

STATE OF ILLINOIS)
)
COUNTY OF WINNEBAGO)

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PAMPHLET PUBLICATION CERTIFICATION FORM

I, Sally Jo Huggins, certify that I am the duly elected and acting Village Clerk of the Village of Winnebago, Winnebago County, Illinois.

I further certify that on FEBRUARY 13, the Corporate Authorities of the above municipality passed and approved Resolution No. 2023- 09 R, entitled, **“RESOLUTION AUTHORIZING THE VILLAGE PRESIDENT TO EXECUTE THE ENGAGEMENT LETTER WITH HMI, INC. TO UPDATE THE HOTEL FEASIBILITY STUDY ORIGINALLY COMPLETED IN 2017”**, which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Resolution No. 2023- 09 R, including the resolution and a cover thereof, was prepared and a copy of the resolution was posted in the Village office located at 108 West Main Street, Winnebago, Illinois, commencing on February 14, 2023, and continuing for a least (10) days thereafter. Copies of the resolution were also available for public inspection upon request in the office of the Village Clerk located at the above Village office address.

DATED at Winnebago, Illinois, this _____ day of _____, 2023.

(SEAL)

Sally Jo Huggins, Village Clerk

VILLAGE OF WINNEBAGO

RESOLUTION NO. 2023 - 09 R

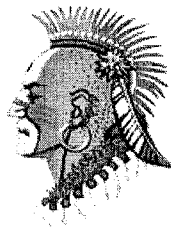
**RESOLUTION AUTHORIZING THE VILLAGE
PRESIDENT TO EXECUTE THE ENGAGEMENT LETTER
WITH HMI, INC. TO UPDATE THE HOTEL FEASIBILITY
STUDY ORIGINALLY COMPLETED IN 2017**

ADOPTED BY THE BOARD OF TRUSTEES

VILLAGE OF WINNEBAGO

THIS 13th DAY OF February, 2023

Published in pamphlet form by authority of the Village Board of Trustees of the
Village of Winnebago, Illinois, this 14th day of February, 2023



VILLAGE OF WINNEBAGO

RESOLUTION EXECUTIVE SUMMARY

Prepared by: Village Staff

Committee: Community Development

Committee Date: February 8, 2023

Resolution Title: **A Resolution Authorizing Village President to Execute the Engagement Letter with HMI, Inc. to Update the Hotel Feasibility Study Originally Completed in 2017**

Village Code: Will not affect the Village of Winnebago Ordinances

Budget Information:

Was Item Budgeted? No	Appropriation Amount: Not to exceed \$8,250.00
If not, explain funding source: Community Development Line Item: 17-47-701	
ORG/OBJ/Project Code: Line item # 17-47-701 Budget Impact: Not exceed \$8,250 with an initial retainer of \$4,125 prior to commencement of project. The current budgeted amount in that line items is \$50,000 with nothing used through the first month of this budget year	

Background Information:

The Village of Winnebago previously contracted with HMI, Inc to prepare a Comprehensive Hotel Feasibility Study for the village to be able to provide said study to interested hotel chains and/or developers. The initial cost of the study was reimbursed to us by the County of Winnebago at our request. The final study was presented to the Village Board in 2017. This study is now outdated as various items in that study may no longer be accurate. Specifically, the village has since acquired commercial land that may be suitable for a hotel that was not included in the original study and new businesses have come to the area including Brauer Barn that hosts many events, including reunions and weddings that could help fill hotel rooms if a hotel came to Winnebago. A representative from Grand Stay hotels contacted Village President Eubank more than 6 months ago to express that a customer/contractor of hers recommended that they look at the Village of Winnebago for a hotel. She reviewed our 2017 hotel study and asked that we have it updated with the new information. She indicated that she has worked with Greg Hanis of HMI, Inc. over the years on different projects and hoped that he would be able to provide an update for us.

Greg Hanis of HMI, Inc. presented several options, but highly recommended that we select the Field Research Hotel Evaluation Report. It is less expensive than the Comprehensive Hotel Market Study. The Field Research Hotel Evaluation Report is a part of the comprehensive study and most hotels and developers only need the Field Research Report and if they are interested, then they would normally pay for the remaining portion of the comprehensive study and have it tailored to their specific model of hotel. HMI, Inc. could commence this project, if approved at the February board meeting, in late March to mid-April, depending upon when they receive our signed letter agreement and initial retainer payment and what projects they currently are working on when they receive the above items.

Greg Hanis and Julie Brown recently attended the Community Development Committee meeting on February 8, 2023, virtually, and explained to those in attendance that Grand Stays would look for developers locally and regionally, including those they work with on other projects, and would not rely on village staff to find developers or investors, but would be receptive to any leads on any local interest, including banks, developers, investors, and property owners. The update would allow the board of trustees to have a more detailed idea of what would be appropriate for a hotel in Winnebago and the value of it in dealing with any negotiations with a developer on what incentives may be appropriate.

Recommendation:

We update our 2017 Comprehensive Hotel Feasibility Study by having HMI, Inc. prepare the Field Research Hotel Evaluation Report in 2023, so we can provide it to the representative from Grand Stay hotel and any other similar style of hotel chain for consideration. The 2017 Comprehensive Study has now become outdated.

Contract/Invoice:

See attached Letter Agreement from Greg Hanis of HMI, Inc. for options and costs, with the Recommended/Suggested option stated in the letter agreement.

RESOLUTION NO. 2023- 09R

**RESOLUTION AUTHORIZING THE VILLAGE PRESIDENT TO
EXECUTE THE ENGAGEMENT LETTER WITH HMI, INC. TO UPDATE
THE HOTEL FEASIBILITY STUDY ORIGINALLY COMPLETED IN 2017**

WHEREAS, The Village of Winnebago previously contracted with Hospitality Marketers (HMI, Inc.) to prepare a Hotel Feasibility Study in 2016; and

WHEREAS, The Village of Winnebago received a Comprehensive Hotel Feasibility Study from HMI, Inc. in 2017; and

WHEREAS, The Village of Winnebago was recently contacted by a representative of a Limited-Service style hotel chain stating possible interest in working with any interested developers in a hotel project in the Village of Winnebago; and

WHEREAS, The representative of the Limited-Service style hotel reviewed the original Comprehensive Hotel Feasibility Study from 2017 and asked that it be updated with the latest information to help with their decision-making process; and

WHEREAS, There have been several changes in the area as to available sites for a hotel (including land recently acquired by the village) and businesses (including Brauer Barn) that were not part of the original Comprehensive Hotel Feasibility Study; and

WHEREAS, An update of the Hotel Feasibility Study would be helpful to provide to any other developer or Limited-Service Style Hotel representative that may find interest in the Village of Winnebago; and

WHEREAS, it is the recommendation of the Community Development Committee and the Village President to bring to the board that the Village Board of Trustees authorize the Village President to execute the Letter Agreement to update the Hotel Feasibility Study with HMI, Inc. in an amount not to exceed \$8,250.00.

NOW THEREFORE, BE IT RESOLVED by the President and the Board of Trustees of the Village of Winnebago, in the County of Winnebago, Illinois, as follows:

SECTION I

The recitals set forth above are incorporated herein and made a part hereof.

SECTION II

The Village President is authorized to execute the Letter Agreement with HMI, Inc. for the Field Research Hotel Evaluation Report in an amount not to exceed \$8,250 which includes the payment of an initial retainer in the amount of \$4,125 to be sent to HMI, Inc. prior to its commencing work on this project and these funds shall be taken from the Village General Fund – Community Development Account Line Item: **17-47-701** (Community Development), which is specifically for Economic Development.

SECTION III

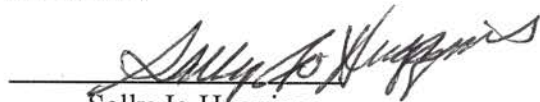
This resolution shall be effective immediately upon its passage and approval as provided by law.

APPROVED:



Franklin J. Eubank, Jr., President
of the Board of Trustees of the
Village of Winnebago, Illinois

ATTEST:



Sally Jo Huggins,
Village Clerk

PASSED:

2-13-2023

APPROVED:

2-13-2023

HMI Inc.

August 1, 2022

Mr. Frank Eubank, Jr.
Village President
Village of Winnebago
108 W. Main Street
Winnebago, IL 61088

Sent via email: feubank@villageofwinnebago.com

Management
Research
Marketing

RE: Winnebago, Illinois - Hotel Market Study

Dear Frank,

Per our recent conversation, I have assembled this Engagement Letter regarding completion of a Field Research Hotel Evaluation Report for the potential development of a Limited-Service style hotel in Winnebago, Illinois. We have prepared many studies for communities such as Winnebago and have expertise in performing research for a variety of hotel styles. This expertise can assist with market research, brand selection, and development of the proposed hotel. Thank you for considering Hospitality Marketers International, Inc., to research this hotel project.

This letter is to engage and, upon acceptance, confirm the engagement of HMI to perform project work for this proposed hotel. For additional information about HMI and our market study services, please refer to our Web Site at www.hospitalitymarketers.com. Specifically, the project to be completed by HMI is as follows:

GENERAL PROJECT APPROACH

-- The following outlines the General Approach we will take in researching this market.

-- In order to expedite the completion of this project, HMI will be engaged to complete a suggested Field Research Hotel Evaluation Report for potential hotel development in Winnebago. HMI will schedule this project accordingly. *As we discussed, due to our current project schedule; we do not anticipate commencing work on this project until late September.*

GENERAL PROJECT DETAILS

-- Recommendations regarding the style of the proposed hotel will be provided based upon demand and competitive supply factors.

-- Research will be conducted for a potential Midscale to Upper Midscale, Limited-Service style hotel.

Gregory R. Hanis, ISHC
President

ghanis@hospitalitymarketers.com
262-490-5063

Member of



*Professionally Serving the United
States & Canada Since 1982 with
Offices in
Milwaukee, Wisconsin and
Fort Myers, Florida*

5415 S. Majors Drive
New Berlin, WI 53146

10014 Majestic Avenue
Fort Myers, FL 33913

262-490-5063

hmi@hospitalitymarketers.com
www.hospitalitymarketers.com

Hotel Service Network

- The subject site for the proposed hotel was not identified at this time. More details about the site will be discussed upon commencement of this research.
- The price category for the proposed hotel was identified, at this time, as Midscale to Upper-Midscale. Recommendations will be provided for the proposed hotel's price category based upon demand and competitive supply factors.
- The possible brand being considered for this hotel was not identified at this time. However, it was requested that recommendations for the potential brand(s) be provided for the proposed hotel based upon demand and competitive supply factors.
- The size of the proposed hotel was not identified at this time. Specific size suggestions for the proposed hotel will be determined by the size of the site, the demand sources, and competitive supply in the market.
- There may be the potential for the proposed hotel to have specific amenities or services. Some may relate to the brand chosen for this hotel. Other amenities and services may relate to the demand characteristics of the subject market. These items will be addressed accordingly based upon the research performed for this phase, and recommendations will be made as to the type, size and necessity for certain amenities at this proposed hotel.
- At this time, it is anticipated that the proposed hotel will not have a restaurant and bar area nor any significant banquet/meeting space. It will provide a complimentary limited-service breakfast. Therefore, this report will not include Projections for Food & Beverage Revenue for a Restaurant and Bar area nor Banquet and Meeting space. Should this change, the additional cost to include these projections will be addressed at that time.

(OPTION) DESK-TOP HOTEL MARKET OVERVIEW REPORT

The following outlines our approach in completing a Desk-Top Overview Report.

- As defined above, HMI will perform this research according to the details outlined in the General Project Detail Section.
- The format of this study should be acceptable for the hotel developer to determine if this market could potentially support hotel development. However, it is not a full Comprehensive Hotel Market study. It is presented in an abbreviated format that summarizes the Desk-Top Research conducted for the market and the preliminary justification and recommendations for a hotel in the market. This report is not intended to be a formal hotel market study and used for a specific hotel development or external investing or lending purposes. Hospitality Marketers will be available to answer any questions concerning these studies upon their completion.

FUTURE OPTIONS: This report could be expanded, upon completion and the recommendations presented, into a Field Research Analysis Report or a Comprehensive Hotel Market Study for a specific hotel development. Also, HMI could assist in assembling a detailed Operational Proforma & Investment Analysis for a specific hotel development. The following are options for expanding this Desk-Top Hotel Market Overview Report.

(SUGGESTED) FIELD RESEARCH HOTEL EVALUATION REPORT

The following will outline our approach for completing the Field Research Hotel Evaluation Report.

-- As we discussed, the suggested approach is to conduct a Field Research Hotel Evaluation Report. This study is used by communities and developers to identify the preliminary need for the hotel in this market.

-- Based on comprehensive research of the subject market, this Field Research Hotel Evaluation Report will provide a preliminary evaluation with key market factors highlighted. This report will research the proposed site being considered for hotel development including its visibility and accessibility to the proposed markets. The relationship of the site to possible lodging demand generators and existing lodging supply will be researched. General economic conditions will also be researched. A preliminary Field Research Hotel Evaluation Report will be presented with a brief overview of these elements.

-- Preliminary operational projections for Occupancy, Average Daily Room Rate, Room Revenues, and Total Revenues will be presented. These preliminary projections will be to a stabilized year of operation. Preliminary recommendations for hotel site location, product type(s) and size(s), franchise/branding recommendations, and product features and amenities will be provided for each hotel.

-- A preliminary Operational Proforma will be developed based upon the sales revenue projections presented in this report and national hotel industry operational expense averages for the style of each hotel being considered.

-- This is not a full Comprehensive Hotel Market study. It is presented in an abbreviated format that summarizes the research performed. It may, or may not be, acceptable for external investment and lending purposes.

FUTURE OPTIONS: This report could be expanded by HMI, upon completion and the recommendations presented, into a Comprehensive Hotel Market Study, for a specific hotel development. Also, HMI could assist in assembling a detailed Operational Proforma & Investment Analysis for a specific hotel development. The following are options for expanding this Field Research Analysis Report.

(OPTION) COMPREHENSIVE HOTEL MARKET STUDY

-- This suggested approach (to conduct a Comprehensive Hotel Market Study) is used by communities, developers and lenders to support the conclusions, recommendations and multi-year projections presented in this market study.

--A Comprehensive Hotel Market Study will provide, based upon comprehensive research of the subject market, a detailed evaluation with key market factors highlighted. This report will research the proposed site being considered for hotel development including its visibility and accessibility to the proposed markets. The relationship of the site area to possible lodging demand generators and existing lodging supply will be researched. General economic conditions will also be researched.

--Comprehensive and statistical operational projections for Sales Revenue, based upon Occupancy and Average Daily Room Rates, will be presented. These multi-year projections will be to a stabilized year of operation. Detailed property recommendations for property site location, product type and size, franchise recommendations, and product features and amenities will be provided.

-- A Preliminary Operational Proforma will be prepared, using industry standards, other acceptable accounting models, and specific property information for the proposed hotel. It will be based upon the multi-year sales projections contained in this Comprehensive Hotel Market Study Report for this hotel.

-- The format of this study should be acceptable for external lending and investing purposes. Hospitality Marketers would be available to answer any questions concerning these studies upon their completion

(OPTION) DETAILED MULTI-YEAR OPERATIONAL PROFORMA & INVESTMENT ANALYSIS

In the future when you have more precise project development costs along with financing terms, the previously mentioned Preliminary Multi-Year Operational Proforma could be expanded into a Multi-year Operational Proforma & Investment Analysis Report if required by you, the investors, or the lender. HMI will assist in preparing or reviewing a Multi-Year Operational Proforma Projections & Investment Analysis Report.

- If developed by HMI, this report would be based upon previous market research performed by Hospitality Marketers International, Inc., and contained in its Comprehensive Hotel Market Study Report for your proposed hotel project. A Detailed Multi-Year Operational Proforma & Investment Analysis will be prepared, using industry standards, other acceptable accounting models, and specific property information for the proposed hotel. It will be based upon the multi-year sales projections contained in the Comprehensive Hotel Market Study Report for the proposed hotel.

Please contact HMI for more information on report expansion options.

TIMING

-- Your market study is scheduled based upon the accepted return of this Engagement Letter and receipt of the Retainer Check. An exact start and completion date will be assigned with the accepted return of this letter and Retainer Check to HMI. Should there be any unforeseen delays which would change this completion date, we will communicate with you accordingly. If we can expedite this phase, we will do so. *As we discussed, due to our current project schedule; we do not anticipate commencing work on this project until late September.*

-- Typically, the fieldwork research stage is completed within 30 days of the commencement of the research project. This is based upon our receipt of the Signature Page and Retainer Check. However, it will be based upon our project schedule at that time.

-- Typically, the Field Research Analysis Report or Comprehensive Hotel Market Study stage is completed within 30 days of the completion of the field research.

-- This timing is based upon the receipt of the Signature Page and Retainer Check. However, it will be based upon our project schedule at that time.

-- To customize a report and do the necessary research takes time to complete as we do not perform "Boiler Plate" reports in order to expedite completion. Please allow ample time for the completion of our research. All of our projects depend upon your authorization to proceed and we will expedite the completion as best as our schedule allows. We have given you realistic timing for the report. We do not promise a shorter timeframe and adjust it after receiving the project.

COMPENSATION

HMI's compensation for completing this project work for a Limited-Service style hotel is as follows: (All fees quoted are valid for 90 days from the date of this letter. After that time, there may be the need to revise these fees due to changes in market conditions, especially travel expenses.)

(OPTION) DESK-TOP HOTEL MARKET OVERVIEW REPORT

-- The complete Desk-Top Hotel Market Overview Report fee is:

- Limited-Service Hotel- **\$3,750**, including all associated research expenses (see below), the Field Research Stage and the Retainer received.
- A Retainer (**\$1,875**) is required prior to commencing work on this project.

(SUGGESTED) FIELD RESEARCH HOTEL EVALUATION REPORT

-- The complete Field Research Hotel Evaluation Report fee is **\$8,250** including all associated research expenses (see below), the Field Research Stage and the Retainer received.

-- A Retainer (**\$4,125**) is required prior to commencing work on this project.

FIELD WORK STAGE

-- In the process of performing the field work portion of this report or in conducting the preliminary research for the written report, should the feasibility of a project become questionable, we will cease the project work and discuss our findings with you accordingly. Should it be necessary to cease all further work at this point, we will adjust our fees accordingly:

--The Field Work/Preliminary Research Fee for a limited-service hotel is **\$5,125**, which includes associated research expenses (see below).

--The retainer received will be applied accordingly. All other terms of this engagement letter are in effect.

(OPTION) COMPREHENSIVE HOTEL MARKET STUDY

-- The complete Comprehensive Hotel Market Study fee is **\$9,750** including all associated research expenses (see below), the Field Research Stage, and the Retainer received.

-- A Retainer of (**\$4,875**) is required prior to commencing work on this project.

FIELD WORK STAGE

-- In the process of performing the field work portion of this report or in conducting the preliminary research for the written report, should the feasibility of a project become questionable, we will cease the project work and discuss our findings with you accordingly. Should it be necessary to cease all further work at this point, we will adjust our fees accordingly:

--The Field Work/Preliminary Research Fee for a limited-service hotel is **\$5,875**, which includes associated research expenses (see below).

--The retainer received will be applied accordingly. All other terms of this engagement letter are in effect.

(OPTION) OPERATIONAL PROFORMA & INVESTMENT ANALYSIS

--The Multi-Year Operational and Investment Analysis Report fee is dependent upon how involved HMI is in its preparation. The fee to prepare a customized Operational Proforma Projections and Investment Analysis or to review an Operational Proforma & Investment Analysis prepared by you or a third party, including one revision, will not exceed **\$1,900** for a Limited-Service style hotel. It would be billed at a pro-rated, per hour fee of **\$250**.

-- An additional Retainer of **(\$950)** is required prior to commencing work on this project. [A Statement for this Retainer will be sent upon execution of the signed Engagement Letter. The Retainer will be due within seven days of receipt of the Statement. Project work will commence once the Retainer is received.](#)

REPORT/PROJECT WORK FOLLOW-UP

--Upon completion of the Field Research Evaluation Report, a "Pending" Version of the report will be presented for your review.

--Full payment of the final balance for this project, including expenses incurred, is required to release the Final Version of the Report.

--HMI will be available for normal and usual follow-up (up to 2 hours) on the report/project work completed which is included in the above fees at no extra charge. This will include, but is not limited to, Report Review and Report Consultation, etc.

--HMI is available for more in-depth consultation if required. Depending upon the scope of this consultation, there may be associated fees. This consultation would be available at a prorated \$250 per hour. This activity would need to be discussed and would depend upon the scope of HMI's involvement.

EXPENSES & GENERAL

Expenses – All associated normal research and travel expenses are included in the above fees.

All statements for project work submitted by HMI are due upon receipt. Any unpaid balance after 30 days is subject to an 18% (1.5% per month) finance charge. Should it be necessary to use an outside collection agency or attorneys for payment of this project, any fees incurred by Hospitality Marketers International, Inc., will be added to the final amount owed.

HMI is an independent contractor and will maintain a separate legal identity and entity. There is no indication in this engagement that HMI and the Principal are business partners or have formed a joint venture to complete the project work defined.

Hospitality Marketers International, Inc. operates as a hotel service network organization. HMI staff will perform the above project work or assign it to qualified associates, within the service network, with the expertise to perform the outlined project work of this engagement. These service representatives are independent contractors who have established an exclusive representation agreement with HMI. HMI staff supervises and reviews all assigned project work. These qualified associates/consultants are service representatives acting as agents of HMI.

HMI may use your name as a previous customer reference upon completion of the project work.

All information concerning your business interests, as well as HMI's, including business data, policies, procedures, operations, and other information, are confidential and are not to be disclosed by yourself or HMI.

If a dispute arises from this engagement which requires a legal remedy, it will be resolved through final and binding arbitration according to the current procedures of the American Arbitration Association and the prevailing laws and regulations of the State of Wisconsin. The arbitrator will be a knowledgeable source specializing in the area of hotel/resort marketing or real estate development. One of the arbitrators will be a member of the International Society of Hospitality Consultants. Due to the uncertainty related to future projections, any damages would be limited to the fees paid and related with this engagement. These damages would only be due to proof of gross negligence in performing the research and calculating the projections provided. This engagement letter is in effect until the satisfactory completion of the project work and payment of the associated fees.

Frank, we appreciate this opportunity to work with you in researching this potential hotel project in Winnebago, Illinois. After reviewing this engagement letter, please contact me if you have any questions. Otherwise, please sign the attached Signature Page and return it, along with the appropriate retainer check, to my attention as soon as possible so I can begin scheduling this project. If you scan/email or fax your signed, accepted copy to me, we will hold your position (for ten days) in our market study queue until we receive your retainer check.

Sincerely,
HOSPITALITY MARKETERS INTERNATIONAL, INC.

Gregory R. Hanis

Gregory R. Hanis, ISHC
President

Re: Winnebago, Illinois- Hotel Market Study

_____ Please proceed with the Desk-Top Hotel Market Overview Report.
(Retainer Fee – \$1,875)

_____ (SUGGESTED) Please proceed with the Field Research Hotel
Evaluation Report. (Retainer Fee - \$4,125)

_____ (OPTION) Please proceed with the Comprehensive Hotel Market
Study (Retainer Fee - \$4,875)

_____ (OPTION) Please proceed with the Operational Proforma &
Investment Analysis. (Retainer Fee - \$950)

Management

Research

Marketing

Gregory R. Hanis, ISHC
President

ghanis@hospitalitymarketers.com
262-490-5063

Member of



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with Offices in
Milwaukee, Wisconsin and
Fort Myers, Florida

5415 S. Majors Drive
New Berlin, WI 53146

10014 Majestic Avenue
Fort Myers, FL 33913

262-490-5063

hmi@hospitalitymarketers.com
www.hospitalitymarketers.com

Hotel Service Network

_____ If Faxed, the appropriate Retainer check will be sent, via:

_____ Wire Transfer
_____ Overnight Services

_____ Regular Mail - The appropriate Retainer check
is enclosed with this signed copy of the engagement
letter. (HMI will hold this project in the priority position
that the fax was received in for ten (10) days from the
date of this signed and faxed engagement letter.)

(HMI will hold this project in the priority position the fax was received in for ten
(10) days from the date of this signed and faxed engagement letter.)

**--Please scan or fax this signed signature page using the Fax number provided
in the box at the bottom on this page.**

***** Please send your retainer check to the following address:**

**Hospitality Marketers International, Inc.
5415 S. Majors Drive
New Berlin, WI 53146**

***** For Wire Transfer Information, Contact Hospitality Marketers International, Inc.**

ACCEPTED BY: _____

TITLE: _____

COMPANY NAME: _____

DATE: _____

To: Greg Hanis, Hospitality Marketers International, Inc.
EMAIL: ghanis@hospitalitymarketers.com
Fax: 239-245-8161
Contact: 262-490-5063

From: _____