

DP Consulting



**Market Study
For the
Proposed Meeting Facility**

Hurst, Texas

**Prepared for:
The City of Hurst**

April 20, 2008

DP Consulting

10700 Richmond Ave • Houston, TX 77042
David@DPHospitality.com

Voice 713-335-3350
Facsimile 713-335-3422

April 20, 2008

Mr. Jeff Jones, ACM
City of Hurst
1505 Precinct Line Road
Hurst, Texas 76054

Dear Mr. Jones:

DP Consulting has completed its research into the market demand for the proposed Hurst conference center and determined that there is significant demand for the proposed facility. Our approach to determining market demand for meeting and exhibition facilities was both supply-oriented and demand-oriented. Our supply approach involved collecting information on area meeting facilities and regional comparable convention centers. Our demand approach involved identifying and interviewing potential users, area companies, meeting planners and event organizers. This summary report outlines the results of our research and analysis.

Our research confirms there is an unmet need for a state-of-the-art meetings facility that can accommodate small day meetings, large banquets, and community-based consumer shows. Hurst is well located for accommodating these events because it is connected to the rest of the Dallas-Fort Worth area with two major freeways traveled by an estimated 175,000 cars per day. Meetings demand in the area has strong counter-cyclical patterns with midweek corporate meetings and weekend banquets and small regional consumer exhibitions.

Based on our review of comparable and competitive facilities, and area demand for meetings, we recommend the facility have a 10,000-square foot carpeted ballroom and eight small meeting rooms having 5,000 square feet, collectively. The overall size of the building will be subject to site limitations, but will generally be between 2.5 and 3.0 times larger than the net usable space, yielding a building with as much as 45,000 square feet.

In order to attract corporate meetings and high-profile banquets, the facility should be special and not utilitarian by adopting a theme in the selection of the interior and exterior materials of the building. There should also be a scrolling marquee visible from Highway 183 that will advertise upcoming events.

The facility should be equipped with state of the art audio-visual equipment and top quality tables, chairs and portable risers. The operation of the facility should provide in-house catering, full-service meeting coordination, and negotiable market-based rental pricing set by on-site management.

A meetings facility designed and operated as described in this report will deliver numerous benefits to the City of Hurst. Area hotels will likely experience increased occupancies from meetings and expositions held at the facility, and local restaurants will see increased patronage as these facilities tend to generate casual and fine dining opportunities. Small regional consumer exhibitions also enhance the quality of life with entertainment and community interaction.

Based on a state-of-the-art conference center described in our report and our supporting analysis, we estimate the facility could attract more than 78,000 attendees annually by the third year of operation.

Limiting Conditions

As in all studies of this type, the estimated results are based upon competent and efficient management and presume no significant change in the competitive position of the facilities from that as set forth in this report. The estimates of property performance are based on an evaluation of the present general level of the area's economy and make no provision for the effect of any sharp rise or decline in local or general economic conditions. The prospective financial analyses is based on estimates, assumptions and other information developed from our research of the market and knowledge of the industry. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore actual results achieved during the period under study will vary from our estimates and the variations may be material. The terms of our engagement are such that we have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the completion of our fieldwork.

We would be pleased to hear from you if we may be of further assistance in the interpretation and application of our findings and conclusions. We express our appreciation to you and your associates for the cooperation extended to us during the course of this assignment.

Sincerely,

DP Consulting



David S. Parker

City of Hurst – Proposed Meeting Facility

Comparable Facilities

Section I

DP Consulting

Our approach to determining market demand for meeting and exhibition facilities was both supply-oriented and demand-oriented. Our supply approach involved collecting information on area meeting facilities and regional comparable convention centers. **Exhibit A** compares information we collected on small regional convention centers. Our criteria for selecting these facilities was based on community demographics similar to the Hurst-Eules-Bedford area, i.e. communities within the Dallas-Fort Worth Metroplex as opposed to rural communities in North Texas.

Small Regional Convention Centers - Metroplex

<u>Facility</u>	<u>Year Built</u>	<u>Largest Room</u>
Mesquite Convention Center	1997	18,000 SF
Richardson Civic Center	1980's	8,300 SF
The Atrium at the Arts Centre - Garland	2003	6,300 SF
Addison Conference and Theatre Center	1990's	6,600 SF
Plano Center	1991	22,000 SF

Mesquite Convention Center

The Mesquite Convention Center is three facilities in one with two different management entities. The ballroom, meeting rooms, and catering facilities are situated between the 160-room Hampton Inn and Suites, and the 37,000-square foot exhibit hall. The hotel management controls the ballroom, meeting rooms and catering facilities. Management of the equestrian center (arena) controls the exhibit space.

Combining such large amounts of meeting space with a limited-service hotel is unusual in the meetings market, but it has its niche with local groups that do not need many hotel rooms, and association groups on a tight budget.

The Ballroom is 18,000 square feet and divisible into three sections. One section is divisible again into three smaller sections of 2,000 square feet each. The typical wedding has 200 guests and uses 6,000 square feet with a dance floor, which means the facility could potentially accommodate three weddings simultaneously. There are four meeting rooms of 816 square feet each, two of which divide in half for a total of six divisions. Having meeting rooms for breakout sessions is essential for accommodating corporate meetings, but management cites a need for rooms that are 1,000 to 1,200 square feet. Even with meeting rooms that are too small, the facility manages to accommodate small corporate meetings 80% of the time Monday through Friday. The typical corporate meeting they accommodate ranges between 80 and 100 attendees and uses one or two of the smallest divisions of the ballroom and some of the meeting rooms with breakfast, breaks, and lunch on-site, and dinner off-site at a restaurant.

Like a full-service hotel, management promotes flexible pricing that includes food and beverage, which are offered exclusively by in-house staff. Most meeting

planners prefer one-stop shopping and enjoy working with a knowledgeable on-site staff. Management typically seeks \$1 per square foot in sales with food and beverage and gets that more than that half the time. The more food a group orders results in lower room rent. In the previous fiscal year, they achieved approximately \$1.8 million in revenues.

Richardson Civic Center

The Richardson Civic Center is different in many ways from the hotel-like Mesquite facility. It is contained within City Hall and is not carpeted. The Grand Hall is 8,300 square feet and is not divisible, but the facility also has four small meeting rooms.

A city department manages the facility. Catering is provided by an approved list of Richardson-based restaurants and caterers. No alcohol may be sold on-site or brought in by guests, but rather must be given away by the host as part of dinner. The facility collects 10% of the food and beverage bill from the caterer in addition to the rent it charges the group. Groups that want to self-cater can pay the greater of \$400 or \$1 per person as an additional fee. Approved vendors provide audio and visual equipment rental. While the city does not promote “full meeting coordination”, they will do it for a 30% up-charge on contracted services.

Being contained within City Hall makes it convenient for many of the city departments to use the facility with great frequency during the week. Richardson now has several full-service hotels nearby that accommodate the area’s corporate meeting demand. Weekend events include weddings, anniversaries, and reunions, but also community-oriented consumer shows. The Grand Hall is consistently booked every weekend one year in advance. Presently, nine consumer shows have dates as far as three years in advance. Additionally, the facility hosts one job fair each month. The Grand Hall can accommodate up to 50 exhibit booths.

The Richardson Civic Center is the low cost alternative to its neighboring hotels for meeting space. According to management, rental rates are too low and difficult to increase because they are set by City Council.

The Atrium at the Granville Arts Center – Garland

The Atrium is a new facility built adjacent to the established Granville Arts Center (theater). It is an elegant facility with floor to ceiling glass on three sides. Built to compliment the Arts Center as a banquet facility, it is carpeted and contains 6,500 square feet. However, it does not divide in to smaller spaces, which limits its ability to accommodate smaller weekday corporate events.

Built in 2003, the facility recently completed its third year. It is already sold out for every weekend one year in advance. Weekend events already booked include social events such as weddings and anniversaries, but also end of school-year awards banquets for different clubs in Garland I.S.D. such as band, cheerleading,

honor society, etc... Garland I.S.D. also books seminars during the week. The local chamber of commerce hosts three events per months and there are numerous other civic clubs that book events during the week. Management's strategy has been to fill the event calendar with civic groups and then go after the corporate meetings, which they are targeting now.

Catering is provided by an approved list of Garland businesses, but only one restaurant has the liquor license for the Atrium. As seen in the Richardson Civic Center, rental rates are set too low, but management will try to raise them overtime.

Addison Conference and Theater Centre

Like the Atrium at the Arts Center, the Addison Centre is connected to a theater. The rooms are similar in size but the Addison facility is divisible. Addison is known for its first class hotels and restaurants. As such, the facility gets little weekend social demand but a significant amount of midweek corporate day meeting demand. This is partly the function of the numerous corporate headquarters in Addison, but also because area full-service hotels prefer meetings that sell room nights and are priced too expensively for day meetings.

Similar to other centers, a City department operates this facility and area restaurants provide the catering. Only caterers with liquor licenses serve alcohol in the facility. Unlike its regional competitors, however, it charges market rents for its space and it is still perceived as a low price alternative to full-service hotels.

Plano Centre

The Plano Centre was built in 1990 at a cost of \$17 million. The facility is located just off I-75 at Spring Creek Parkway where there were few commercial developments and no nearby hotels when it was built. The ballroom / exhibit hall has 21,600 square feet, is carpeted and divisible into three sections. The facility also has a special events room (Windhaven) containing 3,556 square feet that is carpeted and has a high decorative ceiling. The Windhaven seats 200 people for a banquet with a dance floor and is very popular for weddings and other high-end social functions. Of the comparable facilities, the Plano Centre has the most meeting space with nine meeting rooms ranging from 201 to 2,780 that can offer up to 14 divisions. The number of rooms and the flexibility of the space are particularly attractive to the corporate day meetings market.

Like the Mesquite facility, catering is provided exclusively by in-house staff, which gives the corporate meeting planner one contact person to order setup, catering, and audio-visual equipment. While the facility is technically managed by a city department, its management has private sector pricing and personnel policies that allow it to deliver a hotel-quality catering and fine-dining table service, the later of which city employees are not typically able to deliver. The utilization of the facility comes primarily from corporate day meetings and consumer shows that are open to the public.

Non-Comparable Facilities

Within the Dallas-Fort Worth Metroplex are several large convention centers that have a national or statewide target market in that they compete with facilities in other cities or across the country.

The **Dallas Convention Center** recently completed an expansion that gives the facility the largest exhibit hall in Texas at just over one million square feet plus other support spaces such as a 7,428-seat arena and 105 meeting rooms. The Dallas Convention Center competes nationally for major conventions that book a significant number of hotel guestrooms.

The **Fort Worth Convention Center** also completed an expansion that gives the facility approximately 250,000 square feet of exhibit space, a 28,000-square foot ballroom, and 41 meeting rooms. Its management competes with other Texas cities for statewide association meetings and is now targeting national conventions. The 607-room headquarters hotel with 89 residences for sale is under construction and set to open in January of 2009. The 34-story hotel costing \$225 million will be managed by Omni Hotels and will have 68,000 square feet of meeting space. Other high-end features include a sports bar, wine bar, and a spa.

The **Arlington Convention Center** has a 48,600-square foot Exhibit Hall and a 30,000-square foot ballroom. While smaller than the previous two facilities, it has been well established as a venue for large statewide SMERF association meetings. They are presently seeking proposals from the development community to expand the center and integrate a 300-room hotel into the expansion. This will serve to further grow their statewide business.

The **Gaylord Texan** opened in 2004 with 1,511 guestrooms and approximately 400,000 square feet of exhibit space, meeting space and pre-function space. Like the stand-alone convention centers in the Dallas-Fort Worth Metroplex, the Gaylord Texas competes on a national level for very large groups. Plans were recently announced to expand the facility with a 12-story rooms tower containing 500 rooms.

While groups attracted to the proposed Hurst meeting facility can easily be accommodated in any of these facilities, they may not get the personal attention provided in smaller facilities.

COMPARABLE MEETING FACILITIES

Exhibit A

Facility	Mesquite Convention Center	Richardson Civic Center	The Atrium at the Granville Arts Center	Addison Conference and Theatre Centre	Plano Centre
General Information					
Address	1700 Rodeo Drive	411 West Arapaho Rd	300 North Fifth Street	15650 Addison Road	2000 E. Springcreek Parkway
Ownership	City of Mesquite	City of Richardson	City of Garland	City of Addison	City of Plano
Year Built	1999	1980's	2003	1991	1990
Project Costs	n/a	n/a	\$6.0 million	n/a	\$17 Million
Locational Attributes	Connected to Hampton Inn, Exhibit Center, and Arena	Under roof with City Hall and Council Chambers	Adjacent to proscenium stage theater.	Under roof with black box theater	Freeway Location, no hotels nearby
Facility Description					
Total Building SF	40,000 +/-	n/a	14,000 SF	21,000 SF	86,400 SF
Total Land	n/a	n/a	n/a	n/a	n/a
Parking Spaces	Combined w/ Arena	n/a	76	227	
Largest Room SF	18,000 SF	8,300 SF	6,500 SF	6,600	21,600
Number of Divisions	Five	None	None	Five	Three
Floor Type	Carpet	Tile	Carpet	Carpet	Carpet
Meeting Rooms	Four, Divisible	Four, divisible	None	None	Seven, divisible
Other Rentable Spaces	35,000 SF Exhibit Hall, Equestrian Center	n/a	Lobby - 3,100 SF	Theatre, Board Rm	Windhaven Special Events Room
On-site A/V	On-site contractor	Limited On-site A/V	Standard setup, including overhead projector	Standard setup, including overhead projector	On-site contractor
Seating Capacity					
Largest Room SF	1,400 Banquet 1,800 Theater 1,000 Classroom 97 Booths	400 Banquet 750 Theater 350 Classroom 50 Exhibit Booths	450 Banquet 630 Theater	370 Banquet 500 Theater	1,500 Banquet 3,085 Theater
Meeting Rooms	20 to 50 Banquet	Up to 85 Banquet 22 - 100 Classroom	n/a	n/a	120 Booths 24 to 150 Banquet 20 to 120 Classroom
Other Spaces	180 Booths	n/a	100 Banquet	250 seats in Theatre	200 Banquet

COMPARABLE MEETING FACILITIES

Exhibit A

Facility	Mesquite Convention Center	Richardson Civic Center	The Atrium at the Granville Arts Center	Addison Conference and Theatre Centre	Plano Centre
Pricing Entire Facility Largest Room Meeting Rooms Other Spaces	Negotiable \$1/ SF with F&B \$250 - \$1,500 w/ F&B Negotiable	n/a \$700 to \$1,300 \$100 - \$600 n/a	\$1,200 \$1,200 n/a \$500	n/a \$1,500 - \$2,940 n/a n/a	Negotiable Negotiable Negotiable Negotiable
Management Catering Policy Catering Service Charge Alcohol Policy	Hotel Management Exclusively in-house n/a Has TABC License and exclusively serves Alcohol.	City Department Permits off-site catering from an approved list of Richardson Caterers. Collects 10% No Alcohol Sales permitted, only given away with dinner.	City Department Permits off-site catering from an approved list of Garland Caterers. Collects 10% Permits Alcohol through a specific cater's lic.	City Department Permits off-site catering from an approved list of Addison Caterers. Will Collect 15% Permits Alcohol through cater's lic.	Privatized Mgmt Exclusively in-house n/a Has TABC License and exclusively serves Alcohol.
Demand Sources Peak Months Peak Days Events / Year Dark Days	30% Weekend Social 60% Weekday Corp. 10% other Spring, Fall, and December All but Monday n/a 60	54% City Dept. 25% Consumer Shows 15% Weddings 6% Other All Year Weekends n/a Very Few	Garland I.S.D. Local Social Events Civic Groups Fund Raisers n/a Weekends n/a Filled all Weekend days in first year.	85% Corporate 3% Social 12% Civic Events December Weekdays 750 n/a	Corporate Mtgs Weddings Consumer Shows Trade Shows All Year All Week n/a Few

Source: DP Consulting

City of Hurst – Proposed Meeting Facility

Competitive Facilities

Section II

DP Consulting

Like most communities, the Hurst-Euless-Bedford area has a variety of small to medium-sized meeting facilities. We identified the following facilities and profiled them in **Exhibit B** in the addendum. We considered competitive facilities those that were capable of accommodating corporate day meetings and banquets.

Competitive Meeting Facilities

Facility	Year Built	Largest Room
Texas Star Conference Center	1997	3,870 SF
Grapevine Convention Center	1980's	8,689 SF
Colleyville Center	1997	4,750 SF
Ruthe Jackson Center	2003	8,515 SF

Executive Conference Centre at the Texas Star Golf Course

The Executive Conference Centre is connected to the clubhouse and restaurant for the Texas Star Golf Course. It is consistently themed with Texas history. The largest meeting room is 3,870 square feet and seats up to 200 people for a banquet dinner. One side of the room overlooks the 18th hole, which creates a soothing meeting environment. The windows have blackout curtains for video presentations during the day, however. Catering is provided exclusively by in-house staff, which is convenient for planners of corporate day meetings. Likewise, the reputation of the table service and food quality is very good.

For all its advantages, the conference center is located adjacent to the clubhouse restaurant, which is open seven days per week. At times the restaurant can be noisy and distracting for some meetings. Unfortunately, the facility does not have breakout space, which is a frequent request of meeting planners, and therefore makes it difficult to facilitate small group discussion.

Based on its utilization, its advantages outweigh its disadvantages because demand for the facility is very high. Management reports that the staff once worked three straight weeks accommodating events during a busy month. The facility is unused less than 50 days a year. Half of its events are categorized as small corporate meetings. Only 10% involve golf. The facility is busy every weekend with social functions. While parking is limited next to the clubhouse, golf carts are frequently used to shuttle attendees to and from their cars.

An expansion and renovation is currently planned for the facility that will start in June of 2008 and will be completed by the end of 2008. The expanded facility will be able to accommodate 300 in a banquet setting. Management is reacting to the demand they see for social events.

Grapevine Convention Center

The Grapevine Convention Center opened in 1988. Its largest room (Concord) has 8,689 square feet and is divisible into three sections. It has a tile floor and a utilitarian finish overall. The Concord room is essentially square and at one end has a recessed stage 30 feet wide and 19 feet deep. The facility has additional risers that extend the stage eight feet into the room, which is usually how most meeting planners prefer to use the stage, if at all. There are three carpeted meeting rooms ranging from 818 to 1,268 square feet that are divisible in half giving the facility up to six breakout spaces. The facility efficiently employs only six people that perform all the setup and offer limited in-house catering. Management also permits off-site caterers from an approved lists or users can self-cater for a fee.

The facility is located just off State Highway 114, five minutes from D/FW International Airport. The proximity of the facility to the airport, its central location, and the large number of corporations based nearby enable the convention center to attract a variety of corporate meetings to include product launches, seminars and training sessions, most of which tend to be day meetings. In the last few years, numerous full-service hotels have been built and are now accommodating most of the smaller corporate events. But this has not significantly impacted the utilization of the facility, which now focuses mostly on large corporate events and seminars that require theater setup of 700 people and production lighting. These events include Mary Kay Cosmetics and other network marketing organizations. Management also focuses on three-day consumer shows and averages 32 regularly scheduled events each year. The Concord can hold up to 50 exhibit booths and the entire facility can hold well over 100 exhibit booths. In order to enhance consumer show events and attendance, management at the facility says they need a highly visible scrolling marquee.

Colleyville Center

Built in 1997, the Colleyville Center is located just off Highway 26 behind a new large-scale retail development and new residential areas. It has a 4,750-square foot multi-purpose room with a permanent stage and a tile floor. The main room is not divisible, but there is a small meeting room with tile flooring that is divisible in half. Apart from the tile flooring, the facility is nicely finished.

The facility is managed by a city department and catering is handled through an approved list of local restaurants and catering companies. Alcohol can only be served by licensed caterers.

The facility is popular for weddings and anniversaries on the weekends and community meetings during the week. Because the facility has a recessed permanent stage, it is also used for small graduation ceremonies. Management reports accommodating 720 events per year, 60% of which are non-profit weekday community meetings, which get discounted rental rates for raising 25% of the

project's \$2.5 million construction cost. More than half of their revenue is derived by non-local events that book the facility only 35% of the time.

Ruthe Jackson Center

The Ruthe Jackson Center is owned and operated by the City of Grand Prairie. It is a new facility having opened in 2003. The facility is a conversion of a closed grocery store and has a neighborhood location as opposed to a highly visible commercial location. For being a retail conversion, the facility has an efficient design with a large prefunction and reception area that rivals most full-service hotels. The facility is tastefully decorated with a Texas Hill Country theme both inside and out. The lobby is spacious and inviting with a water feature as its focal point and a side lobby with a fireplace. The Ballroom offers 8,515 square feet and is divisible in half. There is a boardroom that seats 18 with executive chairs and there are two meeting rooms. The larger meeting room has a tile floor and is used mostly by community groups.

The facility cost \$7.4 million. The roof was replaced over the ballroom in order to remove the columns. The project leader indicated that costs could have been less if the building was demolished and a new facility were constructed, but they are pleased with the project overall. They did budget for high quality chairs and tables and drop down screens with video projectors in every room. Items they would change, however, would be to add more power outlets and ceiling supports for spotlights in the ballroom and carpet in the large meeting room. With 347 spaces and no overflow parking available, the facility is under parked. This can be resolved with a better parking lot layout. Parking only becomes an issue for consumer shows that have attracted up to 1,700 people with 800 cars.

Management employs a catering liaison that can deliver turnkey event planning with off-site caterers and decorators. The facility holds the liquor permit. Management would prefer to have exclusive in-house catering so they can maximize revenues for small events and be able to better accommodate events with short notice.

While most city-owned facilities offer discount pricing to non-profit organizations and its citizens, the pricing policy at this facility does not because the facility costs the same to operate regardless of who uses it.

Non-Competitive Facilities

The **Hampton Inn and Suites**, the **Hyatt Place**, and the **Holiday Inn Express** (opening in Summer 2008) each has a small meeting room and hosts small corporate meetings in varying degrees as will be discussed in greater detail later in this report.

The Hyatt Place is a conversion of the Amerisuites that opened in the late 1990's. In order to take on the Hyatt Place brand, a major renovation was completed. Its meeting room accommodates up to 45 people in a theater seating configuration.

The Hampton Inn and Suites opened in 2004 and has a larger meeting room that seats approximately 130 in a theater seating configuration. The Holiday Inn Express will have a similar set up when it opens. Neither of these facilities has the ability to prepare food on site or supply technical services beyond a microphone and lectern. The ceiling height is also limited to the height of the adjacent guestrooms. As will be detailed later in this report, the Hampton Inn succeeds in accommodating numerous meetings, in spite of these limitations.

Pat May Center

The Pat May Center is owned and operated by the H.E.B ISD. While not marketed to corporate and social meeting planners, it is available for non-ISD users for nominal rental fees. We do not consider it competitive because it is not available for weekends, it does not allow alcohol, and catering is provided by "Child Nutrition Services".

Former Holiday Inn DFW Airport West

This hotel has been competitive for day meetings and small banquets in the past but was removed from the Holiday Inn System for failing to maintain minimum standards and was eventually closed. The hotel was recently sold. The new owners intend to re-open the hotel as a Radisson following a major renovation.

At just under 2,600 square feet for the ballroom, it is smaller than most community centers. It has two meeting rooms, that can deliver four breakout spaces, but they are located elsewhere in the hotel away from the ballroom. No announcements have been made as to the possibility of an expansion of the meeting space or ballroom.

Southlake Hilton Hotel

The Southlake Hilton Hotel recently opened in the Southlake Town Square, which is located eight miles north of Hurst. While the definition of a town center styled development can vary from one project to another, the Southlake Town Square is oriented around high-end retail and entertainment, which are great amenities for a full-service hotel. Given its location on SH-114 six miles north west of DFW Airport, we see its competitive focus to be on the hotels in Grapevine and the transient and group hotel demand generated by the airport, and the business on the north side of the airport. While the Hilton is located eight miles north of Hurst, it is a 14-mile drive via SH-183, SH-121, and SH-114. As will be discussed in greater detail in the demand section of our report, many of the groups presently booking the meeting room at the Hampton Inn in Hurst are located proximate to the proposed Hurst meeting facility. Only two are located near the South Lake Hilton.

The meeting space in the South Lake Hilton is significant with approximately 12,000 square feet of net usable space. As a hotel with 254 rooms to fill each night, we see the marketing of the meeting space to focus on generating demand for its guestrooms by giving priority to non-local groups that fill guestrooms over local groups that only want the meeting space.

Rumored Facilities

In 1999, North Richland Hills announced plans for a town center that would be funded by a tax-increment financing entity (TIF). The Northeast Campus of Tarrant County College approved a proposal for the TIF to build a multipurpose facility on college land adjacent to the town center site. A 60,000-square foot facility got approved by the College Board and the TIF that would have a 750-seat auditorium, 20,000 square feet of banquet space, and a planetarium. Other components in the TIF entity's master plan included a recreation center and library. To date, only the Library has been built. While the City of North Richland Hills has considered a hotel and convention center as an alternative to the original facility, we consider new development from the TIF to be too speculative to be competitive.

COMPETITIVE MEETING FACILITIES

Exhibit B

Facility	Conference Centre at the Texas Star	Grapevine Convention Center	Colleyville Center	Ruthe Jackson Center
General Information				
Address	1400 Texas Star Parkway	1209 South Main	5301 Riverwalk Drive	3113 South Carrier Parkway
Ownership	City of Euless - Parks and Community Services	City of Grapevine	City of Colleyville	City of Grand Prairie
Year Built	1997	1980's	1997	2003
Project Costs	n/a	n/a	\$2.5 million	\$7.4 Million
Locational Attributes	Overlooks Golf Course and is next to Sports Complex	Located off Historic Downtown Area	Surrounded by new residential and new retail development	Former grocery store located in mature neighborhood.
Facility Description				
Total Building SF	10,000 SF +/-	23,500 SF	10,000 SF	32,000 SF
Total Land	n/a	n/a	n/a	Less than 4.0 acres
Parking Spaces	Sufficient	500+	225	347
Largest Room SF	3,870 SF	8,689 SF	4,750 SF	8,515 SF
Number of Divisions	Two	Three	None	Two
Floor Type	Carpet	Tile	Tile	Carpet
Meeting Rooms	None	Six	One divisible in two	Four, Divisible
Other Rentable Spaces	4,000 SF Outdoor Pavilion	n/a	Parlor	n/a
On-site A/V	Standard setup, including overhead projector	Limited On-Site A/V. Off-site A/V Contractors	Standard setup, including overhead projector	Standard setup, including overhead projector
Seating Capacity				
Largest Room SF	200 Banquet 450 Reception	550 Banquet 950 Reception 700 Theater ** 50 Exhibit Booths	360 banquet 500 Theater	600 Banquet 750 Reception 708 Theater 52 to 144 Booths
Meeting Rooms	n/a	60 Banquet 48 Classroom	45 Banquet Often used as Dressing room	18 to 160 Banquet
Other Spaces	200 Banquet	n/a	n/a	n/a

COMPETITIVE MEETING FACILITIES

Exhibit B

Facility	Conference Centre at the Texas Star	Grapevine Convention Center	Colleyville Center	Ruthe Jackson Center
Pricing Entire Facility Largest Room Meeting Rooms Other Spaces	n/a \$950 Daily n/a \$250 Daily	\$2,000 \$1,400 \$200 to \$350 n/a	\$950 to \$1,150 \$54 for two hours min \$30 for two hours min	\$1,800 to \$4,000 \$800 to \$2,500 \$140 to \$750 n/a
Management Catering Policy Catering Service Charge Alcohol Policy	City Department In-House with on-site Restaurant (part of the Golf Clubhouse) n/a Serves Beverages through Clubhouse	City Department Limited in-house catering available. Permits off-site caterers from approved list. Collects 12% Permits Alcohol through cater's lic.	City Department Permits off-site catering from an approved list. Collects 12% Permits Alcohol through cater's lic.	City Department Permits off-site catering. Has on-site catering supervisor. Collects 18% Has TABC License and exclusively serves Alcohol.
Demand Sources Peak Months Peak Days Events / Year Dark Days	10% Golf Related 50% Corp. Meetings 35% Social Events 5% Sports Banquets Spring Months and December Weekends n/a Less than 50/year, including Holidays. Staff worked 3 weeks straight in May.	Consumer Shows Large Corp. Mtgs ** Fewer Weddings Weekends n/a n/a	60% Non Profit W.Day 35% Non-Local Soc. 5% Local Social Steady all year long. All Week 720 n/a	Weddings Consumer Shows Non-Profit Groups Weekends n/a n/a

Source: DP Consulting

City of Hurst – Proposed Meeting Facility

Meetings Demand

Section III

DP Consulting

Hurst is similar to other areas of the Metroplex that have small convention centers we profiled as comparable facilities. Based on information we gathered in our interviews of comparable facilities, we identified and interviewed likely users of the proposed facility and have summarized our findings in **Exhibit C**.

Corporate meetings

Local Corporations such as **Bell Helicopter**, **IBM**, **Mary Kay**, and **Con-Way Southern Express** are large companies that book meetings of all types. Most corporations have on-site meeting rooms for routine meetings such as weekly and monthly staff meetings, but occasionally department leaders will want to get off site to a distraction-free environment to conduct training or discuss long range planning. Companies with multiple locations will bring employees together but do not have enough space on-site. Corporate meetings are usually during the day, involve breakfast, lunch and coffee breaks; and dinner is usually an informal arrangement at a restaurant. Day meetings make use of smaller meeting rooms that have a classroom setup with comfortable chairs and staff supported audio-visual equipment. They also seek facilities that can serve lunch in a separate area from where the meeting is taking place. Specifically, **Bell Helicopter** plans 150 to 200 off-site meetings per year that range between 8 and 50 people and meets in venues that includes restaurants, full-service hotels, and the Executive Conference Center at the Texas Star. Some meetings go all week, while others simply meet for dinner. While Bell is moving some of their flight-testing to Alliance Airport, they indicated that much of their need for meeting space would remain in the northeast Tarrant County Area. In addition, they recently were awarded a new defense contract and rented additional office space in vicinity of their facility in Hurst to accommodate the project.

Network marketing is another kind of corporate meeting that is very different from day meetings. They are usually in the evening during the week, use the largest room in theater setup for 700+ with a stage, but also require staff-supported audio-visual and lighting equipment. While large in scale, smaller meeting rooms will occasionally be needed as well.

We also interviewed numerous corporations referred to us by the Hampton Inn and Suites and the Hyatt Place. The Hampton Inn, which opened in February 2004, has a small meeting room capable of seating 108 in a classroom configuration. The meeting room divides in half and they have a boardroom. The hotel offers breakfast and coffee breaks on-site and they cater in lunch.

The Hampton Inn hosted 250 corporate meetings in 2007. Bell Helicopter has used the Hampton Inn more than 30 times in 2007. The management at the Hampton Inn believes they could accommodate more meetings if additional space were available. A typical meeting at the Hampton Inn lasts two days and has 50 attendees. In addition to Bell Helicopter, the Hampton Inn hosted regular meetings

for the following companies: Federated Insurance, Liggert Vector Brands, CVS Pharmacy, Gametech Int'l, IBPM, Health Markets, Allied Electronics, Medtronic Inc, the Int'l Assoc for Leisure and Entertainment Industry, Trans America Life Insurance, Lap Band Solutions, Handango, Helidyne, RH Sweeny and Assoc., Farmers Insurance, Bindex Pharmaceutical, Rotech Healthcare, Case International, Alberston's Grocery, Wiz-Q-Stone, Game Stop and numerous church seminars and small graduation parties.

Area Hospitals

Corporate meeting demand is also generated by area hospitals because the medical industry rotates on the axis of mandatory continuing education (MCE). All medical licenses are subject to earning MCE credits, which can be earned in a variety of ways. Some hospitals have on-site meeting facilities that can accommodate most of their MCE training needs, but still take training off-site in certain situations. Locally we interviewed representatives from **Harris Methodists Hospital**, **National Surgical Hospital**, and **North Hills Hospital**.

National Surgical Hospital recently opened a new facility that employs 100 people and has no on-site meeting room. The director indicated a need for meeting space for employee meetings, continuing education and quarterly physician-partnership meetings. NSH is a national network of small surgical hospitals, with their Hurst location being the largest. They have numerous locations in Texas and will likely host statewide meetings in Hurst. In the past, they held a meeting for their Texas doctors to discuss medical issues confronting a Texas Legislature Special Session. Presently, doctor meetings average four per year and are held at the Hampton Inn, but they have indicated a desire for a larger venue. Presently, they have one meeting per week at the Hampton Inn for patient screenings and would like to increase their meeting frequency to two or three times per week. Patient screenings average 50 people in attendance.

Harris Methodist Hospital has six on-site meeting rooms but still plans 10 off-site meetings per year that include dinners and all-day mandatory continuing education meetings. Evening events attract less than 20 attendees and have a small reception, dinner, and then a presentation for one hour. They hold these events at area restaurants with small meeting rooms and at the Texas Star, but find that these locations are too noisy for speaker-presentations. In addition, the topics can be sensitive in nature making it uncomfortable to discuss in the vicinity of the general public. All-day MCE events can have as many as 100 attendees and several presenters that need full-service A/V equipment support and break-out rooms, which has been difficult to find in the vicinity of the hospital. **North Hills Hospital** has on-site meeting space as well, but also has MCE needs for their staff. Both the North Hills Hospital and the **Cook's Children's Hospital** are completing significant expansions. The more employees these facilities have, the more MCE will be occurring in the area.

SMERF Groups

SMERF is an acronym for Social, Military, Education, Religious, and Fraternal. The common thread for these groups is price sensitivity and large attendance numbers. Most of these groups plan large banquets, but Education and Religious groups can meet over several days and need break-out rooms for small discussion groups. Depending on the size of the region, some of the attendees will need hotel rooms. Many of the comparable centers we interviewed reported hosting numerous SMERF groups. Some facilities also had policies in place limiting the frequency of religious groups that would otherwise seek to use a facility for weekly services.

Civic Clubs

In the course of our interviews, we encountered individuals that were on various boards for a variety of civic clubs and they indicated the need for a new facility that could hold larger events than can not presently be held in existing venues. Civic events include monthly luncheons, annual banquets and fundraisers. The **HEB Chamber of Commerce** hosts a business-to-business exposition that fills 150 booths and attracts 2,000 attendees. They would prefer to have that event in the HEB area if a large enough venue were developed.

Consumer Shows

Consumer shows cover a broad range of events that attract the general public to see the specific products or services on display. Typical shows include: arts and crafts, gems and coins, stamps and collectables, guns, and home and garden. Consumer shows can also involve competitions such as dogs, cats, and hot rod cars. Shows can take on a civic nature such as job fairs or business-to-business networking. More recently, shows have started that promote vacations, cruises and travel to different countries, as well as adoption from different counties. Like Home Depot and Toys R Us are “category killers” in retail space, consumer shows are evolving into category killers of their own.

Consumer show planners have learned that big shows in big spaces do not draw as many people from outlying areas because people that live in the suburbs and commute all week won’t travel more than 10 minutes from their house on weekends. To that end, they are planning smaller community-based shows in the suburbs. Richardson and Grapevine report hosting numerous events with as few as 50 booths.

Because these events typically use the entire facility for three to four days and require the most elaborate setup compared to other users, Consumer shows generate the most fees for the host facility. In addition, they draw the largest attendance from the general public. More citizens will see the facility by attending a consumer show than any other event type thereby appreciating it as an enhancement to the local quality of life.

City Sponsored Events

The City of Hurst currently uses the Brookside Community Center to host community events. Many of the larger events that can afford the higher cost of the facility will likely move to the new facility.

CONVENTION CENTER USAGE

Exhibit C

	Corporate Events	Private Social Functions	Civic Clubs	Consumer Shows	Association Meetings
Examples	Meeting intensive. Typically involves training. Attendees get into smaller discussion groups.	Weddings, Birthdays Anniversaries, Retirements, and Company Christmas Parties.	Monthly Lunches, quarterly board meetings, annual awards banquet, fund raiser, small trade show.	Events that promote goods and services such as: Job fairs, Arts and Crafts, Guns, Stamps, Gems, Travel, and Adoption.	Religious groups, fraternal organizations, Military reunions, Education seminars.
Organizers	Human resources depart, professional meeting planner, administrative assistant.	Family Member, hired Party Planner, HR dept.	Membership volunteer, hired administrator.	Professional consumer show organizers.	Membership volunteer, hired administrator.
Attendees	Company Employees	Family, Friends and Employees	Membership	General Public	Membership
Basic Facility Requirements	Meeting rooms, comfortable chairs, A/V equipment, full-service catering, basic lighting	Banquet Setup, Catering, Dance Floor, Sound System, Lights, High Level of Finish.	Banquet Setup, Exhibit booths, A/V, F/S Catering.	Elaborate Exhibit Setup, security, custodial care, ticket booth, concessions	A combination of Banquets, Meeting rooms and Exhibits, Catering, Concessions, and A/V
Time of Day	Morning and afternoon	Evenings	Weekday Lunches, Evening Banquets	All Day	All Day
Day of Week	Mostly Weekdays	Weekends	Weekdays and Weekends	Weekends	Weekends
Event Duration	1 to 5 days	1 day	1 day	1 to 3 days	1 to 3 days
Market Draw	Greater Metroplex	H.E.B. Area and Out of Town Guests	HEB Area	Greater Metroplex	Greater Metroplex and Texas

Source: DP Consulting

City of Hurst – Proposed Meeting Facility

Facilities Recommendations

Section IV

DP Consulting

Our research confirms there is an unmet need for a state-of-the-art meetings facility that can accommodate small day meetings, large banquets, and community-based consumer shows.

Marquee

Most convention centers are located on sites that lack visibility from major freeways because of the high cost of high-visibility sites. Instead, they get built on low-cost land, as seen with Grand Prairie, Richardson, Garland, Colleyville and Grapevine. The lack of visibility severely limits the success of these venues in the early years because it takes time for the public to learn where these facilities are. Furthermore, low-visibility locations add to the marketing cost of consumer-oriented events. To mitigate this problem, we recommend a marquee with a scrolling message be built on city land that is visible from the SH-183 feeder road and Precinct Line Road.

Ballroom and Meeting Rooms

Based on our review of comparable and competitive facilities, and area demand for meetings, we recommend a carpeted ballroom of at least 10,000 square feet. We further recommend incorporating meeting rooms that achieve one division for every 1,200 square feet of banquet space. This should be accomplished by designing two or more large, and two or more small, meeting rooms where the larger ones can be divided. The average of the divisions should be approximately 600 square feet, for a total of at least 5,000 square feet of divisible meeting space. One of the meeting rooms should be richly furnished as an executive boardroom. To account for the prefunction area, support areas, kitchen and storage, the overall building will be between 2.5 and 3.0 times larger than the net usable space, yielding a building with as little as 37,500 and as much as 45,000 square feet.

Recommendation	
Ballroom SF	10,000
Ballroom Divisions	5
Meeting Room Divisions	8
Total Meeting Space SF	5,000
Total Building SF (2.5)	37,500
Total Building SF (3.0)	45,000

In terms of laying out the space internally, consideration should be given to a ballroom that can accommodate multiple events simultaneously. The designer can accomplish this by having segregated pre-function areas. In addition to the flexibility of having a divisible ballroom, there must also be 110-volt outlets in the floor on 20-foot centers for small expositions. The designer should also anticipate that the entire facility could be used for exhibit booths and should therefore have hallways and prefunction areas with adequate widths and power outlets. The facility should have state of the art built-in audio-visual equipment, light-weight tables, and comfortable banquet chairs.

We do not recommend building a permanent stage at one end of the ballroom, but rather have platform risers on hand that can be set up when needed, for a fee.

Management and Catering

All facilities are quick to accommodate corporate meetings because they occur on weekdays, which are the slowest periods. Unfortunately, most publicly owned facilities are inadequate for corporate events, or the managers do not have enough staff and marketing budget to aggressively sell services to these groups. The success of the proposed Hurst facility will be to build a facility that can accommodate small day meetings and large group presentations and train a staff that can provide top-rated service. The management of the facility will need to embrace sales and marketing by calling on area companies.

Referring back to our analysis of the Plano Centre and Mesquite Convention Center, we recommend the City adopt a privatized management format with in-house catering and event coordination. Further study will be required to recommend the specifics of how this can be achieved, but in general the facility manager should be able to adjust rental rates to the market and overall scope of the event with respect to catering and other in-house services. The facility should maintain its own liquor license.

Theme

In order to attract corporate meetings and high-profile banquets, the facility should be special and not utilitarian by adopting a theme in the selection of the interiors and exterior materials of the building.

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V

DP Consulting

Estimated Utilization

DP Consulting developed a utilization model that incorporates our estimates of events and operating expenses for the proposed meeting facility. The estimates of the number of events, setup days, and event attendance are based on the market research we conducted and summarized in this report.

While the ultimate size of the building and available square footages will be determined by the final design of the building and limitations of the site, we have proceeded with our analysis of Utilization and Estimated Operating Revenues based on a 40,000-square foot facility with a 10,000-square foot ballroom and 5,000 square feet of meeting space. If the final design is smaller, attendance of the largest events will have to be revised, and impact to the frequency and size of the medium and smaller events will be limited to the ability of accommodating simultaneous events.

The following table identifies the various potential sources of events and meetings demand for the proposed meeting facility. Assumptions were made as to the number of events to be held in the stabilized year (third full-year of operation), the average duration in days, and the average ratio of setup days required by each event type, as described as follows:

- **Large banquets / corporate events** are defined as events that will ultimately average 600 in attendance and include events such as large weddings, political and charity fund raisers, and large corporate stock holder and employee training meetings. These events usually occur in the evening and will occupy the entire ballroom and one or two meeting rooms for a VIP lounge or greenroom for the entertainers. Large banquets will involve extensive catering and decorations. Corporate Events will likely have higher attendance, require a theater setup, and will serve concessions as opposed to catering. Events of this nature are common for large hotel ballrooms and small convention centers, such as Grapevine. As such, we estimate 12 large banquets annually in the stabilized year. Half of these events will require an extra setup day.
 - **Medium and small banquets**, estimated at 50 events annually, will average one day in duration and not likely require any set up days. Many of these events will likely run concurrently. Medium-sized banquets are defined as accommodating 350 people on average and small banquets are defined as accommodating 100 people on average, for a weighted average of 225. While the medium banquets will likely use subdivisions of the ballroom, small banquets could use either a subdivision of the ballroom, or a combination of the meeting rooms.
 - **City sponsored events** will range in size from a full ballroom, to a few meeting rooms. Some events will have catering and entertainment, while
-

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V-2

others will have a theater or classroom setup for employee meetings. We estimate usage by the City at 12 to 13 large events per year using the entire facility, and numerous smaller events. The better way to express City usage is 128 ballroom segments and 96 meeting room segments to be used as needed. Further discussion on space segments is provided later in this report.

- **Local corporate meetings**, estimated at 70 events annually, will range between one and three days in duration and average two days. Nearly all of these events will occur during the day and during the week. We have taken into account that the longer meetings (25%) could require an additional setup day.
- **Consumer shows** will likely book the entire facility for three days per event, with another day and a half taken for setup and tear down. We estimate 10 consumer shows annually will generate 60 event days annually. These events occur mostly on the weekends, with exception to events like the Hurst, Euless, Bedford Chamber of Commerce Business to Business Expo, which will have a shorter duration and occur during the week.
- Hurst will be attractive to **associations** that have most of their membership residing in the Dallas-Fort Worth Area. In the stabilized year and thereafter, we estimate five associations per year will use the facility, representing 23 event days.

In summary, the Hurst meeting facility could accommodate 163 events generating 350 event days annually, with some of these events running concurrently. Our estimate of the number of events is difficult to compare to the competitive centers, as they may have more frequent, but smaller meetings, and some at no charge. Our analysis reflects a degree of conservatism that focuses on forecasting the majority of events that will have a material impact on the operation of the facility.

Estimated Future Events - Stabilized Year						
Event Type	# of Events	Show Days		Setup Days		Event Days Total
		per Event	per year	% Setup	per Year	
Large Banquet / Corporate Events	12	1.0	12	50%	6	18
Medium & Small Banquets	50	1.0	50	0%	-	50
City Sponsored Events	16	1.0	16	50%	8	24
Local Corporate Meetings	70	2.0	140	25%	35	175
Consumer Shows	10	3.0	30	100%	30	60
Association Meetings	5	3.0	15	50%	8	23
Total / Weighted Average	163	1.6	263	33%	87	350

While attendance at each event will vary, certain trends became evident during the course of our research and are presented in the following table. Based on our

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V-3

estimates of show days and average attendance, we estimate 78,200 people annually will visit the new meeting facility by its stabilized (third) year.

Estimated Future Attendance - Stabilized Year					
Event Type	# of Events	Show Days per Year	Attendance		
			per Day	per Year	
Large Banquet / Corporate Events	12	12	600	7,200	
Medium & Small Banquets	50	50	225	11,250	
City Sponsored Events	16	16	250	4,000	
Local Corporate Meetings	70	140	50	7,000	
Consumer Shows	10	30	1,500	45,000	
Association Meetings	5	15	250	3,750	
Total / Weighted Average	163	263	297	78,200	

The utilization of a public assembly facility is usually expressed in the form of total attendance, or total events, which is adequate for facilities such as stadiums and arenas that have only one indivisible venue. Because the proposed facility will have multiple divisible venues, DP Consulting developed a model capable of expressing venue occupancy, or a ratio of space sold to space available. While this is the best way to express space utilization, only the very large convention centers express their occupancy this way. It has been our experience that smaller centers do not calculate their occupancy in this detail. As such, it is difficult to make direct comparisons of the utilization estimated for the proposed facility with comparable or competitive facilities.

Because the ballroom is divisible, the best way to express its occupancy is to total up the occupied divisions. Each event type uses a number of divisions appropriate to their size. Because the smallest division is 1/6th of the whole room, an event using the whole room uses six divisions, even though it will only be divisible into five sections. Ballrooms require periodic maintenance on the divider walls and routine shampooing of the carpets and are only available six out of seven days of the week on average. Based on these reasonable assumptions of utilization and availability, we estimate the ballroom to achieve a utilization of 77% by its stabilized year. Once again, peak utilization for this space will be on the weekends.

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V-4

Estimated Ballroom Utilization - Stabilized Year							
Event Type	# of Events	Show		Avg Daily Divisions	Ballroom Divisions per Year		
		Days	Setup Days		Show	Setup	Total
Large Banquet / Corporate Events	12	12	6	6.0	72	36	108
Medium & Small Banquets	50	50	0	1.5	75	-	75
City Sponsored Events	16	16	8	4.0	96	32	128
Local Corporate Meetings	70	140	35	2.0	350	70	420
Consumer Shows	10	30	30	6.0	360	180	540
Association Meetings	5	15	7.5	6.0	135	45	180
Total Units Demanded	163	263	86.5		1,088	363	1,451
Total Units of Supply (6 division units X 313 Days)							1,878
Occupancy %							77%

We conducted a similar analysis on the meeting rooms based on our recommendation of providing flexible meeting space with eight divisions. For each event type, we made assumptions as to the average number of meeting room divisions each event type will likely take. Availability will also be limited by routine maintenance of the space. By summing the total divisions used and dividing it by the total divisions available (based on six out of seven days on average), we estimate the meeting rooms will achieve an 80% utilization, by stabilization.

Estimated Meeting Space Utilization - Stabilized Year							
Event Type	# of Events	Show		Avg Daily Divisions	Meeting Room Divisions/Year		
		Days	Setup Days		Show	Setup	Total
Large Banquet / Corporate Events	12	12	6	2	24	12	36
Medium & Small Banquets	50	50	-	3	150	-	150
City Sponsored Events	16	16	8	6	96	-	96
Local Corporate Meetings	70	140	35	6	840	210	1,050
Consumer Shows	10	30	30	8	240	240	480
Association Meetings	5	15	8	8	120	60	180
Total Units Demanded	87	263	87	-	1,470	522	1,992
Total Units of Supply (8 Meeting Rooms X 313 Days)							2,504
Occupancy %							80%

We have made assumptions as to the start up utilization of the facility. It will take time for some meeting planners to book their events at the new facility. Some association meetings are booked two to three years in advance. In the following table, we display a summary of our analysis showing the utilization of the facility growing from 127 events and 49,700 in attendance in the first year to 163 events with 78,200 in attendance in the third year.

Estimated Future Performance			
	Estimated Analysis		
	2010	2011	2012
Events	127	158	163
Attendance	49,700	68,700	78,200
Utilization:			
Banquet Hall	49%	69%	77%
Meeting Rooms	55%	74%	80%

Estimated Operating Revenues

The following estimates of revenues and expenses are for a typical year of operation. Other assumptions have been made to reflect the inefficiencies of the early years prior to stabilization. A typical or representative year is defined as an average year over the facility's economic life. The projected operating results are expressed in 2007 dollars and conform to the basic system of accounts employed by similar facilities, though no formal uniform system of accounts for public assembly facilities exists. The following basic assumptions are necessary to realize the stated projections of operating results:

- There will be a commitment to excellence in both design and construction;
- Professional and aggressive marketing of the proposed facility will be budgeted for and pursued by the management staff; and
- A competitive rental rate structure will be maintained.

Rental Revenue

Rates are based on the following assumptions that reflect the average negotiated rates: The average full price for the whole ballroom will be \$3,000, with the smallest division renting for \$500 per day. Because each meeting room configuration will be priced differently, we estimate the average division unit to rent for \$250 per day. There will be some discounting for soft periods and incentives given to users that buy more catering and building services. Rental rates for setup days will average 50% of the rental rate for the show days. City sponsored events are free, but will still be buying catering from the on-site caterer. Based on these assumptions, the meeting facility could generate approximately \$974,450 in rental revenue in the stabilized year (expressed in 2007 dollars)

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V-6

Future Estimated Rental Revenue - Stabilized year					
Event Type	Ballroom		Meeting Room		Total Facility Rent
	Daily	Annual	Daily	Annual	
Large Banquet / Corporate Events	\$ 500	\$ 45,000	\$ 250	\$ 7,200	52,200
Medium & Small Banquets	\$ 500	\$ 37,500	\$ 250	\$ 37,500	75,000
City Sponsored Events	-	-	-	-	-
Local Corporate Meetings	\$ 500	\$ 192,500	\$ 250	\$ 231,000	423,500
Consumer Shows	\$ 500	\$ 225,000	\$ 250	\$ 84,000	309,000
Association Meetings	\$ 500	\$ 78,750	\$ 250	\$ 36,000	114,750
Total		\$ 578,750	-	\$ 395,700	\$ 974,450

Note: Daily Segment Rental based on average negotiated rate. Stated in 2007 dollars.

Food and Beverage Commission Income

The following table uses the estimated attendance for each event type and makes assumptions as to what percentage of those attendees will consume food and beverage; and the average price attendees will pay. Based on these assumptions, the meeting facility could generate approximately \$1.0 million in total food and beverage sales.

GROSS FOOD AND BEVERAGE SALES - STABILIZED YEAR 3						
Event Type	Estimated Event Attendance	Meal Type	Attendees Using F&B		Dollar / Attendee/ Day	Total F&B Sales
Large Banquet / Corporate Events	7,200	Catering	50%	3,600	\$30.00	108,000
		Concessions	10%	720	\$8.00	5,760
Medium & Small Banquets	11,250	Catering	100%	11,250	\$35.00	393,750
City Sponsored Events	4,000	Catering	50%	2,000	\$18.00	36,000
Local Corporate Meetings	7,000	Catering	90%	6,300	\$25.00	157,500
		Breaks	100%	7,000	\$8.00	56,000
Consumer Shows	45,000	Concessions	20%	9,000	\$15.00	135,000
Association Meetings	3,750	Catering	85%	3,188	\$25.00	79,688
		Breaks	100%	3,750	\$8.00	30,000
		Concessions	15%	563	\$5.00	2,813
Sub Total		Catering				\$774,938
		Breaks				\$86,000
		Concessions				\$143,573
		Total				\$1,004,510

Stated in 2007 dollars.

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V-7

In order to provide the greatest number of culinary options, and to have a competitive advantage over the hotels that limit customers to in-house catering, management with City approval may decide to adopt an open catering policy that allows qualified (approved) caterers to serve food and beverage in the facility. Management may also seek to be the exclusive caterer in order to control the consistency of service and culinary quality. In either case, we have assumed the meeting facility will collect a 15% commission on each event for catering and breaks and 35% on concessions and liquor. Based on these assumptions, we estimate the net food and beverage commission revenue to the center to be nearly \$180,000 in the stabilized year.

Net Food and Beverage Revenue to Center				
Year		Sales	Commission	Net Revenue
Year 1	Catering & Breaks	\$586,600	15%	\$ 87,990
	Concessions	\$83,781	35%	\$ 29,323
	Total	\$670,381		\$ 117,313
Year 2	Catering & Breaks	\$798,163	15%	\$ 119,724
	Concessions	\$121,190	35%	\$ 42,416
	Total	\$919,352		\$ 162,141
Year 3 S	Catering & Breaks	\$ 860,938	15%	\$ 129,141
	Concessions	\$ 143,573	35%	\$ 50,250
	Total	\$1,004,510		\$ 179,391

Stated in 2007 dollars.

In addition to collecting rent and food and beverage commissions, the meeting facility will be equipped with tables, chairs, risers, A/V equipment, and other supplies, and will charge a fee to the users. The following table makes certain assumptions as to the average expenditure per attendee by event type totaling to approximately \$125,000 per year.

Service Charges and Equipment Rental			
Event Type	Stabilized Year		
	Attendance	per Attend	per Year
Convention Center Users			
Large Banquet / Corporate Events	7,200	\$ 3.00	\$ 21,600
Medium & Small Banquets	11,250	\$ 3.00	\$ 33,750
City Sponsored Events	4,000	\$ 1.00	\$ 4,000
Local Corporate Meetings	7,000	\$ 3.00	\$ 21,000
Consumer Shows	45,000	\$ 0.75	\$ 33,750
Association Meetings	3,750	\$ 3.00	\$ 11,250
Sub Total	78,200		\$ 125,350
Total			\$ 125,350

Stated in 2007 dollars.

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V-8

Estimated Operating Expenses - Wages

Wages were based on a staffing model developed for the meeting facility. The following table shows the salaries for the general manager, director of sales and marketing, and a meeting coordinator, plus the benefits and taxes (benefit load) that are paid by the facility.

Executive Staff	
Position	Salary
General Manager	75,000
Director of Sales	60,000
Meeting Coordinator	40,000
Total Executive Salaries	175,000
Benefit Load	35%
Executive Wages and Benefits	236,300
Stated 2007 dollars.	

Wages paid to the hourly staff are based on an hourly rate, benefit load, full-time equivalents and estimated annual hours worked. While the administration and maintenance positions will be full-time, the housekeeping will fluctuate with facility utilization, as seen in the following table. We assumed a 35% benefit load on hourly employees.

Hourly Staff (Share)			
Position	Administration	Maintenance	Housekeeping
\$/Hour	\$15.00	\$15.00	\$9.00
Benefit Load	30%	30%	18%
FT Equivalents	1	2	6
Hours/Year (FTE x 8 hours/day x total days)			
Year 1	2,000	2,700	11,400
Year 2	2,000	3,800	15,800
Year 3	2,000	4,000	16,800
Wages			
Year 1	\$39,000	\$52,700	\$121,100
Year 2	\$39,000	\$74,100	\$167,800
Year 3	\$39,000	\$78,000	\$178,400
Stated 2007 dollars.			

There will be additional employees hired to staff each event such as security personnel, banquet servers, stewards, and valet parkers, but their wages will be covered by the meeting planner or the cater. The following table combines the executive and hourly wages to compute the total wages for the facility based on 2007 dollars. The wages actually paid are subject to rise with inflation, explained later in Exhibit V-10.

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V-9

Combined Wages			
	Executive	Hourly (Share)	Total Wages
Year 1	\$236,300	\$212,800	\$449,100
Year 2	\$236,300	\$280,900	\$517,200
Year 3	\$236,300	\$295,400	\$531,700
Stated in 2007 dollars.			

Statement of Operating Results

The table on the following page combines the preceding analysis of rental, food and beverage, and building services income with the wages and other operating expenses. Using this analysis, we have made the following estimates of operating expenses, stated in 2007 dollars.

Utilities, Repairs and Maintenance, and Materials and Supplies are based on estimates stated in dollars per square foot of gross building area, and will increase with utilization. Marketing and Other Operating Expenses are fixed and will not change with utilization. The marketing budget shown here is based on an on-going basis. We recommend an appropriate amount be budgeted for marketing during pre-opening. Furthermore, this on-going marketing budget should be supplemented with the marketing efforts of a hotel occupancy tax supported by the convention and visitors bureau.

Management Fee and Capital Reserve

We recommend the City hire a private management company that will aggressively market the facility and promote certain events and use market driven pricing for setting rental rates. This is an emerging trend in public assembly facility management. When facilities are priced below the market for the benefit of a few charitable organizations, the facility gets worn out and there are no funds set aside to rejuvenate the facility.

While specific terms of a management agreement have not been negotiated we have modeled a management fee that attempts to balance risk and reward. We also recognize that the Management company will also have other profit opportunities with respect to food and beverage. We have assumed a base management fee of \$2.00 per total square foot of the gross square foot of the building. This amount will not rise with inflation, but will have to be periodically re-negotiated. In addition to that we have assumed an incentive fee of 15% of net operating income after a capital reserve for replacement. We estimate the capital reserve to be \$1.00 per foot such that in 10-years time there will be sufficient funds to refurbish the building and FF&E.

Based on the foregoing analysis, the following table displays the estimated operating results for the first three years stated in 2007 dollars.

City of Hurst – Proposed Meeting Facility

Estimated Operating Results

Section V-10

Proposed Meeting Facility - Hurst Estimated Statement of Operating Results (2007 Dollars)						
	2010	\$ / SF	2011	\$ / SF	2012	\$ / SF
Operating Income						
Facility Rental	\$620,000	\$15.50	\$877,000	\$21.93	\$974,000	\$24.35
Food and Beverage Commission	\$117,000	\$2.93	\$162,000	\$4.05	\$179,000	\$4.48
Building Services	\$81,000	\$2.03	\$112,000	\$2.80	\$125,000	\$3.13
Total	\$818,000	\$20.45	\$1,151,000	\$28.78	\$1,278,000	\$31.95
Operating Expenses						
Wages - Staff	\$449,100	\$11.23	\$517,200	\$12.93	\$531,700	\$13.29
Marketing	\$90,000	\$2.25	\$90,000	\$2.25	\$90,000	\$2.25
Materials and Supplies	\$64,000	\$1.59	\$88,000	\$2.20	\$100,000	\$2.50
Utilities	\$83,000	\$2.07	\$114,000	\$2.85	\$130,000	\$3.25
Repairs and Maintenance	\$40,000	\$1.00	\$61,000	\$1.54	\$70,000	\$1.75
Other Operating Expenses	\$60,000	\$1.50	\$60,000	\$1.50	\$60,000	\$1.50
Management Fee	\$80,000	\$2.00	\$80,000	\$2.00	\$80,000	\$2.00
Capital Reserve for Replacement	\$40,000	\$1.00	\$40,000	\$1.00	\$40,000	\$1.00
Total	\$906,100		\$1,050,200		\$1,101,700	
Net Operating Income	-\$88,100		\$100,800		\$176,300	
Management Incentive Fee	-	15%	15,120		26,445	
Net to City - Profit or Subsidy	-\$88,100		\$85,680		\$149,855	
% to Total Revenue	-11%		7%		12%	

The last table in our analysis (V-11) restates these estimates using a 3.0% rate of inflation and an opening date of February 2010. This also assumes that the rental rates will have the flexibility to also increase with inflation or in response to the market. While convention centers normally operate with a deficit and require some form of public subsidy, the trend is to operate these facilities as close to break even as possible if not aspire to cover debt service. This is generally accomplished through charging rental rates and service charges that reflect the value of the facility and the services provided.

Projected Statement of Operating Results
Proposed Meeting Facility - Hurst
 Stated Year Dollars

V-11

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Income										
Facility Rental	\$621,000	\$987,000	\$1,129,000	\$1,163,000	\$1,198,000	\$1,234,000	\$1,271,000	\$1,309,000	\$1,348,000	\$1,388,000
Food and Beverage Commission	\$117,000	\$182,000	\$208,000	\$214,000	\$220,000	\$227,000	\$234,000	\$241,000	\$248,000	\$255,000
Building Services	\$81,000	\$126,000	\$145,000	\$149,000	\$153,000	\$158,000	\$163,000	\$168,000	\$173,000	\$178,000
Total	\$819,000	\$1,295,000	\$1,482,000	\$1,526,000	\$1,571,000	\$1,619,000	\$1,668,000	\$1,718,000	\$1,769,000	\$1,821,000
Operating Expenses										
Wages - Staff	\$450,000	\$582,000	\$616,000	\$634,000	\$653,000	\$673,000	\$693,000	\$714,000	\$735,000	\$757,000
Marketing	\$90,000	\$101,000	\$104,000	\$107,000	\$110,000	\$113,000	\$116,000	\$119,000	\$123,000	\$127,000
Materials and Supplies	\$64,000	\$99,000	\$116,000	\$119,000	\$123,000	\$127,000	\$131,000	\$135,000	\$139,000	\$143,000
Utilities	\$83,000	\$128,000	\$151,000	\$156,000	\$161,000	\$166,000	\$171,000	\$176,000	\$181,000	\$186,000
Repairs and Maintenance	\$40,000	\$69,000	\$81,000	\$83,000	\$85,000	\$88,000	\$91,000	\$94,000	\$97,000	\$100,000
Other Operating Expenses	\$60,000	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$78,000	\$80,000	\$82,000	\$84,000
Management Fee	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Capital Reserve for Replacement	\$40,000	\$45,000	\$46,000	\$47,000	\$48,000	\$49,000	\$50,000	\$52,000	\$54,000	\$56,000
Total	\$907,000	\$1,172,000	\$1,264,000	\$1,298,000	\$1,334,000	\$1,372,000	\$1,410,000	\$1,450,000	\$1,491,000	\$1,533,000
Net Operating Income	-\$88,000	\$123,000	\$218,000	\$228,000	\$237,000	\$247,000	\$258,000	\$268,000	\$278,000	\$288,000
Management Incentive Fee	-	18,000	33,000	34,000	36,000	37,000	39,000	40,000	42,000	43,000
Net to City - Profit or Subsidy	-\$88,000	\$105,000	\$185,000	\$194,000	\$201,000	\$210,000	\$219,000	\$228,000	\$236,000	\$245,000
% to Total Revenue	-11%	9%	15%	15%	15%	15%	15%	16%	16%	16%

Source: DP Consulting

* 2010 is a Partial Year with 11 Months.

City of Hurst – Proposed Meeting Facility

Community Benefits

Section VI

DP Consulting

A meeting facility designed and operated as described in this report will deliver numerous benefits to the City of Hurst. Area hotels will likely experience increased occupancies from meetings and expositions held at the facility, and local restaurants will see increased patronage as these facilities tend to generate casual and fine dining opportunities. Small regional consumer exhibitions also enhance the quality of life with entertainment and community interaction. The City will also benefit to the extent that the City collects hotel occupancy and retail sales taxes.

Hotels

Each of the event types held in the proposed meeting facility will exhibit different patterns of hotel usage. Local corporate meetings and associations will likely have a higher percentage of their attendees needing overnight accommodations as compared to other event types. With the highest attendance of all event types, much of the hotel demand will come from consumer show exhibitors and out of town attendees. Like consumer show exhibitors, banquets of all sizes will generate some hotel demand primarily on the weekends when hotel demand is at its lowest. The following table summarizes anticipated hotel demand generated by events held in the proposed meeting facility.

Estimated Hotel Room Nights Generated - Stabilized Year					
Event Type	Events	Annual Attendance	% Needing Hotel Room	Guest per Room	Total Room Nights
Large Banquet / Corporate Events	12	7,200	10%	1.0	720
Medium & Small Banquets	50	11,250	10%	1.0	1,125
City Sponsored Events	16	4,000	0%	1.0	-
Local Corporate Meetings	70	7,000	25%	1.0	1,750
Consumer Shows	10	45,000	10%	1.5	3,000
Association Meetings	5	3,750	50%	1.5	1,250
Total	163	78,200			7,845

To put this in perspective, we estimate the annual room nights of demand at the Hampton Inn and Suites and the Hyatt Place to be approximately 45,000. These properties compete with other nationally branded hotels along Highway 183 that accommodate approximately 220,000 room nights annually. Based on proximity, most of the new room nights generated by the proposed meeting facility will likely be accommodated by the three nearest hotels (Including the Holiday Inn Express), which will displace some of their lower-rated demand to nearby hotels on nights when they would already be full. Therefore, while it is difficult to estimate the direct impact on the three nearest hotels, the proposed meeting facility will likely increase the overall demand for hotel rooms and more importantly, on certain dates it will cause pressure in the market place thereby allowing the Hampton Inn, Holiday Inn Express and Hyatt Place to charge higher rates, and the City to collect more hotel taxes.

Restaurants

While the proposed facility will offer extensive food and beverage services, not every attendee will eat every meal on-site. Some attendees will seek to get off-site in order to network one-on-one while some corporate and association meeting planners will intentionally plan events away from the meeting facility as a reward for meeting attendance. A consumer show attendee may plan a dinner outing in conjunction with their event. Some family members of a wedding party may choose to meet casually before or after an event, especially if they are from out of town. If a large corporate event is not serving a meal, some of its attendees will seek a restaurant before or after the event. To the extent these things happen, area restaurants will benefit. We made the following estimates of usage and average cover in order to estimate the potential increase in restaurant sales.

Estimated Restaurant Covers Generated - Stabilized Year					
Event Type	Events	Annual Attendance	% Visiting Restaurants	Average Cover	New F&B Sales
Large Banquet / Corporate Events	12	7,200	15%	\$ 10.00	\$ 10,800
Medium & Small Banquets	50	11,250	15%	\$ 10.00	\$ 16,875
City Sponsored Events	16	4,000	15%	\$ 7.00	\$ 4,200
Local Corporate Meetings	70	7,000	50%	\$ 14.00	\$ 49,000
Consumer Shows	10	45,000	25%	\$ 12.00	\$ 135,000
Association Meetings	5	3,750	50%	\$ 14.00	\$ 26,250
Total	163	78,200			\$ 242,125

This may not seem significant on the macro restaurant market but on certain dates and times that might otherwise be slow, some restaurants will likely experience an increase because events held at the proposed meeting facility will bring people to the area that would not normally have come.

Intangible

Many cities build these facilities as a community amenity but also in hopes of spurring economic growth. One of the ways this happens is through business relocation decisions that are based on a number of factors that include the quality of life and condition of infrastructure, a subset of which is quality hotels and restaurants, and state-of-the-art meetings facilities. The proposed meeting facility will stimulate hotel and restaurant demand and may eventually encourage the start-up of more hotels and restaurants. Said another way, when restaurant and hotel developers look for new sites, they choose sites that are proximate to demand generators. The existence of a state-of-the-art meeting facility may influence future hotel and restaurant developments to choose sites in Hurst over adjoining municipalities.

Lastly, locating the proposed facility in the Hurst Town Center area will likely encourage these new developments to occur within walking distance of the site, which means potentially redeveloping under performing sites nearby. The opening of the Holiday Inn Express adjacent to the Hampton Inn and Suites is an example of this.

DP Consulting

10700 Richmond Ave., Suite 120
Houston, TX 77042

Voice 713-335-3350
Facsimile 713-335-3422
David@DPHospitality.com

Qualifications

DP Consulting is a real estate oriented consulting and brokerage firm focusing on hospitality, recreation, and leisure businesses. We have developed a particular expertise that includes hotel business plans and feasibility studies that focus on recreation-oriented businesses. We also work with municipalities by consulting on public/private ventures involving public assembly facilities and master planned communities. DPC has worked extensively on every type of hotel to include limited-service, full-service, conference centers, resorts with golf, and resorts with indoor water parks.

The principal of DP Consulting, David Parker, has over 20 years experience in the hotel and leisure recreation industry, to include operations, consulting and development. Prior to forming DP Consulting, Mr. Parker was employed by PKF Consulting for nearly a decade, where he developed numerous methodologies for collecting market information on hotels and meeting facilities, and developed multiple modeling techniques for projecting utilization, income and expense. Examples include using fax software and e-mail to disseminate meeting planner surveys and a database to aggregate survey results. DPC is also experienced with economic impact analysis.

In conjunction with hotel research, Mr. Parker developed the system through which occupancy data was collected from individual hotels and reported in aggregate on a monthly basis, known as *Trends in the Hotel Industry*. In addition, Mr. Parker developed a database based on Hotel Occupancy Tax receipts collected by the State of Texas in order to develop a census of hotel performance for various market areas.

In addition to opining on market conditions as a qualified hotel market consultant, Mr. Parker is also an experienced real estate developer, having completed numerous residential and retail projects. As a successful real estate developer of other forms of real estate, he brings a developers perspective to real estate consulting engagements, with the polish of an experienced consultant from a national firm.

Mr. Parker has directed numerous and varied projects, a summary of which are listed on the following pages.

DP Consulting

10700 Richmond Ave., Suite 120
Houston, TX 77042

Voice 713-335-3350
Facsimile 713-335-3422
David@DPHospitality.com

Projects Completed by David Parker

Market Studies of Limited-Service Hotels:

Dallas Area:

Due Diligence Analysis of five hotels (Holiday Inn Expresses and Quality Suites) – Dallas, Texas
Market Study of Proposed Hampton Inn and Suites – Hurst, Texas
Due Diligence analysis of proposed Hilton Garden Inn – Glen Rose, Texas
Market Study of Renovating the Historic Blackstone Hotel into a Courtyard by Marriott
– Fort Worth, Texas (Open 1999)
Market Study of a Hampton Inn and Suites – Alliance Airport, Fort Worth Texas
Due Diligence Analysis Wyndham Garden Hotel Los Colinas – Irving, Texas
Due Diligence Analysis Wyndham Garden Hotel Market Center – Dallas, Texas
Impact Assessment of Converting Ramada Plaza into Holiday Inn Select – Fort Worth, Texas
Market Study and Valuation of Proposed Comfort Suites – Grapevine, Texas (Open 2005)

Houston Area:

Market Evaluation of Beaumont, Texas
Market Evaluations of four Baymont Inns – Houston, Texas
Market Study of Proposed Bed & Breakfast – Kemah, Texas (Open 2004)
Market Study of a Proposed Towne Place Suites – College Station, Texas (Open 1999)
Market Study of a Proposed Towne Place Suites – Clear Lake, Texas (Open 1999)
Market Study of Proposed Hawthorn, LTD – College Station, Texas
Market Study of Proposed Hilton Garden Inn – Lake Jackson, Texas
Market Study of Proposed Hilton Garden Inn Galleria – Houston, Texas
Market Study of Proposed Best Western Mini Suites – Texas City, Texas
Market Study of Proposed LaQuinta – Houston, TX
Market Study of Proposed Hampton Inn & Suites – League City, Texas

Central Texas:

Due Diligence Analysis of Proposed Hawthorn, LTD – Victoria, Texas
Market Study of Proposed Staybridge Suites – San Antonio, Texas (Open 2008)
Market Study of Proposed LaQuinta - San Antonio, Texas
Market Study of Proposed Cambria Suites Medical Center – San Antonio, Texas

South Texas:

Market Study of Proposed Studio Six – Port Isabel, Texas (South Padre Island)
Market Study of Repositioning the Ramada Airport into a Hampton Inn – Corpus Christi, Texas
Market Study of Proposed Holiday Inn Express – South Padre Island, Texas

West Texas:

Market Study of Proposed All-Suite Hotel – Odessa, Texas
Market Study of Proposed LaQuinta – Lubbock, Texas (Open 2006)
Market Study of Proposed Holiday Inn Express – Vernon, Texas (Open 2006)
Market Study of Proposed Limited Service Hotel – Hamilton, Texas

DP Consulting

10700 Richmond Ave., Suite 120
Houston, TX 77042

Voice 713-335-3350
Facsimile 713-335-3422
David@DPHospitality.com

Other:

Market Study of Converting historic buildings into Residence Inn and Courtyard by Marriott
– Omaha, NE (Open 1999)
Market Study of Proposed Sleep Inn limited-service hotel – Thornton, Colorado
Market Study of Three Proposed Limited Service Hotels – West Bank, New Orleans, Louisiana
Market Study and Valuation of Proposed Limited-Service Hotel at Isle of Capri Casino – Lake Charles, Louisiana
Market Study and Valuation of Proposed All-Suite Hotel at Isle of Capri Casino – Lake Charles, Louisiana
Market Study of Proposed Holiday Inn Express & Suites – Bloomington, Indiana (Open 2006)

Market Studies Full-Service Hotels:

Dallas Area:

Market Study of Proposed Embassy Suites Galleria – Dallas, Texas (Open 1998)
Evaluation of Converting the Employers Life Insurance Building into a Headquarters Hotel – Dallas, Texas
Market Study of Proposed Holiday Inn – McKinney, Texas (Open 2008)
Market Study of Proposed Resort Hotel and Water Park – Frisco, Texas

Houston Area:

Market Study and Economic Impact Assessment of 1,200-Room Hilton Americas
– Downtown Houston, Texas (Open 2004)
Market Study of Converting the Medical Towers into the Marriott Medical Center Expansion – Houston, Texas
Market Study of Converting Historic Texas State Hotel into Sheraton Suites – Downtown Houston, Texas
Market Study and Valuation of Omni Galleria – Houston, Texas
Market Study and Valuation of Red Lion Hotel Galleria – Houston, Texas

Central Texas:

Market Study of Proposed Westin Riverwalk – San Antonio, Texas (Open 1999)
Market Study of Proposed Full-Service Hotel – New Braunfels, Texas
Market Study and Valuation of St. Anthony Hotel – San Antonio, Texas

South Texas:

Market Study of Proposed All-Suite Hotel and Resort on North Padre Island – Corpus Christi, Texas
Market Study, Economic Impact Study, and Financing Recommendations of Proposed Full-Service Hotel
– South Padre Island, Texas
Market Study of Proposed Executive Conference Center – North Padre Island, Corpus Christi, Texas

Other:

Market Study and Valuation of Cypress Bend Golf Resort and Conference Center – Sabine Parish, Louisiana
Market Study of Proposed Full-Service Hotel – Sandy City, Utah
Market Study of Proposed Full-Service Hotel adjacent to Jazz Land Theme Park – New Orleans, LA
Market Study and Valuation of 780-room Regal Riverfront – St. Louis, Missouri

DP Consulting

10700 Richmond Ave., Suite 120
Houston, TX 77042

Voice 713-335-3350
Facsimile 713-335-3422
David@DPHospitality.com

Public Assembly Facility Studies:

Dallas Area:

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

Houston Area:

Citywide occupancy tax collection forecast for City of Houston, used in securing \$700 million in bonds for the purpose of expanding the George R. Brown Convention Center, constructing the 1,200-room Hilton Hotel, parking garage, and NBA basketball arena – Houston, Texas
Market Study and Economic Impact Study of Expanding the George R. Brown Convention Center – Downtown Houston, Texas
Market Study of Proposed Convention Center, Mall Conversion – Baytown, Texas
Market Study of Proposed Convention Center – Stafford, Texas (Open 2003)
Market Study of Proposed Performing Arts Theater – Stafford, Texas (Open 2003)
Market Study of Proposed Natatorium – Stafford, Texas
Market Study and Economic Impact of Proposed Waterway Convention Center – The Woodlands, Texas
Market Study of Repositioning a portion of Greenspoint Mall into a Convention Center – Houston, Texas
Market Study of Proposed Civic Center – Kemah, Texas
Market Study of Proposed Civic Center – Freeport, Texas

Central Texas:

Market Study of Proposed Convention Center – New Braunfels, Texas

South Texas:

Market Study of Expanding the Bayfront Convention Center – Corpus Christi, Texas

Other:

Market Study and Economic Impact Study of Proposed 453,000-square foot Exhibition Center – Sandy City, Utah
Market Study of Proposed Ballroom Addition to the Welk Resort – Branson, Missouri
Market Study of Proposed Convention Center, Mall Conversion – Tupelo, Mississippi

DP Consulting

10700 Richmond Ave., Suite 120
Houston, TX 77042

Voice 713-335-3350
Facsimile 713-335-3422
David@DPHospitality.com

Market Studies of Master-Planned Communities

Due Diligence Analysis of Land Subdivision (3,500 acres) – Walker County, Texas

Investor Prospectus of Master Planned Community (1,400 acres)– North Padre Island, Corpus Christi, Texas

Other Projects

Developer of two high-end townhomes near Texas Medical Center

Developer of three high-end townhomes near Texas Medical Center

Developer of three-unit loft project east of Mid-Town - Houston, Texas

Due Diligence of new construction 400-unit Self Storage in southwest Houston

Due Diligence of new construction 400-unit Self Storage in Baytown, Texas

Developer / Investor Prospectus of Pearland Swim Academy – Pearland, Texas