

Economic Benefits of the Proposed Full-Service Hotel



PREPARED FOR: THE VILLAGE OF OAK PARK

PREPARED BY: TR MANDIGO & COMPANY

Proposed Hotel Summary



- **Located at the corner of Lake St. and Forest Ave.**
- **Upscale hotel with restaurant (Similar to Hilton, Marriott, Doubletree)**
- **140 Rooms**
- **2,500 Square Feet of Meeting Space**
- **Will feature a nationally-recognized franchise appropriate for its level of quality and service**

Typical Year Performance



- 68% Occupancy
- \$160 Average Daily Room Rate
- \$8.9 Million in Revenues
- ~\$3 Million Income Before Fixed
- ~\$2 Million Income After Fixed and Reserves

PERCENTAGE OF OCCUPANCY		68%	at	\$160.00
AVERAGE DAILY ROOM RATE		-----		
	AMOUNT	RATIO	AMOUNT\ROOM	
REVENUES:				
ROOMS	\$5,560,000	62.3%	\$39,714	
FOOD	2,250,000	25.2%	16,071	
BEVERAGE	563,000	6.3%	4,021	
TELEPHONE	43,000	0.5%	307	
RENTALS & OTHER INCOME	226,000	2.5%	1,614	
OTHER OPERATED DEPTS	287,000	3.2%	2,050	
TOTAL REVENUE	\$8,929,000	100.0%	63,779	
DEPARTMENTAL EXPENSES: (1)				
ROOMS	\$1,279,000	23.0%	9,136	
FOOD & BEVERAGE	2,025,000	72.0%	14,464	
TELEPHONE	54,000	125.6%	386	
OTHER OPERATED DEPTS	215,000	74.9%	1,536	
TOTAL	\$3,573,000	40.0%	\$25,521	
TOTAL OPERATED INCOME	\$5,356,000	60.0%	\$38,257	
UNDISTRIBUTED EXPENSES:				
ADMINISTRATIVE & GENERAL	\$630,000	7.1%	4,500	
MANAGEMENT FEE (2)	313,000	3.5%	2,236	
MARKETING	490,000	5.5%	3,500	
FRANCHISE FEES (3)	250,000	2.8%	1,786	
PROPERTY OPERATION & MAINT.	350,000	3.9%	2,500	
ENERGY	308,000	3.4%	2,200	
TOTAL	\$2,341,000	26.2%	\$16,721	
INCOME BEFORE FIXED CHARGES	\$3,015,000	33.8%	\$21,536	
FIXED CHARGES:				
REAL ESTATE & PROPERTY TAXES	\$500,000	5.6%	3,571	
BUILDING & CONTENTS INSURANCE	98,000	1.1%	700	
TOTAL	\$598,000	6.7%	4,271	
INCOME BEFORE RESERVE	\$2,417,000	27.1%	17,264	
RESERVE FOR REPLACEMENT	\$446,000	5.0%	3,186	
INCOME BEFORE OTHER DEDUCTIONS (4)	\$1,971,000	22.1%	\$14,079	

Rooms Department



- **\$5,560,000 in 2008 Dollars Typical Year Room Revenues**
- **Oak Park Room Tax Rate is 4%**
 - Total room tax rate will be 10%: 6% State, 4% Village
- **\$222,400 in estimated room tax revenue to be utilized at The Village's discretion.**

Food & Beverage



- **\$2,813,000 Food and Beverage Revenue for Typical Year**
 - \$2,250,000 Food (75%)
 - \$563,000 Beverage (25%)
- **Sales Tax collections estimates: \$35,163/Year for The Village**
- **Restaurant will be operated as a lease-out operation by a qualified 3rd party, and will provide food service for the hotel operation.**

Employment & Payroll



- Hotels typically employ 0.75 full-time equivalents per hotel room.
- $140 \times 0.75 = \mathbf{105}$ Full Time Equivalent Employees for the proposed hotel
- Approximately 40% of Revenues (including food and beverage) or \$4 Million will go towards payroll.

Community Impact



- **\$8,896,000 additional dollars will be circulated into the community, or roughly \$256 per occupied hotel room night.**
- **The financial impact measured on the community is calculated based upon 1.6 times the revenue per occupied hotel room, and take into account the lease-out restaurant operation.**

Seasonal Demand Trend



Competitive Set Monthly Pattern

