MISSOURI AREA ECONOMIC DEVELOPMENT CORP.

Market Feasibility Study For Proposed Hotel Development Moberly, Missouri

August 2025

Patek Hospitality Consultants, Inc.
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Sussex, Wisconsin 53089
(262) 538-0445

August 12, 2025

Ms. Kaylee Paffrath, MBA
President/CEO
Vice President of Missouri Northeast
MAEDC
115 N. Williams
Moberly, Missouri 65270

Dear Ms. Paffrath:

In accordance with our agreement, Patek Hospitality Consultants, Inc. has completed a study of potential market demand and prepared a Statement of Estimated Annual Operating Results for development of a 70-room limited-service hotel in Moberly, Missouri.

As in all studies of this type, the estimated results are based upon competent and efficient management and an effective marketing program and presume no significant change in the competitive position of the hotel industry from that set forth in this report. We have no responsibility to update this report for events and circumstances occurring after completion of our fieldwork and research conducted in June 2025. These projections are based upon estimates, assumptions and other information developed from our research and we do not warrant that they will be attained. We did not consider the legal and regulatory requirements applicable to this project, including zoning, permits, licenses and other state and local government regulations.

This report has been prepared for your use and guidance in determining whether to pursue development of the proposed hotel, what incentives may need to be considered by the City of Moberly, and for investment purposes. The report is also available for use by developers, hotel companies, management companies, and lending institutions/investors. Neither our name nor the material submitted may be used in any prospectus or used in offerings or representations in connection with the sale of securities or participation interests without our express written permission.

It has been over five years since the start of the Covid-19 pandemic, which had a devastating impact on the hospitality industry. Some of the trends that have continued to challenge the hotel industry are described below, as well as more recent challenges that could have an impact on hotel development. We do believe that a hotel could be supported in Moberly by capturing not only local demand but that demand from throughout Randolph County and possibly overflow demand from Columbia. The challenges discussed below are very relevant to the hotel industry and we believe it will take considerable effort by city officials and the local community to get behind the project to support it with city incentives, local investment, and for local financial institutions to consider creative financing resources.

- Corporate travel came to a standstill during the pandemic when offices shut down and employees were working remotely. Corporate travel has returned although not to pre-pandemic levels as virtual meetings became the norm during the pandemic and continue to be a popular way of conducting business. Corporate travel impacts the weekday demand, particularly Tuesday and Wednesday nights, which are considered peak travel nights for this segment of demand. During the pandemic, the short-term rental business offered by Airbnb and Vrbo grew rapidly as people realized they could work from anywhere and enjoy a change of scenery. Short-term rentals and hotels continue to vie for corporate and bleisure (business and leisure) travelers.

- The two years (2021-2022) after the start of the pandemic, leisure travel grew significantly as people wanted to get away. Hotel operators saw an opportunity to increase rates and hotels realized strong rate growth during this period, which has slowed based on recent data as noted in the Hotel Industry Outlook section of this report.

- The pandemic had a negative impact on the supply chain and the cost of materials skyrocketed making many hotel projects economically unfeasible. Added to this was the significant increase in labor costs, and ultimately other hotel operating costs that increased throughout this period. While some construction costs had declined, the tariffs announced by the current administration leaves much uncertainty in the cost and availability of building materials.

- Tariffs by the current administration have created significant uncertainty among consumers and businesses. The effects of these tariffs are still too new to know what impact they will have on the cost and availability of materials and the cost and availability of funding sources for hotel development.

- Interest rates continue to be a challenge for hotel development. The Federal Open Market Committee cut rates twice in 2024, by 50 basis points in September and another 25 basis points in December. In March 2025, the Committee lowered its full-year 2025 GDP growth expectation to 1.7 percent, down from the 2.1 percent forecast in December. This will likely have an impact not only on hotel development but could also impact consumer's spending on travel. In June 2025, the Fed opted to hold the federal funds rate steady at 4.25%-4.50%.

- During the last three years, it's not like hotels haven't been built, but those projects that have, have required more equity by the developer/investor, incentives by local government, creative financing, and an experienced development/management team.

Throughout the report, we have included comments, footnotes, and disclaimers regarding the pandemic's impact and the current challenges facing hotel development as it pertains to the local hotel market and the hotel industry in general. Industry sources such as CoStar Group, Inc., STR, Tourism Economics, and CBRE are deemed reliable as it pertains to our performance estimates and overall recommendations for the proposed hotel.

Please do not hesitate to call if we may be of further assistance in the interpretation and application of our findings, recommendations and conclusions. We appreciate the cooperation you extended to us during our engagement and look forward to working with you again in the future.

Sincerely,

Patek Hospitality Consultants, Inc.

Patek Hospitality Consultants, Inc.

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EXECUTIVE SUMMARY

The Moberly Area Economic Development Corporation (MAEDC) has retained Patek Hospitality Consultants, Inc. to provide consulting services to determine the potential market feasibility for a 70-room limited-service hotel for Moberly, Missouri.

The report that follows provides more information about the proposed sites (and recommended site), an overview of Moberly, Randolph County, the Columbia Metropolitan Area, the hotel competition, and the future market position of the proposed hotel. Below are bullet statements summarizing the project followed by the full report. We have also included a section titled Hotel Industry Outlook, a current snapshot of overall hotel performance provided by industry experts.

- The City of Moberly is in southeast Randolph County with Randolph County positioned in the northern portion of the state of Missouri. Moberly is the largest city in the county and Huntsville is the county seat. Moberly and Randolph County are part of the Columbia Metropolitan Area, and the nine-county Columbia-Jefferson City-Moberly combined statistical area that has 415,747 residents as of the 2020 census. Columbia, the fastest growing city in the state of Missouri, is about 30 minutes south of Moberly via U.S. Highway 63.

- Moberly is approximately 66 miles north of Jefferson City, the capitol of Missouri; 197 miles north of Springfield; 157 miles northwest of St. Louis; 131 miles east of Kansas City; and 70 miles southwest of Hannibal, MO/Mississippi River/Illinois state line.

- We reviewed two site areas within Moberly. There are two sites in the southeast quadrant of the interchange of U.S. Highway 63 and County Highway M, on the south side of Moberly. One site is owned by MAEDC, and an adjacent site is owned by the City of Moberly. Both are large enough to support hotel development. The second site area is on the north side of Moberly at the interchange of U.S. Highways 63 and 24. Located in the northwest quadrant is a 21-acre parcel owned by two local businessmen. We recommend hotel development on the north side of Moberly; our rationale is provided in the Site Analysis section of this report.

- The proposed 70-room hotel is recommended to be a limited-service hotel that is recommended to offer a mix of guest rooms including standard king and double queen rooms, suites, and a few extended-stay suites. Facilities and amenities are recommended to include complimentary breakfast, expanded bar/lounge, indoor pool, and fitness center. It is strongly recommended that the proposed hotel be affiliated with a national franchise, which is discussed in a separate letter. A standalone restaurant is recommended to be built within the development. It was made clear during our demand surveys and our discussions with local officials that Moberly is in need of a sit-down restaurant and bar.

- It is recommended discussions take place with local financing institutions and potential local investors to finance the hotel. The project will require city incentives, which we have discussed briefly with city officials. It is recommended that an outside third-party management company be in place to manage the hotel.

- At the present time, lodging available in Moberly include two franchised hotels, the 63-room Comfort Inn & Suites, and the 59-room Super 8. The Comfort Inn & Suites is an upper midscale brand with Choice Hotels; the hotel originally opened in 2003 and converted to its current brand in 2014. The Super 8 is an economy property under the Wyndham Hotels umbrella and opened in 1981.

- In Columbia, there are 36 lodging properties with nearly 3,800 hotel rooms, 31 of which are affiliated with national hotel companies. Most of our demand surveys indicated they were staying in Columbia for reasons that included the large selection of hotel brands (for loyalty points/rewards), availability of rooms, and proximity to support amenities such as restaurants, retail, and entertainment. The downside to staying in Columbia from the surveys is that it is a 30-minute drive from Moberly.

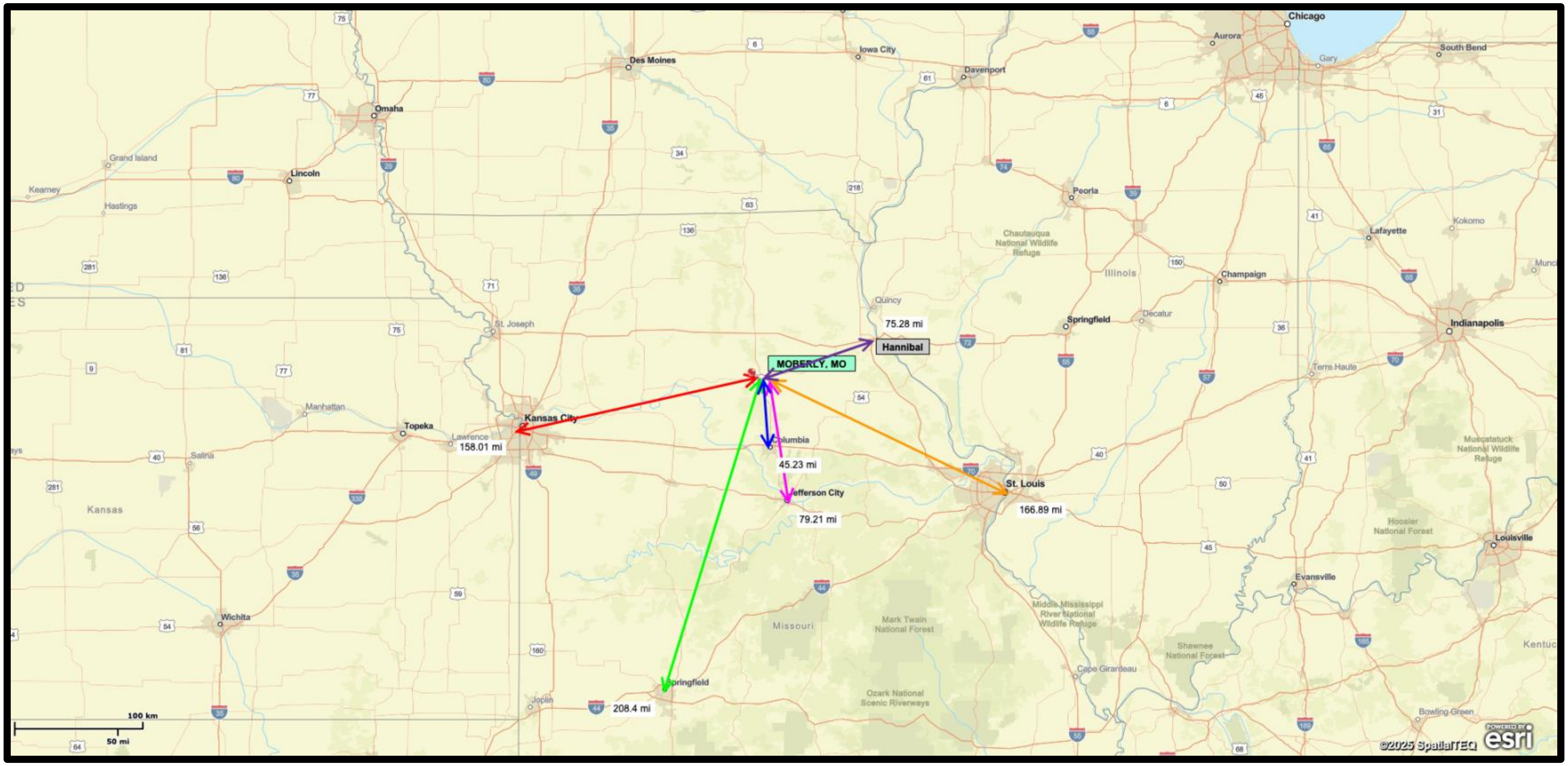
- To better understand the performance of the lodging properties in the greater market area, we chose a competitive set that included eight hotels with 729 rooms. The properties included the Comfort Inn & Suites Moberly, Comfort Inn & Suites Macon, and six hotels in Columbia – the Hilton Garden Inn, Hampton Inn, Fairfield Inn & Suites, Best Western Plus, Country Inn & Suites, and Wingate by Wyndham. We did not include the Super 8 Moberly due to its lower rate structure that captures the more price conscious traveler and contract work that seeks more heavily discounted and negotiated rates.

- According to STR, these eight hotels were estimated to achieve occupancy of 68.0 percent in 2024 with an ADR of $120.68 and RevPAR of $82.01. This competitive set is heavily weighted toward the hotels in Columbia, with six of the eight properties located there. However, this comp set provides an indication of weekday/weekend demand and the visitation trends over the past eight years in this greater market area.

- The short-term rental housing market, primarily driven by Airbnb and Vrbo rental channels, offers 34 listings with 22 active listings in Moberly as of May 2025, according to the research firm AirDNA. The majority (79 percent) are rentals of entire homes versus 21 percent are private room rentals. Over the past twelve months (June 2024 to May 2025), occupancy was estimated to average 45 percent, ADR was estimated to average $137.74, and RevPAR was $61.73. The availability of short-term rentals in Moberly has grown 22.0 percent over the past three years.

A map of Moberly’s location within the region (Columbia, Jefferson City, St. Louis, Kansas City, Springfield, and Hannibal/MO/IL state line) follows (**stated distances are not to scale**).

MOBERLY, MISSOURI
(distances not to scale)



EXECUTIVE SUMMARY cont'd

Proposed Hotel:	To Be Determined
Number of Rooms:	70
Opening Date:	January 2028
Occupancy (Stabilized):	68%
ADR (2025 dollars):	$125.00
Stabilized Year:	2031

Site Evaluation:

Access:	Very Good
Visibility:	Very Good
Proximity to Demand:	Very Good
Support Amenities:	Very Good
Competitive Position:	Very Good

Competitive Lodging Market Summary:

Comfort Inn & Suites Moberly	63 Rooms
Comfort Inn & Suites Macon	64
Hilton Garden Inn Columbia	151
Hampton Inn Columbia	120
Fairfield Inn & Suites Columbia	91
Best Western Plus Columbia	76
Country Inn & Suites Columbia	85
Wingate by Wyndham Columbia	81
Total Number of Rooms	729

Competitive Market Performance (STR)	Occup.	ADR	RevPAR
Year-End 2017	66.7%	$101.94	$67.99
Year-End 2018	63.9%	$98.69	$63.04
Year-End 2019	61.3%	$98.13	$60.11
Year-End 2020	42.7%	$86.68	$37.05
Year-End 2021	60.9%	$100.46	$61.15
Year-End 2022	65.8%	$113.34	$74.54
Year-End 2023	65.8%	$119.95	$78.87
Year-End 2024	68.0%	$120.68	$82.01
YTD May 2024	64.5%	$118.69	$76.52
YTD May 2025	67.2%	$124.63	$83.76

Source: STR

Projections – Proposed 70-Room Limited-Service Hotel
Moberly, Missouri

Year	Occupancy	ADR	RevPAR
2028*	58.0%	$136.60	$79.23
2029	63.0	140.70	88.64
2030	66.0	144.90	95.63
2031	68.0	149.30	101.52
2032	68.0	153.70	104.52

**Estimated opening January 2028*

Source: Patek Hospitality Consultants, Inc.

HOTEL INDUSTRY OUTLOOK

STR and Tourism Economics

Two months after downgrading the U.S. Hotel Forecast in June 2025 at the NYU International Hospitality Investment Forum, CoStar and Tourism Economics further downgraded growth projections in a revised 2025-2026 U.S. hotel forecast released in August at the 17th Annual Hotel Data Conference in Nashville. Given continued underperformance and elevated macroeconomic concerns, forecasted growth were lowered across the top-line metrics: demand (-0.6 percentage points), average daily rate (ADR) (-0.5 percentage points), and revenue per available room (RevPAR) (-1.1 percentage points). Similar adjustments were made for 2026.

US Hotel Forecast, Year-over-Year (YoY) Percent Change

Metric	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast
Occupancy	63.0%	63.0%	62.5%	62.3%
ADR Change	4.3%	1.8%	0.8%	1.0%
RevPAR Change	5.0%	1.9%	(0.1%)	0.8%
Supply	0.2%	0.5%	0.8%	0.8%
Demand	0.9%	0.5%	(0.1%)	0.6%

Source: CoStar, Tourism Economics August 2025

According to Amanda Hite, STR president, "it's going to be some of the worst performance we've had in several years now. The bulk of the growth occurred in the first half of this year and the next six months are going to be rocky". Unrelenting uncertainty and inflation, coupled with tough calendar comps and changing travel patterns, have caused lower demand. As the year as gone on, rate growth has converged closer with demand. Little change is expected in the economic outlook over the next 18 months, but optimism will prevail once trade talks have concluded and the impact of the budget reconciliation bill comes to fruition, hotel performance will recover.

According to Aran Ryan, Director of Industry Studies at Tourism Economics, the slowing U.S. economy should absorb the effects of tariffs without tipping into a recession. The current environment-characterized by slowing consumer spending, reduced business capital spending, and declining international visitation- will transition to one boosted moderately by tax cuts, and less policy uncertainty as we look to 2026. While the GOP (Gross Operating Profit per available room) forecast remains unchanged from the previous revision, GOP margins were revised down 0.3 percentage points for 2025 and 2.3 percentage points for 2026, mainly due to potential increases in expenses, particularly food and beverage.

CBRE

As of May 16, 2025, CBRE forecasted a 1.3 percent increase in RevPAR (revenue per available room) in 2025, while ADR is estimated to increase 1.2 percent and occupancy to improve 14 basis points. These latest figures represent slightly softer growth than CBRE anticipated in their February 2025 forecast where they showed 2.0 percent growth in RevPAR, a 1.6 percent growth in ADR, and a 21-bps boost in occupancy rate.

CBRE estimates a 1.4 percent GDP growth rate and average inflation of 2.9 percent for 2025 (as compared to 2.4 percent and 2.5 percent, respectively in the February forecast). There is typically a strong correlation between GDP and RevPAR growth, therefore, the relative strength of the economy will directly impact the lodging industry's performance. CBRE's head of hotel research and data analytics, economic and geopolitical uncertainties aside, several factors will drive RevPAR growth in 2025 including an uptick in group and business travel, a weaker U.S. dollar and lower airfares, which may encourage domestic travelers to stay closer to home.

CBRE expects restrained supply growth due to higher financing and construction costs, and a tight labor market, averaging 0.8 percent over the next four years. Potential additional tariffs, labor shortages, or the Fed pulling back on further interest rates could temper supply growth even more, enhancing pricing leverage and elevating replacement costs for existing assets. Challenges continue to be weakening consumer spending and increased competition from short-term rentals, cruise lines, and other lodging alternatives pose downside risks.

It should be noted that these forecasts and the comments herein by STR/CoStar, Tourism Economics, and CBRE reflect a national hotel industry outlook, which may not necessarily reflect trends in the local market. The data is provided for informational purposes regarding current trends in the hotel industry.

Hotel Development and Financing of Hotels in Today's Marketplace

Interest rates continue to be a challenge for hotel development. The Federal Open Market Committee cut rates twice in 2024, by 50 basis points in September and another 25 basis points in December. In March 2025, the Committee lowered its full-year 2025 GDP growth expectation to 1.7 percent, down from the 2.1 percent forecast in December. This will likely have an impact not only on hotel development but could also impact consumer's spending on travel. The interest rate environment still isn't conducive to dealmaking and new construction according to CoStar as it relates to the hotel industry. Tourism Economics believes that the Fed is in a tough spot, as there is a desire to lower interest rates to help stimulate a slower economy, but inflation remains higher than desired. In June 2025, the Fed opted to hold the federal funds rate steady at 4.25%-4.50%.

Adding to the financing challenges are continued labor shortages, which were exacerbated during the pandemic and resulted in rising labor costs, still high construction costs, and more recently, higher insurance premiums that are impacting the bottom line. Developers have been forced to postpone projects or explore alternative ways to raise capital. However, hotel projects are getting developed but are taking longer to come to fruition and require an experienced team that have the relationships to get a project developed. City incentives are an important topic of conversation for hotel development going forward.

PROJECT CONCEPT AND RECOMMENDATIONS

The proposed three– to four-story, 70-room limited-service hotel is recommended to be an upper midscale concept.

A limited-service hotel is defined as a hotel without a restaurant, room-service, and banquet facilities. Typical facilities and amenities offered in this type of hotel include a wide range of amenities such as complimentary breakfast, a business center, fitness room, guest laundry, market pantry, an indoor or outdoor pool, whirlpool, a small meeting room, and 24-hour front desk. Limited-service hotels typically have lower operating costs because they don't offer the food and beverage outlets or banquet facilities. Because limited-service hotels do not offer a restaurant, it is important to be near dining establishments, which is why we would recommend a free-standing restaurant within the overall development plan.

The proposed hotel should include a mix of double queen and king standard guest rooms. There were only a few companies in our 17 demand surveys that had a need for extended-stay suites that offer a full kitchen and larger space. There are a few hotel companies that will include extended-stay suites with standard guest rooms in their limited-service hotel concept; however, most companies have brands that offer either standard or extended-stay brands. It is our opinion that three to four extended-stay suites could be supported in Moberly and if possible, should be incorporated into the proposed hotel.

Recommended Guest Room Configuration
Proposed Hotel – Moberly, Missouri

Type of Room	Number of Rooms	Percent of Total Rooms
King	34	48.0%
Double Queen	32	46.0
Extended-Stay Suite	4	6.0
Total	70	100.0%

Source: Patek Hospitality Consultants, Inc.

All standard guest rooms should include a small microwave/refrigerator, coffee maker, iron and ironing board, desk with ergonomic chair, wall-mounted television with premium channels, telephone with voice mail, multiple USB ports, hair dryer, and wall mounted premium bath products in the shower. A sleeper sofa should be considered for the king rooms. The extended-stay suites would be fully equipped with a refrigerator, microwave, cooktop, dishwasher, a set of dishes, glassware, and eating and cooking utensils. The extended-stay suites could be a mix of double queen and king rooms, that should include a sleeper sofa.

Facilities and amenities for the hotel should include a complimentary hot breakfast, expanded wine and beer bar, indoor pool, fitness room, and back of the house typical for a limited-service hotel. A boardroom and meeting room for 30 people is also recommended. Surface parking would be provided, with a drop-off/check-in area at the front entrance.

The desire for a free-standing restaurant was mentioned in most of our demand surveys. Our discussion with the landowner of the recommended site indicated at least one restaurant would be developed as part of the mixed-use development of the 21 acres. A full-service, sit-down restaurant with a bar is most needed in Moberly, according to many individuals we spoke with during our research. This restaurant could be developed by an existing operator or franchised through a national chain.

SITE ANALYSIS

We were asked to review two different site areas within Moberly and make a recommendation on the most appropriate site for hotel development. There are two sites in the southeast quadrant of the interchange of U.S. Highway 63 and County Highway M, on the south side of Moberly. One site is owned by MAEDC, and an adjacent site is owned by the City of Moberly. Both are large enough to support hotel development. The second site area is on the north side of Moberly at the interchange of U.S. Highways 63 and 24. Located in the northwest quadrant is a 21-acre parcel owned by two local businessmen.

The sites on the south side of Moberly are between Hirst Drive and Over Center. MAEDC owns a six-acre site, and the City of Moberly owns a two-acre site across from each other. Both sites would be large enough for hotel development. Both sites are flat, offer very good access and visibility, and are proximate to small businesses, as well as Bomgaars corporate headquarters and distribution center and Mid-Am Supply. What is lacking in this area are support amenities such as dining establishments.

The recommended site is a 21-acre parcel in the northwest quadrant of U.S. Highways 63 and 24 that is owned by two local businessmen, who also own other real estate in Moberly. A preliminary site plan (completed in July 2023) of the 21 acres is shown on the following page, that includes a hotel and commercial and residential development, although after our discussions with the landowners, the plan could change depending on what the market's needs are going forward.

Referred to as Silva Lane Development, the property is 0.3 miles north of U.S. Highway 24 via Silva Lane, just west of U.S. Highway 63. Along Silva Lane is Wendy's, KFC; D'Abolengo Mexican Restaurant; Century 21; North Village Park Rehabilitation; Moberly apartments; and Surgery Center Northcentral Missouri. As Silva Lane turns west where the 21-acre parcel begins, the road eventually dead ends at the entrance to Country Villa apartments, a 55+ and disabled housing community. U.S. Highway 63 forms the eastern border of the site.

Silva Lane currently dead ends, however, we were told by several individuals, including the City of Moberly, that Silva Lane could be extended to Morley Street (Business 63) to the west, which is the main north/south thoroughfare in Moberly, and which travels south to downtown Moberly. Morley Street could also become an alternate route from U.S. Highway 63 from the north. Business 63 is a full interchange with U.S. Highway 63 where guests would exit and travel south for about 0.5 miles to where Silva Lane would intersect with Morley Street and turn east to the site. This extension to Morley Street is highly recommended, as U.S. Highway 24 is a well-traveled thoroughfare.

The interchange of U.S. Highways 63 and 24 is the primary commercial route into Moberly and has been well developed with commercial development including dining establishments, gas service stations, retail development, and lodging. The interchange is developed as follows:

- NWQ – location of proposed hotel site and other development described above
- SWQ – Arby's; Phillips 66 service station; Comfort Inn & Suites; retail strip center; Super 8
- NEQ – Wal-Mart SuperCenter; Wal-Mart Distribution Center; retail development
- SEQ – Closed Moberly Inn & Suites; strip centers; Lowe's

Criteria that we review regarding potential sites for hotel development include access, visibility, proximity to demand generators and support amenities, and advantages/disadvantages of the proposed site compared to the competition.

Access

Access to the hotel from either direction on U.S. Highway 63 would be to exit at U.S. Highway 24 and travel west a short distance to Silva Lane. The road sign for Silva Lane is not well marked, and it would be easy to miss. It is recommended that some kind of signage directing guests to the hotel be placed along U.S. Highway 24 if possible. Once guests are on Silva Lane, they would only have to travel 0.3 miles north to the site. An alternate route was discussed above, and this route would be most feasible if Silva Lane is extended west to Morley Street.

Visibility

Visibility of the proposed hotel would be very good from U.S. Highway 63 and once guests turn on Silva Lane, the three- to four-story hotel would be visible. With GPS systems today, visibility of a hotel is not as critical as it once was.

Proximity to Demand Generators

The proposed hotel will be located near two of the larger companies in Moberly, the Wal-Mart Distribution Center to the east and JBS (Swift) to the west. U.S. Highway 24 is a main thoroughfare through Moberly and provides convenient access from throughout the community. Downtown Moberly is approximately 1.5 miles south of the proposed site via U.S. Highway 24 and Business 63. The Moberly Regional Medical Center is 1.4 miles south along West Outer Road, that runs parallel with U.S. Highway 63. The Moberly Area Community College is about 2.5 miles southwest of the proposed site, which is very near Rothwell Park, Rothwell Lake, Moberly Aquatic Center, and Howard Hils Athletic Complex.

Proximity to Support Amenities

The proposed site is close to a variety of dining establishments, many of which are fast food. More dining options are in downtown Moberly, which is a relatively easy drive from the site. It is recommended that a full-service, sit-down restaurant be incorporated into the Silva Lane Development. This was further corroborated in our demand surveys. A variety of retail options are proximate to the site, including grocery and gas service stations.

Conclusion

It is our opinion the proposed hotel would be well positioned in the Silva Lane development to attract both corporate and leisure guests. All four of the criteria that we rate are considered very good for the proposed location. We should add that U.S. Highway 24 is a well-traveled thoroughfare; making left turns is aided however by a median that allows left turns.

Pictures of the proposed site is followed by two maps. The first map shows the layout of the Silva Lane Development. As mentioned, the plans as to how these 21 acres ultimately get developed could change from what is shown. The second map shows the proposed site area and potential demand generators within Moberly.

Site looking northeast toward U.S. Highway 63

Site looking east toward U.S. Highway 63 off-ramp

Conceptual Design for

Silva Lane Development

Moberly, Randolph County, Missouri
July 2023

ALTERNATE RESIDENTIAL

SCALE: 1" = 80'

Site Information:

Property Address:		Silva Lane Moberly, MO 65270
Property Owner Info:		
Code in Effect:		IBC 2021, City of Moberly
Lot Area:		± 21 Acres
Zoning:	Current:	R-3 Multifamily Dwelling District B-3 General Commercial District
	Proposed:	B-3 Planned Development
Intensity of Use Regulations:		
	Minimum Lot Areas:	6,000 sq.ft. (0.14 acre)
	Minimum Lot Width:	60ft
	Lot Coverage:	None
	Height:	50ft
Setbacks:		
	Front Yard:	30ft
	Side Yard:	5ft when abutting Residential, otherwise None
	Rear Yard:	15ft when abutting Residential, otherwise None

Lot & Building Information:

Lot 1:	+/- 3.0 Acres, Commercial 3-Story Hotel Building, 60 / 80 Rooms 12,000 SF per Floor, Sprinklered
Allowable Height & Area:	Type 5B: 3 Stories (60 feet); 21,000 SF
Lot 2:	+/- 1.5 Acres, Commercial 1-Story Restaurant / Retail / Business; 5,000 SF
Allowable Height & Area:	Type 5B: 1 Story (40 feet); 6,000 SF
Lot 3:	+/- 1.5 Acres, Commercial 1-Story Restaurant / Retail / Business; 5,000 SF
Allowable Height & Area:	Type 5B: 1 Story (40 feet); 6,000 SF
Lot 4:	+/- 1.6 Acres, Commercial 1-Story Restaurant / Retail / Business; 5,000 SF
Allowable Height & Area:	Type 5B: 1 Story (40 feet); 6,000 SF
Lot 5:	+/- 0.6 Acres, Greenspace / Stormwater Control
Lot 6:	+/- 6.6 Acres, Commercial
6A:	Single-Story Retail / Business; 12,000 SF
Allowable Height & Area:	Type 5B: 1 Story (40 feet); 9,000 SF + 75% Type 2B: 2 Stories (55 feet); 23,000 SF + 75%
6B & 6C:	1-Story Retail / Business / Storage; 12,000 SF
Allowable Height & Area:	Type 5B: 1 Story (40 feet); 9,000 SF + 75% Type 2B: 2 Stories (55 feet); 23,000 SF + 75%
Lot 10:	+/- 7.3 Acres, 17 Lot Residential Subdivision Alt: 14 Lot Two-Family Residential (28 Units)

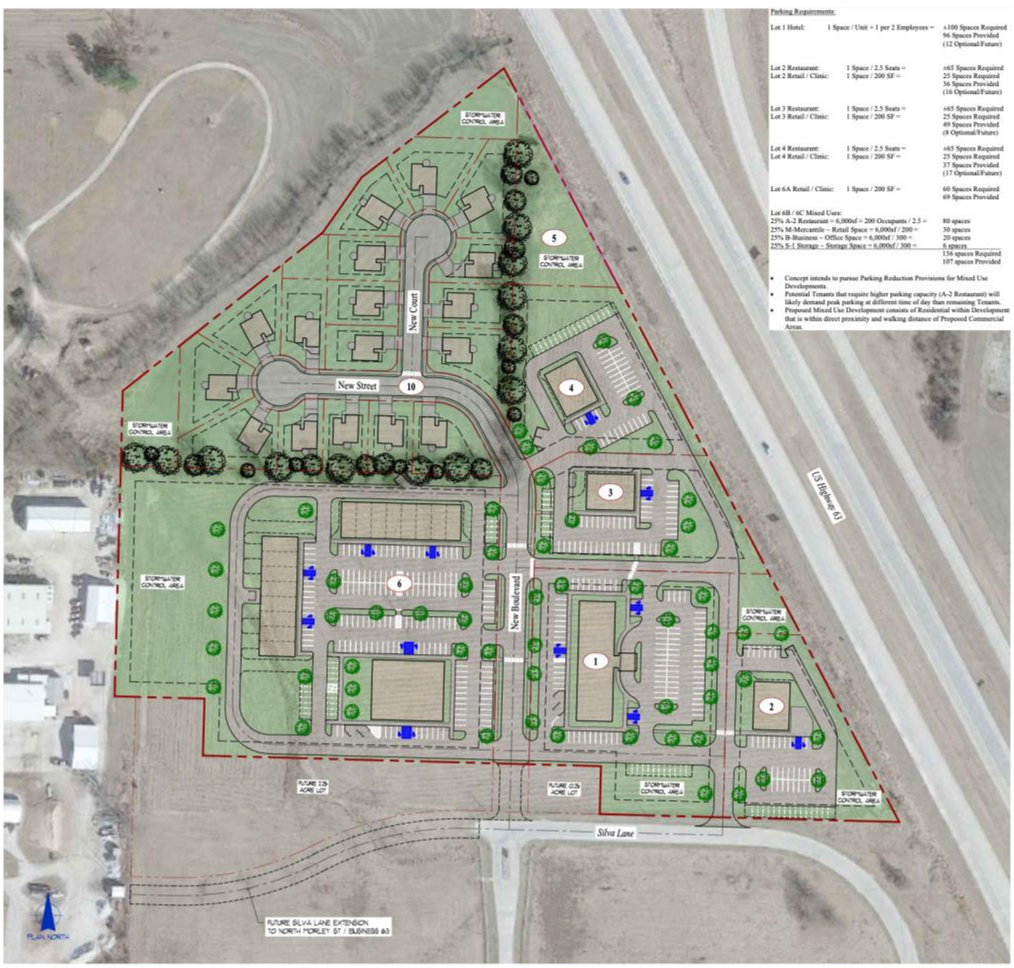
Parking Requirements:

Lot 1 Hotel:	1 Space / Unit + 1 per 2 Employees =	±100 Spaces Required 96 Spaces Provided (12 Optional/Future)
Lot 2 Restaurant: Lot 2 Retail / Clinic:	1 Space / 2.5 Seats = 1 Space / 200 SF =	±65 Spaces Required 25 Spaces Required 36 Spaces Provided (16 Optional/Future)
Lot 3 Restaurant: Lot 3 Retail / Clinic:	1 Space / 2.5 Seats = 1 Space / 200 SF =	±65 Spaces Required 25 Spaces Required 49 Spaces Provided (8 Optional/Future)
Lot 4 Restaurant: Lot 4 Retail / Clinic:	1 Space / 2.5 Seats = 1 Space / 200 SF =	±65 Spaces Required 25 Spaces Required 37 Spaces Provided (17 Optional/Future)
Lot 6A Retail / Clinic:	1 Space / 200 SF =	60 Spaces Required 69 Spaces Provided

Lot 6B / 6C Mixed Uses:

25% A-2 Restaurant = 6,000sf = 200 Occupants / 2.5 =	80 spaces
25% M-Mercantile – Retail Space = 6,000sf / 200 =	30 spaces
25% B-Business – Office Space = 6,000sf / 300 =	20 spaces
25% S-1 Storage – Storage Space = 6,000sf / 300 =	6 spaces
	136 spaces Required 107 spaces Provided

- Concept intends to pursue Parking Reduction Provisions for Mixed Use Developments.
- Potential Tenants that require higher parking capacity (A-2 Restaurant) will likely demand peak parking at different time of day than remaining Tenants.
- Proposed Mixed Use Development consists of Residential within Development that is within direct proximity and walking distance of Proposed Commercial Areas.

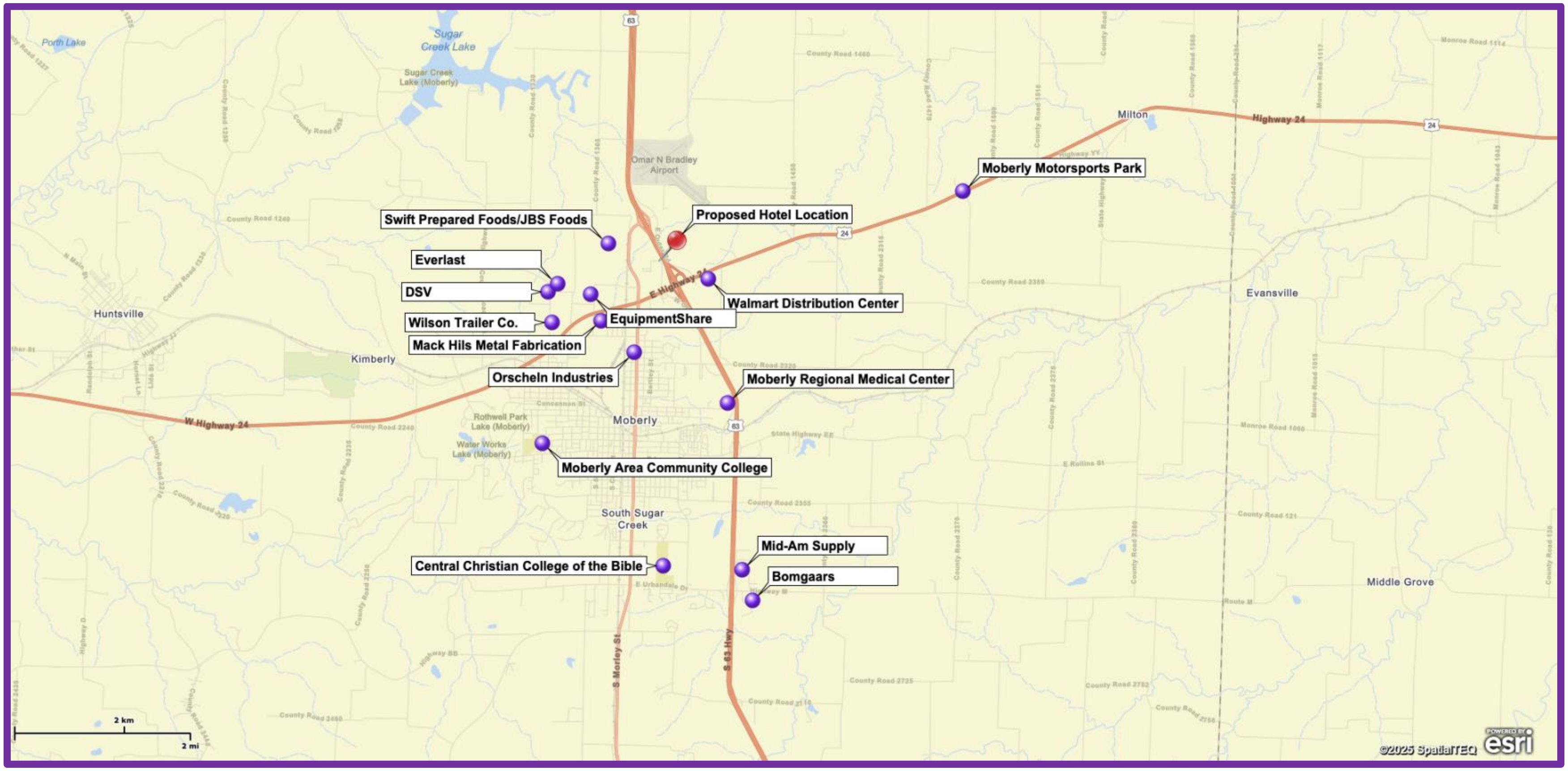


CONCEPTUAL SITE PLAN

SCALE: 1" = 80'

THIS DRAWING IN NO WAY REPRESENTS A FULL ARCHITECTURAL AND/OR ENGINEERING SERVICE.
THIS DRAWING IS FOR REFERENCE ONLY AND TO BE USED AS A GUIDE IN THE DESIGN/DEVELOPMENT PROCESS

PROPOSED HOTEL
POTENTIAL DEMAND GENERATORS
MOBERLY, MISSOURI



MARKET AND ECONOMIC OVERVIEW

Moberly and Randolph County

The City of Moberly is in southeast Randolph County with Randolph County positioned in the northern portion of the state of Missouri. Moberly is the largest city in the county and Huntsville is the county seat. Moberly and Randolph County are part of the Columbia Metropolitan Area, and the nine-county Columbia-Jefferson City-Moberly combined statistical area that has 415,747 residents as of the 2020 census. Columbia, the fastest growing city in the state of Missouri, is about 30 minutes south of Moberly via U.S. Highway 63.

Moberly is approximately 66 miles north of Jefferson City, the capitol of Missouri; 197 miles north of Springfield; 157 miles northwest of St. Louis; 131 miles east of Kansas City; and 70 miles southwest of Hannibal, MO/Mississippi River/Illinois state line.

Moberly is known as the "Magic City' due to its rapid growth as a railroad hub in the late 19^{th} century. The railroad's history stems from its rapid growth as a railroad town after the Civil War. The North Missouri Railroad (later part of the Wabash Railroad) established a junction here in 1866, which led to rapid development and attracted businesses and residents.

It is also known for being the birthplace of General Omar Bradly, a key figure in World War II, with a statue honoring him in the city. Moberly is also home to the founding store of Westlake Ace Hardware, which grew to become the largest Ace Hardware franchisee in the nation. When Westlake transitioned, it was acquired by Ace Hardware Corporate and remains a corporate-owned brand today, an important part of Ace's network. Orscheln Industries was founded in Moberly and continues to have a large presence in the community.

The largest employers in Moberly include Wal-Mart Distribution Center, Orscheln Industries, and Swift Prepared Foods/JBS Foods.

Columbia, Missouri

Moberly and Randolph County are part of the Columbia MSA. Columbia is a regional hub for employment, healthcare, shopping, dining, and entertainment. Columbia is the county seat of Boone County and is known as a college town with the University of Missouri's main campus here. Originally known as an agricultural town, education and healthcare are now Columbia's primary economic concerns, with secondary interests in the insurance, finance, and technology sectors. The top employers include the University of Missouri, MU Healthcare, Columbia Public Schools, Veterans United Home Loans, Harry S. Truman Memorial Veteran's Hospital, Boone Health, and Shelter Insurance to name a few.

Local attractions such as the Columbia Mall, Stephens Lake Park, Cosmo Park, Rock Bridge Memorial State Park, The Blue Note, and the University are some of the reasons that visitors travel to Columbia.

Demographics and Employment Trends

Although there is no correlation between the size of an area's population and its level of transient visitation, historical and projected population trends often reflect the economic climate of a locale. Population trends for the cities of Moberly and Columbia, Randolph County, and the State of Missouri are presented in the following table.

Population Estimates

Community	April 2010 Census	April 2020 Census	July 1, 2024, Estimate	% Change 2010-2020	2023 $ Median HH Income
City of Moberly	**13,974**	**13,783**	**13,337**	**(1.4%)**	**$43,231**
City of Columbia	108,500	126,254	130,900	16.4%	$64,488
Randolph County	25,414	24,716	24,077	(2.7%)	$55,310
State of Missouri	5,988,927	6,154,913	6,245,466	2.8%	$68,920

Source: US Census Bureau

Randolph County is comprised of five cities, three villages, and 13 unincorporated communities.

The labor force estimates for Randolph County, the state of Missouri, and the Columbia Metropolitan Statistical Area (MSA) for the month of May 2023-2025 is presented in the table on the following page. The Columbia MSA is comprised of Boone, Audrain, **Randolph**, Cooper, and Howard counties and is centered around the city of Columbia in Boone County.

Labor Force Estimates
Randolph County, State of Missouri, and Columbia MSA
Month of May 2023-2025

Area	Labor Force	Employed	Unemployed	Unemployment Rate
May 2023				
Randolph County	11,238	10,899	339	3.0%
State of MO	3,105,878	3,009,747	96,131	3.1%
Columbia MSA	112,833	109,908	2,925	2.6%
May 2024				
Randolph County	10,882	10,474	408	3.7%
State of MO	3,139,984	3,022,340	117,644	3.7%
Columbia MSA	112,733	109,041	3,692	3.3%
May 2025				
Randolph County	11,022	10,605	417	3.8%
State of MO	3,164,224	3,041,489	122,735	3.9%
Columbia MSA	114,251	110,386	3,865	3.4%

Source: Missouri Economic Research and Information Center

The Quarterly Census of Employment for Randolph County for year-end 2024 is presented in the following table.

Quarterly Census of Employment
Average Monthly Employment – Year-End 2024
Randolph County, Missouri

	Year-End 2024	
Industry	**Average Employment**	**Percent of Total**
Trade, Transportation, Utilities	2,489	34.4%
Education & Health Services	1,288	17.8
Manufacturing	1,205	16.6
Leisure & Hospitality	665	9.2
Professional & Business Services	501	6.9
Financial Activities	448	6.2
Construction	259	3.6
Other Services	183	2.5
Natural Resources & Mining	141	1.9
Information	59	0.8
Public Administration	NA	--
Total	7,238	100.0%

Numbers may not add due to rounding
NA – Not Available
Source: Missouri Economic Research and Information Center

The top three industries, Trade/Transportation/Utilities, Education & Health Services, and Manufacturing account for nearly 70 percent of the employment in Randolph County.

The largest employers in Moberly with more than 40 employees are as follows:

Largest Employers
Moberly, Missouri

Employer	Number of Employees
Wal-Mart DC	458
Orscheln Industries	430
Swift Prepared Foods/JBS Foods	343
DSV	300-400
Moberly Regional Medical Center	250-300
Bomgaars	227
Mid-Am Supply	200
Moberly Area Community College	175
Wilson Trailer Co.	143
Central Christian College of the Bible	80
Mack Hils Metal Fabrication	78
Everlast	67
EquipmentShare	42

Source: MAEDC; numbers from Fall 2024

Transportation

Highways

Moberly is served by U.S. Highway 63 on the east as a bypass. The old Highway 63 is designated as both Business 63 and Morley Street and goes through the city. U.S. Highway 63 is a 1,286-mile, north/south U.S. highway, mostly in the Midwestern and Southern United States. The northern terminus is west of Ashland, Wisconsin and the southern terminus is in Ruston, Louisiana. In Moberly, U.S. 63 intersects with U.S. Highway 24, an east/west route that travels for approximately 1,564 miles between Independence Township in Michigan to near Minturn, Colorado. U.S. 24 is one of the original US numbered highways of 1926. Route M travels on the south side of Moberly.

Air

The Omar Bradley Airport in Moberly is on the north side of Moberly and owned by the City of Moberly. There are currently more than 12 hangars, with another ten more being built. One hangar can hold six to seven planes. There are currently about 40 aircraft based at this airport. Jet service is provided 33 miles south at the Columbia Regional Airport.

St. Louis Lambert International Airport is the largest and busiest in the state of Missouri. In 2024, 15.9 million passengers traveled through this airport, located 15 miles northwest of downtown St. Louis and about 150 miles southeast of Moberly. The Kansas City International Airport is located about 15 miles northwest of downtown Kansas City and about 130 miles west of Moberly. In 2024, about 12.1 million passengers traveled through this airport.

Rail

The Norfolk Southern Railway serves Moberly running west to Kansas City and east toward Hannibal and points further. Norfolk Southern also runs south to St. Louis. Moberly is home to one of Norfolk Southern's many rail yards.

Economic Development

Discussions with city officials provided some insight into the economy and economic development in Moberly.

- Between three attraction and expansion companies, job growth is estimated to increase by 250+ jobs over the foreseeable future.

- There are several distribution/warehouse companies in Moberly, with the Wal-Mart Distribution Center being the largest one. There is a significant need for a large truck stop to accommodate the semi-trucks that come through the city. Some discussion regarding this need has taken place, however it does not appear that development is imminent.

- The City of Moberly is estimated to open three lodging units in mid-July 2025 at the Omar Bradley Airport in Moberly. This project is mainly being developed for housing for pilots, who currently travel to Columbia to stay or will fly into Columbia because of the lodging that is available there. The building is two stories and will house two units upstairs, of which one unit will offer a single queen bed, and the second unit will offer two queen beds. The downstairs unit will offer a king bed. All units will offer a microwave and mini fridge, walk-in showers, and will be new construction. Guests will have access to food and beverage offerings at the Airport. These units are considered short-term rentals; however, they will not be listed on platforms such as Airbnb or Vrbo, but rather through word-of-mouth and aviation materials. The units are designed and intended to accommodate guests associated with aviation such as pilots and not necessarily open to the public.

- Development of a second industrial park on the south side of Moberly is planned.

- The coal power plant in Randolph County will be undergoing a large renovation in summer 2026; the plant employs about 200 people.

- The 99-bed Moberly Regional Medical Center (MRMC) is owned by Community Health Systems, a large conglomerate of private hospitals. The hospital's economic impact in 2024 was estimated to be more than $38 million. In other healthcare news, Hannibal Regional Healthcare System has plans to build a new cancer center in Kirksville and it may be possible the healthcare system would consider Moberly in the future.

- Residential development continues to take place in Moberly. Lantern Pointe and Angels Landing subdivisions by E. Urbandale Development resulted in 98 units of multi-family duplex residences. Schnell Construction, LLC is developing the Dream Moore Falls Project on S. Williams Street. This project is expected to yield 193 units and is slated for mixed-use, including senior housing and multi-family units. The City of Moberly has supported private developers by selling condemned houses and lots to create affordable in-fill housing across the city. The city continues to be proactive in residential development and to increase accessibility of workforce housing.

- Starbucks broke ground in February 2025 on U.S. Highway 24. Those that we spoke with in the community are hopeful the opening of a Starbucks will pave the way for other national chains to consider Moberly for future development.

Tourism

Economic impact and visitor spending data for 2023 and 2024 for the state of Missouri and Randolph County is shown in the following table.

Tourism Data
State of Missouri and Randolph County
2023-2024

Year	Tourism Related Jobs	Tourism Related Sales	Percent Change	Visitor Volume	Percent Change	Total Economic Impact	Percent Change
State of Missouri							
2023	301,466	$11.9 billion	--	41.9 million	--	$19.9 billion	--
2024	308,000	$12.5 billion	5.1%	42.4 million	1.1%	$20.8 billion	4.5%
Randolph County							
2023	607	$38.3 million	--	69,300	--	$34.4 million	--
2024	625	$38.9 million	1.6%	70,500	1.7%	$36.0 million	4.7%

Source: Missouri Division of Tourism, Tourism Economics, MO Dept. of Labor, MO Dept. of Revenue

Moberly is known for its recreation and railroad heritage. Activities, events, and festivals include the following:

- **Rothwell Park** is a 465-acre park and is one of the largest municipal owned parks in the state. Located on the west side of Moberly, near the Moberly Area Community College, the park offers Thompson Campground, Rothwell Lake, Waterworks Lake, the Moberly Mini Train, two 18-hole disc golf courses, Omar Bradley War Memorial, the Moberly Aquatic Center, shelters, archery range, dog park, West 43 Wilderness Area, Howard Hils Athletic Complex, Amphitheater, and miles of paved and unpaved trails.
- **4th Street Theater** – built in 1913, it is one of the oldest vaudeville theaters in mid-Missouri
- **Randolph County Historical Society** – has artifacts from America's last five-star general, Omar Bradley

- **Railroad Museum & Caboose**
- **Depot Park and Fox Park –** both offer recreational activities
- **Heritage Hills Golf Course**
- **Howard Hils Athletic Complex** (in Rothwell Park) – offers eight baseball and softball fields, three multi-purpose fields, and batting cages
- **Moberly Mini Train** (in Rothwell Park) – this is a main attraction in the local parks system, which brings in about 6,000 visitors annually
- **Moberly Motorsports Park –** located on the east side of Moberly along U.S. Highway 24, car racing is held on a high-banked 4/10-mile clay oval; races are held every Tuesday, and the annual Weiner Nationals race is held Labor Day weekend.
- **HLR Motorsports –** this track is in Huntsville and features dirt bikes and ATVs
- **Some of the larger events** include Railroad Days (mid-June); Allen Train Robbery (September); Junk Junktion (September, 18,000 attendees); and Mid-MO Christmas Festival (December, 8,000 visitors and out-of-town vendors).

Meeting and Banquet Facilities

There are several facilities in Moberly that offer meeting and banquet facilities and are included below.

- **The Bierman Event Center & Lofts –** seats up to 100 people and offers two upstairs lofts for overnight guests.
- **Moberly Municipal Auditorium**
- **Moberly Area Community College (MACC)** offers a variety of spaces including the Activity Center, three conference facilities, and the Auditorium.
- **Paradise Park Event Center** - just outside of Moberly, the center offers a pavilion and indoor venue for up to 300 guests.
- **Emerson Fields –** this venue is about 16 miles north of Moberly. The facility is a 24-acre estate that offers five unique venues and indoor seating for up to 300 guests on a main floor and balcony level. The facility also offers the 2,000 square foot Emerson Suites that offers a full kitchen, dining area, three bedrooms, four full bathrooms, and washer/dryer; the suite can accommodate up to 14 guests.

The Moberly Area Chamber of Commerce provided lodging tax revenue. The lodging tax is currently 4.0 percent in Moberly, which is the maximum that can be charged per state regulations. The data is presented as a fiscal year, which begins July 1 through June 30 of the following year.

City of Moberly, Missouri
Non-Resident Lodging Tax

Fiscal Year	Revenue	Percent Change
2014-2015	$117,723	--%
2015-2016	113,352	(3.9)
2016-2017	106,919	(5.7)
2017-2018	118,630	11.0
2018-2019	104,886	(11.6)
2019-2020	94,289	(10.1)
2020-2021	103,242	9.5
2021-2020	103,458	0.2
2022-2023	112,044	8.3
2023-2024	126,632	13.0
2024-2025*	104,322	--

**Data provided to us by the Moberly Area Chamber of Commerce was as of 5/31/25 and does not include the month of June, therefore it does not reflect a complete year.*
Numbers have been rounded
Source: City of Moberly

SUPPLY AND DEMAND ANALYSIS – HOTELS AND ALTERNATIVE ACCOMMODATIONS

There are currently two branded lodging properties in Moberly, the 63-room Comfort Inn & Suites and the 59-room Super 8. The Comfort Inn & Suites is an upper midscale brand of Choice Hotels and would be a direct competitor to the proposed hotel. The Super 8 is an economy brand of Wyndham Hotels and we do not believe will compete with the proposed hotel due to its lower rate structure and market orientation toward the price conscious traveler and negotiated rates with contractors. These two hotels opened in 2003 and 1981, respectively.

Columbia is approximately 30 miles south of Moberly via U.S. Highway 63. According to STR, there are 36 lodging properties with nearly 3,800 rooms in Columbia. We are aware of three hotels either under construction or in the discussion stage in Columbia, which would add over 400 guest rooms to the market over the next two to three years.

Our demand surveys indicated that some of Moberly's businesses are utilizing the Comfort Inn & Suites, however, many of the surveys indicated that Columbia hotels are being utilized. A few of the surveys named specific hotels in Columbia, although many of the surveys just said, "Columbia hotels". For this study, we considered hotels located at the I-70 and U.S. Highway 63 interchange, as this would be the most convenient location for travelers traveling from Moberly. We counted 14 lodging properties at this interchange and chose six hotels based on the type of hotel (midscale to upscale class), product concept, brand affiliation (loyalty programs), and quality of product based on reviews, to include in our STR report. While we do not believe these properties will be direct competition to the proposed hotel, we included them in the STR report for two reasons – (1) we chose hotel brands/concepts that we believe would be the type of property that we would recommend for Moberly and (2) we needed a minimum of four hotels in the STR report per STR's requirements.

Our discussions during fieldwork and a couple of the surveys indicated rather than some companies traveling to Columbia, they will travel to Macon, about 30 miles north of Moberly and stay at the Comfort Inn & Suites in Macon. This hotel had very good reviews on the various booking platforms, and therefore, we included this hotel in the competitive set for those reasons.

In addition to hotels, we researched the short-term rental market, which includes lodging booked through Airbnb and Vrbo. The short-term rental market is not significant in Moberly, as compared to a large market like Columbia. As of May 2025, there were 22 active listings out of a total of 34 possible listings for the rental market; in addition, there are 11 short-term rental properties available for sale currently in Moberly.

The hotels that we included in the STR report are shown in the following table

Lodging Supply
Moberly, Missouri Greater Market Area

Hotel	Location	Parent Company	Class of Property	Number of Rooms	Year Open/Change
Comfort Inn & Suites	Moberly	Choice	Upper Midscale	63	2003/2014
Comfort Inn & Suites	Macon	Choice	Upper Midscale	64	2004
Hilton Garden Inn	Columbia	Hilton	Upscale	151	2006
Hampton Inn	Columbia	Hilton	Upper Midscale	120	1996
Fairfield Inn & Suites	Columbia	Marriott	Upper Midscale	91	2008
Best Western Plus	Columbia	Best Western	Upper Midscale	76	1998/2015
Country Inn & Suites	Columbia	Choice	Upper Midscale	85	2007
Wingate	Columbia	Wyndham	Midscale	81	2000
Total				729	

Source: Patek Hospitality Consultants, Inc. and STR

A property profile of the lodging properties available in Moberly, Macon, and Columbia is shown on the following two pages together with a location map.

MOBERLY, MISSOURI GREATER MARKET AREA
PROPOSED LIMITED-SERVICE HOTEL
COMPETITIVE PROPERTY PROFILE

	Comfort Inn & Suites	Comfort Inn & Suites	Hilton Garden Inn	Hampton Inn
Location	Moberly, W. Outer Rd.	Macon, N. Missouri St.	Columbia, Vandiver Dr.	Columbia, Clark Lane
# Of Rooms	63	64	151	120
Year Opened/Changed	2003/2014	2004	2006	1996
FACILITIES/AMENITIES				
Suites	yes	yes	yes	yes
Complimentary Breakfast	yes	yes	No	yes
Restaurant/Lounge	None	None	The Garden Grille & Bar	none
Meeting Space SF	none	4,000SF	12,638 SF	none
Other Features	Indoor pool, fitness, busines center, micro/fridge all rooms	Indoor pool, fitness, business center, Bus/truck parking, micro/fridge all rooms	Indoor pool, fitness, room-service, micro/fridge all rooms	Indoor pool, fitness, mini fridge all rooms
2025 Published Rates - 2 Queen Beds				
Weekday, July 2025	$138.00	$168.00	$154.00	$159.00
Weekday, September 2025	$148.00	$168.00	$180.00	$189.00
Weekend, October 2025	$139.00	$166.00	$189.00	$197.00

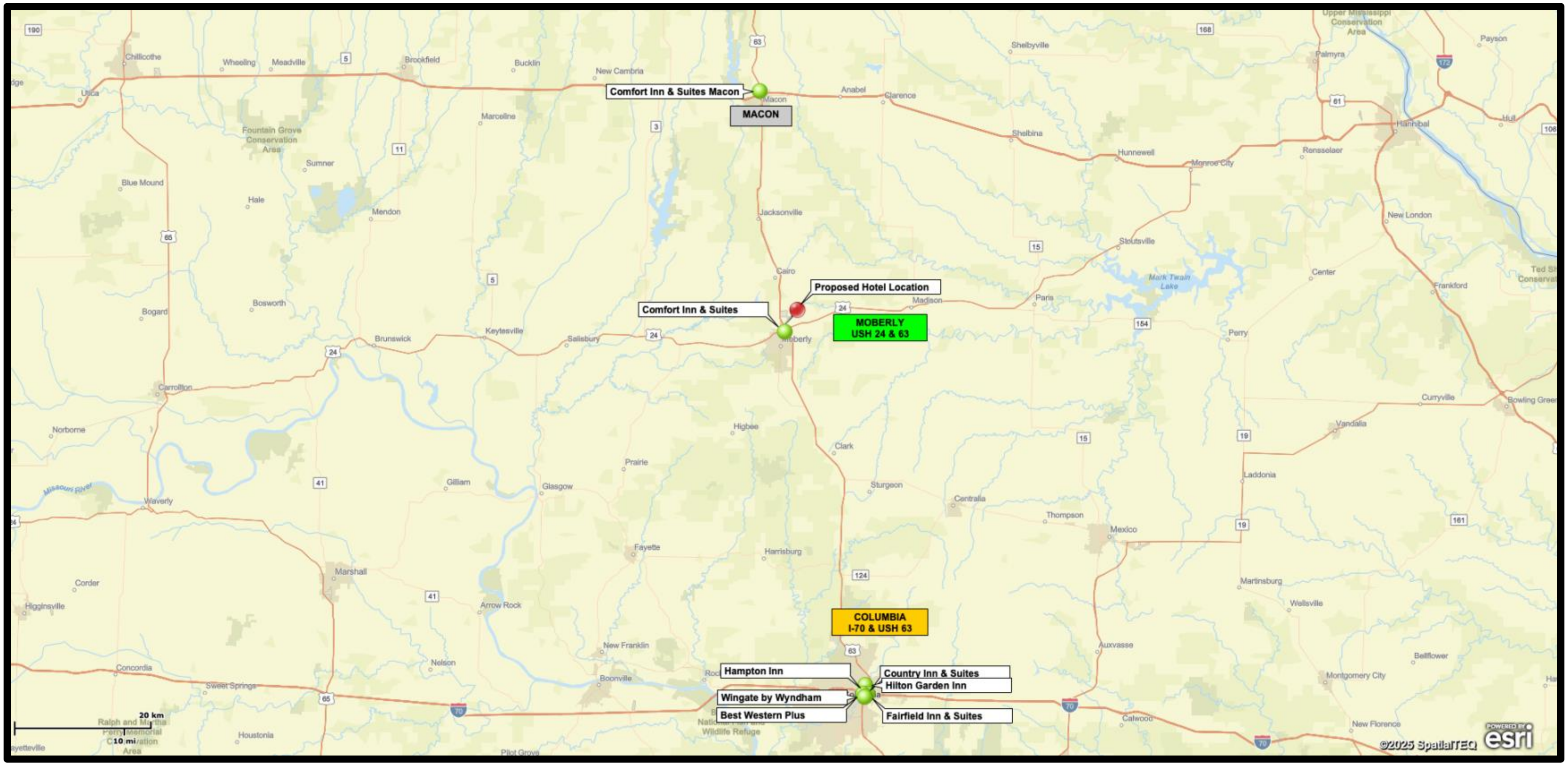
Note: Published rates as of Tuesday, July 1, 2025 for Tuesday, 7/15/25; Wednesday, 9/17/25, and Weekend 10/3-5/25
Source: Patek Hospitality Consultants, Inc. , Hotel Interviews, and Internet

MOBERLY, MISSOURI GREATER MARKET AREA
PROPOSED LIMITED-SERVICE HOTEL
COMPETITIVE PROPERTY PROFILE

	Fairfield Inn & Suites	Best Western Plus	Country Inn & Suites	Wingate by Wyndham
Location	Columbia, Woodland Springs	Columbia, Clark Lane	Columbia, N. Keene St.	Columbia, Wingate Ct.
# Of Rooms	91	76	85	81
Year Opened/Changed	2008	1998/2015	2007	2000
FACILITIES/AMENITIES				
Suites	yes	yes	yes	yes
Complimentary Breakfast	yes	yes	yes	yes
Restaurant/Lounge	none	none	none	none
Meeting Space SF	none	none	40 people	770 SF
Other Features	Indoor pool, fitness, micro/fridge all rooms,	Indoor pool, fitness, business center, micro/fridge all rooms	Indoor pool, fitness hot tub, bus. Center, micro/fridge all rooms	Indoor pool, fitness, business center, micro/fridge all rooms
2025 Published Rates - 2 Queen Beds				
Weekday, July 2025	$129.00	$80.00	$80.00	$121.00
Weekday, September 2025	$159.00	$80.00	$98.00	$163.00
Weekend, October 2025	$209.00	$119.00	$121.00	$169.00

Note: Published rates as of Tuesday, July 1, 2025 for Tuesday, 7/15/25; Wednesday, 9/17/25; and Weekend 10/3-5/25
Source: Patek Hospitality Consultants, Inc. , Hotel Interviews, and Internet

COMPETITIVE HOTEL SUPPLY
MOBERLY, MACON, AND COLUMBIA, MISSOURI



Additions to Supply

During our fieldwork, we did not learn of any other hotels proposed for Moberly. We did learn of a 131-room Tru by Hilton under construction near the Columbia Regional Airport. In addition, the Broadway Hotel, a Doubletree Hotel by Hilton expanded; the property added 80 rooms to bring its room count to 194 in May 2025.

Maybe more relevant to Moberly are two hotels and a convention center that have been discussed for Columbia across U.S. Highway 63 from the Menards and Bass Pro Shop off Vandiver Drive. In mid-May 2025, the Columbia city council approved zoning changes and land use plans for the Puri Group's proposed development. The project includes a 46,000 square foot convention facility with exhibit space, a ballroom, a 10,000 square foot outdoor patio, and multi-functional meeting spaces. In addition, two hotels are proposed, a Hyatt Place and Courtyard by Marriott. We believe both hotels would be about 150 guest rooms and could potentially open in 2027-2028. The location of these two hotels on the north side of Columbia, across U.S. Highway 63 from the existing 151-room Hilton Garden Inn and closer to Moberly, could give Moberly guests additional options to stay in Columbia, especially if a new hotel is not built in Moberly.

We did not include either of these hotels as additions to supply in our analysis. In general, we do not believe the Columbia hotels present direct competition to Moberly at the present time, but according to our demand surveys, visitors to Moberly are staying in Columbia because of the hotel options there, the dining and entertainment available, and the hotel product in Moberly not always meeting the guest's needs. Should a new hotel be built in Moberly with a quality product and recognized brand, together with a food and beverage option, we believe those visitors traveling to Columbia would rather stay in Moberly, closer to their place of business. With the addition of the convention center, we believe these two proposed hotels will become more group oriented and will compete with similar hotels that currently exist in Columbia, like the Hilton Garden Inn.

Based on the opening of the Subject 70-room hotel in January 2028, it is estimated a compound annual growth rate of 1.3 percent in supply will be realized between 2024 and 2031. On an annual basis, supply is estimated to increase 9.6 percent in 2028. The base number of competitive rooms would increase from 729 to 799 or 70 rooms. Demand during this same period is estimated to also increase at a compound annual growth rate of 1.3 percent.

Alternative Accommodations

JLL is a leading professional services firm that specializes in real estate and investment management. During and after the pandemic, JLL discussed how alternative accommodations have undergone a transformational shift over the past decade. What started out as a marketplace for individuals to rent out their primary or secondary homes to generate extra income has evolved into a very different space from traditional lodging. The Covid-19 pandemic helped accelerate the growth in this concept of live, work, stay, and play wherever people wished, which has resulted in unprecedented growth in alternative accommodations. Corporate travelers, business/leisure (bleisure), business groups, and affluent families on vacation make up a greater share of the sector's consumer base. According to JLL, there are several sub-sectors of alternative accommodations including short-term rentals, distribution platforms, branded home property managers, branded multi-housing alternatives, membership programs, and shared accommodations. For purposes of our study, we focus on the short-term rentals sub-sector.

The short-term rental housing market is primarily driven by Airbnb and Vrbo rental channels. According to the research firm AirDNA, there were 34 total listings with 22 active listings for Moberly as of May 2025 (the number of units can vary by month). The majority (79 percent) are rentals of entire homes, while 21 percent of the rentals are for a private room. Over the past twelve months (June 2024 to May 2025), occupancy was estimated to average 45 percent, ADR was estimated to average $137.74, RevPAR was estimated to be $61.73, and the revenue was $19,000/month. The most common number of bedrooms in the homes rented were one or two bedrooms. In Moberly, 65 percent of the rentals were booked through Airbnb, 9 percent were booked through Vrbo, and 26 percent were listed on both rental channels.

AirDNA defines the four metrics they use as follows: **Occupancy** is the number of booked days divided by the number of available days. Properties with no reservations are excluded. The occupancy rate of 45 percent presents the median occupancy over the past 12 months. **Average daily rate (ADR)** is the average booked nightly rate including cleaning fees for all booked days and for all price tiers. **RevPAR** (revenue per available rental) is calculated by dividing total revenue generated by the number of available properties in the market. **Revenue** is calculated by multiplying the booked days by the booked rate including the cleaning fee.

The data on short-term rentals was presented for informational purposes only and to give the reader a perspective that there is alternative lodging offered in Moberly, although we do not believe short-term rentals pose significant competition to the hotel market in general in Moberly nor to the proposed hotel. One reason for visitors to Moberly to consider a short-term rental is because the existing hotel product is not meeting guest's needs.

We utilized the data from the eight hotels listed in the previous table as the basis for our analysis going forward for the proposed hotel.

AREA HOTEL DEMAND

Hotel room demand is categorized as "demonstrated" demand, or that demand which can be quantified by examining occupancies at existing hotels; "unsatisfied" demand, or that demand which is turned away or denied at existing hotels because of capacity limits and finding accommodations outside the defined competitive market; and "induced" demand, defined as that demand which does not now seek accommodations in the market but which would, given an acceptable quality hotel, the proper sales efforts and the availability of additional rooms supply. In this market, all three types of demand have been evaluated.

Demand for hotel rooms in any given area is measured by occupancy percentages and average daily rates (ADR). Although these statistics vary between properties because of age, location, condition, marketing efforts and seasonality, area averages are useful in analyzing historical trends and projecting future conditions as they relate to the market potential of a proposed project. STR tracks room supply and demand characteristics in markets across the country, maintains an up-to-date inventory of all hotels and receives actual operating statistics from a large sample in each market. We used this information to supplement our research findings. Information from the STR report presented in the following table shows occupancy, average daily rate, demand, supply, and revenue on an annual basis for the period 2017-2024 and for year-to-date May 2022-2025. The complete STR report has been retained in our files.

STR is a research company based in Hendersonville, Tennessee that began collecting data in the 1980s and today over 88,000 hotels with over 11.5 million rooms globally submit monthly data to the STR program. STR reports are specific to a market and include those hotels that we identified as potential competition. The report provides historical performance for a competitive set including occupancy, average daily rate, supply and demand changes, revenue, and weekday versus weekend demand. The report presents the information as an aggregate and does not provide individual property data.

Standard Historical Trend 2017-2025
Select Competitive Set
Moberly, Missouri Greater Market Area

Year	Room Supply	% Change	Room Demand	% Change	Occupancy	ADR[1]	RevPAR[2]
2017	266,815	--%	177,975	--%	66.7%	$101.94	$67.99
2018	266,815	0.0	170,432	(4.2)	63.9	98.69	63.04
2019	266,815	0.0	163,450	(4.1)	61.3	98.13	60.11
2020	266,815	0.0	114,054	(30.2)	42.7	86.68	37.05
2021	266,815	0.0	162,416	42.4	60.9	100.46	61.15
2022	266,815	0.0	175,464	8.0	65.8	113.34	74.54
2023	266,325	(0.2)	175,114	(0.2)	65.8	119.95	78.87
2024	266,085	(0.1)	180,816	3.3	68.0	120.68	82.01
2022*	110,381	--	66,845	--	60.6	108.41	65.65
2023*	110,319	(0.1)	66,096	(1.1)	59.9	118.25	70.85
2024*	110,079	(0.2)	70,967	7.4	64.5	118.69	76.52
2025*	110,079	0.0	73,979	4.2	67.2	124.63	83.76

**Through May*
[1] Average Daily Rate
[2] RevPAR (Revenue Per Available Room) = occupancy x average daily rate
Source: STR

The eight hotels with 729 rooms were included in our competitive set, which is primarily made up of upper midscale hotel brands, one midscale brand, and an upscale brand. It is our opinion that some of the competitive properties perform at levels below the market average while other properties perform above the market average. A competitive set's performance can be impacted based on product quality, age, management/ownership, brand affiliation, reputation, availability, and whether the product is meeting the guest's needs or they are choosing to stay outside the competitive set because their needs are not being met, or the rooms are not available.

This competitive hotel market has performed in the low to high 60s percent range over the past eight years. Average daily rate (ADR) over the eight-year period grew 2.8 percent and RevPAR grew 6.6 percent over this same period. The exception was 2020 due to the pandemic.

The STR report presents analysis for the day of week that is presented in the following table for the eight hotels in the greater Moberly competitive set. The three-year trailing twelve-month (TTM) period starts June 2022 and ends May 2025.

Day of Week Analysis
Select Competitive Set
Moberly, Missouri Greater Market Area

Period	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Avg.
6/22-5/23								
Occupancy	41.8%	58.9%	70.9%	72.2%	68.2%	74.6%	71.6%	**65.5%**
ADR	$98.85	$104.51	$108.71	$109.94	$112.61	$138.74	$135.41	**$117.09**
RevPAR	$41.32	$61.52	$77.09	$79.42	$76.85	$103.57	$96.99	**$76.69**
6/23-5/24								
Occupancy	43.0%	61.8%	72.5%	74.4%	71.0%	77.4%	73.2%	**67.6%**
ADR	$99.47	$107.17	$112.26	$114.64	$114.24	$141.81	$138.71	**$120.08**
RevPAR	$42.72	$66.20	$81.41	$85.31	$81.08	$109.77	$101.54	**$81.23**
6/24-5/25								
Occupancy	44.3%	65.0%	76.8%	75.5%	70.5%	77.3%	74.1%	**69.1%**
ADR	$99.46	$107.14	$114.07	$116.63	$117.32	$149.73	$144.11	**$123.04**
RevPAR	$44.10	$69.63	$87.59	$88.08	$82.69	$115.79	$106.72	**$85.00**
3-yr Avg.								
Occupancy	**43.0%**	**61.9%**	**73.4%**	**74.0%**	**69.9%**	**76.5%**	**73.0%**	**67.4%**
ADR	**$99.26**	**$106.31**	**$111.74**	**$113.76**	**$114.74**	**$143.47**	**$139.48**	**$120.12**
RevPAR	**$42.71**	**$65.78**	**$82.03**	**$84.24**	**$80.21**	**$109.71**	**$101.78**	**$80.97**

Source: STR

The stronger weekday demand in this market is likely generated by the corporate demand in the Columbia market, captured by the six Columbia hotels we included in the comp set. Weekend demand is generated by University of Missouri sports and general tourism events and activities in this region.

The following tables show monthly occupancies, ADRs, and RevPARs from 2017-May 2025. The yellow box highlights the lowest metric achieved for this period and the green box highlights the highest metric achieved during the same period.

Select Competitive Set
Monthly Occupancy 2017-2024, YTD May 2025
Moberly, Missouri Greater Market Area

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Avg.
2017	47.1%	57.5%	66.9%	68.2%	69.3%	80.9%	78.4%	80.1%	70.5%	71.2%	63.0%	46.9%	66.7%
2018	48.1	57.0	64.3	67.9	71.6	75.8	71.8	67.7	69.0	70.4	58.0	44.7	63.9
2019	45.4	58.3	59.1	64.1	67.4	66.1	73.2	64.6	67.5	66.5	59.3	43.7	61.3
2020	42.0	56.3	43.6	20.8	28.7	40.1	48.1	53.7	50.7	54.4	41.6	33.7	42.7
2021	36.9	40.7	55.4	59.1	68.9	73.2	73.5	71.2	69.7	69.0	62.1	49.4	60.9
2022	41.0	52.3	65.6	70.6	72.8	78.3	74.0	70.9	72.0	76.6	64.6	49.9	65.8
2022	47.1	51.7	60.2	68.9	73.1	76.5	76.6	71.6	72.2	73.5	69.5	49.6	65.8
2024	45.5	56.1	67.4	76.7	76.1	77.5	72.7	74.7	74.4	76.8	67.3	49.8	68.0
2025	49.6	57.6	73.4	74.2	80.5	--	--	--	--	--	--	--	--
Avg.	44.7%	54.2%	61.8%	63.2%	67.6%	71.0%	71.0%	69.3%	68.2%	69.8%	60.7%	46.0%	61.9%

Source: STR

Select Competitive Set
Monthly Average Daily Rate (ADR) – 2017-2024, YTD May 2025
Moberly, Missouri Greater Market Area

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Avg.
2017	$88.26	$96.72	$97.70	$101.77	$105.89	$99.46	$101.00	$105.12	$119.36	$106.91	$103.18	$87.64	$101.94
2018	87.60	95.16	97.51	104.06	104.88	95.59	96.58	92.89	108.23	105.98	100.52	87.86	98.69
2019	85.59	95.82	92.64	99.86	104.76	93.37	95.42	93.33	113.98	108.58	99.30	86.10	98.13
2020	86.63	95.74	90.81	88.48	84.41	85.98	83.80	82.79	86.01	87.29	84.45	82.43	86.68
2021	81.52	83.47	85.61	93.97	100.37	95.09	105.11	100.92	111.99	121.16	110.47	94.85	100.46
2022	91.43	102.92	103.83	114.23	120.17	110.10	115.33	107.20	128.66	128.66	118.89	101.39	113.34
2023	99.76	118.34	114.61	125.89	126.35	110.12	118.77	111.30	128.31	141.68	128.71	103.23	119.95
2024	98.95	114.99	117.26	126.55	126.54	110.85	109.16	113.86	141.98	133.93	137.64	101.69	120.68
2025	101.35	118.62	124.62	134.01	134.50	--	--	--		--	--	--	--
Avg.	$91.58	$102.85	$103.87	$112.46	$114.53	$101.17	$104.10	$101.78	$118.73	$118.10	$112.22	$93.83	$106.02

Source: STR

Select Competitive Set
Monthly Revenue per Available Room (RevPAR) – 2017-2024, YTD May 2025
Moberly, Missouri Greater Market Area

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Avg.
2017	$41.55	$55.59	$65.36	$69.40	$73.40	$80.45	$79.22	$84.20	$84.10	$76.17	$65.03	$41.14	$67.99
2018	42.18	54.27	62.68	70.61	75.11	72.43	69.31	62.91	74.70	74.62	58.29	39.30	63.04
2019	38.86	55.89	54.77	63.97	70.64	61.71	69.82	60.29	76.89	72.18	58.91	67.66	60.11
2020	36.35	53.93	39.60	18.40	24.26	34.48	40.26	44.49	43.58	47.46	35.12	27.81	37.05
2021	30.07	33.96	47.41	55.56	69.17	69.63	77.29	71.86	78.07	63.61	68.63	46.84	61.15
2022	37.45	53.83	68.15	80.67	87.49	86.26	85.37	76.04	92.63	98.49	76.75	50.54	74.54
2023	47.01	61.18	69.02	94.19	92.39	84.28	90.98	79.72	92.59	104.08	89.39	51.21	78.87
2024	45.03	64.53	79.07	97.12	96.34	85.86	79.34	85.03	105.65	102.89	92.59	50.66	82.01
2025	50.22	68.35	91.51	99.40	108.34	--	--	--	--	--	--	--	--
Avg.	$40.96	$55.72	$64.16	$71.02	$77.44	$71.88	$73.94	$70.56	$81.01	$82.42	$68.07	$43.14	$65.59

Source: STR

Demand Mix and Projected Growth in Demand

We estimate the 2024 market mix of the competitive supply to be 61 percent Corporate Individual, 11 percent Group/SMERF, 24 percent Tourist/Other, and 4 percent Extended-Stay. This estimated market mix is more heavily weighted toward the six Columbia hotels; however, we believe it portrays a general idea of the greater market area's potential demand sources.

Corporate Individual generated 110,900 room nights for the competitive market in 2024. This segment includes executives, salespeople, vendors, buyers, consultants and other types of people doing business with the corporations and institutions located in the defined market area. We have also included some contract demand in this segment, which includes contractors, construction, and contract business. This demand segment is typically strongest on Tuesday and Wednesday nights. The Covid-19 pandemic had a significant impact on this segment of demand nationally in 2020 and 2021. Corporate travel basically came to a halt and has returned, albeit more slowly from 2022 to the present. Even as companies continue to return to the office, business travel has not returned to pre-pandemic levels. The ability to conduct virtual meetings via Zoom, Teams, and other platforms has changed how business can be conducted. Return to office mandates continues to occur among large and small companies.

Based on our current knowledge of the markets and discussions with local officials and local hotel operators, we estimated that this market segment could experience a compound annual growth rate of 1.2 percent over the period 2025-2032. Our estimates reflect the opening of the proposed hotel which could attract demand that has not previously been accommodated in any of the competitive hotels, induced demand which is demand that could be loyal to a new franchise entering the market and/or that previously did not patronize the hotels in the competitive supply because they did not meet their needs. The estimated growth in corporate individual should vary by year.

Group/SMERF – The Group/SMERF segment with 19,700 room nights is comprised of SMERF (social, military, education, religious, fraternal) groups, sports groups, and weddings. We estimate the Hilton Garden Inn in Columbia generates a larger percentage of corporate, convention, and other large meetings/banquets with it's over 12,000 square feet of meeting space in a separate building and this demand is also included in this Group segment. The rest of the competitive set hotels have minimal to no meeting space, as they are all limited-service hotels. Typically, this segment's room nights are booked as a block of rooms from the various groups identified in this report. We estimated this market segment could experience a compound annual growth rate of 1.3 percent annually from 2025-2032.

In 2020, this segment was impacted significantly as weddings were cancelled or postponed, as were a variety of sporting, other social events, and corporate and convention meetings. Re-booking of weddings and other social events in 2021-to present, has had a positive impact on this segment's growth and in 2024, the return of conferences, conventions, and corporate groups has been realized across the country, which is a positive trend for the hotel industry.

The **Tourist/Other** segment with 43,500 room nights is comprised of those travelers visiting the attractions, events, and festivals in the greater market area. There are events and tourist activities occurring in Columbia that currently comprise most of this demand segment. The University of Missouri alone generates tourist demand throughout the year with sporting events, graduation, parents' weekends, and many others. Some of these events could generate overflow demand to a new Moberly hotel. In Moberly, there are a few events that could generate tourist demand like Railroad Days, Junk Junktion, and the Christmas Festival, as well as the Motorsports Park.

This segment would also include those individuals attending weddings or sports tournaments but are not part of a block of rooms. The pandemic had a significant impact on the tourism industry in 2020 where communities were forced to cancel or postpone festivals, events such as weddings, and other community related gatherings. However, both locally and nationally leisure travel returned in 2021 and contributed significantly to a stronger performance in 2021-2023 and this trend continued in 2024 and beyond, albeit at a slightly slower pace as compared to the last three years, according to the latest data, mainly due to economic uncertainty. We estimated a compound annual growth rate of 1.5 percent over the period 2025-2032.

Transient traffic typically grows at lower rates unless there is a new attraction or major development or other specific reason for significant increases in visitation. A new hotel will typically induce demand that has previously not been accommodated by the competitive properties. This is often because of loyalty to a chain, a more desirable location or simply the availability of a new property. This demand segment is the most volatile because visitation can be dependent on the weather, scheduled activities, nation-wide economic conditions and such.

The **Extended-Stay** segment is typically defined as those stays of five nights or longer for people that are visiting the area such as consultants working on projects, relocation, recruiting, training, traveling doctors/nurses, or for other reasons such as displaced homeowners or new home buyers or for other reasons. We also included some corporate lodging and contract/crew demand in this segment.

We believe the limited-service hotels in the competitive set do capture some extended-stay demand, however, there are several extended-stay hotels in Columbia, which we did not include in our competitive set because this was not the type of hotel concept we recommend for Moberly. In addition, based on our demand interviews, there does not appear to be a significant amount of what we defined as long-term stays in Moberly. If the proposed hotel brand could offer a few extended-stay suites along with the standard guest rooms, we believe it would be beneficial for the hotel, although there are only a few hotel brands that offer both types of guest rooms in one building, based on our recommended number of rooms.

We estimated this segment captured 7,000 room nights in 2024. We estimate growth in the extended-stay segment to be 1.0 percent over the period 2025-2032.

The following table summarizes our estimates regarding market supply and demand during the projection period.

Total Competitive Market
Proposed Limited-Service Hotel
Moberly, Missouri

Year	Annual Avail. Rooms	Annual Growth Supply	Annual Occupied Rooms	Annual Growth Demand	Market Occupancy
2024	266,085	--%	181,100	--%	68.0%
2025	266,085	0.0	182,000	0.5	68.0
2026	266,085	0.0	182,900	0.5	69.0
2027	266,085	0.0	184,700	1.0	69.0
2028	291,635	9.6	191,900	3.9	66.0
2029	291,635	0.0	196,400	2.3	67.0
2030	291,635	0.0	198,900	1.3	68.0
2031	291,635	0.0	198,900	0.0	68.0
2032	291,635	0.0	198,900	0.0	68.0
CAG		1.3%		1.3%	

Note: Numbers have been rounded.
Additions to supply include the Subject 70-room Limited-Service Hotel
CAG – Compound Annual Growth
Source: Patek Hospitality Consultants, Inc.

Between 2025 and 2032, supply is estimated to grow at a compound annual growth rate of 1.3 percent while demand is also estimated to grow 1.3 percent during this same period. While we believe that occupancies can exceed our estimates stated above, we also know that unforeseen circumstances can cause occupancies to fall below our estimates. From an historical perspective we believe a stabilized occupancy of 68.0 percent for the competitive set is reasonable.

PROJECTED MARKET POSITION AND PENETRATION OF THE PROPOSED HOTEL

Demand Interviews

In conducting market research for a proposed hotel in Moberly, we believe it was important to conduct demand interviews with companies and organizations that are generators of hotel room demand in the community and surrounding area. These interviews provided us with insight into the travel volume, needs, hotel preferences, desired room rates, and types of travelers (i.e., executives, sales reps, vendors, meetings, etc.) for each organization. In addition, the interviews helped us to gauge the prospective interest in a proposed hotel and provide helpful input for the facilities, amenities, and services offered at a property. The demand interviews provided us with more qualitative information rather than quantitative data.

With MAEDC's assistance, 19 organizations were contacted in the market area that could be potential demand generators for the proposed hotel. Of these 19 businesses, we received responses from 17 businesses. A copy of the survey is on the following page.

Hotel Demand Interview – Moberly, MO (June 2025)

Company:

Contact Name/Phone Number:

Date Survey was Completed:

Type of Traveler (executives, vendors, customers, training, etc.):

Estimate of Room nights (**on a weekly or monthly basis – please indicate which**):

Do you have a need for an extended-stay room (full kitchens, larger suite room):

Hotels Currently Using:

Rate currently being Paid and rate you are willing to pay:

Preferred Brand Affiliation (Hilton, Marriott, IHG, Choice, Wyndham, GrandStay, Cobblestone, Best Western, others):

Facilities/Amenities deemed important (i.e. Complimentary breakfast, restaurant, lounge, fitness, full kitchens, indoor pool):

Meeting/Banquet Space requirements (If so, what is the capacity needed and how often. Would attendees need to stay overnight?):

Do you ever have trouble finding hotel rooms (if so, when):

Would your company use a new hotel if it were built in Moberly (why or why not)

Additional Comments:

Please return to Brenda S. Patek, Patek Hospitality Consultants, Inc. at patekhc@aol.com by **June 27, 2025.** Thank you!!

As the survey shows, there are a few details we are interested in learning about from the businesses. Probably the most difficult question is estimating the number of room nights generated on a weekly or monthly basis. This information is difficult to estimate because the number can vary based on production schedules, training and meetings, seasonality, and more than any one reason, is that various individuals are likely making the reservation including visitors making the reservation themselves. Gathering this information on room nights is very helpful in determining the potential for a new hotel development, however there are other factors that are taken into consideration in making an assessment on a community's ability to support additional rooms.

A summary of the demand interviews follows:

Summary of Demand Interviews – Moberly, Missouri (Conducted June 2025)				
Survey Number	**Types of Travelers Est. of Room Nights**	**Hotels Used Rate Paid**	**Facilities/Amenities Preferred**	**Comments**
1	Employees, corporate Room Nights – NA	Comfort Inn & Suites Columbia hotels Rate - NA	Complimentary breakfast, restaurant, lounge, fitness center. Meeting space for 30 people 2x/year	Prefer Hilton and IHG. May graduation at MU can be difficult to find rooms
2	Contractors, corporate execs, Board members, customers, training Room Nights – 10-20/week	Comfort Inn & Suites, Super 8, Hilton Garden Inn, Staybridge Suites, Holiday Inn Express & Suites, Courtyard by Marriott Rate - NA	Complimentary breakfast, restaurant, lounge, fitness center. Meeting space for 5-20 people 3-4x/year	Prefer Hilton and IHG, as the company has contracts with these hotel companies. No trouble finding rooms in Moberly but would consider a new hotel
3	Executives, vendors, interviewees, families, temporary housing for new employees Room Nights – 40/month	Columbia Hotels (did not specify) Rate - $150-$200	Full kitchen, fitness center, restaurant and lounge, extended-stay rooms	Prefer Hilton and Marriott. Visitors will stay in Columbia because of lack of options or limited availability for one hotel in Moberly. Believes there is a need for a new hotel
4	Executives Room Nights – 2-4/quarter	Mostly Columbia Hotels (did not specify)	Complimentary breakfast, fitness center	They would possibly use a new hotel, although the downside is the lack of citywide entertainment and restaurant options in Moberly
5	Executives, staff, vendors Room Nights - @150/year	Hotels used not indicated. Rate - $119 (willing to pay)	Complimentary breakfast, fitness center	Hilton is the preferred choice, although most brands would be okay. They use Columbia hotels because of the dining options. They would need a good corporate rate and direct bill.
6	Company salespeople, vendors Room Nights – 2-3/week	Comfort Inn & Suites, Super 8 Rate - $87-$150	Hot Complimentary breakfast, indoor pool, fitness center	Prefer Hilton, Marriott, IHG. Would consider a new hotel due to limited room capacity in Moberly currently and Columbia is 25-35 miles away
7	Vendors, executives, customers, employees Room Nights – varies based on the season	Drury Inn or Courtyard in Columbia Rate - $250	Complimentary breakfast, fitness center, lounge	Prefer Drury or Marriott. They use Columbia hotels because there are more options and easy access to SH 63. Current Moberly hotels don’t always meet expectations.

Summary of Demand Interviews – Moberly, Missouri (Conducted June 2025)				
Survey Number	**Types of Travelers Est. of Room Nights**	**Hotels Used Rate Paid**	**Facilities/Amenities Preferred**	**Comments**
8	Consultants, job candidates, accreditors, visiting teams Room Nights – 3/month, much more during various sports seasons	Comfort Inn & Suites Rate - $150-$250; rates for sports teams would be lower	Complimentary breakfast and high-speed internet. Meeting space for 100-200 people to host state-wide meetings/workshops with about 1/3 staying overnight	There can be trouble finding hotel rooms in Moberly and end up in Columbia. The company also uses Airbnb and Vrbo for better quality options for consultants and job candidates
9	Sports teams, employees, graduation attendees, tournaments Room Nights – 15/month	Comfort Inn & Suites, hotels in Columbia or Macon Rate - NA	Complimentary breakfast, fitness center, indoor pool	Prefer Hilton/Hampton Inn. Occasionally have trouble finding rooms. They would make their visitors aware of a new hotel if built
10	Executives and training Room Nights - NA	Baymont, Drury Inn, and Holiday Inn in Columbia Rate - $98-$120	Complimentary breakfast, restaurant, lounge	Prefer Wyndham, IHG, Best Western or Choice. Would like better options for visiting staff. They like Columbia hotels because there are more options that are reasonable and comfortable; the downside is the 30-minute drive.
11	Executives, vendors, customers, training Room Nights – 8/month	Columbia Hotels (did not specify) Rate - <$130	Complimentary breakfast and fitness center. Meeting space for up to 25 people.	Prefer Marriott. They would use a new hotel, as it would be more convenient. An all-day dining option would be very helpful
12	Executives, vendors, customers, training Room Nights – 1-2/week	Hilton Garden Inn Columbia Rate - NA	Complimentary breakfast, restaurant, lounge within walking distance	Prefer Hilton, Marriott, Drury. Believes there is a need for a new hotel in Moberly
13	Executives, IT, training Room Nights – 8 nights every six weeks	Comfort Inn & Suites Rate – <$150	Complimentary breakfast	Prefer any brand. Believes there is a need for a new hotel with a comparable price, good parking, and safe location
14	Training, vendors, customers. Room Nights – 1-2/month	Columbia hotels and Comfort Inn & Suites Rate - NA	Complimentary breakfast, restaurant, lounge	They may use a new hotel, but they don't use hotels frequently

Summary of Demand Interviews – Moberly, Missouri (Conducted June 2025)				
Survey Number	**Types of Travelers Est. of Room Nights**	**Hotels Used Rate Paid**	**Facilities/Amenities Preferred**	**Comments**
15	Customers Room Nights – 5-6/month	Comfort Inn & Suites, Super 8, Airbnb Rate - NA	Indoor pool	They would use a new hotel if built in Moberly
16	Visitors, special events Room Nights – 1-2/month	None provided	None provided	May use a new hotel
17	Executives, vendors, customers, training Room Nights – 2/week	Columbia hotels (did not specify) Rate – NA (corporate)	Complimentary breakfast	Prefer Hilton, Marriott, IHG. They would use a new hotel because they lose time traveling to Columbia and current lodging in Moberly is not meeting their needs
NA – Not Available				
Source: Contact information provided by Moberly Area Economic Development Corp. (MAEDC); surveys completed by the individual company				

Methodology and Assumptions

We assessed the prospective competitive status of the proposed hotel as compared to the defined competitive lodging supply and as it will be affected by such factors as location, setting, nature and quality of facilities and the extent to which the hotel could capture each demand segment by performing a fair share/penetration analysis. A hotel's fair share of the market is defined as the number of rooms in the hotel divided by the total supply of rooms in the market including the subject hotel. In 2031, the year the property is estimated to reach stabilization, there will be 799 available rooms in the competitive market. Accordingly, the subject's fair share is 70 divided by 799 or 8.8 percent.

The methodology used in this analysis considered the factors that we believe influence the prospective success of the proposed limited-service hotel.

- Our recommendation for new hotel development in Moberly is based on demand interviews we conducted, as well as our knowledge of Moberly and Randolph County and the lodging product offered throughout.

- The existing lodging product in Moberly includes the upper midscale Comfort Inn & Suites and the economy Super 8. Based on the demand surveys, the current lodging supply may not be meetings visitor's needs for reasons such as availability, product quality, facilities/amenities offered, and/or price. This is forcing visitors to seek accommodations outside of Moberly and likely in Columbia. A new branded hotel offering the amenities consistent with national brands would likely capture much more of the demand/room nights in Moberly, thus generating more hotel/motel tax for the community.

- The proposed hotel will be new construction and should be affiliated with a national hotel brand. While a hotel brand has not been identified, we believe there would be several brands that could be considered and appropriate for Moberly. The recommended size of the hotel will define what brands may have interest in Moberly. A separate letter discussing these brands will be forwarded to MAEDC upon completion of this study.

To project occupancy for the proposed hotel, we considered the property's recommended facilities, services, and amenities; the site's location; the competitive properties; and the competitive environment in which the hotel will operate. The advantages and disadvantages of the site were discussed in the Site Analysis section of this report. Our assumptions together with other advantages and disadvantages, as well as other factors that will influence the property's ability to capture market demand (and therefore provide the ability to achieve the projected occupancy and ADR levels) are:

1. The Subject hotel will be affiliated with a national hotel brand that offers a reputable and recognizable reservation system, guest loyalty program, and national marketing program.

2. The Subject Hotel will be open on or before January 2028. If the hotel opening is delayed, our estimates regarding future performance could be affected. Our estimates were based on a calendar year.

3. The Subject Hotel will feature 70 rooms and will include the amenities and facilities discussed in the Project Concept section of this report.

4. Ownership and development of the proposed hotel is to be determined, as is the management company. We assume that the entities will be familiar with the development and operation of a limited-service hotel concept discussed in this report.

5. The additions to supply have been considered in our analysis. If additional hotels enter the market during our projection period, our occupancy and average daily rate estimates for the proposed hotel could be impacted.

Penetration Analysis

Factors indicating that a hotel would possess competitive advantages suggest a market penetration rate of more than 100 percent of fair share while competitive weaknesses are reflected in penetration levels of less than 100 percent. There is usually a period of time required after opening for a new hotel to reach its full market penetration. We estimate that the proposed hotel will achieve a stabilized penetration of 100 percent of fair share. Stabilization is estimated to occur in the hotel's fourth year of operation in 2031. The projected penetration levels reflect the following advantages and disadvantages.

Corporate Individual - We estimate the subject hotel would achieve slightly above its fair share in this segment. We believe that the proposed hotel would capture a large share of the corporate demand in Moberly, as compared to the existing lodging that is offered, assuming that the product concept that would be developed is compatible with the needs/desires of the business community. We do believe that the proposed hotel could induce corporate demand that is currently traveling to Columbia because the current supply may not be meeting their needs. The product concept that is recommended with the facilities and amenities discussed earlier in this report, will appeal to corporate travelers. ***The recommendation to develop a food and beverage establishment within walking distance of the hotel would be a significant draw for a corporate traveler and was a highly desired amenity based on our demand surveys. Many of the comments in the demand surveys about utilizing Columbia hotels is because of the dining options offered in Columbia, as compared to Moberly. We strongly recommend that a sit-down restaurant and lounge be part of the 21-acre development***.

We estimated the penetration rates to range between 95 percent and 105 percent throughout the projection period. Our projections for this demand segment are for approximately 11,200 room nights to be accommodated at the Subject hotel in the stabilized year of operation, which represents 65.0 percent of the hotel's overall captured room nights. The demand is estimated to be consistent throughout the five-year projection period.

Group/SMERF – The proposed hotel is estimated to capture approximately 1,800 room nights in the stabilized year of operation that is estimated to account for 10.0 percent of the hotel's total demand. This demand is likely to be generated from SMERF groups, weddings, and sports groups. The hotel would be well positioned to capture wedding demand generated from the local community, as well as outside of Moberly venues. It is our opinion that a new 70-room hotel would be a catalyst for attracting more and larger youth sports tournaments. In addition, the proposed hotel could capture overflow demand from large group events emanating from Columbia such as MU sporting and other events held at the University, as well as larger social events held in Columbia. We estimated the penetration rates to range between 70 percent and 95 percent throughout the five-year projection period.

Tourist/Other - We estimate the Subject hotel will achieve below its fair share in this segment, as there are a limited number of events and attractions that currently bring in outside visitors. There were a couple of events mentioned to us that bring in outside visitors, but these occur annually. There are a few venues that can hold social events like weddings, however, our discussions during fieldwork indicated there is a need for additional venues to host weddings and other social events. The hotel's location near the interchange of U.S. Highways 63 and 24 could generate guests that would pull off to stay, however, this is estimated to be much less than what a more heavily traveled interstate highway could potentially generate.

We estimate penetration rates to range from 82 percent to 92 percent from 2028-2032. The proposed hotel is expected to accommodate approximately 3,900 room nights in the stabilized year of operation and that figure remains constant for the remainder of the projection period. These room nights represent approximately 22.0 percent of total demand.

Extended-Stay – Should the proposed hotel develop a minimum of four extended-stay rooms as part of the room mix, we estimate the proposed hotel would penetrate this segment at roughly 75 percent throughout the projection period or 500 room nights, which equates to approximately 3.0 percent of total demand. If no extended-stay rooms are developed within the hotel, we estimate these numbers would be significantly less. We do recommend some extended-stay rooms be considered based on our demand surveys. These guest rooms would include spacious studio or one-bedroom suites and fully equipped kitchens. The recommended complimentary breakfast and a 24/7 pantry that offers food, beverages, and other essentials are popular features for the long-term guest.

We estimate the penetration and segmentation of demand for the proposed hotel over the five-year period 2028-2032 to be as follows:

Estimated Penetration and Market Segmentation
Proposed Limited-Service Hotel
Moberly, Missouri

Year/Category	Corporate/ Individual	Group/ SMERF	Tourist/ Other	Extended-Stay	Total
2028					
Penetration	95%	70%	82%	75%	89%
Room Nights	9,800	1,300	3,300	500	14,900
Segmentation %	66%	9%	22%	3%	100%
2029					
Penetration	100%	85%	85%	75%	94%
Room Nights	10,500	1,600	3,500	500	16,100
Segmentation %	65%	10%	22%	3%	100%
2030					
Penetration	103%	90%	90%	75%	97%
Room Nights	10,900	1,700	3,800	500	16,900
Segmentation %	65%	10%	22%	3%	100%
2031					
Penetration	105%	95%	92%	75%	100%
Room Nights	11,200	1,800	3,900	500	17,400
Segmentation %	65%	10%	22%	3%	100%
2032					
Penetration	105%	95%	92%	75%	100%
Room Nights	11,200	1,800	3,900	500	17,400
Segmentation %	65%	10%	22%	3%	100%

Source: Patek Hospitality Consultants, Inc.

PROJECTED PERFORMANCE

We have chosen to use a stabilized occupancy of 68 percent, which we believe will be achieved in the fourth year of operation (2031). The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life, given all changes in the life cycle of the hotel. Therefore, the stabilized occupancy excludes from consideration any abnormal relation of supply and demand as well as any favorable or unfavorable non-recurring conditions that may result in unusually high or low occupancies. Although the Subject hotel may operate at occupancies above this stabilized level, we believe it equally possible for new competition and temporary economic downturns to force the occupancy below this anticipated stabilized level.

Based on the rate structures at the competitive facilities and their locations, quality levels, chain affiliations, services and facilities offered in comparison to the proposed hotel, we estimate the proposed will be able to achieve an average room rate of $125.00 in 2025 value dollars. This estimated ADR is slightly higher than the competitive hotel set. Our rationale for this estimated rate is that the proposed hotel will be new construction, be affiliated with a national brand, and offer the facilities and amenities that appeal to today's travelers.

The projected rate considers rack rates, discounted rates offered to preferred customers, transient discounted rates, and franchise corporate rates. It also considers the mix of demand and achievable rate by market segment. The proposed hotel's ADR will be influenced by the mix of demand and can be maximized by careful balance of room availability and corporate, group/SMERF, tourist/other, and extended-stay demand. Rack rates for the proposed hotel are estimated to range from $109-$169 depending on the demand segment, time of year, and room type. Rates can be set higher or lower based on what is going on in the market and what the market will bear at any one time. The lower end of the rate range is estimated to be for extended-stay demand that would stay for five+ nights.

Based on the local, regional, and national economic recessionary trends and average rate growth for the comp set as shown in the STR report, we forecast the rate increase to be 3.0 percent throughout the projection period. This growth level is intended to reflect the long-term average growth in ADR; actual year-to-year changes may vary. Assuming a January 2028 opening date, the following occupancy and average daily rates are projected for the proposed hotel based on a calendar year.

Prospective Performance
Proposed Limited-Service Hotel
Moberly, Missouri

Year	Market Occupancy	Hotel Occupancy	Average Daily Rate	RevPAR
2024	68.0%			
2025	68.0			
2026	69.0			
2027	69.0			
2028*	66.0	58.0%	$136.60	$79.23
2029	67.0	63.0	140.70	88.64
2030	68.0	66.0	144.90	95.63
2031	68.0	68.0	149.30	101.52
2032	68.0	68.0	153.70	104.52

**Hotel opening estimated to be January 2028*
Source: Patek Hospitality Consultants, Inc.

CONCLUSION

Based on our market research and the information presented in this report, it is our opinion that development of the proposed 70-room upper midscale, limited-service hotel is market justified and would be well suited for the Moberly market. Our assumptions are based on the proposed hotel being developed as described in this report and operated as a branded hotel with a well-recognized reservation system and guest loyalty program. It is assumed an aggressive sales effort will be in place prior to the hotel's opening, and aggressive and competent third-party management in place once the hotel is open.

We have assumed that the local economy will continue to experience steady growth and will continue to bring corporate, group, and leisure visitors to Moberly and Randolph County in the timeframe discussed in this report. Should any of these assumptions not occur as projected or if unforeseen circumstances occur locally or on a national level, our estimates could be negatively affected.

PROJECTIONS OF INCOME AND EXPENSE

Methodology

To project financial operating results for the proposed hotel, we utilized financial operating results for Limited-Service Hotels as reported by STR, LLC/STR Global, Ltd. (STR) 2024 Global Hotel Profitability Review (2023 data) and by CBRE's Trends In the Hotel Industry 2025 (2024 data). We also referred to actual financial operating statements in our files for limited-service hotels.

The comparable information that is presented in the following tables was provided by STR and includes All Chain Affiliated Hotels from across the country, West North Central Region that includes the state of Missouri, Small Metro/Town Location, and the Upper Midscale Class segment. The CBRE Trends included categories in All Limited-Service Hotels, North Central Region, Rate ($100-$150), and Size (< 100 rooms).

The following paragraphs provide a brief explanation of the basis used to prepare the projection for each line item. Data is presented as various input forms such as Per Available Room (PAR), Per Occupied Room (POR), or Ratio to Sales. Critical factors for the various properties were taken into consideration when reviewing the comparable data and adjustments for the subject hotel were made based on location, facility, occupancy and rate, and other relevant operational issues.

All amounts have been rounded to the nearest thousand dollars and account classifications for the hotel component conform to the definitions prescribed by the 12th revised edition of the *Uniform System of Accounts for the Lodging Industry*.

Inflation and Growth in Revenues and Expenses

Our projections incorporate an estimate of general price inflation based upon econometric projections from various sources, tempered by our observations and expectations based on historical perspectives both locally and nationally.

To portray price level changes, we have assumed an inflation rate of 3.0 percent throughout our projection period. Overall, the 3.0 percent rate reflects our long-term outlook for the future movement of prices in the area and is intended only to portray an expected long-term trend in price movements, rather than for a specific interval in time. Our growth assumptions for average rate have been presented previously in this report, and all other line-item expenses are projected to increase at the level of general inflation.

Departmental Revenues and Expenses

Rooms Department: Room revenue is estimated by multiplying the occupancy rate by the average daily rate (ADR) projected in the Hotel Supply and Demand section of the report. The occupancies, average daily rates and resulting room revenue projected for the hotel are summarized as follows:

Proposed Limited-Service Hotel
Moberly, Missouri
Projected Performance

Year	Occupancy	ADR	RevPAR	Room Revenue
2028*	58.0%	$136.60	$79.23	$2,024,300
2029	63.0	140.70	88.64	2,264,800
2030	66.0	144.90	95.63	2,443,400
2021	68.0	149.30	101.52	2,593,900
2032	68.0	153.70	104.52	2,670,400

**Estimated opening January 2028*
Source: Patek Hospitality Consultants, Inc.

Rooms Department expenses include payroll and related costs associated with the front desk and housekeeping, operating supplies, laundry, linens, cable television, and other items necessary to maintain guest rooms. Based on the available information from STR and CBRE and the characteristics of the subject hotel, we estimated rooms department expense to be $41.64 per occupied room or 27.9 percent in the stabilized year (2031) and range from $40.74 and $42.89 per occupied room over the five-year period, which ranges from 27.9 percent to 29.8 percent.

Rooms Expense

STR 2023 Data	Limited-Service Hotels		CBRE Trends 2024 Data	Limited-Service Hotels	
Category	POR	Ratio to Sales	Category	POR	Ratio to Sales
Chain Affiliated	$59.16	27.4%	All Hotels	$42.89	28.3%
West North Central Region	$35.80	31.6%	North Central Region	$39.02	28.8%
Small Metro/Town	$41.44	29.8%	Rate ($100-$150)	$37.70	29.8%
Upper Midscale Class	$42.30	30.3%	Size (<100 rooms)	$39.17	29.0%
PHC Estimate (Stabilized Year - 2031)				**$41.64**	**27.9%**

Source: STR, CBRE Trends, Patek Hospitality Consultants, Inc.

Food & Beverage Department: The proposed hotel will offer complimentary breakfast and the recommended expanded wine and beer bar. These expenses are included in the Rooms Department Expense and Miscellaneous Income and Expense, respectively.

Miscellaneous Income and Expense: This category is comprised of food and beverage sales from the expanded wine and beer bar, sales from the sundry/convenience shop, interest income, meeting room rental, vending machine commissions, guest laundry, and other miscellaneous income. We estimated Miscellaneous Revenue of approximately $54,800 or $3.15 per occupied room in the stabilized year (2031).

Corresponding expenses were estimated to be 50.0 percent of departmental revenue or $29,300 in the stabilized year. This category does not include telephone expense, which is in the line-item Information & Telecommunication Systems.

Undistributed Operating Expenses

Operating expenses that are not chargeable to a particular operating department are presented as undistributed operating expenses in accordance with the 12th Revised Edition of the *Uniform System of Accounts for the Lodging Industry*. These expenses are discussed below.

Administrative and General (A&G): This category covers expenses such as salaries and wages for management staff, bookkeeping, credit card commissions, data processing charges, corporate office charges, office supplies, legal, accounting, allowance for bad debts, travel expenses, licenses and permits, and similar items.

We estimated $3,602 per available room (PAR) to be sufficient to cover administrative expenses in the stabilized year of operation that equates to 9.5 percent of total revenue. A&G was estimated to range between 9.5 and 11.0 percent over the five years or $3,248 to $3,710 per available room.

A&G Expense

STR 2023 Data	Limited-Service Hotels		CBRE Trends 2024 Data	Limited-Service Hotels	
Category	**PAR**	**Ratio to Sales**	**Category**	**PAR**	**Ratio to Sales**
Chain Affiliated	$6,981	8.8%	All Hotels	$3,721	9.0%
West North Central Region	$3,494	12.0%	North Central Region	$3,281	9.5%
Small Metro/Town	$4,242	11.5%	Rate ($100-$150)	$3,320	9.8%
Upper Midscale Class	$4,083	10.9%	Size (<100 rooms)	$3,663	10.3%
PHC Estimate (Stabilized Year - 2031)				**$3,602**	**9.5%**

Source: STR, CBRE Trends, Patek Hospitality Consultants, Inc.

Information & Telecommunication Systems: This category includes the cost of management information system services, supplies, and equipment as well as the expenses associated with maintaining these systems. These systems also include telecommunication systems such as local, long distance, and Internet communications. In the stabilized year of operation, we estimated this expense to be $300 per available room or 0.8 percent of total revenue.

Sales and Marketing: Sales and Marketing expenses include payroll and related expenses for the sales and marketing staff, direct sales expenses, advertising and promotion, travel expenses for the sales staff and civic and community projects. The STR data does not include franchise royalties, marketing assessments and guest loyalty programs in this category, whereas the CBRE Trends report does. The STR data includes these items in Franchise Fees.

Based on the marketing expenses reflected in the compiled STR and CBRE data and information on limited-service hotels in our files, we estimated marketing expenses in the stabilized year of operation at $675 per available room, an amount that represents 1.8 percent of total revenue. The expense is estimated to range between 1.8 and 2.0 percent during the five-year projection period or $604 to $696 per available room.

Sales and Marketing Expense

STR 2023 data	Limited-Service Hotels		CBRE Trends 2024 data	Limited-Service Hotels	
Category	**PAR**	**Ratio to Sales**	**Category**	**PAR**	**Ratio to Sales**
Chain Affiliated	$4,476	5.6%	All Hotels	$5,251	12.6%
West North Central Region	$961	3.3%	North Central Region	$4,791	13.9%
Small Metro/Town	$1,524	4.1%	Rate ($100-$150)	$4,503	13.4%
Upper Midscale	$1,075	2.9%	Size (<100 rooms)	$4,400	12.4%
PHC Estimate (Stabilized Year - 2031)				**$675**	**1.8%**

Source: STR, CBRE Trends, Patek Hospitality Consultants, Inc.

Franchise Fees: This category includes the Franchise Royalty fee that is charged by national hotel companies. All franchisors collect a royalty fee, which represents compensation for the use of the brand's trade name; service marks and associated logos; goodwill; and other franchise services. Royalty fees represent a major source of revenue for a franchisor and are calculated based on a percentage of rooms revenue. We utilized a standard franchise fee of 10.0 percent of rooms revenue that is charged by most hotel companies. Depending on the franchise selected for this proposed hotel, this number could change. In the first year of operation, the franchise fee was estimated to be $202,400 or 9.8 percent of rooms revenue. The percentage remains the same throughout; the per available room ranged from $2,892 to $3,815 for the period 2028-2032.

Utilities: We estimated the Utilities expense at 3.9 percent of total sales or about $1,463 per available room in the stabilized year of operation. This expense is estimated to range from 3.9 and 4.4 percent over the five-year projection period or $1,309 to $1,507 per available room.

Utilities Costs

STR 2023 Data	Limited-Service Hotels		CBRE Trends 2024 Data	Limited-Service Hotels	
Category	**PAR**	**Ratio to Sales**	**Category**	**PAR**	**Ratio to Sales**
Chain Affiliated	$2,407	3.0%	All Hotels	$1,492	3.7%
West North Central Region	$1,249	4.3%	North Central Region	$1,264	3.7%
Small Metro/Town	$1,345	3.6%	Rate ($100-$150)	$1,350	4.0%
Upper Midscale Class	$1,319	3.5%	Size (<100 rooms)	$1,422	4.0%
PHC Estimate (Stabilized Year - 2031)				**$1,463**	**3.9%**

Source: STR, CBRE Trends, Patek Hospitality Consultants, Inc.

Property Operations and Maintenance: Property Operations and Maintenance expenses include salaries and wages, employee benefits, other payroll costs, normal maintenance of the building and grounds, landscaping, and electrical and mechanical equipment. Based on the comparable information, we estimated approximately $1,688 per available room or 4.5 percent of total sales for the stabilized year of operation (2031). This category is estimated to range from 4.5 and 5.1 percent during the projection period or $1,522 and $1,739 per available room.

Property Operations & Maintenance Expense

STR 2023 Data	Limited-Service Hotels		CBRE Trends 2024 Data	Limited-Service Hotels	
Category	**PAR**	**Ratio to Sales**	**Category**	**PAR**	**Ratio to Sales**
Chain Affiliated	$3,582	4.5%	All Hotels	$2,064	5.0%
West North Central Region	$1,788	6.1%	North Central Region	$1,824	5.3%
Small Metro/Town	$2,089	5.6%	Rate ($100-$150)	$1,826	5.4%
Upper Midscale Class	$2,084	5.6%	Size (<100 rooms)	$1,818	5.1%
PHC Estimate (Stabilized Year - 2031)				**$1,688**	**4.5%**

Source: STR, CBRE Trends, Patek Hospitality Consultants, Inc.

Management Fees: A management fee of 4.0 percent of gross sales has been used throughout the projection period. Management fees for a third-party management company typically range from 3.0 percent to 6.0 percent.

<u>Fixed Charges</u>

Property Taxes: We utilized property tax information for properties in Moberly as the basis for the proposed hotel. The table shows 2024 real estate taxes, payable in 2025, for the two Moberly lodging properties.

Property Taxes
Moberly, Missouri
2024 Taxes Payable in 2025

Property Name	Number of Rooms	2024 Property Tax	Per Available Room
Comfort Inn & Suites	63	$42,908	$681
Super 8	59	$18,797	$319

Source: Randolph County Treasurer's website

We utilized this information as a guideline only. We considered the 63-room Comfort Inn & Suites Moberly hotels as the more direct competitor to the proposed hotel. This hotel opened in 2003 and has a current appraised value of $1,786,900, according to property tax records on the Randolph County treasurer's website.

We estimated Property Taxes for the proposed hotel would be less in Year 1 (2028) because the hotel would have been under construction in 2027. The figure of $75,000 was included in Year 2 (2029). For purposes of our analysis, we estimated taxes would increase 3.0 percent throughout the projection period. The annual expense is estimated to range from $41,200 in 2028 to $82,000 in 2032.

Insurance: This Insurance category covers the cost of building and contents insurance as well as liability insurance. Based on the experience of similar properties, we estimated this expense to be $591 per available room or a total of $41,400 in the stabilized year of operation or 1.6 percent. Insurance was estimated to range from $37,900 in 2028 to $42,600 in 2032. According to recent articles, Insurance Expense has increased considerably in the past two years, and we have taken this into account in our projection.

Insurance Expense

STR 2023 Data	Limited-Service Hotels		CBRE Trends 2024 Data	Limited-Service Hotels	
Category	**PAR**	**Ratio to Sales**	**Category**	**PAR**	**Ratio to Sales**
Chain Affiliated	$1,240	1.6%	All Hotels	$804	1.9%
West North Central Region	$484	1.5%	North Central Region	$517	1.5%
Small Metro/Town	$773	2.1%	Rate ($100-$150)	$705	2.1%
Upper Midscale Class	$775	2.1%	Size (<100 rooms)	$728	2.1%
PHC Estimate (Stabilized Year - 2031)				**$591**	**1.6%**

Source: STR, CBRE Trends, Patek Hospitality Consultants, Inc.

Reserve for Replacement: As is standard for income-producing properties, provision has been made for a reserve for replacement for furniture, fixtures, and equipment, as well as other long-lived items. Because the proposed hotel will be new construction, we used a "step-up" approach whereas in the first year of operation, the reserve was estimated to be 2.0 percent, in year two it was 3.0 percent and in subsequent years the reserve for replacement was estimated to be 4.0 percent of total sales and that is estimated to provide sufficient funds for future capital improvements. The Reserve for Replacement was estimated to range from $41,400 to $109,100 throughout the five-year projection period.

Cash Flow Projections

Our projections for the subject property, before deductions for debt service, amortization, depreciation, and income taxes, are presented in the following table. We project that, after reserve for replacement, the subject hotel would have a net operating income or EBITDA equal to 28.8 percent of total sales in the stabilized year of operation (2031); the EBITDA ranges between 26.6 percent and 28.8 percent of total sales throughout the projection period. It should be noted that the CBRE Trends data does not include a Reserve for Replacement.

Net Operating Income (EBITDA)
(Earnings Before Taxes, Interest, Depreciation, and Amortization)

STR 2023 Data	Limited-Service Hotels	CBRE Trends 2024 Data	Limited-Service Hotels
Category	**Ratio to Sales**	**Category**	**Ratio to Sales**
Chain Affiliated	25.1%	All Hotels	25.5%
West North Central Region	29.0%	North Central Region	24.1%
Small Metro/Town	27.6%	Rate ($100-$150)	22.1%
Upper Midscale Class	28.3%	Size (<100 rooms)	21.9%
PHC Estimate (Years 1-5)			**26.6%-28.8%**

Source: STR, CBRE Trends, Patek Hospitality Consultants, Inc.

The Statement of Estimated Annual Operating Results for the proposed 70-room limited-service hotel in Moberly, Missouri for the period 2028-2032 is shown on the following page.

Statement of Estimated Annual Operating Results in Inflated Dollars for A Proposed Limited-Service Hotel Moberly, Missouri

Year #:		1.000			2.000			3.000			4.000			5.000	
Year:		2028			2029			2030			2031			2032	
Available Rooms:		70			70			70			70			70	
Stabilized Occupancy	58%			63%			66%			68%			68%		
Occupied Rooms:	14,819		RevPAR	16,097		RevPAR	16,863		RevPAR	17,374		RevPAR	17,374		RevPAR
Average Rate:	$136.60		$79.23	$140.70		$88.64	$144.90		$95.63	$149.30		$101.52	$153.70		$104.52
	Amount ($000)	Ratio	Per Occ/ Avail Room	Amount ($000)	Ratio	Per Occ/ Avail Room	Amount ($000)	Ratio	Per Occ/ Avail Room	Amount ($000)	Ratio	Per Occ/ Avail Room	Amount ($000)	Ratio	Per Occ/ Avail Room
REVENUES															
Rooms	$2,024.3	97.8%	$136.60	$2,264.8	97.8%	$140.70	$2,443.4	97.9%	$144.90	$2,593.9	97.9%	$149.30	$2,670.4	97.9%	$153.70
Food Sales	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00
Beverage Sales	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00
Total Food and Beverage	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00
Telephone	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00
Minor Operated Departments	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00
Misc. Other Income	46.6	2.2%	3.14	51.6	2.2%	3.21	53.2	2.1%	3.15	54.8	2.1%	3.15	56.4	2.1%	3.25
GROSS REVENUE	$2,070.9	100.0%	$139.74	$2,316.4	100.0%	$143.91	$2,496.6	100.0%	$148.05	$2,648.7	100.0%	$152.45	$2,726.8	100.0%	$156.95
DEPARTMENTAL EXPENSES															
Rooms	$603.7	29.8%	$40.74	$651.9	28.8%	$40.50	$690.1	28.2%	$40.92	$723.5	27.9%	$41.64	$745.2	27.9%	$42.89
Food and Beverage	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	45.1%	0.00	0.0	45.1%	0.00
Telephone	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00	0.0	0.0%	0.00
Misc. Other Expense	22.9	49.2%	1.55	25.6	49.6%	1.59	27.6	52.0%	1.64	29.3	53.5%	1.69	30.2	53.5%	1.74
TOTAL DEPT EXPENSES	$626.6	30.3%	$42.28	$677.5	29.2%	$42.09	$717.7	28.7%	$42.56	$752.9	28.4%	$43.33	$775.4	28.4%	$44.63
DEPARTMENTAL PROFIT	$1,444.3	69.7%	$97.46	$1,638.9	70.8%	$101.82	$1,778.9	71.3%	$105.49	$1,895.9	71.6%	$109.12	$1,951.4	71.6%	$112.32
UNDISTRIBUTED EXPENSES															
Administrative and General	$227.3	11.0%	$3,248	$235.9	10.2%	$3,370	$244.1	9.8%	$3,486	$252.1	9.5%	$3,602	$259.7	9.5%	$3,710
Information & Telecommunications	$19.5	0.9%	$279	20.3	0.9%	290	21.0	0.8%	300	21.7	0.8%	310	22.3	0.8%	319
Management Fee	82.8	4.0%	1,183	92.7	4.0%	1,324	99.9	4.0%	1,427	105.9	4.0%	1,514	109.1	4.0%	1,558
Sales & Marketing	42.3	2.0%	604	44.1	1.9%	630	45.7	1.8%	653	47.3	1.8%	675	48.7	1.8%	696
Franchise Royalty Fee	202.4	9.8%	2,892	226.5	9.8%	3,235	244.3	9.8%	3,491	259.4	9.8%	3,706	267.0	9.8%	3,815
Utilities	91.7	4.4%	1,309	95.5	4.1%	1,364	99.0	4.0%	1,414	102.4	3.9%	1,463	105.5	3.9%	1,507
Property Op & Maintenance	106.6	5.1%	1,522	110.6	4.8%	1,580	114.4	4.6%	1,634	118.2	4.5%	1,688	121.7	4.5%	1,739
TOTAL UNDIST EXPENSES	$772.7	37.3%	$11,038	$825.4	35.6%	$11,792	$868.3	34.8%	$12,405	$907.0	34.2%	$12,957	$934.0	34.3%	$13,343
GROSS OPERATING PROFIT	$671.6	32.4%	$9,594	$813.5	35.1%	$11,621	$910.6	36.5%	$13,009	$988.9	37.3%	$14,127	$1,017.4	37.3%	$14,534
FIXED CHARGES															
Property Taxes	41.2	2.0%	$589	75.0	3.2%	$1,071	$77.3	3.1%	$1,104	$79.6	3.0%	$1,137	$82.0	3.0%	$1,171
Insurance	37.9	1.8%	541	39.0	1.7%	557	40.2	1.6%	574	41.4	1.6%	591	42.6	1.6%	609
TOTAL FIXED CHARGES	$79.1	3.8%	$1,129	$114.0	4.9%	$1,628	$117.4	4.7%	$1,677	$120.9	4.6%	$1,728	$124.6	4.6%	$1,779
NET INC. BEFORE RESERVES	$592.6	28.6%	$8,465	$699.5	30.2%	$9,993	$793.2	31.8%	$11,332	$867.9	32.8%	$12,399	$892.8	32.7%	$12,754
OTHER CHARGES															
Reserve for Replacement	$41.4	2.0%	$592	$69.5	3.0%	$993	$99.9	4.0%	$1,427	$105.9	4.0%	$1,514	$109.1	4.0%	$1,558
TOTAL OTHER CHARGES	$41.4	2.0%	$592	$69.5	3.0%	$993	$99.9	4.0%	$1,427	$105.9	4.0%	$1,514	$109.1	4.0%	$1,558
NET OP. INCOME (NOI)	$551.1	26.6%	$7,873	$630.0	27.2%	$9,000	$693.3	27.8%	$9,905	$762.0	28.8%	$10,886	$783.7	28.7%	$11,196

This statement should be read subject to the comments contained in the attached report

Source: Patek Hospitality Consultants, Inc.

ASSUMPTIONS AND LIMITING CONDITIONS

1. This document is to be used in whole and not in part.

2. Our conclusions are explicitly based upon the assumption that the proposed hotel will be developed and constructed to competitive standards, operated in a manner typical of a high-quality hotel, and include the assumed facilities and amenities as set forth in this report. It is expressly understood that the conclusions of this analysis could change upon any deviation from this assumption. Furthermore, the changes that might arise could be material. For the purposes of this engagement, we have assumed that the proposed hotel will open in January 2028, and contain approximately 70 rooms, will operate as a chain affiliated hotel, be operated by competent management and be effectively marketed to the appropriate demand segments identified in this report. We have no obligation to update our findings regarding changes to the scope of the proposed development including (but not limited to) changes in the guestroom inventory, ancillary facilities program, and lodging product concept.

3. As in all studies of this type, the estimated annual operating results are based upon competent and efficient management and assume no significant change in the competitive position of the lodging industry in the immediate area from that set forth in the study.

4. Estimated results are also based on an evaluation of the present general economy of the area and do not consider, or make provision for, the effect of any sharp rise or decline in local or general economic conditions, which may occur. There usually will be differences between the estimated and actual results, because events and circumstances frequently do not occur as expected. Such differences may be material.

5. We do not warrant that our estimates will be attained; they will be developed based upon information obtained during our market research and are intended to reflect the expectations of a typical hotel developer/investor as of the report date.

6. We have no obligation to update our findings regarding changes to the scope of the proposed development or changes in market conditions after the completion of our fieldwork. The information gathered during the fieldwork and used in this analysis is assumed to be accurate, although we cannot guarantee its accuracy.

7. Neither all nor part of the contents of this report shall be disseminated to the public through advertising media, news media, sales media, or any public means of communication without the prior <u>written</u> consent and approval of PHC.

8. The Client (MAEDC) has disclosed to Patek Hospitality Consultants, Inc. (PHC) all relevant information, conditions, data, and other information that Client deems relevant to PHC's production of the Report. Unless specifically brought to the attention of PHC, PHC will assume that there are no hidden or unexpected conditions or information that would adversely or otherwise affect the study and analysis leading to the Report. PHC expresses

no opinion and gives no advice concerning matters that require legal or specialized expertise, investigation or knowledge such as, without limitation, engineering, tax, accounting, zoning, signage, hazardous substance/waste, wetlands, franchise or other technical or developmental matters. Market studies involve the interpretation of evolving events and the research and review of highly confidential information, the accuracy of which cannot be assured. The risk of unknown or unanticipated events or conditions is an additional variable for which there is no remedy. Client understands these limitations and interprets all research, analysis, and projections accordingly.

9. It is expressly understood that the scope of our study and report thereon does not include the possible impact of zoning or environmental regulations, licensing requirements or other such restrictions concerning the project except where such matters have been brought to our attention and disclosed in the report.

10. No liability is assumed for matters legal in nature. Patek Hospitality Consultants, Inc. cannot be held liable in any cause of action concerning this assignment for any compensatory dollar amount over and above the total fees collected from this engagement.

11. All legal expenses incurred in the defense or representation of Patek Hospitality Consultants, Inc., its principals, and its employees will be the responsibility of the client.

12. We are not required to give testimony or attendance in court by reason of this assignment, with reference to the property in question, unless prior arrangements have been made and agreed to in writing.

13. Patek Hospitality Consultants, Inc. is not obligated, or qualified, to predict future political, economic, or social trends, which may or may not occur as a result. The World Health Organization (WHO) declared the Novel Coronavirus (Covid-19) a global pandemic on March 11, 2020. The global pandemic along with other more recent challenges have been discussed and the affect they have had on the industry and the economy in general; factors such as inflation, higher interest rates, supply chain, higher construction costs, labor costs and shortages, the wars in Ukraine and the Middle East, and most recently, tariffs that were enacted by the current administration that is estimated to have a significant impact on the U.S. and global economies. Data resource companies like STR, CBRE, and AirDNA continually update their future performance data as new information becomes available. Our recommendations are partially based on this data and research that is available as of the date of this report. We are not responsible for events that occur after the date of this report and the potential impact on hotel development going forward.