

50.



City of West Allis Matter Summary

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number	Title	Status
-------------	-------	--------

R-2008-0205 Resolution In Committee

Resolution relative to amending a Professional Services Contract with Hospitality Marketers International, Inc. (HMI) in the amount of \$8,000 to determine the feasibility of a hotel in the City of West Allis.

Introduced: 10/7/2008

Controlling Body: Safety & Development Committee

Sponsor(s): Safety & Development Committee

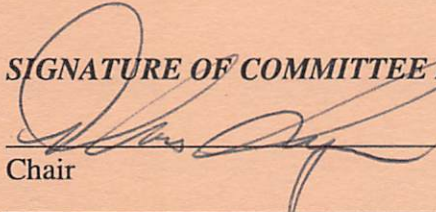
COMMITTEE RECOMMENDATION

ADOPT

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>10/7/08</u>	<input checked="" type="checkbox"/>		Barczak				
			Czaplewski				
			Kopplin	<input checked="" type="checkbox"/>			
			Lajsic	<input checked="" type="checkbox"/>			
			Narlock	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>		Reinke	<input checked="" type="checkbox"/>			
			Roadt				
			Sengstock				
		<input checked="" type="checkbox"/>	Vitale	<input checked="" type="checkbox"/>			
			Weigel				

TOTAL 5 0 _____

SIGNATURE OF COMMITTEE MEMBER

 _____
Chair Vice-Chair Member

COMMON COUNCIL ACTION

ADOPT

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>OCT 07 2008</u>	<input checked="" type="checkbox"/>		Barczak	<input checked="" type="checkbox"/>			
			Czaplewski	<input checked="" type="checkbox"/>			
			Kopplin	<input checked="" type="checkbox"/>			
			Lajsic	<input checked="" type="checkbox"/>			
			Narlock	<input checked="" type="checkbox"/>			
		<input checked="" type="checkbox"/>	Reinke	<input checked="" type="checkbox"/>			
			Roadt	<input checked="" type="checkbox"/>			
			Sengstock	<input checked="" type="checkbox"/>			
			Vitale	<input checked="" type="checkbox"/>			
			Weigel	<input checked="" type="checkbox"/>			

TOTAL 10 - _____



City of West Allis

7525 W. Greenfield Ave.
West Allis, WI 53214

Resolution

File Number: R-2008-0205

Final Action:

Sponsor(s): Safety & Development Committee

OCT 07 2008

Resolution relative to amending a Professional Services Contract with Hospitality Marketers International, Inc. (HMI) in the amount of \$8,000 to determine the feasibility of a hotel in the City of West Allis.

WHEREAS the Department of Development, on April 5, 2007, entered into a contract for a Feasibility Study for a hotel facility in the area of Wisconsin State Fair Park grounds; and,

WHEREAS, there exists a contract by and between the City of West Allis, Wisconsin (the "City", a municipal corporation, by the Department of Development of the City of West Allis, Wisconsin, (the "Department") and Hotel Marketers International, Inc. (HMI) (the "Consultant") to determine the market feasibility of developing and operating a hotel on the Wisconsin State Fair Park grounds (the "Project"); and,

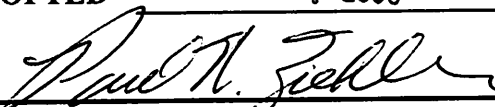
WHEREAS, it is necessary to amend the Scope of Services to provide for additional services (the "Amendment") to determine the feasibility for the possible development of a hotel project in the City of West Allis.

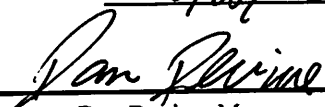
NOW, THEREFORE BE IT RESOLVED by the Common council of the City of West Allis as follows:

1. That the Amendment, a copy of which is attached hereto and made a part hereof, be and is hereby approved.
2. That the Director of Development or his designee be and is hereby authorized and directed to execute and deliver the aforesaid Amendment on behalf of the City.
3. That the sum of Ten Thousand and no/100 Dollars (\$10,000) be and is hereby appropriated from the Community Development Block Grant Funds to pay the liability that will accrue to the City under the Amendment.

Cc: Department of Development
Grant Accounting Specialist

Dev-R-525-10-7-08

ADOPTED OCT 07 2008

Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED 10/10/08

Dan Devine, Mayor



HOSPITALITY MARKETERS
INTERNATIONAL, INC.

September 26, 2008

Mr. John Stibal
Director of Development
City of West Allis
7525 W. Greenfield Avenue
West Allis, WI 53214

RE: Update Hotel Market Study- West Allis

Sent Via Email: jistibal@ci.west-allis.wi.us

Dear John,

Michael and I enjoyed meeting with you, Kristi and Patrick last Friday and discussing the status of the proposed hotel for the City of West Allis. We appreciate this opportunity to work with you on an update of the existing Market Study prepared in May, 2005 for the City and State Fair Park. Thank you for again considering Hospitality Marketers International, Inc., to potentially research this hotel project.

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

Management
Research
Marketing

PHASE II COMPREHENSIVE MARKET STUDY

-- HMI will completely update the Phase II Comprehensive Market Study Report completed in May, 2005 for the possible development of a hotel project in the City of West Allis, Wisconsin, market area. This will be a new Phase II Comprehensive Market Study Report as most of the data contained in the May, 2005 report is now outdated.

-- The site for this proposed property will be in the area of 84th Street and Greenfield Avenue. The specific development subject sites available for this hotel project would be identified, in more detail, upon commencement of this market study.

-- The potential brand proposed for the hotel being considered has not been identified at this time. This report will focus on a limited-service or a select service hotel property in the subject site area. Recommendations for a limited-service and/or select-service hotel will be contained in this report. Possible brands within these hotel product categories will be addressed.

-- The size of the project would be addressed in the recommendations contained in this report. This will include the sleeping room configuration for the hotel including possible suites.

--There is the potential for this property to have select-service food and beverage. This would include the potential for a restaurant/lounge to mainly service hotel guests. At this time, this would not be a destination

Gregory R. Hanis, ISHC
President

Member of



2831 North Grandview Blvd.
Suite 209
Pewaukee, (Milwaukee) WI 53072
262-549-1770
800-657-0835
Fax - 262-549-1964
www.hospitalitymarketers.com

Hotel Service Network

restaurant at this time. The potential for a banquet/conference facility will also be researched. Potential revenue from the restaurant/lounge would be identified. Also, potential demand sources and revenue for the banquet/conference center would be determined.

-- The potential to offer other amenities and services will also be highlighted in this report. These items will be addressed accordingly based upon the research performed for this phase and recommendations will be made as to the type, size and necessity for certain amenities at this proposed property.

-- The scope of this study will be to research the market potential to support the development of a hotel product. Research of the relationship of the potential site area to possible lodging demand generators and the existing lodging supply will be performed. Comprehensive research of the market will be performed to investigate the proposed market including its economic data and competitive lodging supply. It will identify the demographic makeup of the market area as well as the demand generators to render a recommendation for developing this proposed hotel. Specific operational projections to a stabilized year of operation for Sales Revenue, based upon Occupancy and Average Daily Room Rates, will be presented for the proposed hotel product. These projections will be related to existing market performance in this area and anticipated growth factors. Additionally, this report will provide specific recommendations for the hotel's product type and size, franchise affiliation and features and amenities.

-- The format of this study may be used by the City of West Allis to attract a potential hotel developer to this market to develop a hotel. This report may be acceptable to be used for external lending and investing purposes, however, it may need to be expanded to address a specific hotel development project. In addition, HMI could modify this market study for an identified hotel developer for a specific hotel project in the subject site area for this market. Hospitality Marketers will be available to answer any questions concerning these studies upon their completion.

-- HMI will develop a Market Study Fact Sheet that highlights key points from the Market Study that could be placed on the City's website to lure potential developers to this market. The Phase II Comprehensive Market Study could be provided to interested developers by the City.

TIMING

-- The Phase II Comprehensive Market Study project will be completed within 60 days of the field research stage of our research for this project. We will begin gathering preliminary research as soon as we receive your acceptance of this engagement letter. Market studies are scheduled based upon the accepted return of this engagement. An exact start and completion date will be assigned with the accepted return of this letter to HMI. Should there be any unforeseen delays which would change this completion date, we will communicate with you accordingly. If we can expedite this phase, we will do so.

-- HMI will be prepared to present preliminary findings after the field work research is completed for this project. This should be within approximately three weeks of the start date.

COMPENSATION

HMI's compensation for completing this project work is as follows:

-- The Phase II Comprehensive Market Study fee, for this hotel project, will be \$6,400. (This is extending a discount from our normal fees for this type of project work of \$8,550). A 50% retainer (\$3,200) will be required prior to commencing work on this project. The final balance will be due upon presentation of the final report for this project.

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

- Field Work/Preliminary Research – \$4,000
- The retainer received will be applied accordingly. All other terms of this engagement letter are in effect.

Expenses - Reasonable travel-related expenses are in addition to the above fees. These expenses include: Auto Mileage, Meals and Miscellaneous Expenses (parking, tolls, etc.)

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

GENERAL

We ask that you notify HMI before you solicit or hire any other hospitality consulting organization to perform this project work. This will prevent any conflict that may occur in completing this project work as defined.

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

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

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

All information concerning your business interests, as well as HMI's, including business data, policies, procedures, operations, and other information, are

confidential and are not to be disclosed by yourself or HMI.

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

This engagement letter is in effect until the satisfactory completion of the project work and payment of the associated fees.

John, again, we appreciate this opportunity to work with you on this hotel project in the West Allis, Wisconsin, market area. I look forward to a productive relationship during this project. After reviewing this engagement letter, please contact me if you have any questions. Otherwise, please sign one of the enclosed copies and return it along with the appropriate retainer check to my attention as soon as possible so I can begin scheduling this project. If you fax your signed, accepted copy to me, I will begin scheduling this project immediately.

Sincerely,
HOSPITALITY MARKETERS, INC.

Gregory R. Hanis

Gregory R. Hanis, ISHC
President

_____ Please proceed with the Phase II Comprehensive Market Study. (Retainer- \$3,200)

_____ The appropriate Retainer check is enclosed with this signed copy of the engagement letter.

_____ If Faxed, the appropriate Retainer check will be sent, via mail, with this signed copy of the engagement letter. HMI will hold this project in the priority position the fax was received in for ten (10) days from the date of this signed and faxed engagement letter.

ACCEPTED BY: _____

TITLE: _____

COMPANY NAME: _____

DATE: _____