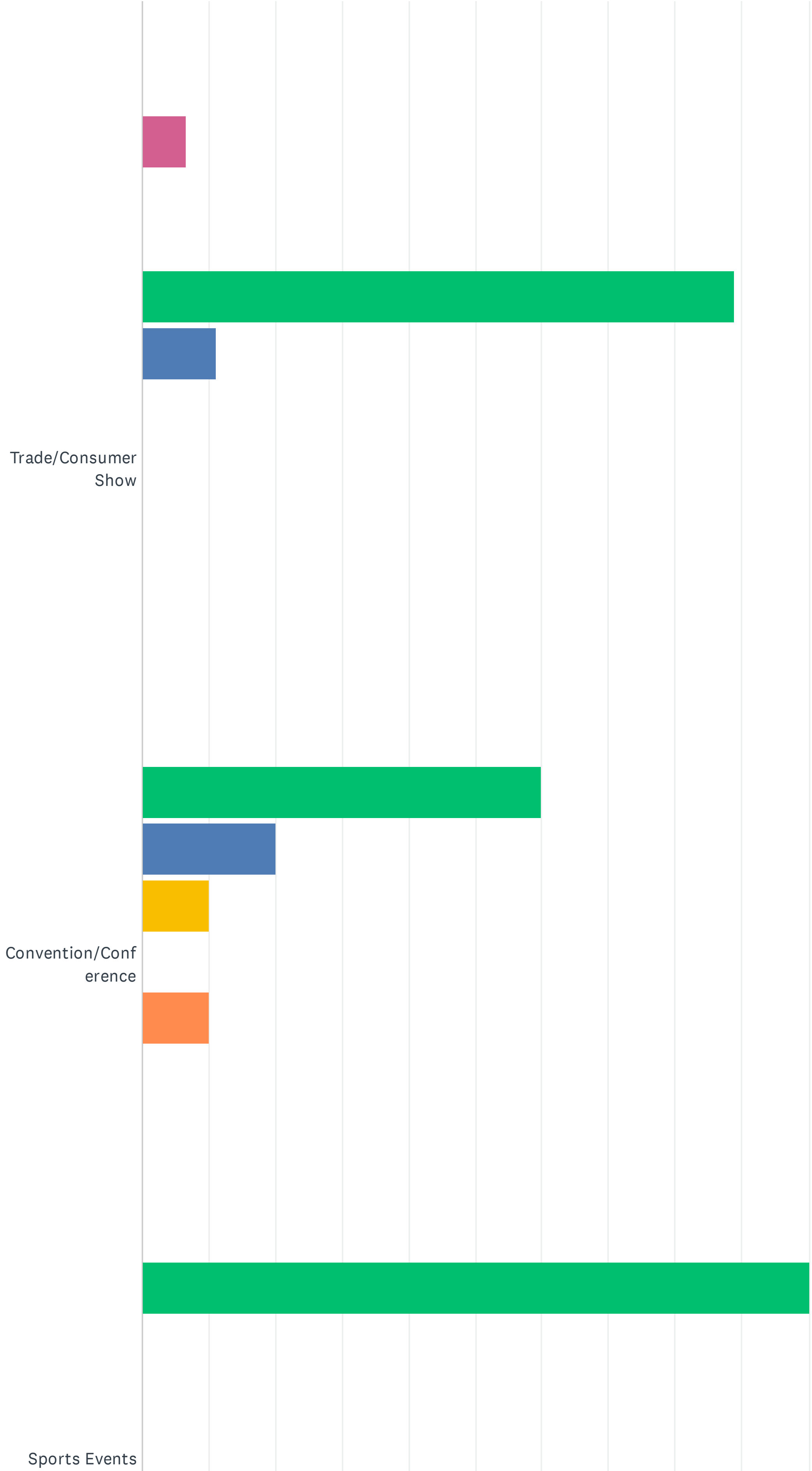


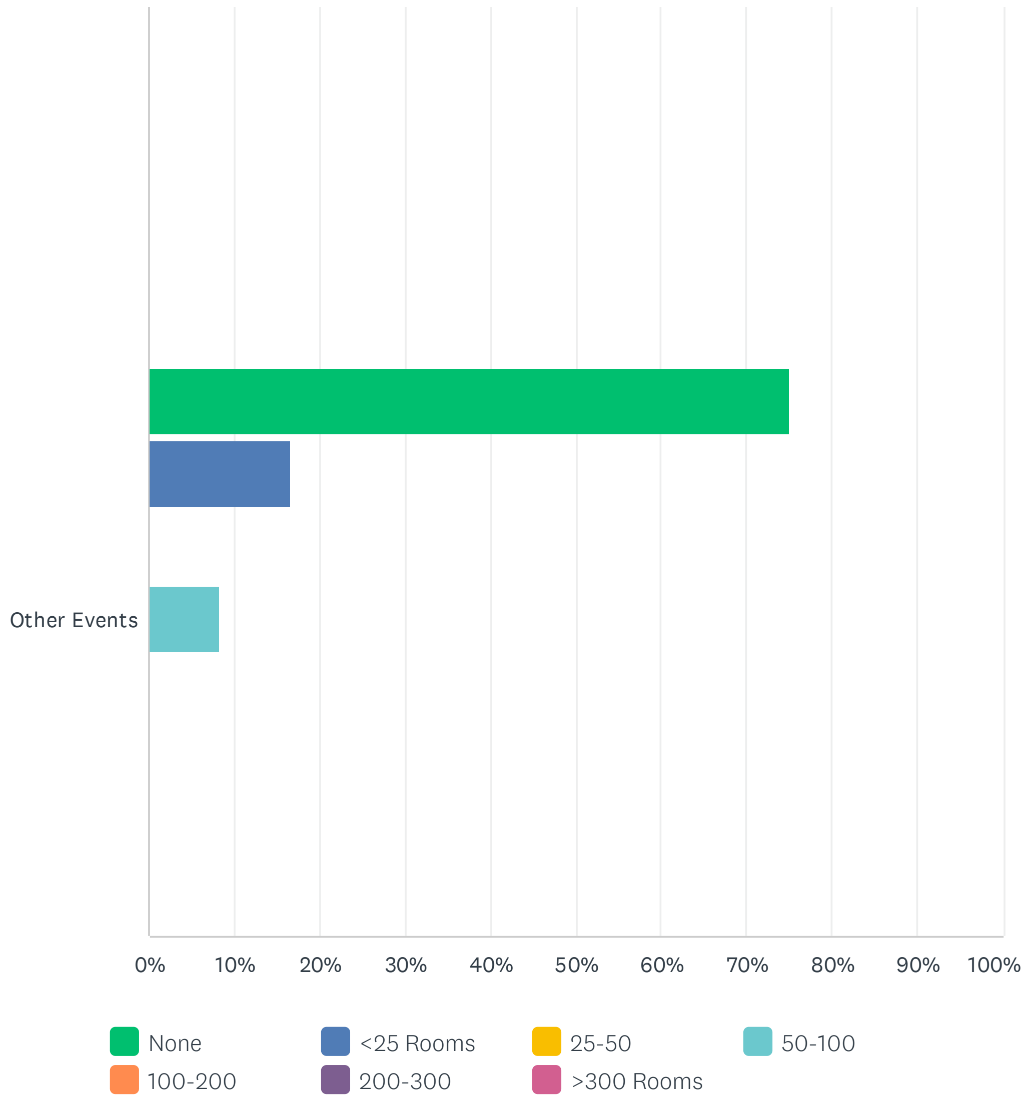
ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	3	24	9
Total Respondents: 9			

Q12 What is the typical number of hotel rooms you would need for these events?(Check all that apply for each category)

Answered: 15 Skipped: 0



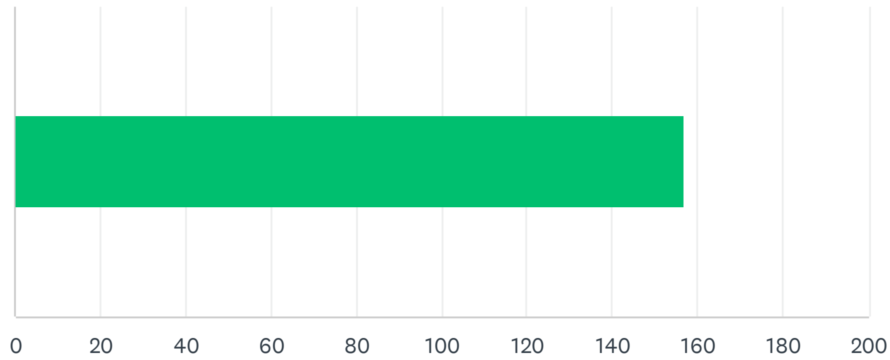

Trade/Consumer Show
Convention/Conference
Sports Events



	NONE	<25 ROOMS	25-50	50-100	100-200	200-300	>300 ROOMS	TOTAL
Gala/Banquet Events	63.64% 7	27.27% 3	0.00% 0	0.00% 0	9.09% 1	0.00% 0	0.00% 0	11
Social Event/Wedding	60.00% 6	30.00% 3	0.00% 0	0.00% 0	0.00% 0	0.00% 0	10.00% 1	10
Meeting/Training	46.67% 7	40.00% 6	6.67% 1	0.00% 0	0.00% 0	0.00% 0	6.67% 1	15
Trade/Consumer Show	88.89% 8	11.11% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	9
Convention/Conference	60.00% 6	20.00% 2	10.00% 1	0.00% 0	10.00% 1	0.00% 0	0.00% 0	10
Sports Events	100.00% 10	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	10
Other Events	75.00% 9	16.67% 2	0.00% 0	8.33% 1	0.00% 0	0.00% 0	0.00% 0	12

Q13 What average hotel rate are you currently quoted for most of your events? (adjust the slider)

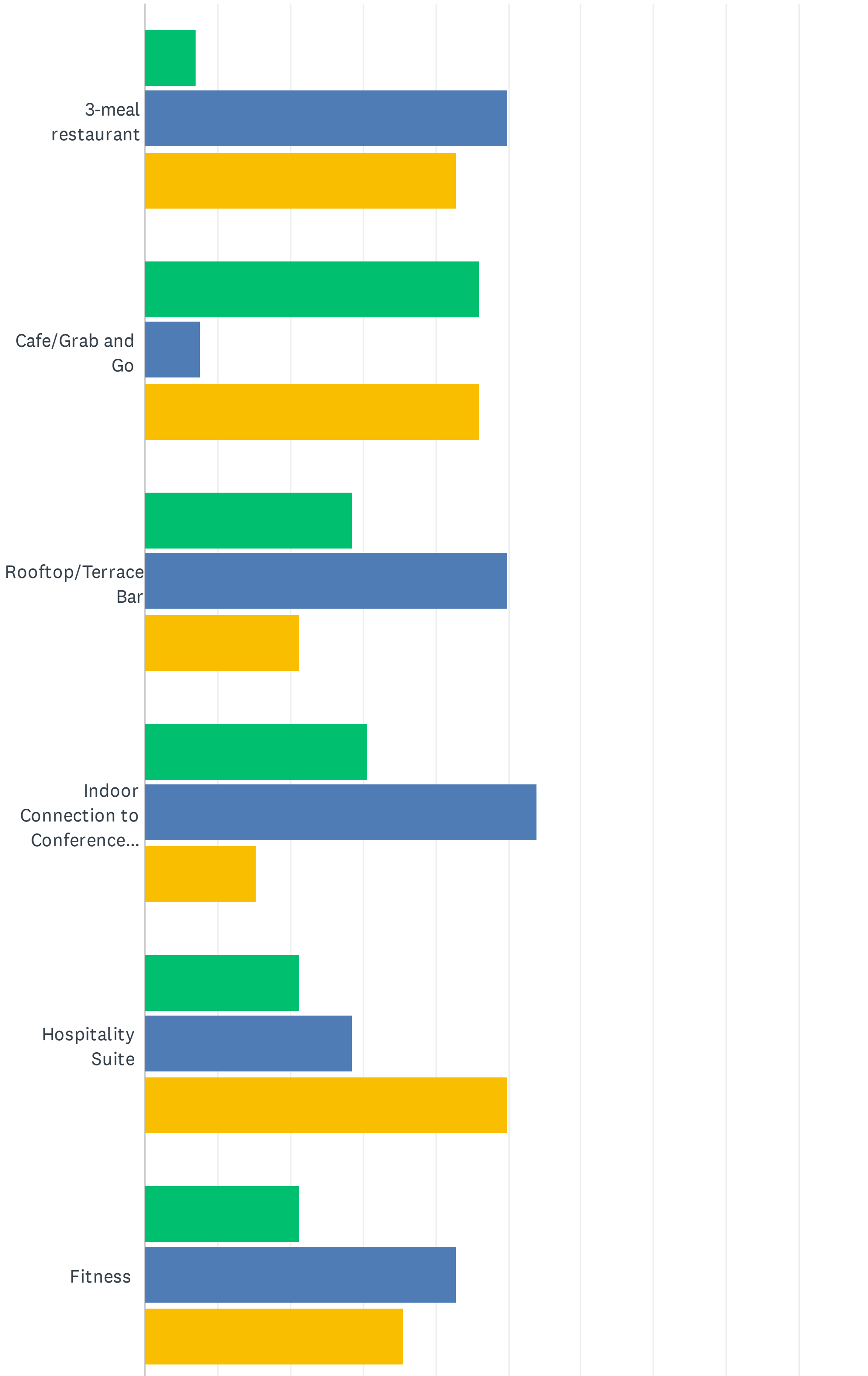
Answered: 14 Skipped: 1

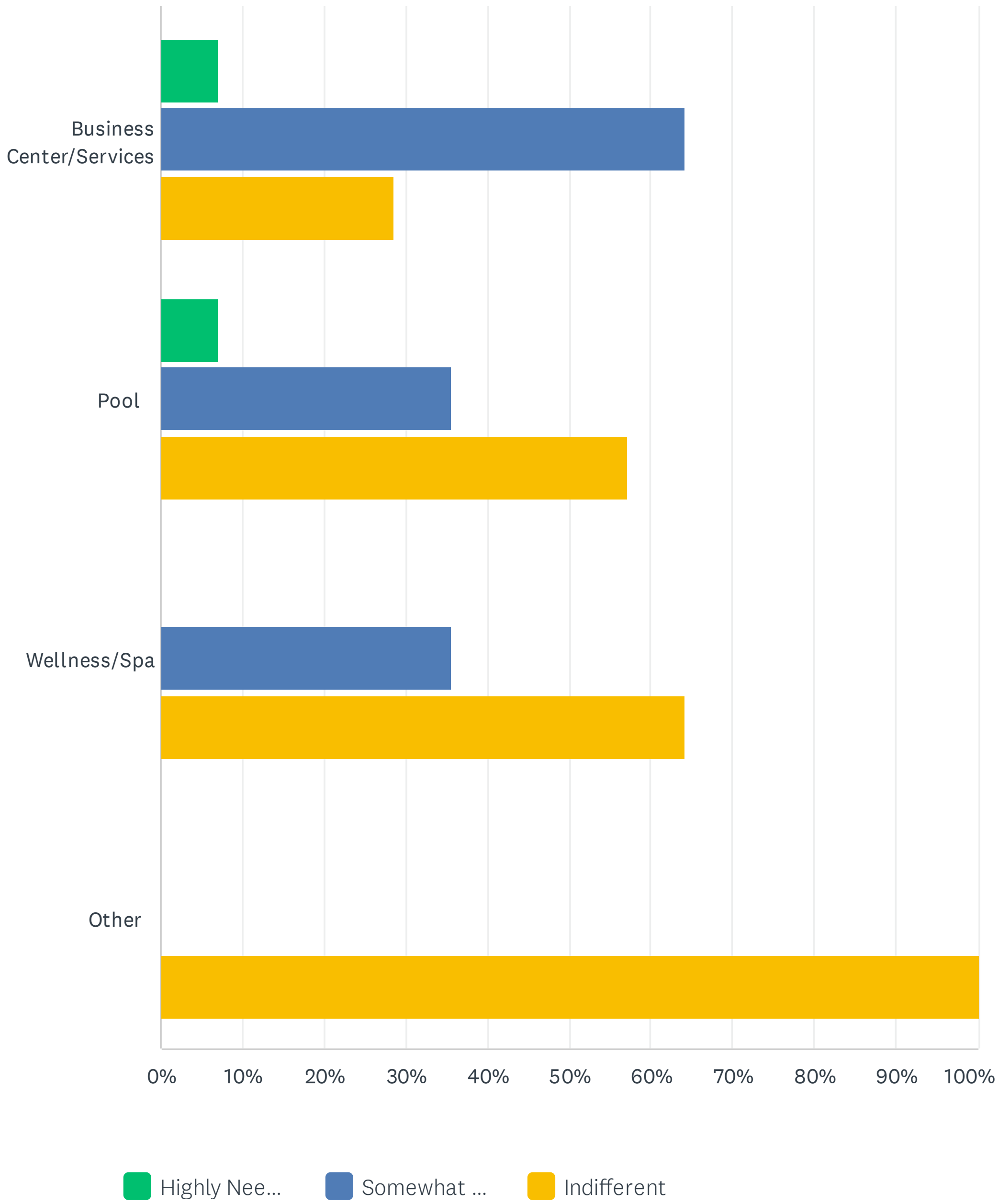


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	157	2,195	14
Total Respondents: 14			

Q14 For HOTEL FACILITY amenities, please indicate a level of need for you and/or your groups.

Answered: 14 Skipped: 1

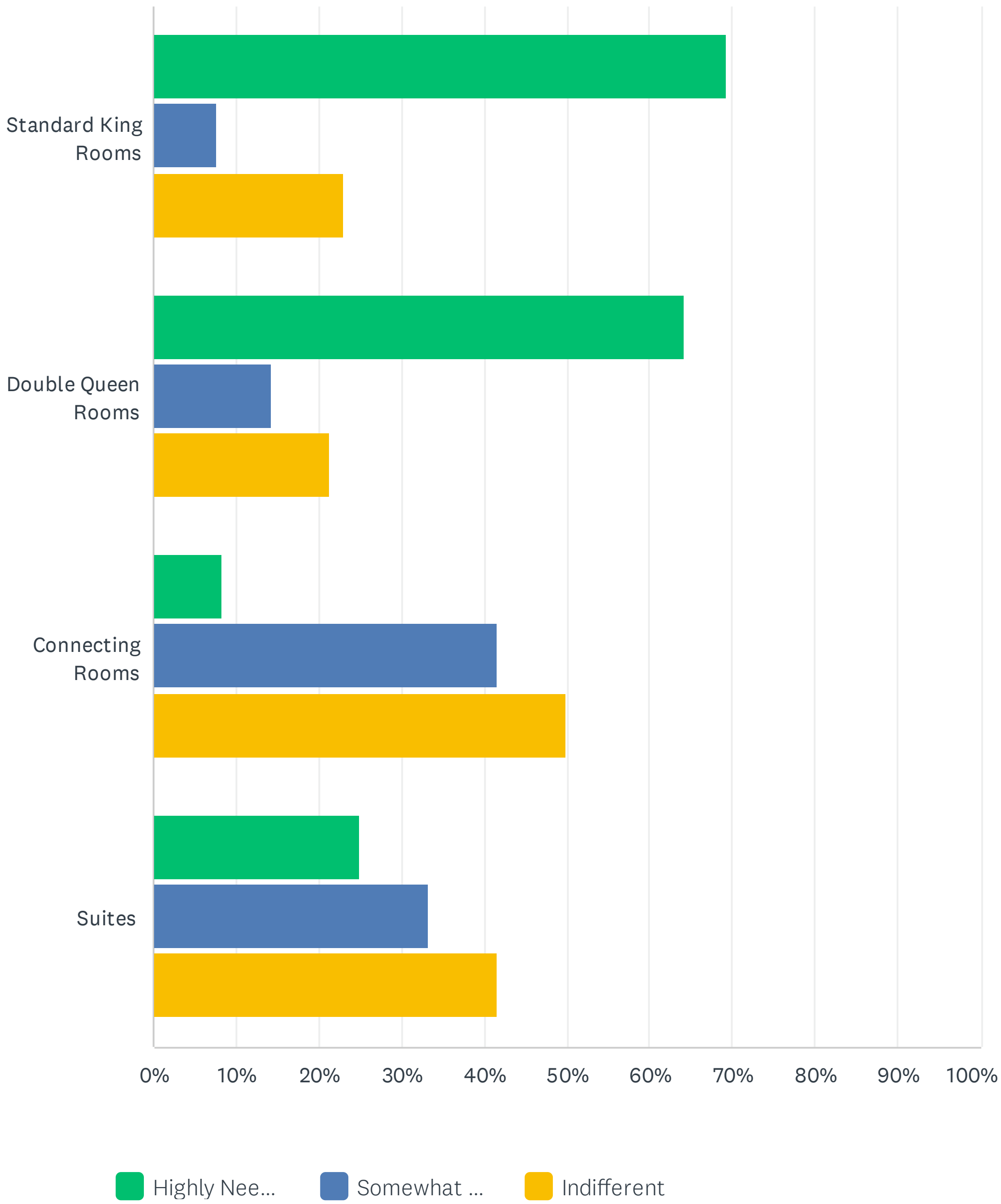



Business Center/Services
Pool
Wellness/Spa
Other
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Highly Nee...
Somewhat ...
Indifferent

	HIGHLY NEEDED - REQUIRED	SOMEWHAT NEEDED - BUT NOT REQUIRED	INDIFFERENT	TOTAL
3-meal restaurant	7.14% 1	50.00% 7	42.86% 6	14
Cafe/Grab and Go	46.15% 6	7.69% 1	46.15% 6	13
Rooftop/Terrace Bar	28.57% 4	50.00% 7	21.43% 3	14
Indoor Connection to Conference Space	30.77% 4	53.85% 7	15.38% 2	13
Hospitality Suite	21.43% 3	28.57% 4	50.00% 7	14
Fitness	21.43% 3	42.86% 6	35.71% 5	14
Business Center/Services	7.14% 1	64.29% 9	28.57% 4	14
Pool	7.14% 1	35.71% 5	57.14% 8	14
Wellness/Spa	0.00% 0	35.71% 5	64.29% 9	14
Other	0.00% 0	0.00% 0	100.00% 6	6

Q15 For HOTEL GUESTROOM TYPES, please indicate a level of need for you and/or your groups.

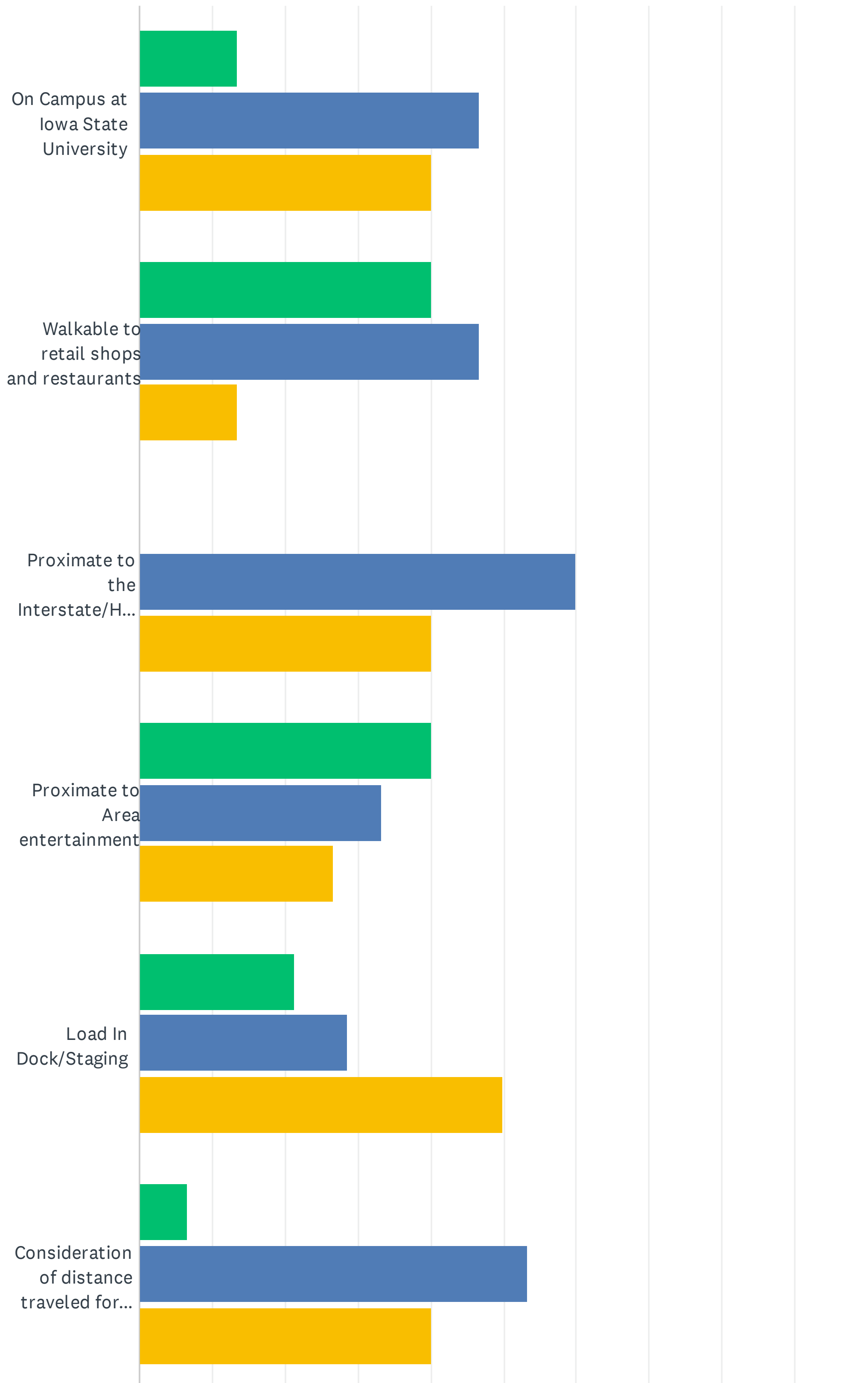
Answered: 15 Skipped: 0

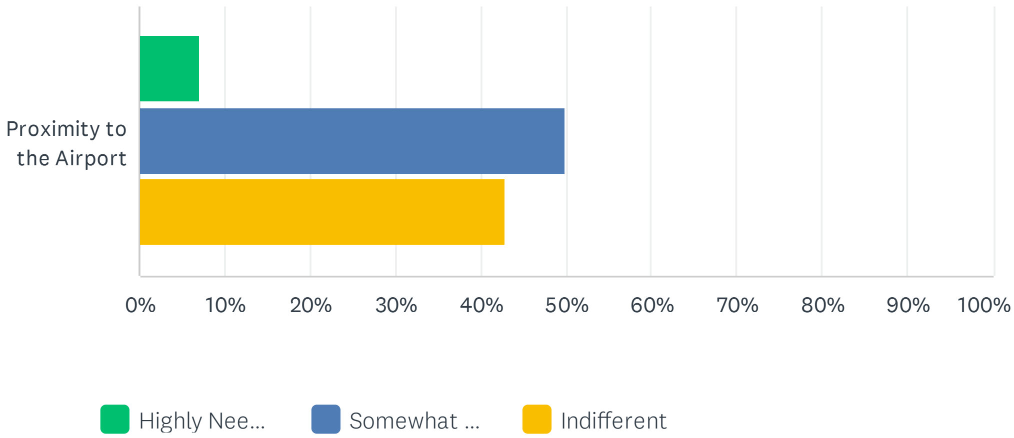


	HIGHLY NEEDED - REQUIRED	SOMEWHAT NEEDED - BUT NOT REQUIRED	INDIFFERENT	TOTAL
Standard King Rooms	69.23% 9	7.69% 1	23.08% 3	13
Double Queen Rooms	64.29% 9	14.29% 2	21.43% 3	14
Connecting Rooms	8.33% 1	41.67% 5	50.00% 6	12
Suites	25.00% 3	33.33% 4	41.67% 5	12

Q16 For SITE ATTRIBUTES, please indicate a level of need for you and/or your groups.

Answered: 15 Skipped: 0

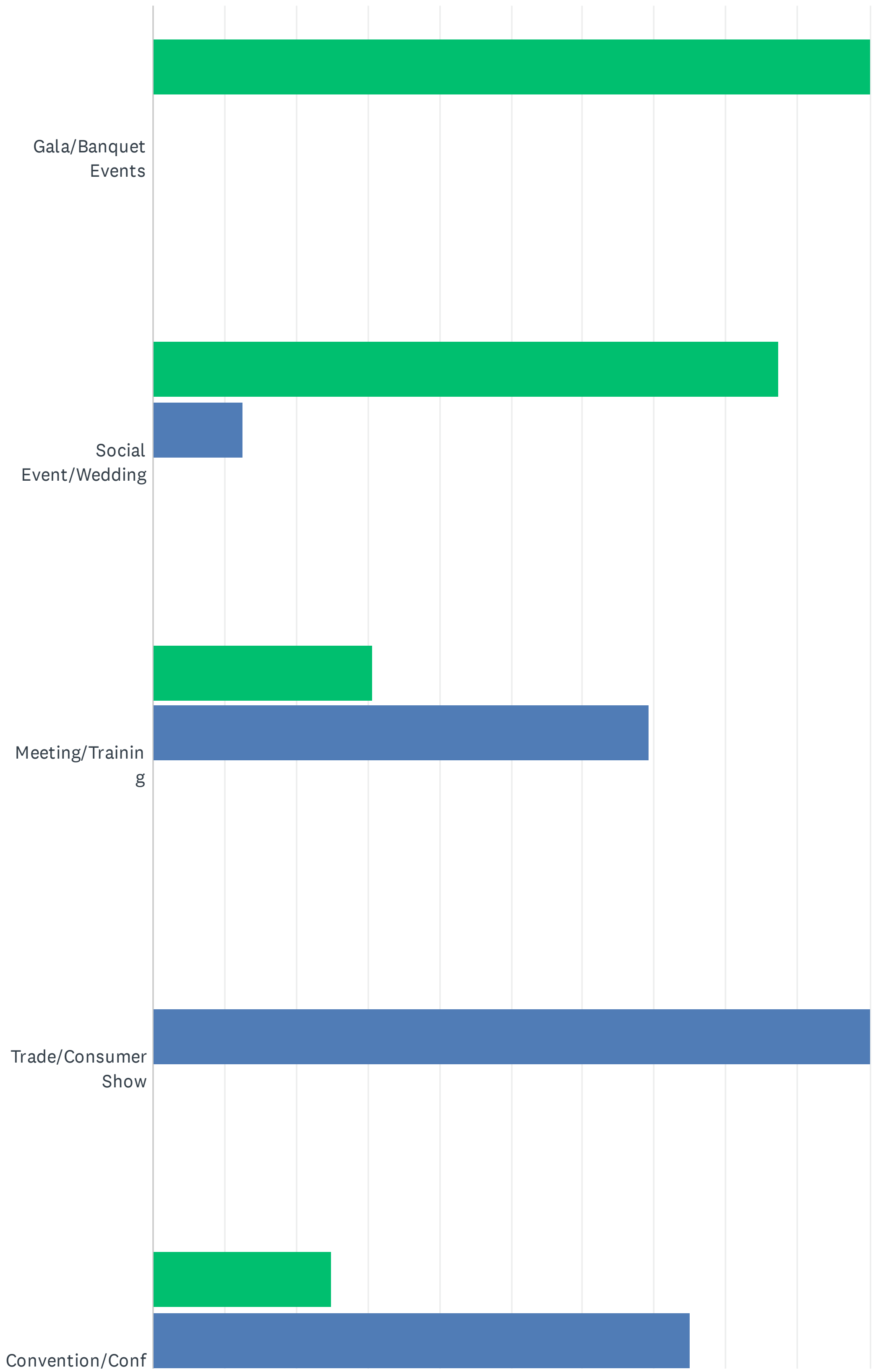


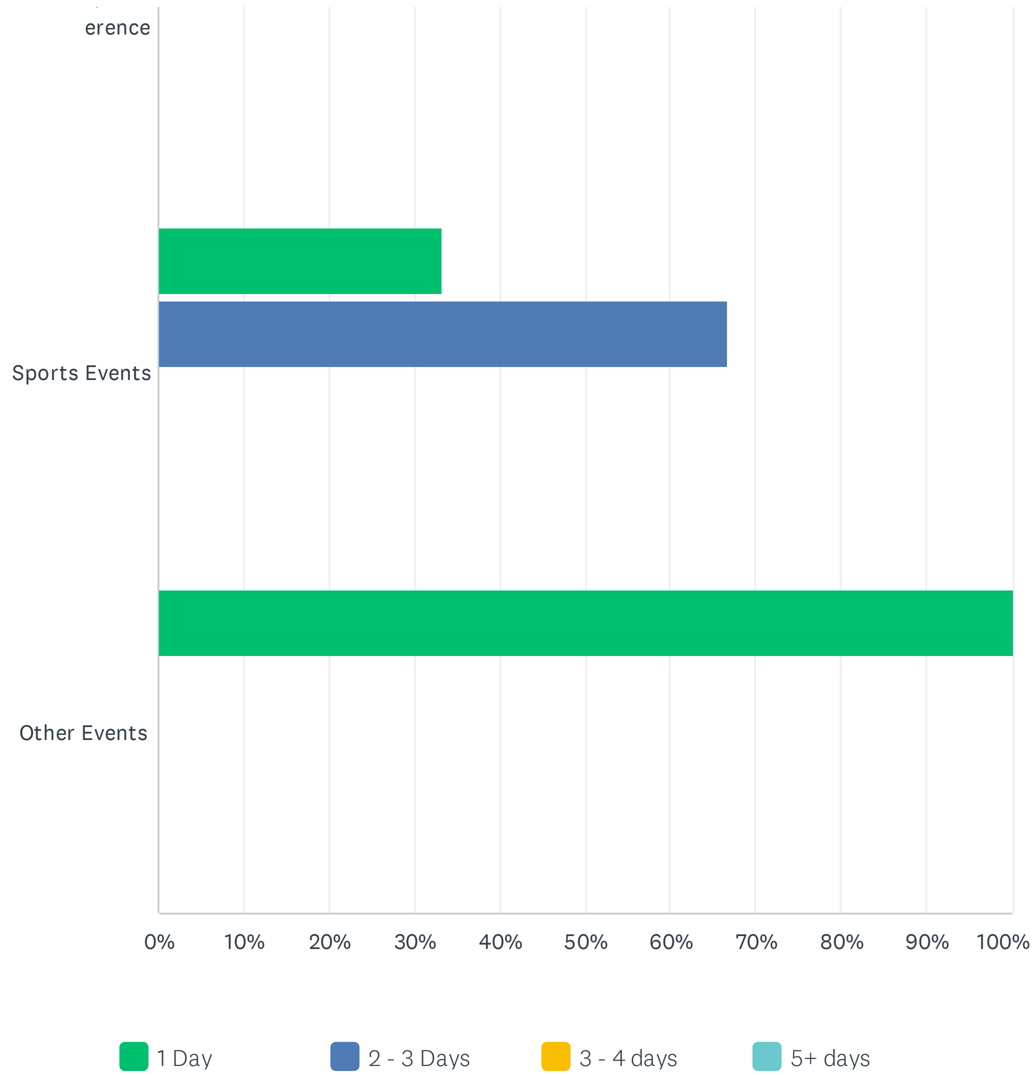


	HIGHLY NEEDED - REQUIRED	SOMEWHAT NEEDED - BUT NOT REQUIRED	INDIFFERENT	TOTAL
On Campus at Iowa State University	13.33% 2	46.67% 7	40.00% 6	15
Walkable to retail shops and restaurants	40.00% 6	46.67% 7	13.33% 2	15
Proximate to the Interstate/Highway	0.00% 0	60.00% 9	40.00% 6	15
Proximate to Area entertainment	40.00% 6	33.33% 5	26.67% 4	15
Load In Dock/Staging	21.43% 3	28.57% 4	50.00% 7	14
Consideration of distance traveled for attendees	6.67% 1	53.33% 8	40.00% 6	15
Proximity to the Airport	7.14% 1	50.00% 7	42.86% 6	14

Q17 How many days do/does your event typically last? (Check all that apply)

Answered: 14 Skipped: 1





	1 DAY	2 - 3 DAYS	3 - 4 DAYS	5+ DAYS	TOTAL
Gala/Banquet Events	100.00% 7	0.00% 0	0.00% 0	0.00% 0	7
Social Event/Wedding	87.50% 7	12.50% 1	0.00% 0	0.00% 0	8
Meeting/Training	30.77% 4	69.23% 9	0.00% 0	0.00% 0	13
Trade/Consumer Show	0.00% 0	100.00% 3	0.00% 0	0.00% 0	3
Convention/Conference	25.00% 2	75.00% 6	0.00% 0	0.00% 0	8
Sports Events	33.33% 1	66.67% 2	0.00% 0	0.00% 0	3
Other Events	100.00% 5	0.00% 0	0.00% 0	0.00% 0	5

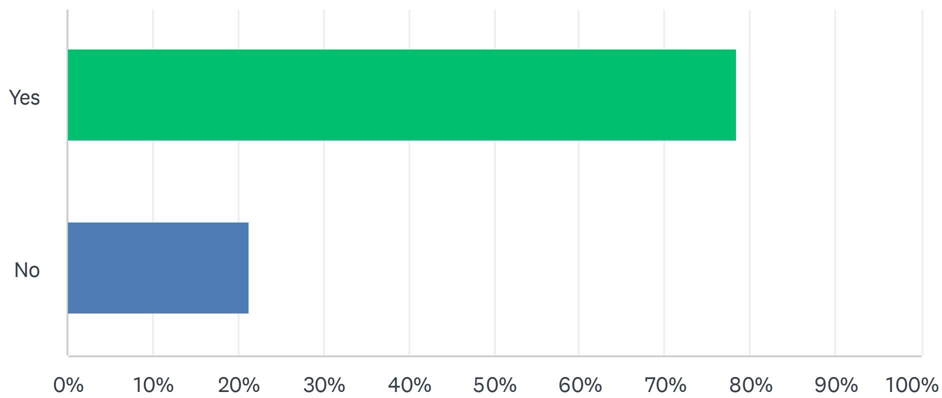
Q18 Where do you normally hold your meetings/events? In order of preference.

Answered: 10 Skipped: 5

ANSWER CHOICES	RESPONSES	
Location 1	100.00%	10
Location 2	80.00%	8
Location 3	50.00%	5
Location 4	40.00%	4
Location 5	20.00%	2
Other	0.00%	0

Q19 Now that a new full-service, Conference Center and Hotel will be opening in Ames at the Linc, would you prefer relocating your events there?

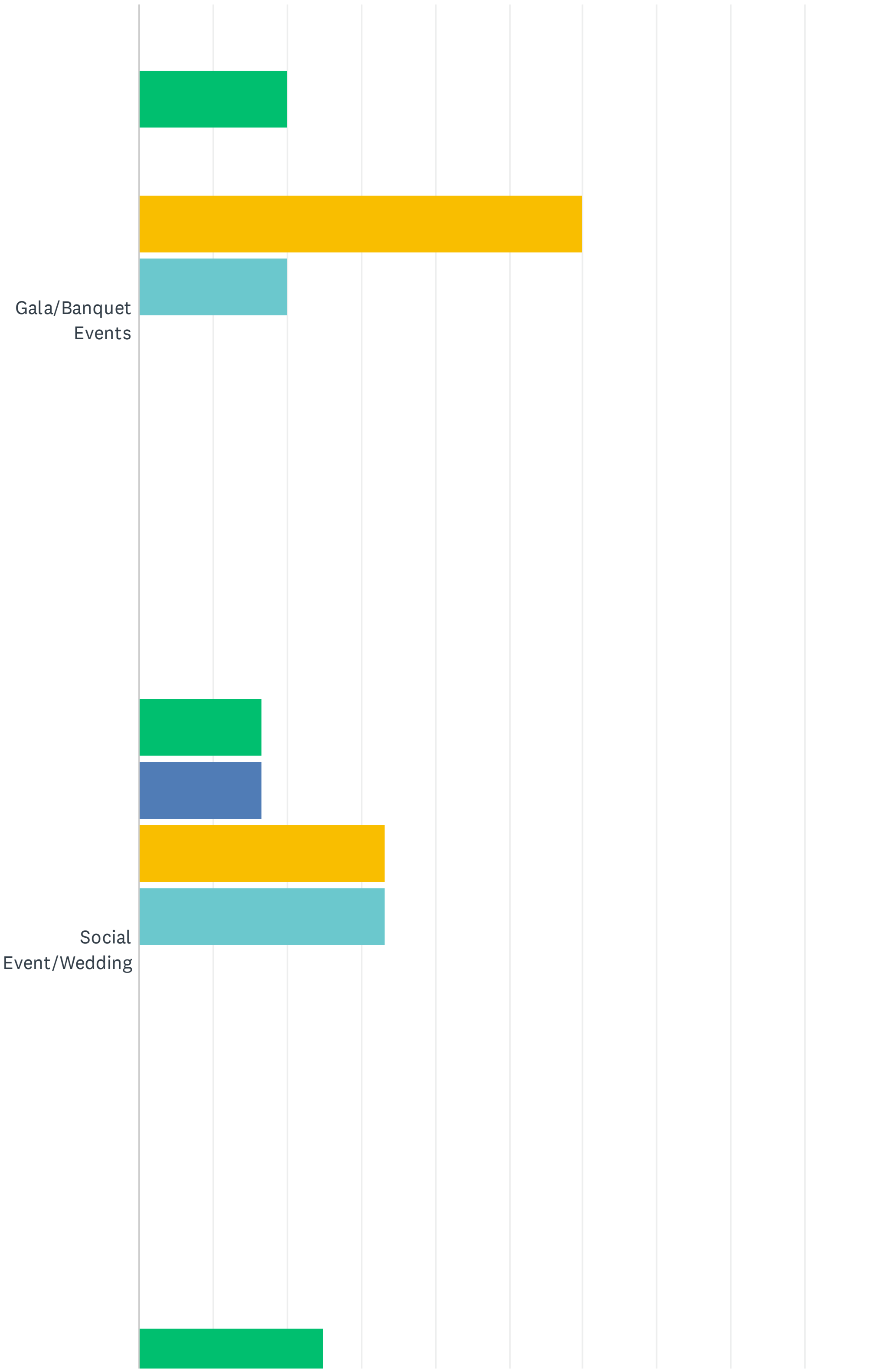
Answered: 14 Skipped: 1

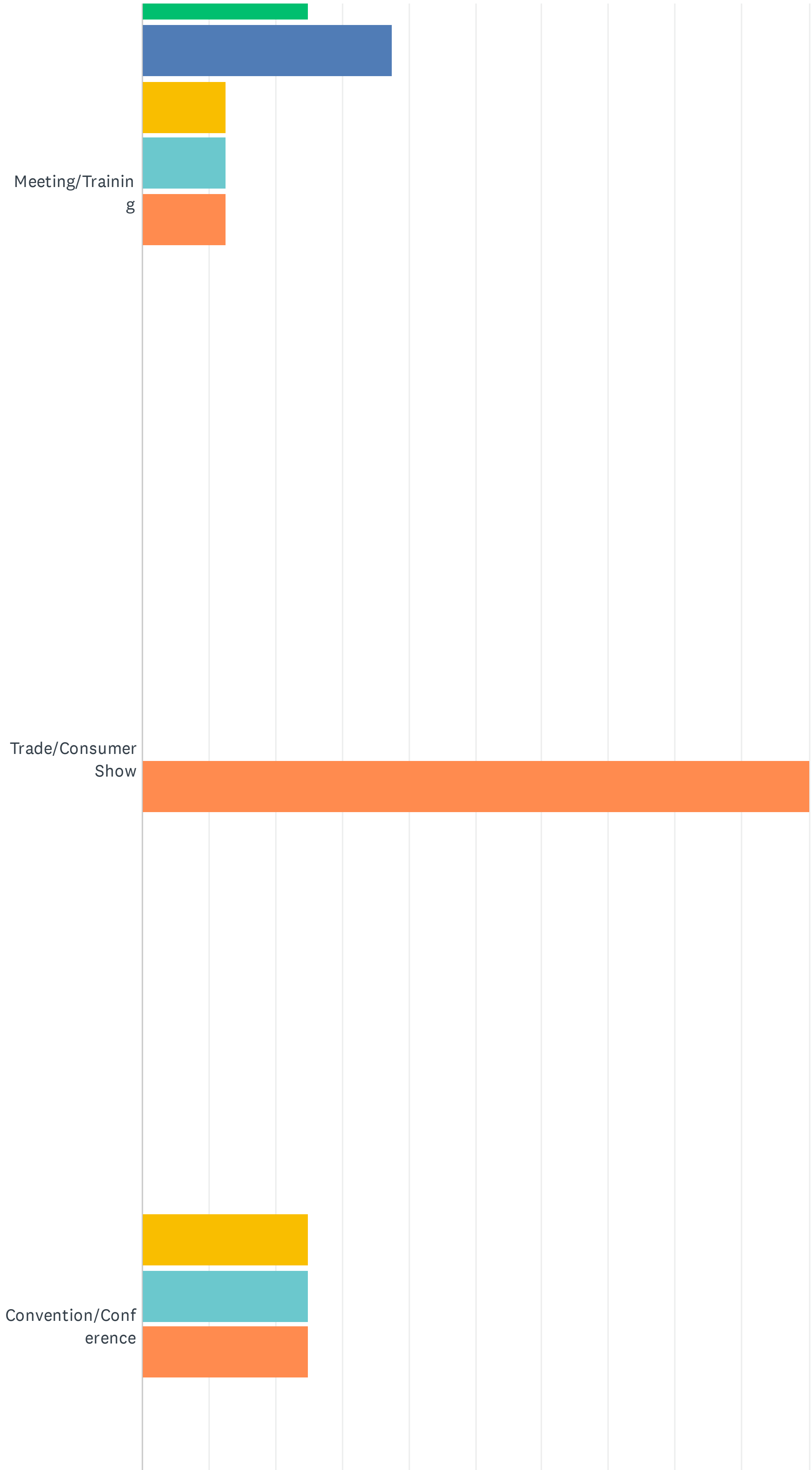


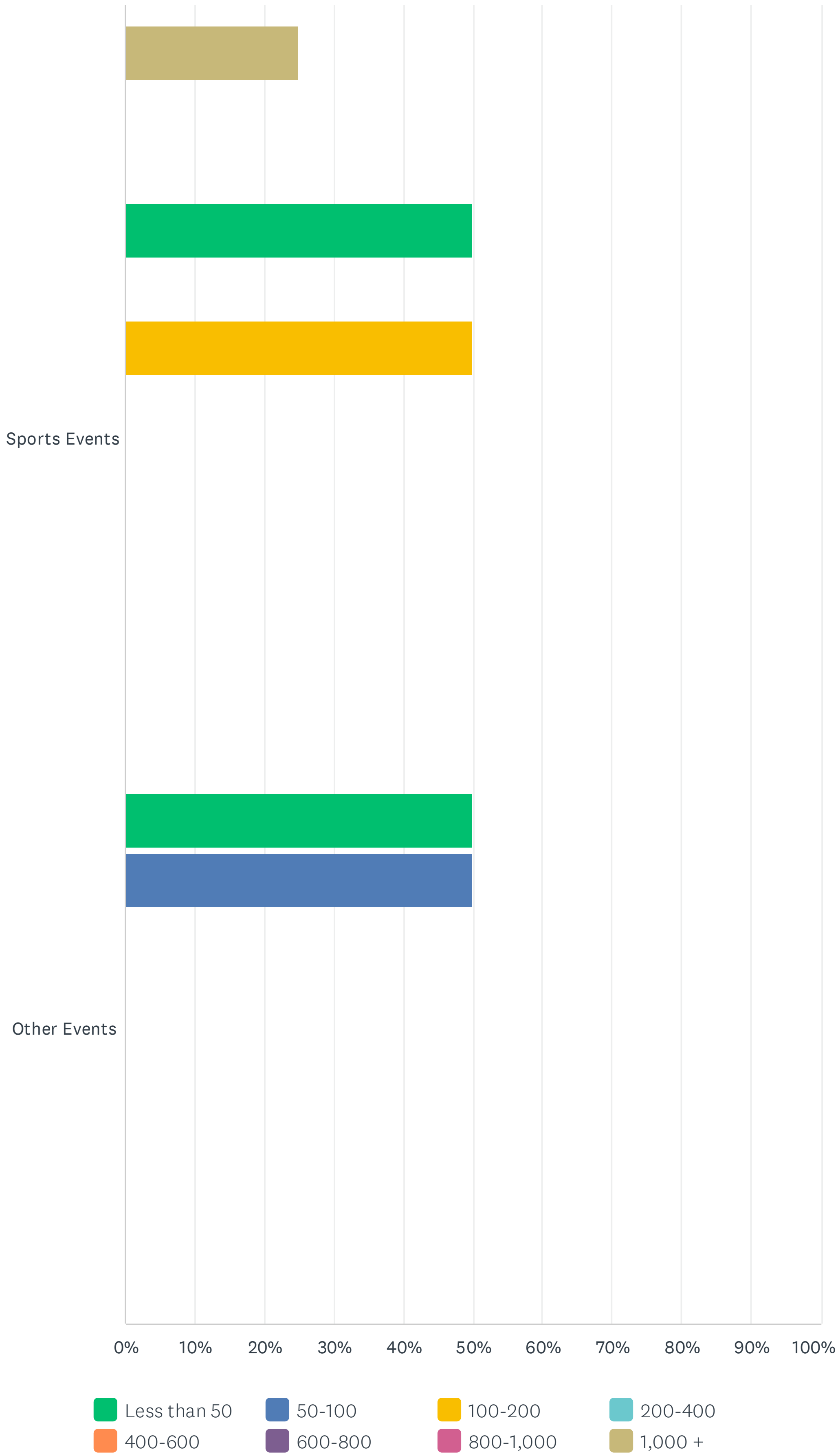
ANSWER CHOICES	RESPONSES	
Yes	78.57%	11
No	21.43%	3
TOTAL		14

Q20 If you answered yes to the previous question, what type and size of events would you consider relocating to Ames if they could be accommodated? (Check all that apply for each category.)

Answered: 9 Skipped: 6



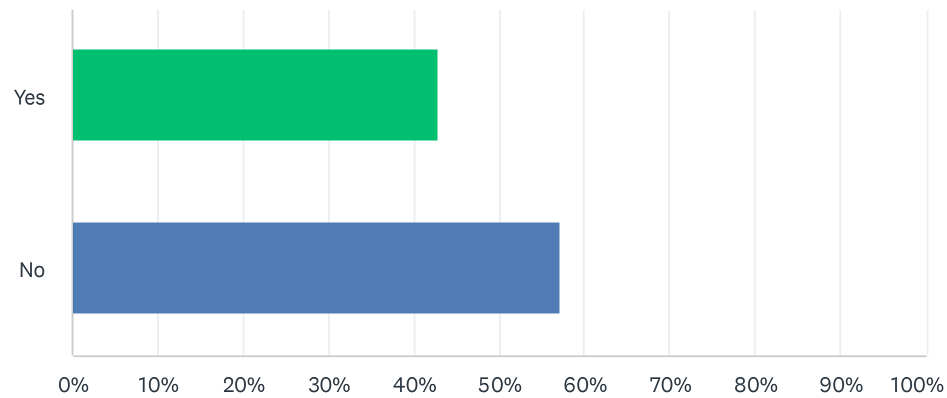

Meeting/Training
Trade/Consumer Show
Convention/Conference


Sports Events
Other Events
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Less than 50
50-100
100-200
200-400
400-600
600-800
800-1,000
1,000 +

	LESS THAN 50	50-100	100-200	200-400	400-600	600-800	800-1,000	1,000 +	TOTAL
Gala/Banquet Events	20.00% 1	0.00% 0	60.00% 3	20.00% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	5
Social Event/Wedding	16.67% 1	16.67% 1	33.33% 2	33.33% 2	0.00% 0	0.00% 0	0.00% 0	0.00% 0	6
Meeting/Training	25.00% 2	37.50% 3	12.50% 1	12.50% 1	12.50% 1	0.00% 0	0.00% 0	0.00% 0	8
Trade/Consumer Show	0.00% 0	0.00% 0	0.00% 0	0.00% 0	100.00% 1	0.00% 0	0.00% 0	0.00% 0	1
Convention/Conference	0.00% 0	0.00% 0	25.00% 1	25.00% 1	25.00% 1	0.00% 0	0.00% 0	25.00% 1	4
Sports Events	50.00% 1	0.00% 0	50.00% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	2
Other Events	50.00% 1	50.00% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	2

Q21 Would it be worth paying more to have an event located in Downtown Ames within a new full-service, branded, upscale Hotel and Conference Center in a mixed-used development?

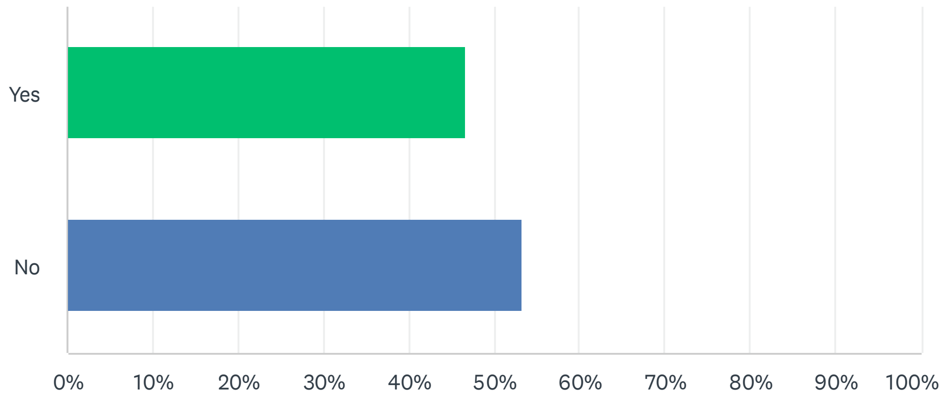
Answered: 14 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	42.86%	6
No	57.14%	8
TOTAL		14

Q22 Are you involved with any OTHER organizations/associations/clubs that could hold events there?

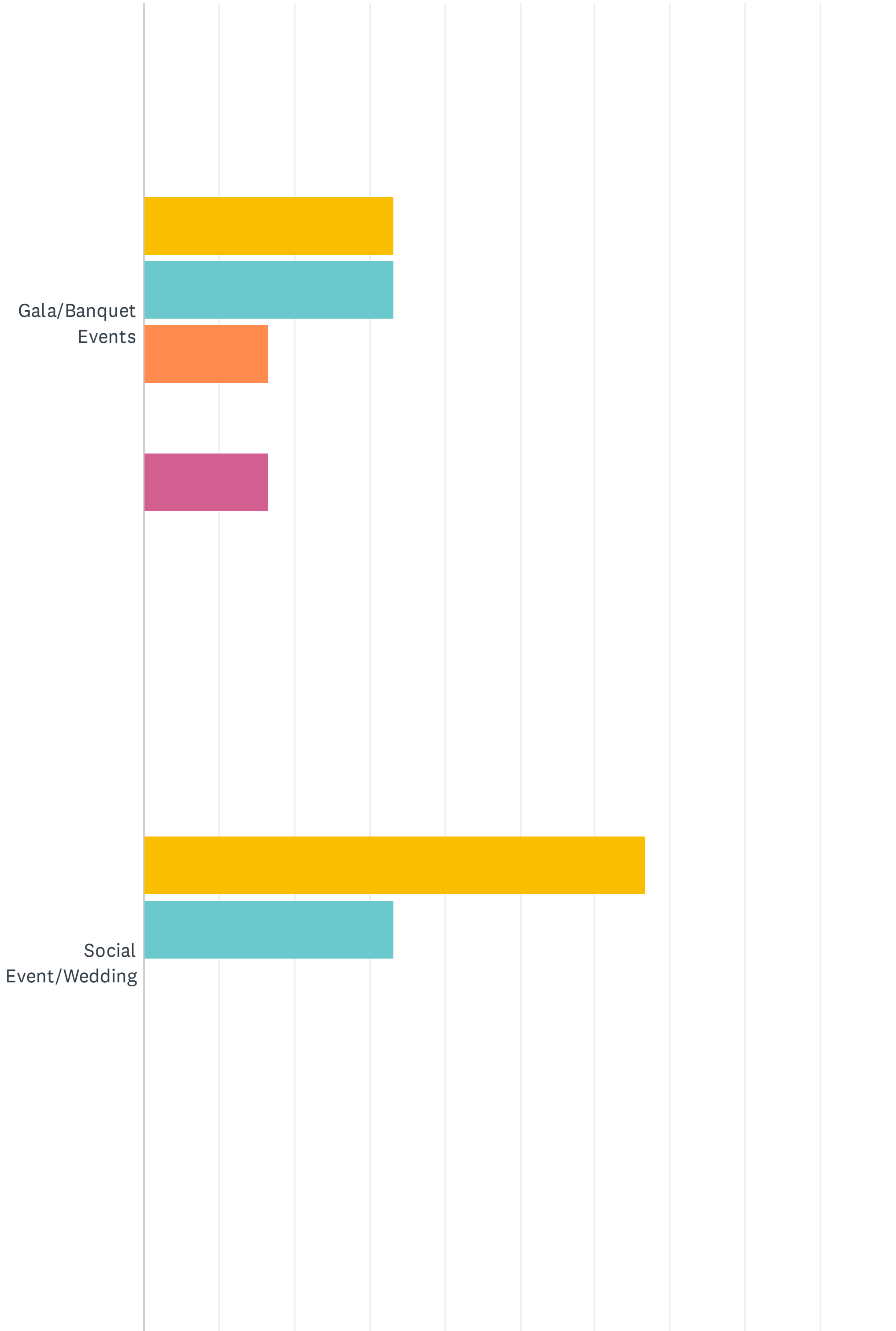
Answered: 15 Skipped: 0

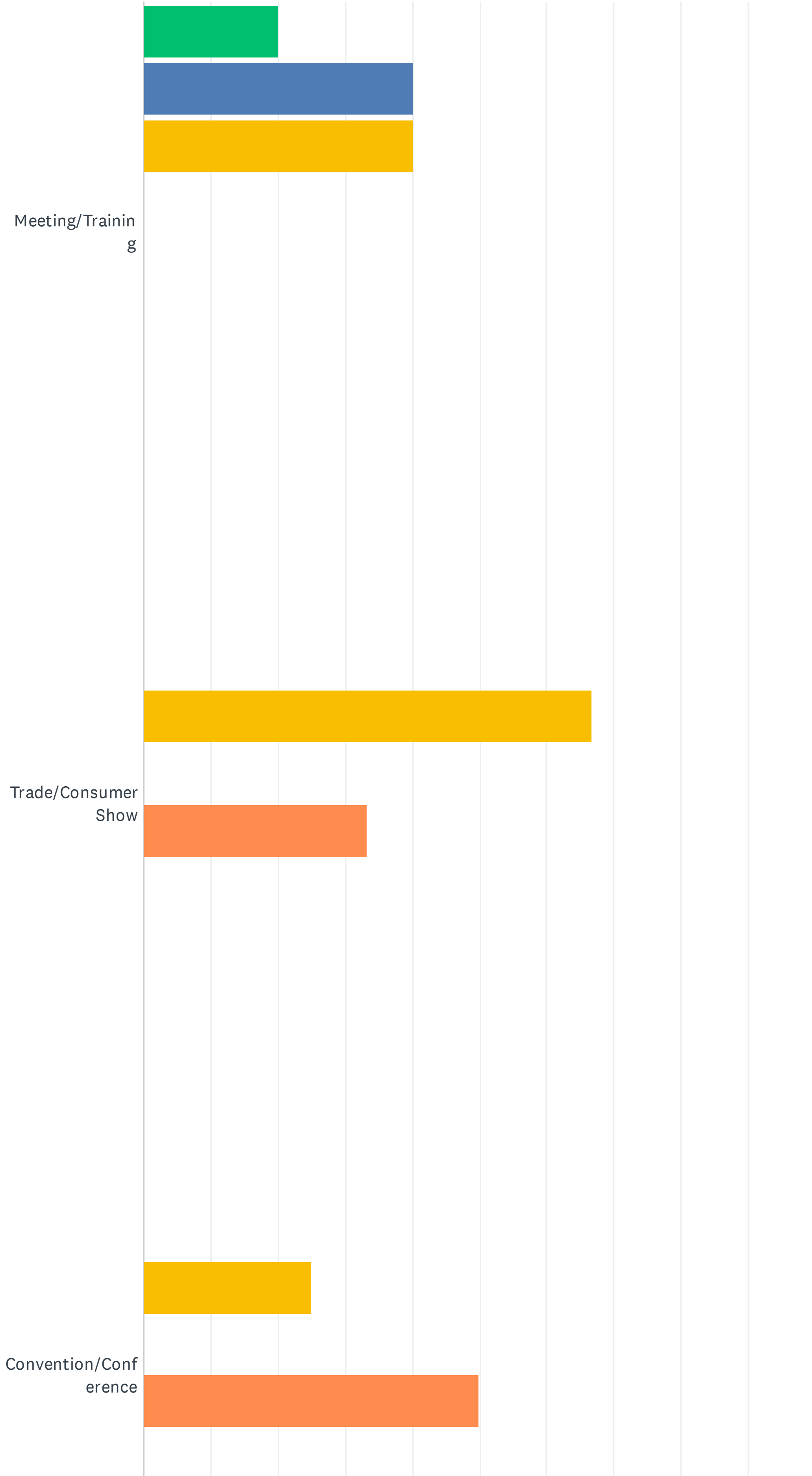


ANSWER CHOICES	RESPONSES	
Yes	46.67%	7
No	53.33%	8
TOTAL		15

Q23 If you answered yes to the previous question, what type and size of events for your OTHER organizations would you consider relocating to Ames if they could be accommodated? (Check all that apply for each category.)

Answered: 6 Skipped: 9




Meeting/Trainin
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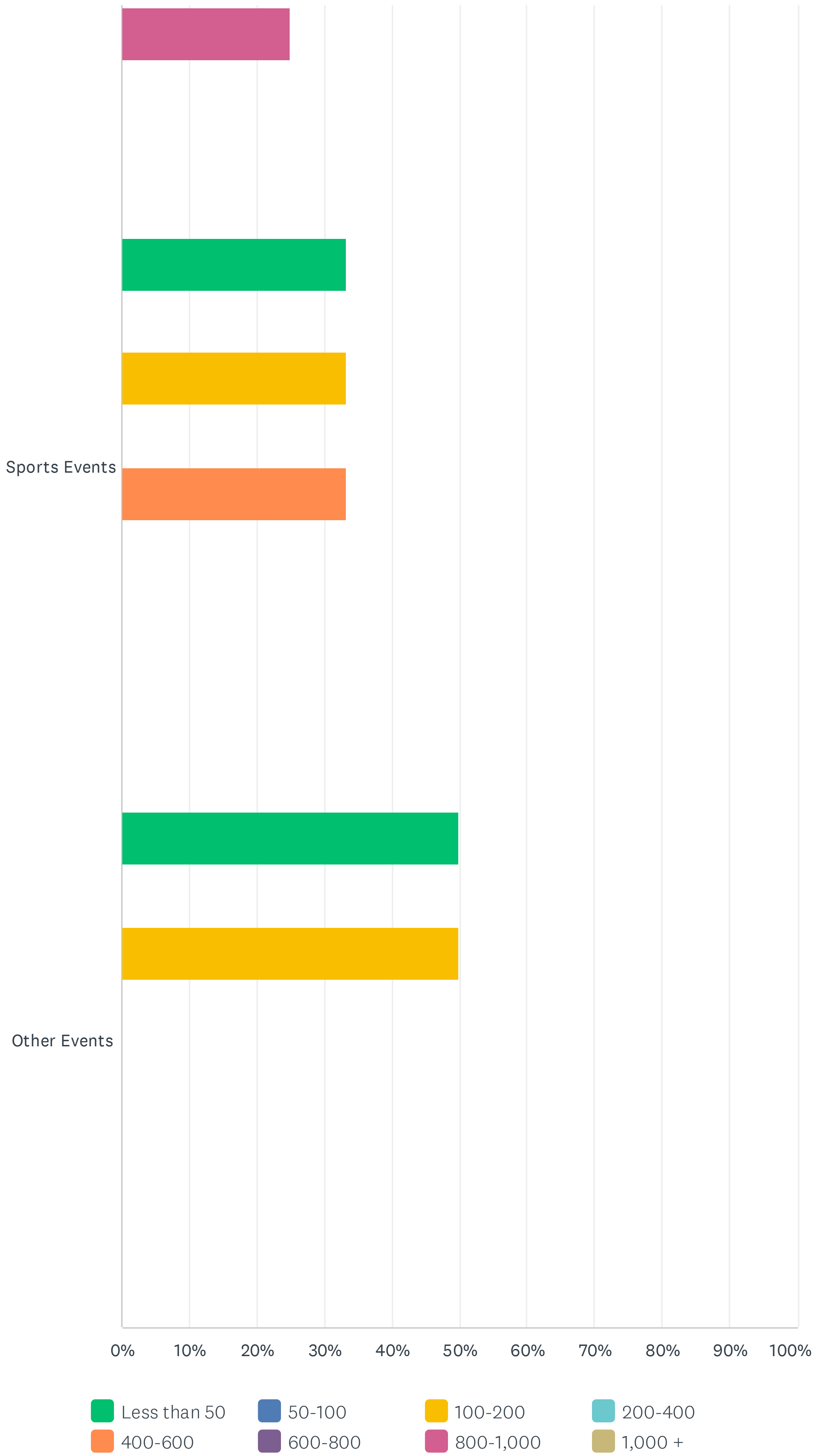
Trade/Consumer
Show
Convention/Conf
erence


Sports Events
Other Events
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Less than 50
50-100
100-200
200-400
400-600
600-800
800-1,000
1,000 +

	LESS THAN 50	50-100	100-200	200-400	400-600	600-800	800-1,000	1,000 +	TOTAL
Gala/Banquet Events	0.00% 0	0.00% 0	33.33% 2	33.33% 2	16.67% 1	0.00% 0	16.67% 1	0.00% 0	6
Social Event/Wedding	0.00% 0	0.00% 0	66.67% 2	33.33% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	3
Meeting/Training	20.00% 1	40.00% 2	40.00% 2	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	5
Trade/Consumer Show	0.00% 0	0.00% 0	66.67% 2	0.00% 0	33.33% 1	0.00% 0	0.00% 0	0.00% 0	3
Convention/Conference	0.00% 0	0.00% 0	25.00% 1	0.00% 0	50.00% 2	0.00% 0	25.00% 1	0.00% 0	4
Sports Events	33.33% 1	0.00% 0	33.33% 1	0.00% 0	33.33% 1	0.00% 0	0.00% 0	0.00% 0	3
Other Events	50.00% 1	0.00% 0	50.00% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	2

Q24 Please provide and comments or suggestions related to a proposed hotel and conference center.

Answered: 7 Skipped: 8

REGIONAL STRATEGIC, LTD.

Brief comments regarding CBRE's economic impact estimates for the proposed hotel and conference center included in the Ames LINC mixed-use development

Prepared for

Discover Ames

By

Mark Imerman
Regional Strategic, Ltd.

December 31, 2025
Revised: January 3, 2026

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Economic Impacts of the Ames Event Center and Hotel

This note is a brief comment and clarification of the economic impact estimates included in the CBRE report, “Feasibility Study: Proposed Ames Conference Center and Adjoining Hotel at the LINC.”

The CBRE report has a series of economic impact estimates for the Ames Event Center/LINC project beginning on page 96. The two main points of this note are

1. The CBRE estimates only encompass the hotel and event center envisioned at the time. They do not include or make provision for the residential, retail, and office space included in the current project. As a result, the CBRE estimates only cover construction, occupancy, and visitor impacts for a $63.4 million hospitality project. The current proposal includes residential, retail, and office provision as well for a total of nearly $280 million. As such, CBRE estimates do not in any way reflect the economic impacts the entire project and its occupancy will generate in the community.

2. CBRE consistently made overly conservative assumptions in estimating their impacts. Even in the context of a reduced project vision at the time, CBRE underestimated the potential impacts.

An additional point, which is of less importance, is that there is some editorial confusion throughout the CBRE presentation concerning whether earnings are a component of output or an addition to output.

Earnings are a component of output. As a result, the presentation consistently double-counts earnings in a very visible way. Despite this error in presentation, however, the calculations and estimations appear to have been conscientiously and carefully put together.

Construction Impacts

The figure below shows the CBRE estimates of construction impact for the Ames Event Center/LINC project. It shows a one-time boost to output of $46.3 million. Of this, $11.4 million will be paid out to 205 employees as labor earnings. Using Woods & Poole Economics estimates for household incomes and household retail sales for the area, we can assume that $4.5 million of these labor earnings will be expended on area retail sales. Assuming 85% of these sales are taxable, this will generate a one-time boost in local option sales tax revenue of over $38,000 from direct labor wages alone.

Due to the way the estimates were generated, we cannot draw hard estimates of one-time business earnings (profits, rents, and interest) that construction will generate. This is important, because it builds the potential investment base for the project and builds Ames' commercial base, which is a major goal of the Ames Event Center/LINC project. A general rule of thumb, however, is that business earnings will be approximately 85% of labor earnings. That would be $9.7 million. Most of the remaining $25.2 million in regional output will be consumed by inputs brought into the area from other regions.

It should be noted that these estimates are based on only half of construction contracts and expenditures being made within the area. The model used for these estimates is linear. Any percentage change to the local spend estimate can also be applied to all the estimated impacts.

Figure 1: CBRE Estimates of Construction Impacts

	Hotel	Conference Center	Combined
Total Construction Cost	46,664,000	16,736,000	63,400,000
50% Ames' Spend Estimate	23,332,000	8,368,000	31,700,000
Regional Output	34,104,384	12,231,506	46,335,890
Regional Earnings	8,401,853	3,013,317	11,415,170
Regional Employment	151	54	205

Finally, in addition to the one-time business, income, and tax benefits generated by construction, CBRE estimates the resulting structure will generate an average of $733,000 per year in property tax revenues for Story County and Ames over its first ten years.

Operational Impacts

There is some confusion in the CBRE estimates of the operational impacts of the Ames Event Center/LINC facility on the local area. CBRE utilized its database of comparable facilities to estimate a facility payroll. Then it estimated employee disposable income and divided that disposable income across expenditure categories to generate an impact estimate.

In doing so, CBRE missed impacts generated from nonpayroll facility expenditures and invariably added noise to the payroll estimates.

The estimates presented here follow a much simpler framework. We took CBRE's estimate of stabilized annual operating revenues for the hotel and the conference center from page 100 in the CBRE report. Then we multiplied those stabilized revenues by the appropriate RIMS II coefficients from page 97 of the CBRE report. We selected coefficients based on CBRE's selections on page 100.

Figure 2: Recalculating CBRE's Operational Impact Estimates

	Stabilized Revenue	Regional Output	Regional Earnings	Regional Jobs
Hotel	13,350,224	19,949,240	5,174,547	142
Conference Center	3,436,809	5,420,879	1,529,380	52
Total	16,787,033	25,370,119	6,703,927	194

We start with a stabilized operating revenue of $16.8 million. This generates $25.4 million in annual regional output. $6.7 million of this output is paid out 194 workers as payroll. Using Woods & Poole Economics estimates for household incomes and household retail sales for the area, we can assume that $2.65 million of these labor earnings will be expended on area retail sales. Assuming 85% of these sales are taxable, this will generate an annual boost in local option sales tax revenue of $22,500 from labor wages per year at current Story County retail capture rates.

Over ten years at stabilized operating revenue, the facility will bring in $167.9 million ($10.7 million less than the CBRE starting point). It will generate $253.7 million in regional output and $67.0 million in regional payroll.

As stated above, the information provided by CBRE precludes a hard estimate of the regional business earnings (profits, rents, and interest) generated. Using the rule of thumb that business earnings will be 85% of payrolls, we estimate a ballpark regional business earnings estimate of $5.7 million annually. Most of the remaining $12.9 million in regional output will be consumed by inputs brought into the area from other regions.

Visitor Impacts

For visitor impacts, CBRE estimated occupancy for the proposed hotel and spillover visitors accommodated in existing area hotels. Then it estimated visitor spend of $260 per day in Story County using Discover Ames survey information on in-county spend and other industry sources.

Then it discounted these totals for estimated out-of-area spend. This should not have been done. The base survey data from Discover Ames is county based, and the entire county sits within the impact area covered by the RIMS II coefficients that CBRE utilized.

Refiguring without the discounts generates these results.

Figure 3: Revised CBRE Visitor Impact Estimations

	Visitor Spend	Regional Output	Regional Earnings	Regional Jobs
Transportation	5,686,618	8,718,154	2,112,579	104
Food & Beverage (Less subject capture)	1,662,008	2,621,485	739,594	25
Recreation	3,093,657	4,725,870	1,123,307	32
Retail	3,464,896	5,213,283	1,277,854	39
Lodging (Less subject capture)	2,015,000	3,011,015	781,014	21
Totals	15,922,179	24,289,807	6,034,347	223

We start with total annual area visitor spend (net of the subject facility) of $15.9 million. This generates $24.3 million in annual regional output. $6.0 million of this output is paid out 223 workers as payroll. Using Woods & Poole Economics estimates for household incomes and household retail sales for the area, we can assume that $2.4 million of these labor earnings will be expended on area retail sales. Assuming 85% of these sales are taxable, this will generate an annual boost in local option sales tax revenue of $20,200 from labor wages per year at current Story County retail capture rates.

As stated above, the information provided by CBRE precludes a hard estimate of the regional business earnings (profits, rents, and interest) generated. Using the rule of thumb that business earnings will be 85% of payrolls, we estimate a ballpark regional business earnings estimate of $5.1 million annually. Most of the remaining $13.1 million in regional output will be consumed by inputs brought into the area from other regions.

Impact Summary

The table below summarizes the impact sections above. The total line at the bottom excludes construction impacts (the first line) to represent only the continuing annual impacts that might be expected from the Ames Event Center/LINC development. Across the Ames Metropolitan Area, the completed facility should generate $49.6 million in output, $12.7 million in labor income spread across 417 jobs, and approximately $10.8 million in business earnings annually. Labor income alone is estimated to drive $5 million in area retail sales annually and nearly 43,000 annually in local option revenue.

Many of the expenses driving these impacts are also subject to sales and hotel/motel taxes. CBRE estimates the facility has the potential to generate an average of approximately $740,000 per year in occupancy taxes and $230,000 per year in local option sales taxes for Ames and Story County.

CBRE also estimates the facility will generate an average of approximately $733,000 in property taxes per year.

Figure 4: Ames Event Center/LINC Impact Summary

	Regional				From Labor Earnings	
	Output	Labor Earnings	Jobs	Business Earnings	Retail Sales	Local Option Revenue
Construction (One time)	46,335,890	11,415,170	205	9,702,895	4,507,691	38,315
Operations (Ongoing)	25,370,119	6,703,927	194	5,698,338	2,647,287	22,502
Visitor Spend (Ongoing)	24,289,807	6,034,347	223	5,129,195	2,382,879	20,254
Ongoing Total	49,659,925	12,738,273	417	10,827,532	5,030,166	42,756

Finally, where impact numbers presented here differ from CBRE estimates, the difference is due to one of three things:

1. The editorial confusion that resulted in adding labor earnings to output totals
2. Not including non-labor expenses in calculating operational impacts
3. Unnecessarily discounting locally-based visitor expenditure estimates for non-local expenditures

Next Steps

The calculations in this note clarify economic impact estimates made by CBRE with respect to only the hotel and event center at the proposed LINC mixed-use development in Ames, Iowa.

In general, the CBRE estimates are conservative. They do not include construction, occupancy, and operation for the entire mixed-use development currently proposed, and they depend upon some overly conservative assumptions and calculations.

Should additional economic impact estimates be required, Regional Strategic, Ltd. recommends building a full economic impact model to calculate both upstream and downstream impacts as well as to better capture local economic activity and business earnings.

REGIONAL STRATEGIC, LTD.

The Ames community position with respect to
the Ames Event Center/LINC proposal

Prepared for Discover Ames

By Mark Imerman, Regional Strategic, Ltd.

Originally Submitted: November 8. 2025
Revised: January 3, 2026

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Executive Summary

Ames and Story County significantly lag their metropolitan peers in retail sales per capita.

- Ames lags its peer metropolitan cities by $4,468 per capita in retail sales.
- Story County lags its metropolitan county peers by $5,249 per capita in retail sales.

Ankeny, Polk County, Dallas County, and Des Moines all outperform Ames and Story County in per capita retail sales.

Retail sales generate local option sales revenue. This is increasingly important as the Iowa legislature moves to reduce residential property taxation and increase local reliance on sales tax revenue.

Retail is a quality-of-life factor that influences where people choose to live.

Between 1990 and 2020 the balance of residence for workers commuting between Polk and Story Counties shifted towards Polk County by 2,836 commuters

- That is an average of nearly 95 commuters per year
- That may translate into nearly 7,000 residents lost to Story County over the past 33 years

Story County has had relatively flat population growth over the past 10 years. It is the slowest growing of the three most populous counties in Central Iowa

The shortfall in retail trade is concerning because Ames attracts a high volume of "Tourists." Students who do not claim Ames as a Census residence and visitors to university events should increase Ames' retail trade per capita even if their expenditures are below the average.

Ames builds its hotels at the perimeters of the community rather than integrating visitors into the Ames commercial sector. This accelerates the speed at which visitors disengage from Ames.

The university is proposing integrating visitors with Cy Town, but the land values, investment returns, and commercial advantages will accrue towards the university rather than towards Ames.

Ames long range development plan does not explicitly speak to the needs of a retail and social destination within Ames similar to what the university is proposing for Cy Town. Ames needs such a core.

The Ames Event Center/LINC project will develop a hotel, conference center and residential and commercial space linked directly to and integrated with downtown Ames, bringing much-needed visitor commerce to a revitalized downtown area.

Ames is increasingly reliant on its residential tax base to fund city services. At the same time, the portion of residential tax valuations that are taxable is falling and the state legislature is pushing to lower residential property taxation.

The Ames Event Center/LINC initiative is about whether Ames and Story County want to remain on their current path towards the future or if they want to improve their trajectory.

Table of Contents

Introduction

The findings in this report are based on the review of considerable material on the market situation for a hotel, conference center, and integrated retail pertaining to the Ames Event Center/LINC project. Included are reports by CBRE and Danter & Associates. This report assumes the experts in the venue development field have provided accurate background information. While these reports consider developments of various sizes and configurations, evaluating these options is not a function of this report.

This report looks at community characteristics in Ames that speak to the need for drawing visitors in from the periphery to engage with the city. As such, it provides background regarding the need to develop a residential, cultural, and hospitality core in Ames, regardless of the particular configuration that core acquires.

Ames is trailing its Iowa peers in both economic and population growth, as evidenced by multiple metrics and particularly by retail trade figures. Despite the presence of a substantial "tourist" population through Iowa State University, Ames faces a notable retail deficit.

The city requires a focused strategy to evolve into a destination that integrates visitors into its commercial ecosystem. Establishing attractive hotel and meeting venues within a vibrant residential and commercial district could serve as an effective starting point.

Current city planning efforts do not appear to prioritize this approach, instead emphasizing peripheral residential expansion and drive-by shopping corridors, which are not proving effective in retaining visitor engagement. As Ames becomes increasingly dependent on a residential tax base amidst ongoing state property tax relief initiatives, the urgency to adopt a commercial strategy and capture untapped revenue opportunities will only grow.

An Unmet Opportunity in Retail Trade

In any discussion of community and regional development, retail trade takes a prominent role. It is one of two drivers of population mobility. People move to shop or to work, or both. Where people choose to live depends upon the priorities they put on their potential commutes to shop or to work. Where people spend their money dictates regional commercial growth. Retail trade statistics illuminate residential priorities and commercial potential.

Ames is the core city of the Ames Metropolitan Statistical Area. Surrounding Story County makes up the core county of the area. Local reports from Iowa State University's Retail Trade Analysis program[1] provide statistics on city and county retail trade in the context of comparable cohorts of communities. They show that Ames and Story County are not meeting their potential with respect to their metropolitan peers.

In 2024, Ames reported per capita retail sales of $18,003. While this was greater than the Iowa per capita average of $15,599, Ames is not an Iowa average community. Ames is a city of 10,000 or more residents in a Metropolitan Statistical Area. Per capita sales for that cohort of communities averages $22,471. Ames' $4,468 per capita shortfall amounts to a total Ames business community trade shortfall of $293.5 million. That trade shortfall results in a loss of nearly $3 million in local option sales tax revenue.

People are not coming to Ames to shop. That is depriving the Ames commercial community of the ability to adequately invest. That is depriving the city of Ames of substantial and much needed revenue.

2024 was not an aberration. **Figure 1** shows Ames' position relative to the core of its cohort over the past ten years. The boxes show the range of cohort participants between the 25th and 75th percentiles. Ames has consistently resided in the lower portion of their metropolitan cohort.

Figure 1: Expected and Actual Sales Per Capita for Ames, Iowa (Figure 6 of the Ames Retail Trade Report from Iowa State University)

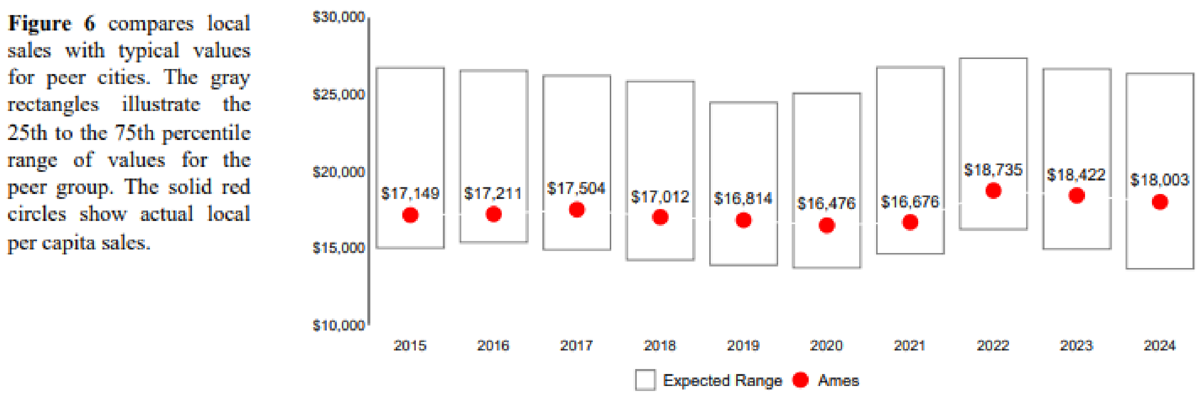


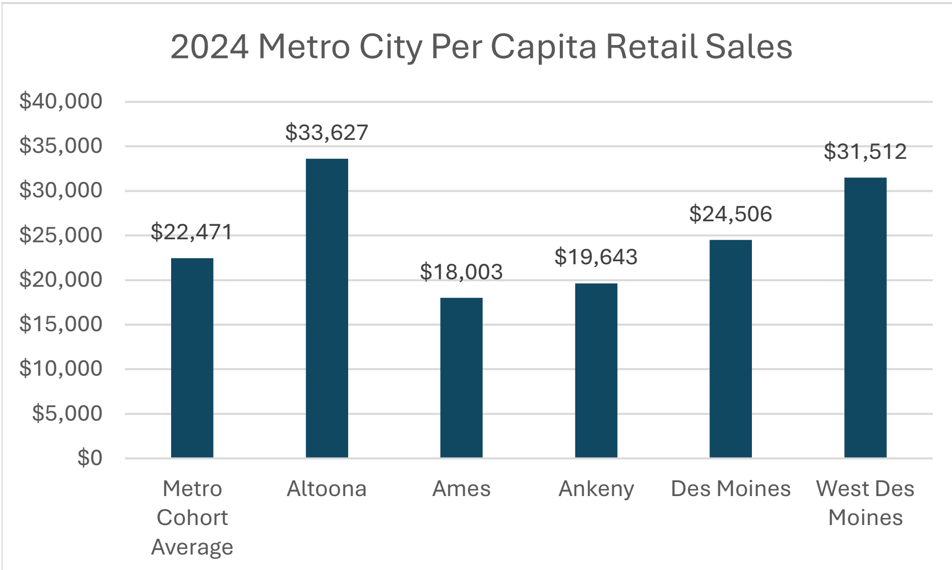
Figure 2 shows Ames' position relative to other comparable communities within the Ames and Des Moines metropolitan areas. While there are additional cohort communities within the two metros that are not included, they are peripheral communities in the Des Moines Metropolitan Area. Ames is a core metropolitan community. Within this cohort, Ames does not compare well.

Beyond the metropolitan core, Ames falls short of the sales per capita average of all Iowa cities of 10,000 people whether they are metropolitan or not. Ames falls short of the sales per capita

[1] https://indicators.extension.iastate.edu/Indicators/Retail/

average for nonmetropolitan communities with populations between 2,500 and 9,999 by an average of $1,769 per capita.

Figure 2: Central Iowa Metro City Per Capita Retail Sales



Data from Iowa State University Retail Trade Analysis Project

This inability to attract commerce is self-perpetuating. It deprives the local commercial sector the resources needed to invest in improvements or even steady-state maintenance. It denies the city of Ames resources to maintain and improve the services needed to become a magnet for commercial activity.

Ames' commercial drawing capacity also hurts Story County. As the core community in a metropolitan statistical area, Ames is expected to draw in or accumulate the retail sales leakage coming from the rural communities in the area.

Ames is not accomplishing this. This failure is a revenue problem for the county as a whole. This failure also invisibly increases the cost of living for every rural resident of Story County who finds it necessary to travel beyond Ames to fulfill their needs.

In 2024, Story County had per capita retail sales of $13,770 as compared to a statewide average of $15,599. Like Ames, Story County is the core portion of a metropolitan area. The metropolitan core county average per capita retail sales in 2024 was $19,019. Story County's retail sales deficit with respect to its peers was $5,249 per capita – nearly $540 million.

If Ames drew commerce like an average metropolitan city, it would attract nearly $300 million of this. The trade would stay within Story County. The revenue generated would accrue to Story County and its communities.

It could be even better. Ames is the only core community of the Ames Metropolitan Statistical Area. As such, it should be capable of drawing in more retail sales than its cohort's average. If Ames were in a position to draw at the average rate of the four Polk County communities in **Figure 2**, it would draw retail sales per capita of $25,408. In that case, Story County's overall leakage would be less than $45 million. The difference to Ames and Story County would be nearly $5 million in local option sales tax revenue.

Figure 3 shows how Story County performed against its peer group over the past ten years. The graphic, which was lifted directly from the Story County Retail Trade Report compiled by Iowa State University Extension, shows the expected core range of per capita sales in Iowa's metropolitan core counties. It removes the outliers, the top 25% of counties and the bottom 25% of counties. There is no doubt that Story County is in that lower 25 percent.

Figure 3: Expected and Actual Sales Per Capita for Story County (Figure 6 of the Story County Retail Trade Report from Iowa State University)

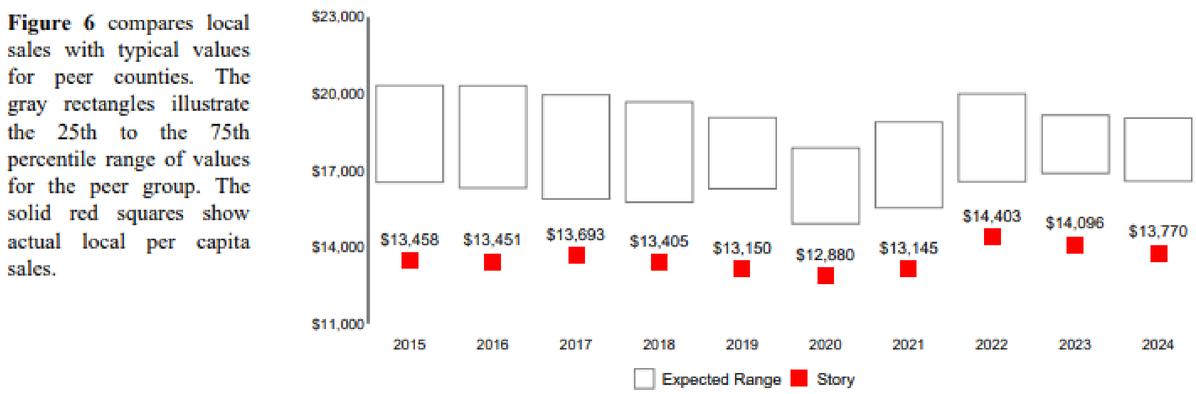


Figure 4 shows Story County's 2024 retail trade performance in comparison to Polk and Dallas counties, the other two core metropolitan counties in Central Iowa. Story County significantly underperforms both. As the northern gateway to the largest metropolitan area in the state, Ames ought to capture a larger portion of the commerce that originates in and passes through Story County.

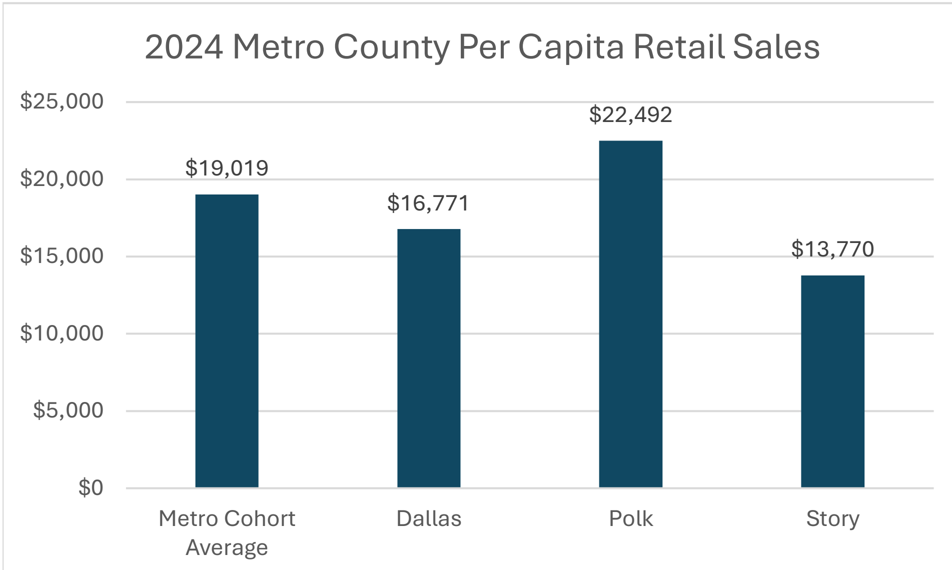
Why Does Retail Trade Matter?

The ability to draw in and maintain retail trade is the ability to draw in and retain population. As stated above, ordinary people move towards one of two things:

1. Where they work
2. Where they shop

Where commutes to work are everyday occurrences and budgets for recreation and dining out are limited, this favors place of work. As people have and deploy more disposable income and where work schedules are flexible, this decision moves towards shopping and recreation.

Figure 4: Central Iowa Metro County Per Capita Retail Sales



Data from Iowa State University Retail Trade Analysis Project

This may be affecting Story County. Within the two conjoined metropolitan areas in Ames immediate area (Des Moines and Ames), there are eight counties. **Figure 5** shows population sizes and growth for these counties from 1990 to 2023.

Figure 5: County-level Population Growth in Des Moines and Ames Metropolitan Statistical Areas

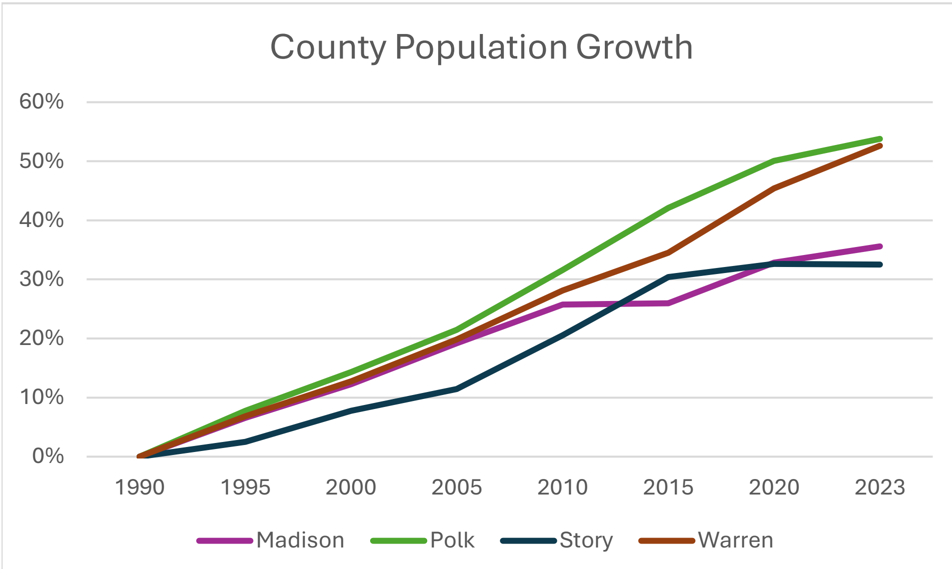
County	1990	2000	2010	2020	2023	Percent Change
Boone	25,200	26,251	26,280	26,698	26,590	6%
Dallas	29,904	41,446	66,838	100,536	111,092	271%
Guthrie	10,941	11,334	10,939	10,612	10,722	-2%
Jasper	34,829	37,252	36,826	37,810	37,919	9%
Madison	12,516	14,049	15,739	16,629	16,971	36%
Polk	328,531	375,627	432,327	493,022	505,255	54%
Story	74,382	80,152	89,673	98,649	98,566	33%
Warren	36,170	40,787	46,349	52,591	55,205	53%

Data from U.S. Bureau of Economic Analysis

Story County's population growth since 1990 (33%) only bests Guthrie (-2%), Boone (6%), and Jasper (9%). Story County's population growth falls behind Dallas, Polk, Warren, and Madison counties. Dallas County in the Des Moines Metropolitan Area has seen phenomenal population growth of 271% since 1990.

Ignoring the outliers at the bottom (Guthrie, Boone, and Jasper) and the outlier at the top (Dallas), **Figure 6** shows cumulative percent population growth for Polk, Warren, Story, and Madison counties in the two metro areas from 1990 to 2023. Among the three most populous counties in the two metropolitan areas (Polk, Dallas, and Story), Story County is the only one approaching steady-state.

Figure 6: Cumulative Percent Population Growth



Data from U.S. Bureau of Economic Analysis

This reflects personal choices regarding where one lives in relation to where one works, where one recreates, and where one shops. Long term trends in these relationships can be illustrated with Journey to Work (commuter) data from the U.S. Census.

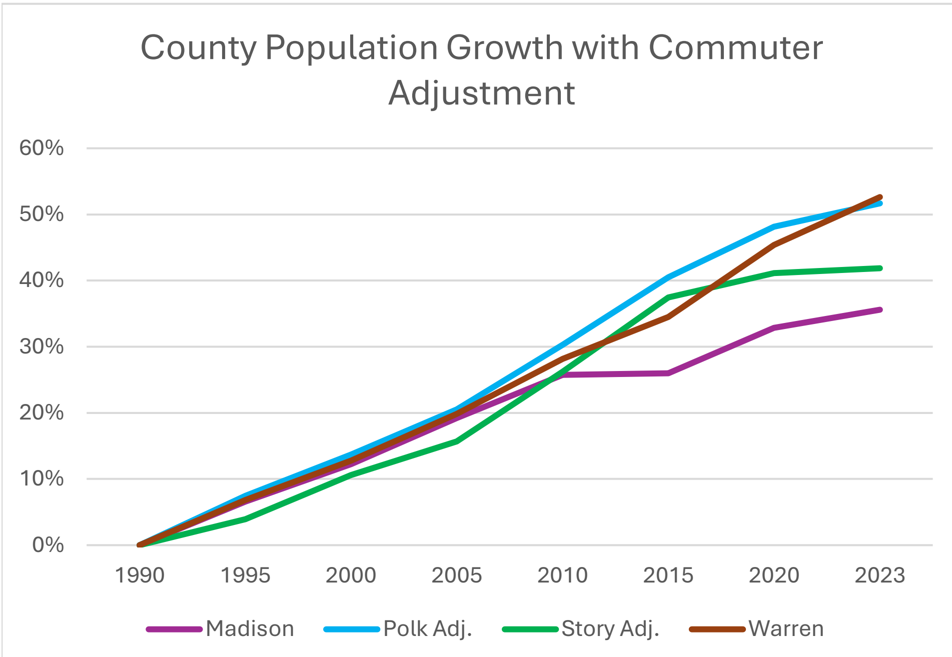
In 1990, a commuter from Ames to Des Moines was part of a cohort of 3,085 people who commuted from Story County to Polk County every day. Only 1,086 people commuted in the opposite direction. It was clear to everyone on Interstate 35 that the commute towards Story County was a less stressful drive than the commute towards Polk County.

By 2016 the flow had changed. The numbers of commuters in both directions had grown. The dominant destination had changed, however. From 2016 to 2020 Census data shows 5,061 people commuted daily from Story to Polk County. Over 800 more (5,898) people commuted from Polk to Story County. The dominant direction of flow reversed. It is now more pleasant to commute towards Polk County than to commute towards Story County.[2] Anyone who has commuted between Ames and Des Moines over the past 30 years has seen the change.

[2] If Ames had not pushed for its own metropolitan statistical area with the 2000 Census, it would have almost certainly been added to the Des Moines Metropolitan Statistical Area with the 2010 Census. That would not have changed cohorts here, however, as Ames would have almost certainly been designated a core county.

A swing of commuter residence toward Polk County totaling 2,836 workers over 30 years is substantial – 95 workers per year – almost 2 workers per week. At 2.23 people per Story County household, this is equivalent to almost 211 people per year. From 1990 to 2023, this would total almost 7,000 people, 10 percent of Ames' current population. Move those 7,000 people back from Polk County to Story County population, and the Story County line on the graph above moves up substantially. Half of the growth gap between Story and Polk counties disappears. **Figure 7** updates **Figure 6** with this commuter adjustment.[3]

Figure 7: Cumulative Percentage Population Growth with Commuter Adjustment



Regional Strategic, Ltd., Des Moines, Iowa

At the Ames average retail sales per capita, this adjustment would generate over $125 million in retail sales per year. If Ames could get up to the metro cohort average, that would be over $156 million per year. If Ames could bring its current population up to metropolitan cohort average retail sales and capture its lost commuter swing, it would generate $450 million annually in additional retail sales.

These sales would generate nearly $4 million annually in local option sales tax revenue. There would also be residential property tax from an additional 95 households per year and the indirect and induced impacts on employment and incomes that followed on the initial retail expenditures.

[3] This representation is conservative in that the adjustment was calculated to maintain only the original difference in commuter residences. Calculations that maintained the original ratio of commuter residences would show a much greater effect.

It is not going to be easy to make up this shortfall. Reversing the trend is becoming more important, however. Iowa is increasingly driving cities to utilize local option sales taxes for revenue. As the state legislature continues to provide property tax relief to Iowa residents, the Ames/Story County retail trade shortfall will gain budget importance.

The Retail Shortfall Quandary

Ames' retail shortfall is a quandary because Ames should not be dependent entirely upon its own population for its retail spend. For all intents and purposes, Ames should be seen as a destination location. It should be capturing the retail sales of its citizenry and its "Tourists." It clearly is not.

Iowa State University has fluctuated between 30,000 and 36,000 students in recent years. In previous work with Des Moines University, Regional Strategic, Ltd. helped them flesh out the concept of students as high-value tourists. They come for extended stays. They spend money largely extracted from other economies. They draw in substantial federal funds. Some, but not nearly all, of these are considered residents under the Census[4]. The rest are free contributors to Ames' retail totals. They are "Tourists."

Assume, as is quite likely, at least 15,000 Iowa State University students are not classified by the Census as Ames residents. Assume these 15,000 students each spend $3,000 annually in the Ames economy. This amounts to $45 million annually and is responsible for $685 (nearly 4%) of Ames per capita retail sales.

With respect to retail sales per capita, the "Tourists" add to the numerator (retail sales) but not the denominator (population). They should boost the city-wide average retail sales per capita even if their spending is lower than the Ames per capita average.

In addition, the university attracts large crowds to sporting and other recreational events. Six times a year, football game attendance averages 60,000 people. Eighteen times a year,14,000 people attend men's basketball contests and 10,000 people attend women's basketball events.

This amounts to 792,000 individual attendances. If one-quarter originates outside of Ames, that is 198,000 visits. If each visit generates $50 in Ames' retail sales, these visitors add $151 to Ames' per capita retail sales. These estimates do not count thousands of other visitors to Iowa State University (prospective students on recruitment and orientation visits, academic visits, visits by alumni and potential donors, etc.) Take them away, however, and Ames' per capita retail sales drop by about 5% from totals that are already insufficient.

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[4] Given an enrollment of 30,000 (which is low), an Ames official population of 67,000, and Ames estimates that 29% of the population are between the ages of 20 and 24, it is probable that only 10,000 to 15,000 Iowa State University students are credited to Ames in the Census. This leaves approximately 15,000 to 20,000 students who are consuming within Ames as "Tourists."

Integrating Visitors

Much of Ames' inventory of 2,027 hotel rooms (Danter & Associates) exists to accommodate the out-of-town visitor contingents attending Iowa State University events. Placement of this hotel room inventory appears to have been designed to implement immediate or first capture of visitors. Accommodations are placed to catch visitors before they settle into town. The corollary is that these accommodations also accelerate the movement of patrons out of town.

1. Get a room
2. Go to the game
3. Stay over night
4. Leave town

Ames does not have a history of integrating its guests into its commercial community beyond changing the sheets as they leave. To the extent that visitors might grab a bite to eat away from the stadium, they are served by a myriad of franchise outlets on South Duff.[5] While immediately satisfying, these quick interactions are not engaging enough to make them seek out more on their next visit. They are not sticky. They do not encourage additional visitor spend.

Guests come to the university. They don't come to Ames. They drive through or past Ames going to and from university venues. Ames is doing little to change that.

Cy Town And Campus Town

The university recognizes that it is the focal point, that guests come to university events rather than to Ames. The university recognizes that Ames could do more to elevate both the city and the university with respect to the visitor experience. Moreover, the university would like more engagement. If anything screams, "Ames Event Center/LINC is a necessity!" it is Cy Town.

At Cy Town, the university plans to build a hotel, extended-stay accommodations, and a retail/entertainment district between Hilton Coliseum and Jack Trice Stadium. The university wants to extend visitor engagement to support its fundraising, recruiting, research park, and revenue base.

The university recognizes that fan-base loitering is good for the university. Ames needs to recognize, encourage, and capture fan-base and visitor loitering as well.

[5] Bringing these diners into the Ames downtown or neighborhoods would not necessarily hurt the franchise outlets they currently frequent. Holding visitors longer would increase the opportunities for these franchises to capture follow-up engagements. Holding visitors is likely good for the complete range of existing Ames businesses.

The difference between Ames Event Center/LINC and Cy Town is that the university will appropriate Cy Town's surplus profits and property values rather than the Ames community and local investors. Cy Town's tax-base benefits will be limited, which will limit Ames' ability to achieve its desired environment.

What difference does that make? Look at the historical campus town as it compares to today.

A student coming to Iowa State University in the mid 1970's experienced a campus town that was a world away from campus town as it is today. There were two drug stores in campus town. There were at least three independent bookstores, three record shops, a grocery store, a couple of places to buy shoes and boots, a screen-printing business, two theatres, a couple of audio shops, and at least two clothing stores. All of this was in less building space than campus town has now. There has been substantial new commercial construction in campus town over the past ten years, but almost none of it is retail space. In another ten years, it might be all non-retail commercial.

Figure 8: Lincoln Way Between Welch and Stanton in 1976

Courtesy of Ames History Museum

There are multiple reasons for this. Some is just technological change. The university, however, has also been a significant actor. In the 1980's and 1990's, the residence department experienced a growing vacancy rate. In response, it started expanding its quasi-retail base and changing its food-service operations to attract more residents. On-campus convenience and sundry stores competed with campus town. A rapidly expanding university bookstore challenged campus town. Extended hour a la carte dining challenged campus town. Old businesses struggled and closed because they could not compete with university commercial enterprises.

In the end, when the university started pushing alcohol out of dormitories, fraternities, sororities, and university events, campus town became a home to the commerce that the university did not want. That commerce has not sustained the environment over time.

Figure 9: Looking South Down Welch from Lincoln Way 1976

Courtesy of Ames History Museum

The irony is that now students don't have any place to go. Here comes Cy Town! The university has never intended the consequences of these developments. It just looks at everything from the university's perspective. The reality is that Cy Town will certainly be good for the university. It can also be good for Ames, but only if Ames balances it out.

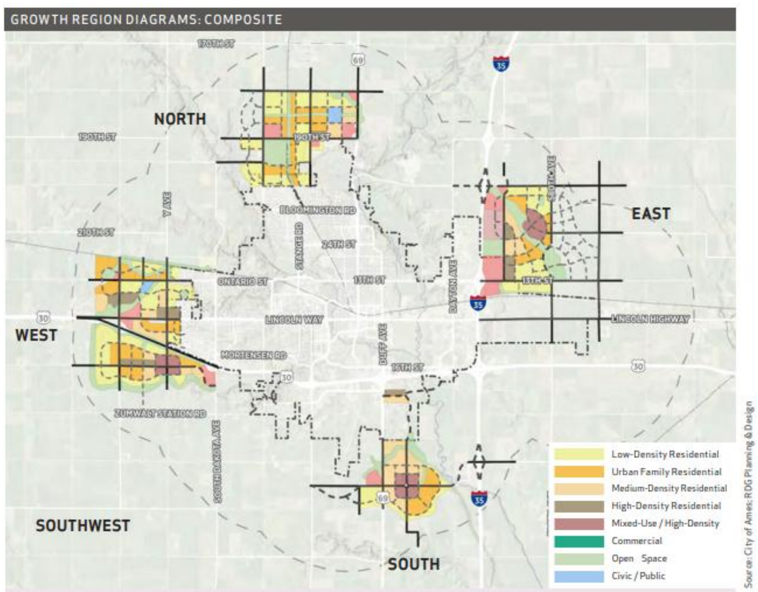
If anything screams, "Ames Event Center/LINC is a necessity!" it is Cy Town. If anything screams, "Do it NOW!" it is campus town.

There Is No Official Plan to Change

Take a look at Ames Plan 2040, which is basically a real estate development plan for the Ames periphery. Access and egress are priorities. Ingress is not. To a lay person, three things stand out.

First, there are pages and pages involving growth on the periphery. **Figure 10** shows the areas of primary importance. These areas are peripheral growth. There are at least seven maps depicting different details pertaining to these areas, pages of text, extensions on how utilities and transportation corridors will be developed and maintained. There are two pages detailing the needs for neighborhood core areas to provide convenient commercial services to the residents of these developments. There are three pages on maintaining access to the rural fringe, assuring annexation potential, and rural-like housing developments.

Figure 10: A development map from slide 36 of Ames Plan 2040



Second, commercial corridors are an issue. Visibility from Interstate 35 and Highway 30 are issues. Parking is an issue. Access is an issue. North Grand Mall is mentioned by name. South Duff and West Lincoln Way are certainly in mind. Of the three, South Duff is the only corridor easily accessible from outside the community. Being spread about town, none is a consistent in-town retail or social anchor.

Third, downtown and campus town share a single page. There is nothing in the plan that argues against the Ames Event Center/LINC project, but there nothing that anticipates or promotes it. When it comes to downtown and campus town, there is almost nothing in the plan.

Ames needs a core commercial and social destination. Ames Plan 2040 is focused on the spreading residential periphery.

A Quick Look at Property Tax

A major fiscal need for Ames is to expand and diversify its tax base. The importance of the retail trade discussion above is driven by this need. The state of Iowa is increasingly diminishing the role residential property can be expected to play in local government finance. At the same time, the state is pushing local governments to expand their reliance upon local option sales taxes.

Ames faces a chronic local option sales tax deficiency. Ames Plan 2040's preoccupation with peripheral development is a play that doubles down on residential property tax revenues by expanding the size of Ames. Given state policy, this is counterintuitive. It is also expensive, as stretching utility and transportation corridors over ever-increasing areas requires substantial infrastructure investments.[6] Finally, it is limited. Ames will eventually hit surrounding communities as the also attempt to annex development-friendly real estate.

Overall, Ames is increasingly reliant upon residential property for revenue at a time when residential property is increasingly the target of statewide tax relief efforts. In this environment, a strategy to increase Ames' capture of retail sales leakages, commuter base losses, and their associated local option sales tax increments would make good sense from a revenue diversification standpoint.

A review of the Ames Special Budget Reports for 2020/2021 and 2025/2026 shows

1. Ames has a relatively low levy ($10.09 per thousand total levy in the 2025/2026 report), both total and general, compared to the metropolitan comparison cities listed in both reports.
2. There was a slight share movement away from the county (1.21 percentage points) and DMACC (0.02 percentage points) and towards the city (0.77 percentage points) and the school districts (0.45 percentage points). There is not enough data to determine if this is ongoing and significant.
3. The percent of assessed valuation that is taxable fell significantly for residential property between January 1, 2019, and January 1, 2024 (from 55 to 47 percent)
4. Residential property, both assessed and taxable valuations, showed significant increases in share of total valuations between the two periods.
5. Commercial property and industrial property, both assessed and taxable valuations, had decreasing shares of total valuations between the two periods.

Following up with a look at the Iowa Department of Management's City Property Valuation files for AY2003-FY2005 and for AY2024-FY2026 shows a similar pattern on a longer timeframe. Between these two periods

1. Residential total values as a percentage of combined residential-commercial-industrial values went up from 64% to 79%

[6] Given the fixed nature of school district boundaries, it should also be noted that Ames' taxpayer investments in expanding the periphery will largely expand the tax bases and improve the quality of surrounding school districts at the expense of the Ames Community School District.

2. Residential taxable values as a percentage of combined residential-commercial-industrial values went up from 47% to 67%
3. The portion of residential taxable value to residential total value fell slightly from 48% to 47%

The longer-term view appears to be consistent with the shorter timeframe. Ames' increasing reliance on residential property for revenue at a time when statewide efforts are focused on reducing residential tax liabilities underscores the strategic importance of recapturing retail sales leakage and commuter base losses, along with their associated local option sales tax increments, as a means of diversifying city revenue.

Summing Up

Ames is lagging its Iowa peers in commercial growth and population growth. This is shown in any number of measures but is sharply displayed in retail trade numbers for Ames and Story County. The retail trade deficit per capita is surprising in Ames because Ames has large contingents of "Tourists" who add to the numerator (retail trade) but not the denominator (population).

Ames needs a strategy to become a destination rather than just a gateway to Iowa State University or a corridor to Polk County. Ames needs to integrate visitors into the commercial sphere. Bringing attractive hotel and meeting venues into a vibrant distinctive commercial district would be a potential starting point.

Ames does not appear to be planning for this. Ames appears to be planning for a larger residential periphery and some drive-by shopping corridors. Increasingly, the corridors are the first things visitors see when entering Ames. They are not proving to be "Sticky." They are not encouraging additional retail spend.

Finally, Ames is becoming increasingly reliant upon a residential tax base in a state intent on reducing residential tax liabilities. The funds Ames is leaving on the table for lack of a commercial strategy will become increasingly critical to Ames' fiscal health as time goes on.

Conclusion

The Ames Event Center/LINC initiative is about a hotel and a conference center. It is about bringing visitors to Ames and the university into the heart of Ames to engage with the cultural and social assets Ames has to offer. It is about increasing local retail, hospitality, and commercial sales. It is about strengthening the mixture of tax bases that provide civic support and improvement. It is about a better quality of life and progress.

But it is not about simply improving the future of Ames as Ames now sees that future.

It is about changing the way Ames looks at the future.

Ames has a relatively high standard of living, but it has relatively low growth rates. It lags its Central Iowa peers in population growth, industry, and retail trade. Ames is losing its traditional trade periphery to the counties to the south, Polk and Dallas. Story County underperforms these and even Warren and Madison counties in 30-year population growth.

Ames often does not notice this because Ames has always been the beneficiary of extraordinary public investments in the university, university-related federal facilities, and the Iowa Department of Transportation. Those investments are slowing down and, in many instances, declining.

Iowa State University recognizes this change. That recognition is a driving force behind Cy Town. If Ames intends to maintain a viable commercial and cultural environment, it must recognize these changes and act, too.

The Ames Event Center/LINC project provides a substantial first step in that recognition. It will be designed, placed, and integrated into the heart of downtown Ames:

- Giving visitors a taste of what Ames is
- Providing downtown and the Ames community with revenue and revitalization
- Encouraging residential growth in a growing commercial and cultural destination
- Refreshing the vision of what Ames can be.