

# Mills, Wyoming Riverfront Highest & Best Use Study

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**FINAL**

December 5, 2021



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# Table of Contents

- Executive Summary
- Chapter 1: Project Orientation
- Chapter 2: Economic, Demographic & Tourism Analysis
- Chapter 3: Retail & Restaurant Analysis
- Chapter 4: Office Market Analysis
- Chapter 5: Hotel Market Analysis
- Chapter 6: Outdoor Recreation & Other Unique Attractions Assessment
- Chapter 7: Relevant Development Profiles
- Chapter 8: Recommendations for Highest & Best Use
- Chapter 9: Demand and Revenue Projections
- Chapter 10: Economic, Fiscal and Employment Impact Analysis

# Executive Summary

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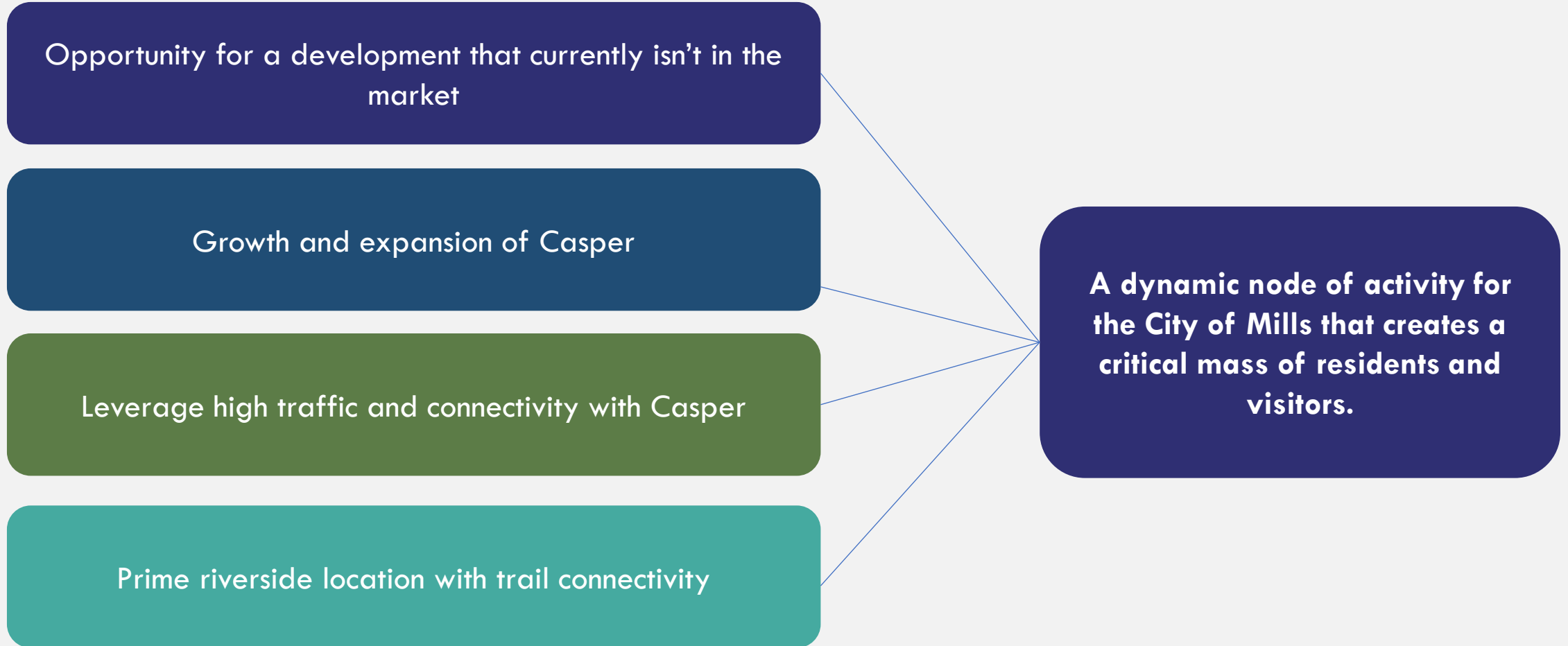
The City of Mills engaged Hunden Strategic Partners to conduct a market and financial feasibility to determine the highest and best use of a key site along the North Platte River. HSP's analysis intends to answer the following key questions:

- What are the existing market conditions locally and regionally that may affect various use types for this site?
- What is the market opportunity for retail, restaurant, office, residential, hotel, entertainment, and other uses?
- What other considerations should be made in order to increase the proposed Project's potential for success?
- What relevant developments exist across the country that are comparable to what could be achieved on the site? What development precedents could be implemented on the site that maximize the sites utility?
- What is the recommended mix of uses that should be included in the overall master plan that would maximize value?  
What is the appropriate physical program for the Project?

# SWOT Analysis

	STRENGTHS	OPPORTUNITIES
POSITIVE	<ul style="list-style-type: none"><li>▪ Riverside location along the North Platte River</li><li>▪ Highway accessibility and visibility</li><li>▪ No river activated developments in the area</li><li>▪ Walking trail &amp; Fort Casper proximity</li><li>▪ Summer Fest</li><li>▪ Growing population &amp; affordability</li></ul>	<ul style="list-style-type: none"><li>▪ Multi-use community plaza as a hub of activity for Mills</li><li>▪ Riverside retail, restaurant &amp; boutique hotel</li><li>▪ No other similar developments in Mills</li><li>▪ Trail connectivity</li><li>▪ Activation along the North Platte River</li><li>▪ Recreation</li><li>▪ River outfitter</li><li>▪ Strong summer visitation from national &amp; state parks</li></ul>
NEGATIVE	WEAKNESSES	THREATS
	<ul style="list-style-type: none"><li>▪ Lack of development precedents in Mills</li><li>▪ Perception of Mills vs. Casper</li><li>▪ Land preparation &amp; fortification along the river floodplain</li><li>▪ Infrastructure changes to the highway</li><li>▪ Restrictive site dimensions</li><li>▪ Marketing &amp; branding</li></ul>	<ul style="list-style-type: none"><li>▪ Other river activated developments</li><li>▪ Lack of shared vision and leadership</li><li>▪ Attracting private development</li><li>▪ Parking availability</li><li>▪ Unknown site preparation costs</li></ul>

# How to Capitalize on Strengths?



## Weaknesses

- Lack of development precedents in Mills
- Perception of Mills vs. Casper
- Land preparation & fortification along the river floodplain
- Infrastructure changes to the highway
- Restrictive site dimensions
- Marketing & branding

Streetscaping and programming of the space

Creation of a 'hub' of activity in Mills

Grow and expand on the Mill's Summerfest & other events

Actively market and attract residents & visitors to the development

# Opportunity Analysis

After careful consideration of multiple factors, it is recommended that retail, restaurant, recreation and hotel be the primary uses on the site.

A highest and best use analysis considers the following elements:

- Physically Possible
- Financially Feasible
- Legally Permissible
- Maximally Productive

Highest and Best Use Matrix - Mills Riverside Site		
Use	Type	Opportunity
Restaurant	Coffee/Café	Good
	Ice Cream/Juice Bar	Good
	Fast Food/Quick Service	Limited/Weak
	Fast-Casual	Strong
	Chain Restaurant	Limited/Weak
	Casual Family Dining	Moderate
	Restaurant & Bar/Brewery	Strong
	Fine Dining	Limited/Weak
Retail	Boutique Shop	Good
	Grocery	Weak
	Chain Big-Box Retailer	Weak
	Quick-Service Market	Strong
	Sporting/Outdoors	Strong
Office	Traditional	Weak
	Loft	Limited/Weak
	Small Local Business	Good
Hotel	Select-Service	Limited/Weak
	Full-Service	Weak
	Boutique	Strong
Recreation	Rafting/Kayaking Outfitter	Strong
	Hiking/Walking Trail	Strong
	Fishing	Good
	Splash Pad	Limited/Weak
	Play Area	Good
	Climbing Rock	Good
Residential	Multifamily	Weak
	Condominiums	Weak
	Townhomes	Weak

Source: Hunden Strategic Partners



# Recommended Mix of Uses:

Based on HSP's highest and best use analysis which determined the mix of real estate uses that would be physically possible, financially feasible, legally permissible and maximally productive, the following recommendations were determined:

## 2- Story Boutique Hotel

- 30-40 Keys
- 30-40 Parking Spaces
- 10,000 – 12,000 SF Floorplate

## Retail

- 4,000 – 8,000 Square Feet
- 50 – 100 Parking Spaces

## Restaurant

- Indoor/Outdoor
- Riverside Outdoor Seating
- 3,000 – 5,000 Square Feet
- 60–120 Parking Spaces

## Community Plaza

- Activated Outdoor Plaza
- Small Open-Air Amphitheater
- Green Space
- Extended Riverwalk
- 30–50 Parking Spaces

## Recreation

- Rafting & Kayaking Outfitter (500 SF)
- Hiking & Walking Trail Connection
- 15 – 25 Parking Spaces





# Projected Performance & Impact

## Estimated Sources & Uses

The assumed program includes restaurant/retail along with an outdoor recreation outfitter, an experiential boutique hotel and community plaza with amenities outlined in the recommendations.

The total estimated development costs is \$17+ million. Of the project components, the cost of construction of the community plaza (\$6.9 million) is expected to be covered by the City of Mills, while the other commercial components (\$10.2 million) will be covered through private sources of funding and public incentives of \$4.08 million.

The remainder of the section will present the operating cash flows and supportable market value for each private use.

### Estimated Sources & Uses - Mills Riverfront

Uses	Amount	Unit	Cost/Unit	Est. Dev Cost	Commercial Value
Restaurant/Retail + Outdoor Rec. Outfitter	13,500	SF	\$ 280	\$ 3,780,000	\$ 2,600,000
Hotel	40	Rooms	\$ 160,000	\$ 6,400,000	\$ 3,500,000
Site Prep (all)	10	Acres	\$ 190,000	\$ 1,900,000	\$ -
Public Plaza & Improvements	40,000	SF	\$ 125	\$ 5,000,000	\$ -
<b>Total Square Feet / Unit Count</b>				<b>\$ 17,080,000</b>	<b>\$ 6,100,000</b>
Sources					Amount
<b>Private Financing</b>					
Private Equity				\$ 1,350,000	
Private Debt				\$ 4,750,000	
<b>Total Private Financing</b>				<b>\$ 6,100,000</b>	
<b>Public Financing</b>					
Public Grant (used for site prep, surface parking)				\$ 1,900,000	
Public Funds for Public Plaza & Improvements				\$ 5,000,000	
Other Public Contribution to Mitigate Private Feasibility Gap				\$ 4,080,000	
<b>Total Public Contribution</b>				<b>\$ 10,980,000</b>	
<b>Total Development Cost</b>				<b>\$ 17,080,000</b>	

Source: Hunden Strategic Partners

Proforma - Mills Riverfront (000s) - Combined Project Elements										
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
<b>Total SF</b>	<b>13,500</b>									
Restaurant/Retail + Outdoor Outfitter	13,500									
Hotel (Rooms)	40									
<b>Gross Operating Income</b>										
Restaurant/Retail (Lease Income)	\$ 229	\$ 265	\$ 297	\$ 303	\$ 310	\$ 317	\$ 324	\$ 331	\$ 338	\$ 345
Hotel	\$ 598	\$ 659	\$ 727	\$ 743	\$ 759	\$ 776	\$ 793	\$ 810	\$ 828	\$ 846
Tenant Reimbursements	\$ 37	\$ 42	\$ 48	\$ 49	\$ 50	\$ 51	\$ 52	\$ 53	\$ 54	\$ 55
<b>Total Gross Operating Income</b>	<b>\$ 864</b>	<b>\$ 967</b>	<b>\$ 1,071</b>	<b>\$ 1,095</b>	<b>\$ 1,119</b>	<b>\$ 1,143</b>	<b>\$ 1,168</b>	<b>\$ 1,194</b>	<b>\$ 1,220</b>	<b>\$ 1,247</b>
<b>Expenses</b>										
Restaurant/Retail	\$ 48	\$ 56	\$ 61	\$ 63	\$ 64	\$ 65	\$ 67	\$ 68	\$ 70	\$ 71
Hotel	\$ 334	\$ 342	\$ 371	\$ 387	\$ 396	\$ 405	\$ 414	\$ 423	\$ 432	\$ 441
<b>Total Expenses</b>	<b>\$ 382</b>	<b>\$ 398</b>	<b>\$ 432</b>	<b>\$ 450</b>	<b>\$ 460</b>	<b>\$ 470</b>	<b>\$ 480</b>	<b>\$ 491</b>	<b>\$ 502</b>	<b>\$ 513</b>
<b>Net Operating Income</b>	<b>\$ 482</b>	<b>\$ 569</b>	<b>\$ 639</b>	<b>\$ 645</b>	<b>\$ 659</b>	<b>\$ 673</b>	<b>\$ 688</b>	<b>\$ 703</b>	<b>\$ 719</b>	<b>\$ 735</b>

Source: Hunden Strategic Partners

The above table shows the revenues and expenses from all of the commercial uses that would be on the riverfront site. Annual NOI approaches \$735,000 by Year 10.

# Combined Financing

The above table shows the financing structure that can support an 18.2 percent leveraged internal rate of return. Raising \$1.35 million in equity and \$4.75 million in private debt will finance 37 percent of the proposed Project. These estimates consider the \$1.9 million infrastructure grant awarded to the city of Mills by the Wyoming Business Council. These funds are set to be used for site preparation. This leaves a 60 percent gap or \$9.08 million in financing that the City would have to analyze and work to lessen/fill with creative financing, land discounts or other funding mechanisms.

Supportable Financing (000s) - Combined Project Elements														
	Constr. Yr1	Constr. Yr2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	
Net Operating Income	\$ -	\$ -	\$ 482	\$ 569	\$ 639	\$ 645	\$ 659	\$ 673	\$ 688	\$ 703	\$ 719	\$ 735	\$ 6,511	
Interest and Debt Reserve W/D	\$ 89	\$ 267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 89	\$ 267	\$ 482	\$ 569	\$ 639	\$ 645	\$ 659	\$ 673	\$ 688	\$ 703	\$ 719	\$ 735	\$ 735	
Debt Service Payment	\$(89)	\$(267)	\$(426)	\$(426)	\$(426)	\$(397)	\$(397)	\$(397)	\$(397)	\$(397)	\$(397)	\$(397)	\$(397)	
Net Income to Repay Equity	\$ -	\$ -	\$ 56	\$ 143	\$ 213	\$ 248	\$ 262	\$ 277	\$ 291	\$ 307	\$ 322	\$ 338	\$ 2,457	
Princ. Amount***	\$ 1,188	\$ 3,563	\$ 4,750	\$ 4,680	\$ 4,605	\$ 4,520	\$ 4,451	\$ 4,377	\$ 4,298	\$ 4,213	\$ 4,122	\$ 4,024	\$ 4,024	
Interest	\$ 89	\$ 267	\$ 356	\$ 351	\$ 345	\$ 328	\$ 323	\$ 317	\$ 312	\$ 305	\$ 299	\$ 292	\$ 292	
Less Payment	\$(89)	\$(267)	\$(426)	\$(426)	\$(426)	\$(397)	\$(397)	\$(397)	\$(397)	\$(397)	\$(397)	\$(397)	\$(397)	
Loan Balance	\$ 1,188	\$ 3,563	\$ 4,680	\$ 4,605	\$ 4,524	\$ 4,451	\$ 4,377	\$ 4,298	\$ 4,213	\$ 4,122	\$ 4,024	\$ 3,919		
<b>Debt Assumptions</b>													<b>Refi</b>	
Loan Amount	\$ 4,750												\$ 4,520	
Amortization Period (Years)	\$ 25												\$ 25	
Loan Interest Rate	7.5%												7.25%	
Annual Debt Service Payment	\$ (426)												\$ (397)	
<b>Financing</b>														
Developer's Equity	\$ 1,350													
Private Debt	\$ 4,750													
Total Supportable Commercial Financing	\$ 6,100													
Commercial Development Gap	\$ 4,080													
Community Plaza Development Cost	\$ 6,900													
<b>Project Amount</b>	<b>\$17,080</b>													
Infrastructure Grant	\$(1,900)													
<b>Project Amount After Grant</b>	<b>\$15,180</b>													
														<b>10-Yr Avg</b>
Debt (Private) Coverage Ratio			1.13	1.34	1.50	1.63	1.66	1.70	1.73	1.77	1.81	1.85	1.85	1.61
Return on Private Equity/Leveraged IRR*			4.1%	10.6%	15.8%	18.4%	19.4%	20.5%	21.6%	22.7%	23.9%	25.0%	25.0%	18.2%
WACC														9.9%
*On developer's equity only.														
**On project cost.														
***Assumes 50% draw in Construction Year 1; 75% average during Construction Year 2														
Source: Hunden Strategic Partners														

# Summary of 10-Year Impacts

The Project is expected to generate \$151 million in net new spending, \$55 million in net new earnings and 136 new full-time equivalent jobs at stabilization.

Capturable taxes accruing to the State of Wyoming, Natrona County and City of Mills are expected to total approximately \$4.9 million.

Construction will produce 136 construction jobs from the \$16.35 million Project budget.

10-Yr. Summary of Impacts - All Components	
<b>Net New Spending</b>	<b>(millions)</b>
Direct	\$90
Indirect	\$32
Induced	\$29
<b>Total</b>	<b>\$151</b>
<b>Net New Earnings</b>	<b>(millions)</b>
From Direct Spending	\$35
From Indirect Spending	\$11
From Induced Spending	\$9
<b>Total</b>	<b>\$55</b>
<b>Net New FTE Jobs</b>	<b>Actual</b>
From Direct Spending	80
From Indirect Spending	29
From Induced Spending	27
<b>Total</b>	<b>136</b>
<b>Construction Jobs</b>	<b>218</b>
<b>Construction Spending (\$000s)</b>	<b>16,355</b>
<b>Capturable State Taxes</b>	<b>(millions)</b>
Sales Tax (4%)	\$3.6
Hotel Tax (5%)	\$0.1
<b>Total</b>	<b>\$3.7</b>
<b>Capturable County Taxes</b>	<b>(millions)</b>
Sales Tax (1%)	\$0.9
Hotel Tax (5%)	\$0.1
<b>Total</b>	<b>\$1.0</b>
<b>Capturable Local Taxes</b>	<b>(millions)</b>
Property Tax	\$0.3
<b>Total</b>	<b>\$0.3</b>
<b>State, County &amp; Local Total</b>	<b>\$4.9</b>

Source: Hunden Strategic Partners

Construction Impacts - All Components	
<b>Development Cost (000s)</b>	
Labor (60%)	\$ 9,813
Materials (40%)	\$ 6,542
<b>Total</b>	<b>\$ 16,355</b>
Construction Jobs	218
Source: Hunden Strategic Partners	

# Chapter 1: Project Orientation

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## The Magic is Already Here.

Capture THE EXPLOSION of Growth in The Area & Show off the Natural Beauty of Central Wyoming



**CITY OF MILLS**  
EST. 1921



Take Inspiration from The Area

# A Development for the Community to be Proud of for Generations



## Project Background

The City of Mills retains control of an 11-acre site along the North Platte River directly adjacent to Wyoming Boulevard. The identified site forms an entry way or “front door” into the City of Mills from the City of Casper, the largest city in Natrona County which is located to the east.

The City of Mills is aiming to determine the highest and best use of the identified site which will maximize the impact to the City and create a place for the residents of Mills to be truly proud of.

The City has done a superb job in retaining this site for a game-changing project that will drive impact for the residents of Mills and the local area.

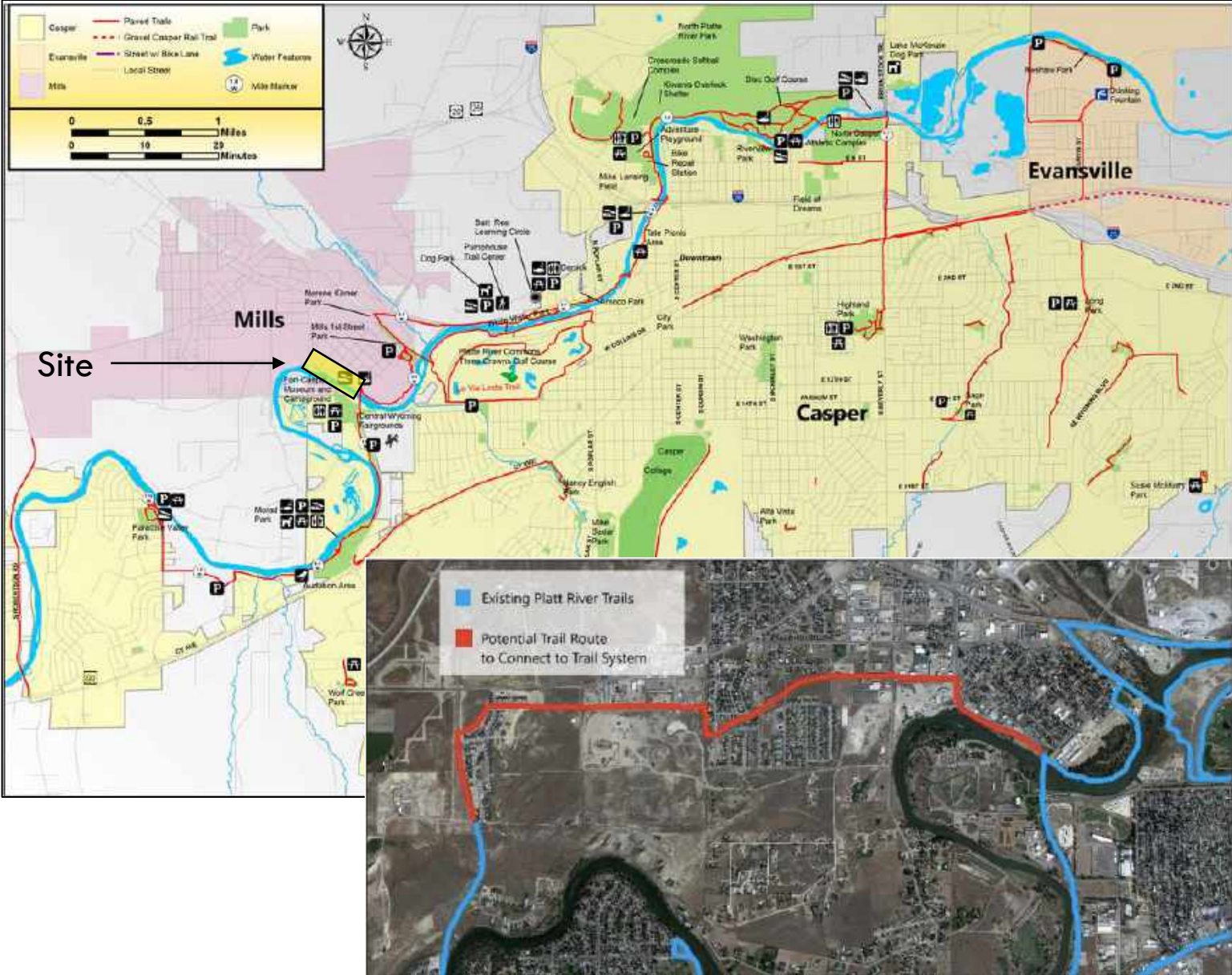


# North Platte River & Trail System

The North Platte River is a key natural amenity in Natrona County. The river serves several recreational uses including fishing, rafting & kayaking, hiking and walking and sight seeing.

There are miles of connected trail systems throughout the area which predominantly locate along the North Platte.

There has been a proposed expansion of the trail system which would connect the Platte River Trails through the site and the rest of Mills.



# Chapter 2: Economic, Demographic & Tourism Analysis

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## Mills, Wyoming Overview

Mills, Wyoming is a small city located in Natrona County, the fastest growing county in Wyoming. Natrona County is centrally located within Wyoming making it a high traffic county, serving as a central meeting point for the whole state. Mills directly neighbors the City of Casper, the largest city in the county, to the northwest. The two cities are separated by the North Platte River which runs through Central Wyoming.

As of 2019, the city had an estimated population of just over 3,900 residents. Recently, Mills has seen significant development of neighborhoods because of its lower cost of living compared to Casper. Despite its growing population, Mills is lacking many community amenities such as restaurants, retail centers, hotels and does not have a school within its city limits. Mills is located 7 miles away from the Casper/Natrona County International Airport which offers flights to Salt Lake City and Denver, two of the nation's busiest airports.

Highway 26 runs directly through Mills and brings major thru-traffic into the city, mostly from people on their way to visit Yellowstone.



	Population and Growth Rates				
	Population				Percent Change
	2000	2010	2021	2026 Projected	2010 - 2021
United States	281,421,906	308,745,538	333,793,107	346,021,282	8.1%
Wyoming	493,782	563,626	596,471	608,646	5.8%
Natrona County	66,533	75,450	81,385	83,443	7.9%
Casper, WY	50,244	55,304	58,650	59,676	6.1%
Mills, WY	3,293	3,461	3,679	3,781	6.3%

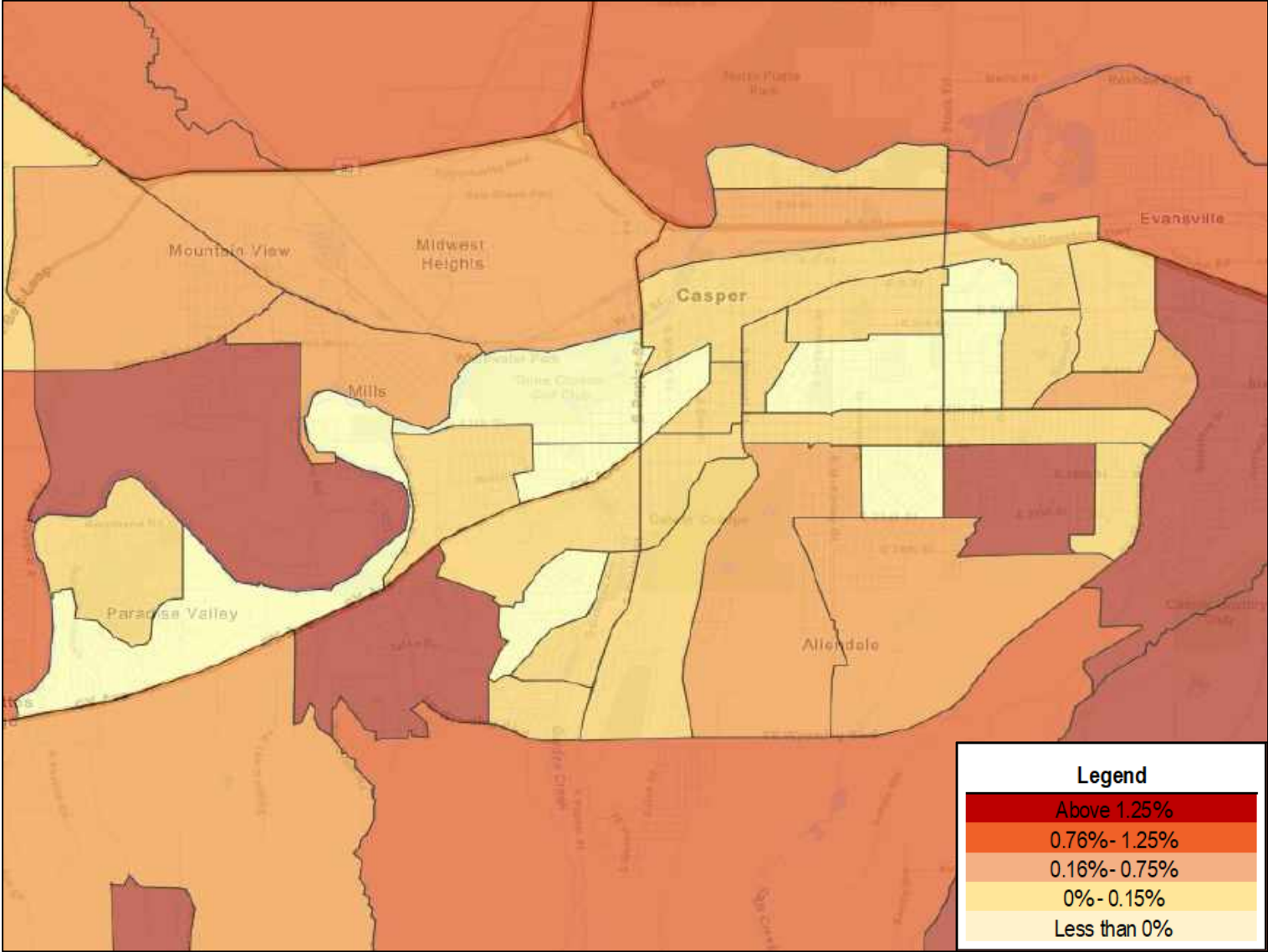
Source: U.S. Census Bureau

Population growth in the entire state, county, MSA and local area has increased in the past decade. The population in Mills has increased from 3,461 in 2010 to 3,679 in 2021, a 6.3 percent increase. Most of the increase in Mills’ population is attributed to the growth of the larger areas near the city including Casper and Bar Nunn, but natural growth (more births than deaths) has also been a factor.

# Population Growth Trends

The population heat map shows that overall, Mills is seeing healthy growth. There is very strong growth on the west side of town.

The west side of Mills has become developed with larger, single-family neighborhoods such as River Heights. River Heights has inspired more construction between the west side of Mills and the North Platte River. As many as 80 additional homes are planned for construction between River Heights and the river. There is also a bike path under construction to connect these newer homes to the Project site.



## Income, Spending and Other Demographic Data

Category	United States	Wyoming	Natrona County	City of Casper	City of Mills
Homeownership rate, 2020	63.80%	70.40%	68.20%	64.40%	57.00%
Median value of owner-occupied housing units, 2015-19	\$217,500	\$220,500	\$208,700	\$207,400	\$123,598
Persons per household, 2015-19	2.62	2.46	2.4	2.36	2.74
Median household income, 2015-19	\$62,843	\$64,049	\$62,772	\$61,979	\$38,512
Persons below poverty level, percent	10.5%	10.1%	9.9%	10.0%	10.7%
Total employment, 2019	132,989,428	207,016	43,102	33,473	1,691.0
Total employment, percent change, 2018-2019	1.6%	0.6%	0.8%	---	---

Source: U.S. Census Bureau

The City of Mills significantly underperforms the state and country averages in several of the above income, spending, and other demographic data categories. As neighborhoods such as River Heights continue to develop in Mills, median household value and household incomes will increase. Houses in River Heights have values between \$450,000 and \$600,000 which is significantly over the median household value. The presence of neighborhoods consisting of old trailers and mobile homes have negatively affected the value of properties throughout Mills.



# Education

The two main colleges and universities near Mills are the University of Wyoming at Casper and Casper College.

The University of Wyoming at Casper is a part of the University of Wyoming located in Laramie, WY. The school offers many online programs and has students all over Wyoming and other neighboring states. The school’s main campus has over 12,000 students.

Casper College is a public, community college that offers a comprehensive two-year program.

Population Age 25+	United States	Wyoming	Casper MSA	City of Casper	City of Mills
Did Not Complete High School	12.4%	5.2%	5.5%	5.0%	7.2%
Completed High School*	27.1%	30.3%	31.9%	29.8%	50.7%
Some College	20.6%	23.1%	24.7%	24.2%	25.6%
Completed Associate Degree	8.4%	11.4%	12.4%	12.9%	8.9%
Completed Bachelor Degree	19.4%	19.5%	16.5%	18.0%	5.0%
Completed Graduate Degree	12.1%	10.5%	8.9%	10.1%	2.6%

\*Includes GED/Alternative Credential  
Source: U.S. Census Bureau

Institution	Location	Distance from 50023 (miles)	Highest Degree Offered	Enrollment
University of Wyoming at Casper	Casper	3.4 miles	Master's	350
Casper College	Casper	4.8 miles	Associates	4,970
Central Wyoming College	Riverton	102.9 miles	Bachelor's	1,946
University of Wyoming	Laramie	108.0 miles	Doctor's	12,249
WyoTech	Laramie	116.1 miles	Associates	253
Eastern Wyoming College	Torrington	126.2 miles	Associates	4,347
<b>Total</b>				<b>24,115</b>

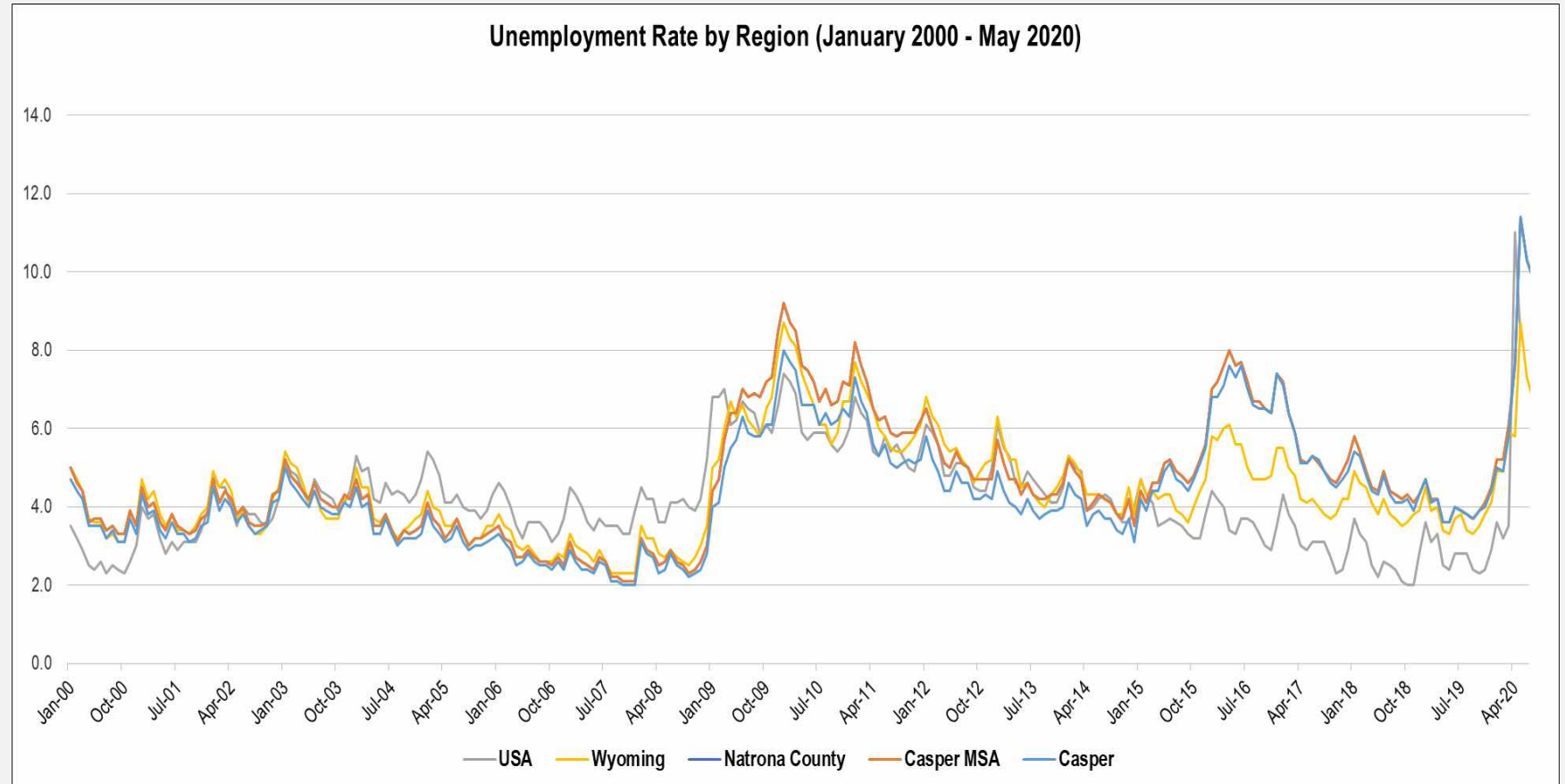
Source: National Center for Education Statistics

# Unemployment

Unemployment in Wyoming, Natrona County and the City of Casper has tracked slightly above that of the entire U.S. since 2015.

In the recovery from the COVID-19 pandemic, Wyoming and Natrona County have bounced back quicker than the United States.

The city of Mills is too small to track unemployment numbers over time, but in 2017 the City of Mills had an unemployment rate of 4.9%. The unemployment rate fluctuates frequently because of the small population within Mills.



# Employment

Natrona County has a diverse employment base that spans several industries. 99 percent of all jobs consist of nonfarm jobs.

The top two industries by employment base are health care and social assistance and retail trade. Combined, these attribute to approximately 22.5% of the employment base in the county.

Mills and Casper have a heavy concentration of employment in mining, quarrying and oil and gas extraction industry. The oil industry has been operating in Casper since the 1800s and became the oil hub of the Rocky Mountain region in the early 1900s.

Casper MSA - Natrona County Employment by Industry - 2019		
Description	Employees	Percentage of Total
Total employment (number of jobs)	55,034	100%
By type		
Wage and salary employment	41,466	75.35%
Proprietors employment	13,568	24.65%
Farm proprietors employment	351	--
Nonfarm proprietors employment 2/	13,217	--
By industry		--
Farm employment	502	<b>0.91%</b>
Nonfarm employment	54,532	<b>99.09%</b>
Private nonfarm employment	48,565	88.25%
Forestry, fishing, and related activities	-	-
Educational services	-	-
Health care and social assistance	6,726	12.22%
Retail trade	5,697	10.35%
Accommodation and food services	4,334	7.88%
Mining, quarrying, and oil and gas extraction	4,209	7.65%
Construction	4,127	7.50%
Real estate and rental and leasing	3,519	6.39%
Other services (except government and government enterprises)	2,871	5.22%
Wholesale trade	2,717	4.94%
Professional, scientific, and technical services	2,648	4.81%
Finance and insurance	2,626	4.77%
Administrative support and waste management	2,238	4.07%
Transportation and warehousing	2,123	3.86%
Manufacturing	2,055	3.73%
Arts, entertainment, and recreation	1,165	2.12%
Information	493	0.90%
Management of companies and enterprises	144	0.26%
Utilities	136	0.25%
Government and government enterprises	5,967	10.84%
State and local	4,919	8.94%
State government	725	1.32%
Local government	4,194	7.62%
Federal civilian	634	1.15%
Military	414	0.75%

Source: Bureau of Economic Analysis, Hunden Strategic Partners

# Top Employers

The largest employers in Casper are centered around healthcare, oil drilling and refining and energy.

Casper is historically known for being involved with oil drilling and these companies continue to operate in the area.

## Casper MSA - Natrona County Major Employers - 2019

<b>Company Name</b>	<b>Industry</b>	<b>Number of Employees</b>
Wyoming Medical Center	Healthcare, Medical	1,000 to 2,000
Walmart Supercenter	Retail	500 to 999
Haliburton	Oil	250 to 499
Wyoming Machinery Company	Construction	250 to 499
Unit Drilling Co	Oil	250 to 499
Casper Event Center	Recreation	250 to 499
Natrona County High School	Education	250 to 499
SST Energy Corp	Energy	250 to 499
Shepherd-The Vly Rehab-Willnss	Healthcare, Medical	250 to 499
Wyoming Signs	Marketing, Signs	100 to 249

Source: VisitCasper

# Tapestry Segmentation

HSP performed a tapestry segmentation analysis which classifies neighborhoods using 67 unique segments based not only on demographics but also socioeconomic characteristics.

The five largest segments for Natrona County are Old and Newcomers, Middleburg, In Style, Savvy Suburbanites, and Green Acres. The top three segments are profiled in more detail on the following slides.

Understanding the segmentation profile of the immediate surrounding area of the subject parcels helps to determine the potential developments that would be most attractive to these demographic groups.



Natrona County ESRI Tapestry Segmentation		
Rank	Segment	Percentage
1	Old and Newcomers (8F)	18.6%
2	Middleburg (4C)	11.4%
3	In Style (5B)	10.8%
4	Savvy Suburbanites (1D)	9.2%
5	Green Acres (6A)	8.5%

Source: ESRI

Old and Newcomers make up nearly 19% of Natrona County. This segment is well-educated with a median age of 39.4 years and are attentive to environmental concerns. Residents have a strong sense of the community and prefer outdoor activities.

It is important to note that this group consists of new professionals just beginning their careers and older residents that are entering retirement.



LifeMode Group: Middle Ground

## Old and Newcomers

8F

**Households:** 2,859,200

**Average Household Size:** 2.12

**Median Age:** 39.4

**Median Household Income:** \$44,900

### WHO ARE WE?

This market features singles' lifestyles, on a budget. The focus is more on convenience than consumerism, economy over acquisition. *Old and Newcomers* is composed of neighborhoods in transition, populated by renters who are just beginning their careers or retiring. Some are still in college; some are taking adult education classes. They support charity causes and are environmentally conscious. Age is not always obvious from their choices.

### OUR NEIGHBORHOOD

- Metropolitan city dwellers.
- Predominantly single households (Index 148), with a mix of married couples (no children); average household size lower at 2.12.
- 55% renter occupied; average rent is lower than the US (Index 85).
- 45% of housing units are single-family dwellings; 45% are multiunit buildings in older neighborhoods, built before 1980.
- Average vacancy rate at 11%.

### SOCIOECONOMIC TRAITS

- An average labor force participation rate of 62.6%, despite the increasing number of retired workers.
- 32% of households are currently receiving income from Social Security.
- 31% have a college degree (Index 99), 33% have some college education (Index 114), 9% are still enrolled in college (Index 121).
- Consumers are price aware and coupon clippers, but open to impulse buys.
- They are attentive to environmental concerns.
- They are comfortable with the latest technology.

The Middleburg segment makes up 11.4% of Natrona County.

This is a very family-oriented segment that places a strong importance on patriotism.

Their favorite occupations include hiking, fishing, hunting and baseball.



LifeMode Group: Family Landscapes

## Middleburg

4C

**Households:** 3,511,200

**Average Household Size:** 2.75

**Median Age:** 36.1

**Median Household Income:** \$59,800

### WHO ARE WE?

Middleburg neighborhoods transformed from the easy pace of country living to semirural subdivisions in the last decade, as the housing boom spread beyond large metropolitan cities. Residents are traditional, family-oriented consumers. Still more country than rock and roll, they are thrifty but willing to carry some debt and are already investing in their futures. They rely on their smartphones and mobile devices to stay in touch and pride themselves on their expertise. They prefer to buy American and travel in the US. This market is younger but growing in size and assets.

### OUR NEIGHBORHOOD

- Semirural locales within metropolitan areas.
- Neighborhoods changed rapidly in the previous decade with the addition of new single-family homes.
- Include a number of mobile homes (Index 150).
- Affordable housing, median value of \$175,000 (Index 84) with a low vacancy rate.
- Young couples, many with children; average household size is 2.75.

### SOCIOECONOMIC TRAITS

- Education: 65% with a high school diploma or some college.
- Labor force participation typical of a younger population at 66.7% (Index 107).
- Traditional values are the norm here—faith, country, and family.
- Prefer to buy American and for a good price.
- Comfortable with the latest in technology, for convenience (online banking or saving money on landlines) and entertainment.

In Style makes up 10.8% of Natrona County.

This segment is older and nearing retirement and has a high home-ownership rate.

This group advocates for community events and supports the arts, concerts and museums.



LifeMode Group: GenXurban

## In Style

5B

**Households:** 2,764,500

**Average Household Size:** 2.35

**Median Age:** 42.0

**Median Household Income:** \$73,000

### WHO ARE WE?

*In Style* denizens embrace an urbane lifestyle that includes support of the arts, travel, and extensive reading. They are connected and make full use of the advantages of mobile devices. Professional couples or single households without children, they have the time to focus on their homes and their interests. The population is slightly older and already planning for their retirement.

### OUR NEIGHBORHOOD

- City dwellers of large metropolitan areas.
- Married couples, primarily with no children (Index 112) or single households (Index 109); average household size at 2.35.
- Home ownership average at 68% (Index 108); nearly half, 47%, mortgaged (Index 114).
- Primarily single-family homes, in older neighborhoods (built before 1980), with a mix of town homes (Index 132) and smaller (5–19 units) apartment buildings (Index 110).
- Median home value at \$243,900.
- Vacant housing units at 8.6%.

### SOCIOECONOMIC TRAITS

- College educated: 48% are graduates (Index 155); 77% with some college education.
- Higher labor force participation rate is at 67% (Index 108) with proportionately more 2-worker households (Index 110).
- Median household income of \$73,000 reveals an affluent market with income supplemented by investments (Index 142) and a substantial net worth (Index 178).
- Connected and knowledgeable, they carry smartphones and use many of the features.
- Attentive to price, they use coupons, especially mobile coupons.



# Tourism & Attractions

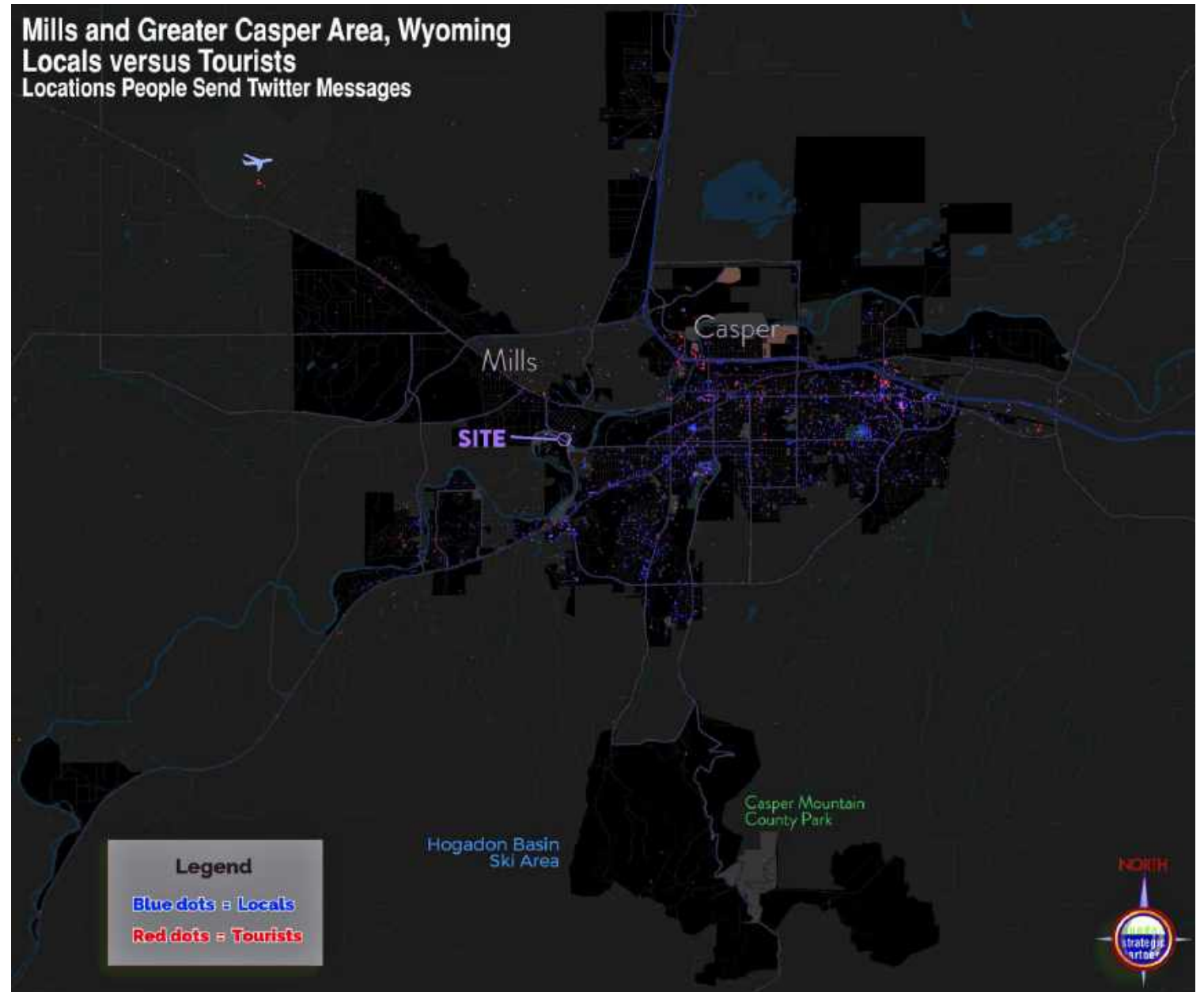
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## Tourist Activity

The tourist activity in Mills is centralized around Highway I-25 and the downtown area of Casper.

Understanding where tourists versus locals frequent is important in projecting the impact the proposed development may have on each group.

The site is located close to one of the major thoroughfares which connects the area to the airport which lends itself well to capturing visitors to the area as they enter Mills and Casper.



# Winter Sports Activity

The adjacent map details winter recreation activity using the Strava database of its users. Strava is one of the most widely used fitness and recreations apps.

Winter sports localize around Casper Mountain where skiing, snowboarding, snowmobile riding and biathlon training occur.

Additionally, Three Crowns Gold Club is a host of some winter cross country skiing.



# Bicycling Activity

Biking is a popular summer activity in the Natrona County area. The highest traffic is scene on trails up Casper Mountain and on the major trails within the Casper and Mills area.

Understanding these routes can help the City of Mills program their space to accommodate this recreational group.



# River Sports Activity

The North Platte River is an anchoring asset for the area. The Strava app allows for the tracking of users along the river.

The heaviest traffic on the North Platte is seen in its more upstream sections as well as those immediately above the site.

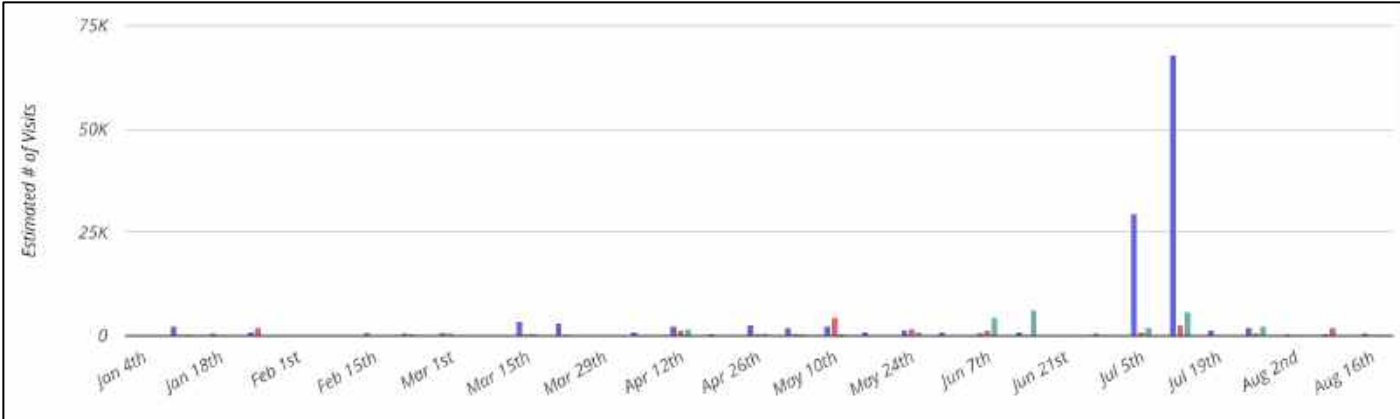
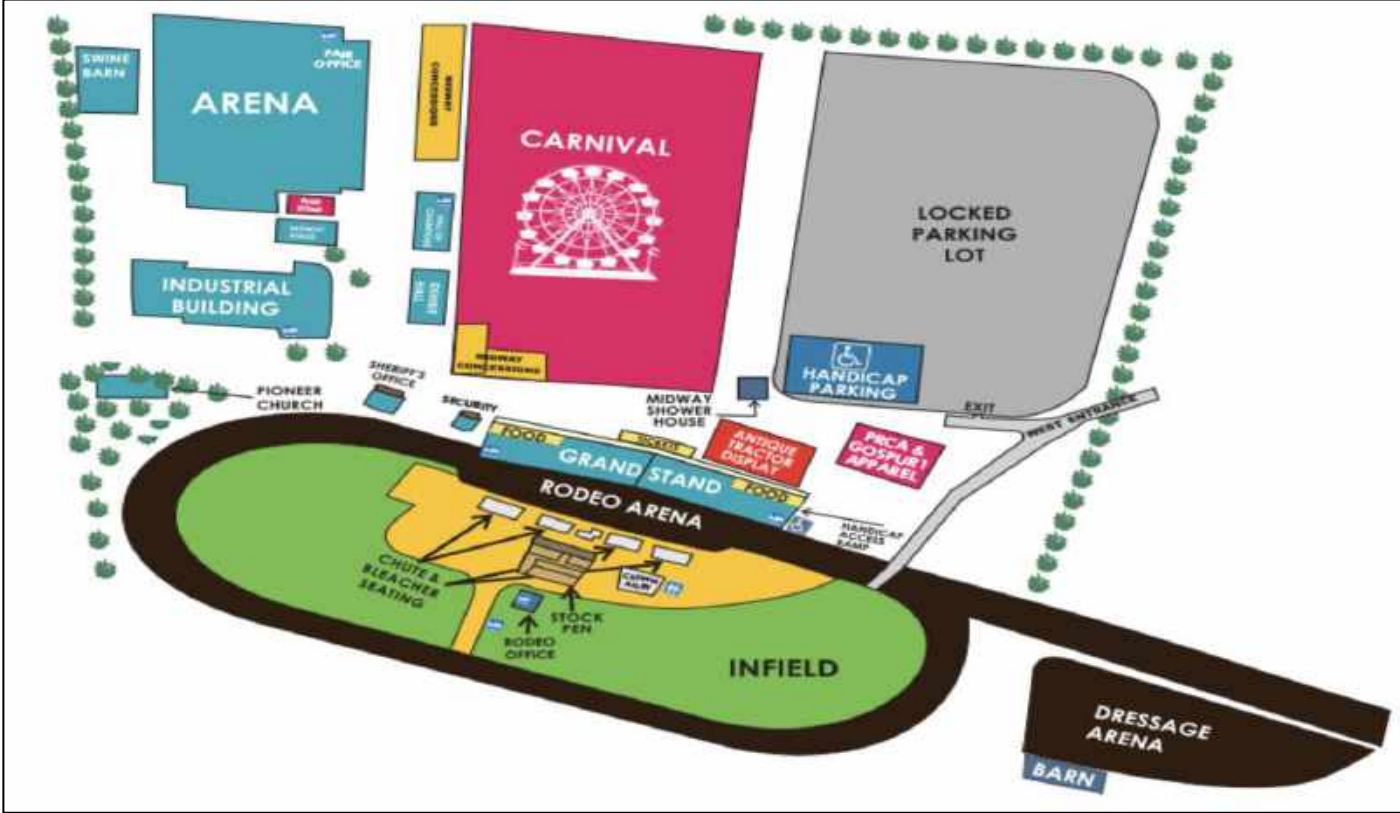
The City of Mills and Casper has been unable to capitalize on the river as an asset, which is evident in the lack of river activated commercial development.



# Central Wyoming Fairgrounds

The Central Wyoming Fairgrounds are located just over the border between Casper and Mills. It is the central location for statewide rodeo, fair and carnival events. The venue hosts weekly ticketed events as well as multi-day events with all aspects of rodeo as well as family focused carnival events.

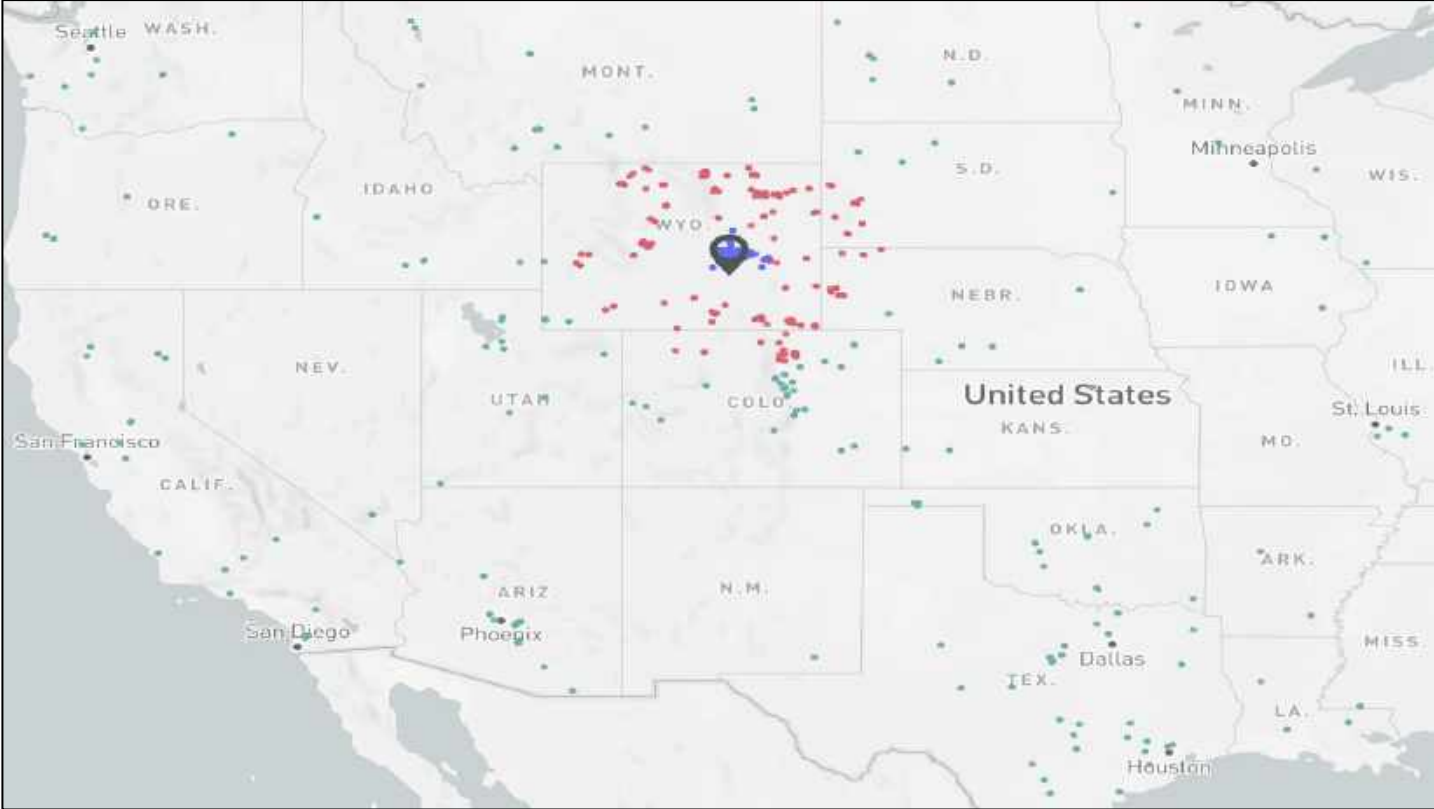
The venue's most popular event is the **Central Wyoming Fair and Rodeo**. This event is held in July each year and the graphic on the right shows the visitation to the fairgrounds during this event.



# Central Wyoming Fairgrounds

The Central Wyoming Fairgrounds are not only a great central location within the state, but also a central location for most western states. The state fair generates heavy visitation to the Casper area and has a significant effect on Casper’s hotel market.

The fairgrounds' location relative to the Project site means that attractive entertainment, lodging and dining options could capture this visitation to its offerings and bring this visitation to Mills.



Central Wyoming Fairgrounds - Casper, WY					
January 1st, 2021 - August 25, 2021					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est Number of Visits	Percent of Total Visits	Est Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	132,900	72.9%	54,800	70.1%	2.43
Regional Distance - Over 50 miles & Less Than 200 miles	21,400	11.7%	12,600	16.1%	1.70
Long Distance only - Over 200+ miles	27,900	15.3%	10,800	13.8%	2.58
<b>Total Visits</b>	<b>182,200</b>	<b>100.0%</b>	<b>78,200</b>	<b>100.0%</b>	<b>2.33</b>

Source: Placer.ai

# Ford Wyoming Center

The Ford Wyoming Center hosts premier events such as concerts, stand-up comedy, rodeo events and many others.

The venue was opened in 1982 and is a 28,000 square foot multi-purpose facility outside of Casper with 8,000 seats.

The Ford Wyoming Center hosts the high school state championships for basketball, volleyball, wrestling, art, marching band and cheer every year. It also has been the host of the **College National Finals Rodeo (CNFR)** every year in June since 2001.

These events bring significant visitation to Casper and the surrounding areas.

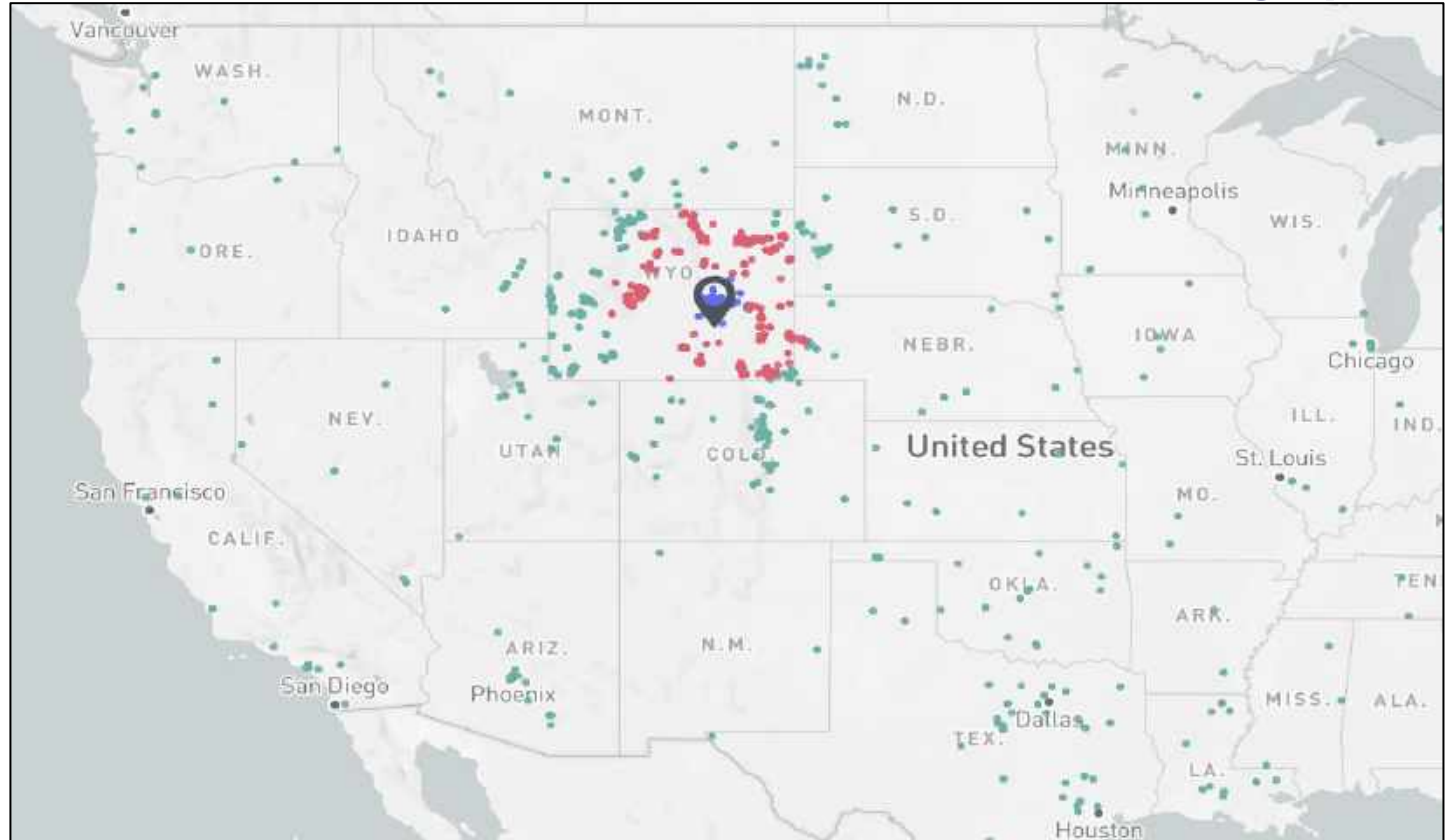




# Ford Wyoming Center

This year alone, the Ford Wyoming Center has received roughly 282,000 visits, which shows a rebound in hosted events in the form of sports and entertainment.

The Ford Wyoming Center contributes Casper's success in hosting statewide and regional events. One area Casper must improve on is their offerings in retail, restaurant and entertainment to accommodate the influx of people that visit the area for these events.



Ford Wyoming Center - Casper, WY January 1st, 2021 - August 25st, 2021					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	131,800	46.7%	53,300	41.5%	2.47
Regional Distance - Over 50 miles & Less Than 150 miles	74,000	26.2%	38,100	29.6%	1.94
Long Distance only - Over 150+ miles	76,200	27.0%	37,100	28.9%	2.05
<b>Total Visits</b>	<b>282,000</b>	<b>100.0%</b>	<b>128,500</b>	<b>100.0%</b>	<b>2.19</b>

Source: Placer.ai

## David Street Station

David Street Station is located in Casper and serves the community as a central, year-round outdoor space for meetings and events. The meeting space has hosted concerts and has served Casper as a family-oriented central attraction. The development features an outdoor event space, indoor event space with a rooftop deck, a splash pad in the summers and a skating rink in the summer.

David Street Station connects the Old Yellowstone District of Casper to Downtown Casper and has spurred redevelopment nearby such as The Gaslight Social, a popular brewery and restaurant. David Street Station is an excellent example of a central community space that Mills is lacking.

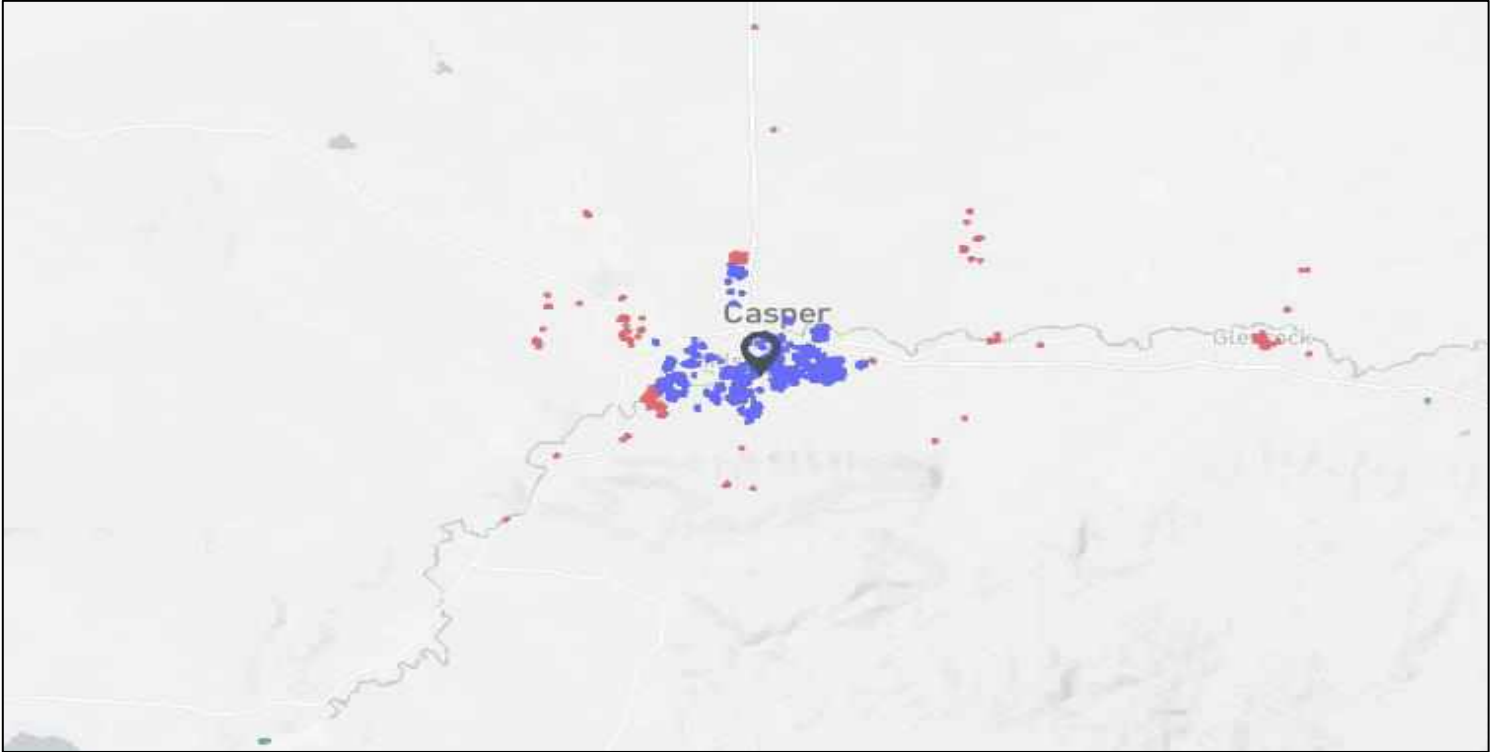


# David Street Station

As of January 2021, nearly 110,000 people have visited David Street Station. This development has been very successful within Casper and Mills.

Central meeting spaces for cities and towns with entertainment draw residents to the development, spurring considerable peripheral activity.

Mills is currently lacking a central meeting place that David Street Station provides for Casper. This is a missed opportunity for Mills because David Street Station draws people from all over the surrounding areas to community events and nearby dining and retail options.



**David Street Station 2021 - Casper, WY**  
January 1st, 2021 - August 25, 2021

Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 5 miles	80,600	73.4%	30,500	61.7%	2.64
Regional Distance - Over 5 miles & Less Than 30 miles	11,500	10.5%	6,100	12.3%	1.89
Long Distance only - Over 30+ miles	17,700	16.1%	12,800	25.9%	1.38
<b>Total Visits</b>	<b>109,800</b>	<b>100.0%</b>	<b>49,400</b>	<b>100.0%</b>	<b>2.22</b>

Source: Placer.ai

# Casper Mountain

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Casper Mountain is the entertainment hub within Casper and Mills. The mountain provides many entertainment options to the local communities including biking, hiking trails, horseback riding, skiing and snowboarding, snowshoeing, archery, camping and biathlon ranges.

The highlights of Casper Mountain include Hogadon Basin Ski Area, Garden Creek Waterfall and the Rotary Park trails.

Rotary Park is the most popular hiking trail on Casper Mountain. According to VisitCasper, there have been 20,847 unique visitors with 18,843 of them coming from out of state.

Casper Mountain is also home to the Beartrap Summer Festival.



# Hogadon Basin Ski Area

Hogadon Basin Ski Area is located at the top of Casper Mountain. The mountain contains 60 acres of slopes, rentals and state-of-the-art dining options.

Hogadon offers skiers and snowboarders trails of all difficulties. Hogadon offers a ski school for beginners, eight trails for intermediate level individuals and eighteen expert trails to keep the the prolific individuals entertained all season.

Considering Wyoming's long winter seasons, Hogadon is a premier entertainment option within Casper and draws local and regional winter sports enthusiasts to the area.



# Alcova Reservoir

Alcova Reservoir is a 30 miles and a 35-minute drive from Mills. Alcova is a summer hotspot near Mills for all forms of water recreation as well as walking and hiking. The most popular forms of recreation at Alcova include boating, kayaking, paddleboarding and fishing.

Alcova also offers eight boat ramps, six campgrounds, a restaurant, bar, ice cream parlor and supply shop for recreational activities.

According to VisitCasper, 6,307 people have visited Alcova Reservoir in the past three years with 4,647 coming from out of state and 13,192 total visitor days spent.





# Unique Attractions

# Unique Attractions in the State of Wyoming

The table to the right highlights the top unique attractions across the state of Wyoming and are sorted by distance to Mills, WY.

State of Wyoming Attractions			
Name	City	Distance from Mills (Miles)	Year Opened
National Historic Trails Interpretive Center	Casper, WY	3	2002
Hot Springs State Park	Thermopolis, WY	129	1897
Fort Laramie National Historic Site	Fort Laramie, WY	129	1931
University of Wyoming Geological Museum	Laramie, WY	146	1956
Cheyenne Frontier Days Old West Museum	Cheyenne, WY	179	1978
Devil's Tower National Monument	Devil's Tower, WY	187	1906
Buffalo Bill Center of the West	Cody, WY	213	1917
Grand Teton National Park	Jackson, WY	245	1929
Bighorn Canyon National Recreation Area	Lovell, WY	246	1966
Teton Village	Teton County, WY	274	1929
Fossil Butte National Monument	Lincoln County, WY	295	1972
Yellowstone National Park	Yellowstone, WY	296	1872

Source: Various



# Unique Attractions



National Historic Trails Interpretive Center, Casper, WY



Hot Springs State Park, Thermopolis, WY



Fort Laramie National Historic Site, Fort Laramie, WY

The National Historic Trails Interpretive Center in Casper contains exhibits and information on the Oregon, California, Mormon and Pony-Express emigrant trails. The exhibits portrayed come from the 1800's and the museum covers the experiences of those involved in the building the trails. Other features available at the museum include dioramas and an orientation movie.

The Hot Springs State Park is a full-service park and was first opened in 1897. The park currently features 6.2-mile-long hiking and biking trails, fishing pier, a dedicated volksmarch trail and a boat ramp. In addition, the park is known to have a Bison herd that can viewed through the 'Monarch of the Plains' site and the park has a foot bridge over the Bighorn River.

The Fort Laramie National Historic Site's history dates to 1834 from when it first was a fur trade post before it became a US Army outpost in 1849. However, it was abandoned in 1890 and sold in an auction the same year. The Fort Laramie became a part of the National Park System in 1938, and since then, it has restored 12 buildings for tours, has staff and volunteers portraying various events that occurred at the Fort and includes a hiking trail that runs through the confluence of the North Platte and Laramie River.

# Unique Attractions Contd.



University of Wyoming Geological Museum, Laramie, WY



Cheyenne Frontier Days Old West Museum, Cheyenne, WY



Devil's National Monument, Devil's Tower, WY

The University of Wyoming Geological Museum features various pre-historic exhibits and is anchored by an Apatosaurus skeleton, in the middle of the museum, and an exhibit know as the 'Big Al'. The museum also offers a Virtual Reality tour for visitors and acts a research center for the University of Wyoming Department of Geology and Geophysics.

The Cheyenne Frontier Museum features western artifacts and collections from carriages that ran through the West. The museum sits near the world's largest rodeo and western celebration. The other events that take place at the rodeo site include, bareback riding, barrel racing, breakaway racing, bull riding, saddle bronc riding, steer wrestling, team roping, tie down roping and wild horse racing.

The Devil's National Monument has been home to many American-Indian tribes and is now a part of the National Park Service jurisdiction. There are five hiking trails including the 'Tower Trail'. There are additional driving trails that tourists or visitors use to get different perspectives of Devil's Tower.

# Unique Attractions Contd.



Buffalo Bill Center of the West, Cody, WY



Grand Teton National Park, Jackson, WY



Bighorn Canyon National Recreation Area, Lovell, WY

The Buffalo Bill Center of the West Museum is one of five museums within the Wild West Museums. The museum features experiential dining, entertainment and outdoor recreational activities that visitors can utilize whilst visiting the museum.

The Grand Teton National Park was first established in 1929 which neighbored the Jackson Hole National Monument established in 1943. The two attractions were consolidated into Grand Teton National Park in 1950 and now covers over 310,000 acres of land. This park features 803 lodging units, nearly 1,200 camping sites and over 240 miles of multi-use trails.

The Bighorn Canyon National Park is a 120,000-acre wide park that features 12 hiking trails and Bighorn lake and river that permits fishing and boating activity within it. The park also features upland prairies, deep valleys, high deserts and wetlands.

# Unique Attractions Contd.



Teton Village, Teton County, WY

Teton Village located 12 miles northwest from Jackson and houses the Jackson Hole Mountain Resort which is a popular ski-resort in Wyoming. The village offers a variety of summer and winter activities that are split between the ski-resort and national park that encompass trails and other areas that host activities such as, skiing, snowboarding and snowshoeing during the winter and wildlife viewing and hiking trails during the summer.



Fossil Butte National Monument, Lincoln County, WY

The Fossil Butte National Monument in Lincoln County is fossil-preservation site where a variety of educational programs such as the Fossil Butte Quarry Program invites archeology-enthusiasts to participate in a variety research programs during the summertime. The visitor's center for this site houses more than 300 fossils that are on display at the center for visitors.



Yellowstone National Park, Yellowstone, WY

The Yellowstone National Park is one of the top attractions in the state of Wyoming. The park covers nearly 2 million acres of land with a variety of hot spots such as the Yellowstone lake within its area. The most common activity at the park is camping as the park houses a variety of campgrounds within it along with other hotels and motels for those who don't prefer camping.

HSP spoke with market participants and experts to understand the growth in the specific submarket area, any potential gaps in the market and future retail developments that will transform the area. The following implications were drawn:

**Visitation Rebound.** In 2019, Casper attracted over one million tourists and over \$16 million in tourism. The nature of Casper's tourist attractions are primarily centered on the outdoors. Tourism has already returned to 2019 levels as outdoor attractions are in higher demand because of the COVID-19 pandemic.

**Central Statewide Meeting Point.** Casper is a central meeting point in Wyoming and hosts events such as Central Wyoming Fair and Rodeo, high school state championships for basketball, volleyball, wrestling, art, marching band and cheer and the College National Rodeo Championships. These events bring significant visitation to Casper and can be capitalized on with attractive retail, restaurant, lodging and public meeting spaces along the riverfront development.

**Water Activity Potential.** Aside from a local boat and raft launches, there are no developments on the North Platte River that take advantage of the traffic of water activities on the river. Kayaking and raft floating on the river are two popular recreational activities and the riverfront development is a strong opportunity to capture the traffic on the river. Incorporating a launch in the development would allow visitors to come off the river and enjoy the offerings of the development and then proceed with their activities. The riverfront development has the potential to be the highlight of the North Platte River in the Casper MSA.

# Chapter 3: Retail & Restaurant Market Analysis

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# Retail Market

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## Retail & Restaurant Industry Trends

The retail and restaurant industry has evolved significantly over the past few years. As big box retailers and malls have begun to phase out, new mixed-use spaces with smaller footprints and an emphasis on customer experience have taken their place.

The industry took a significant hit during the 2020 COVID pandemic forcing the closure of many spaces both temporarily and permanently. As the economy has begun to open up retailers have begun to rethink what the retail landscape of the future looks like.

Developers have focused on creating a critical mass of people by including strong food and beverage offerings alongside entertainment components that support the traditional retail space in the area.





# Retail Market Performance Overview

HSP identified the Casper market to assess the performance of the retail market in this area. The Casper market is made up of all of Natrona County. The cities and towns in Natrona County include Casper, Evansville, Mills, Bar Nunn and Alcova.

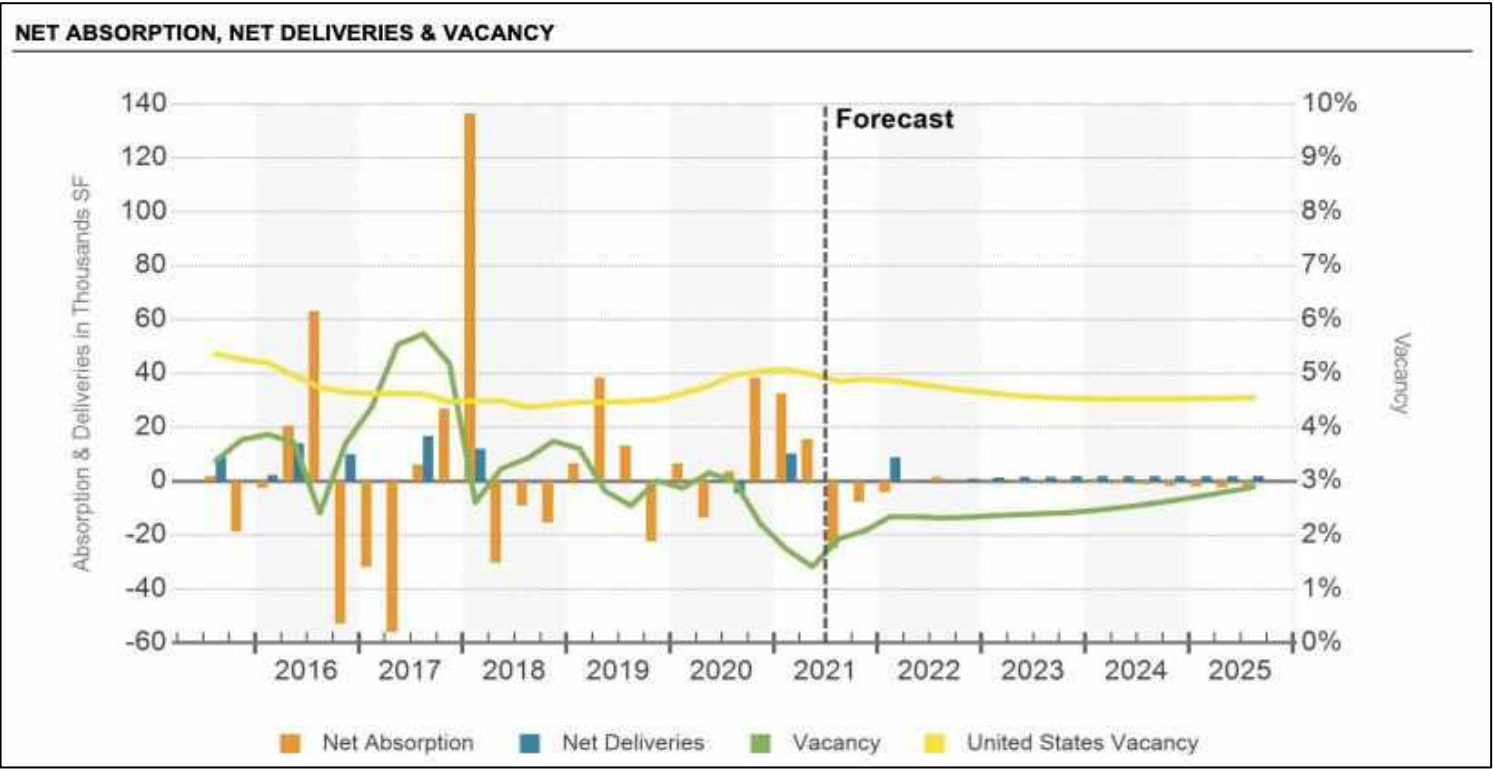
Understanding the past retail performance and planned future developments in the area will be critical to determine how retail usage will perform in the project.



# Retail Market Performance Overview

The Casper market was performing well pre-COVID with low vacancies. Despite COVID, the market vacancy declined only 1.2% and was offset by a 3.1% rise in rental rates.

In the past three years, there have been 5,500 square feet introduced to the market and there is another 10,000 square feet currently underway. This is a small expansion of the 4.9 million square feet in the market.

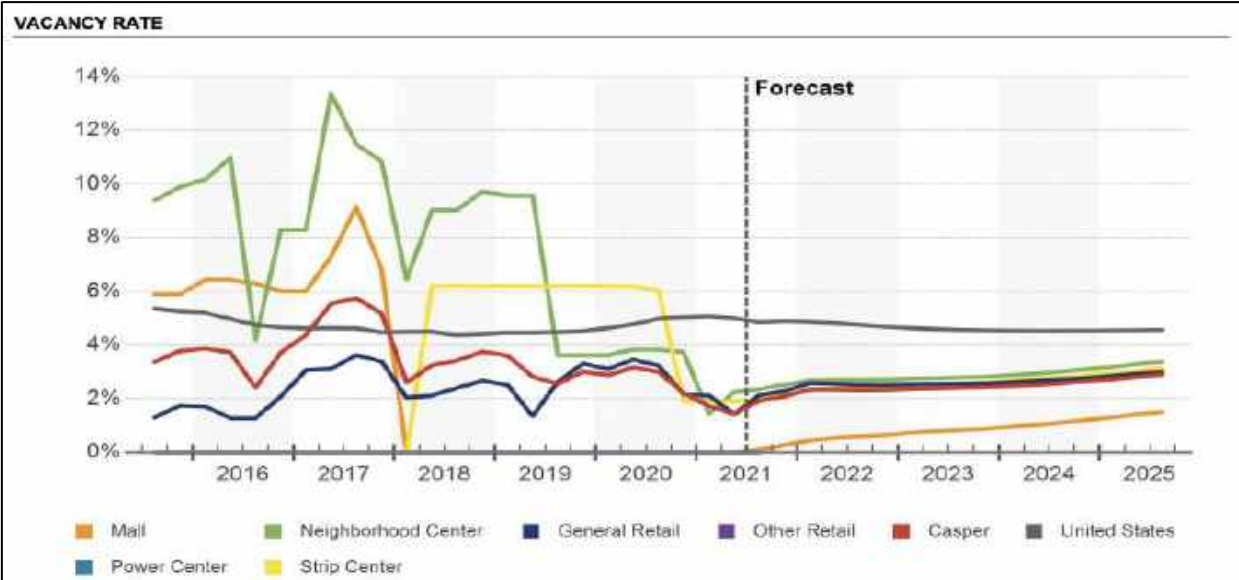
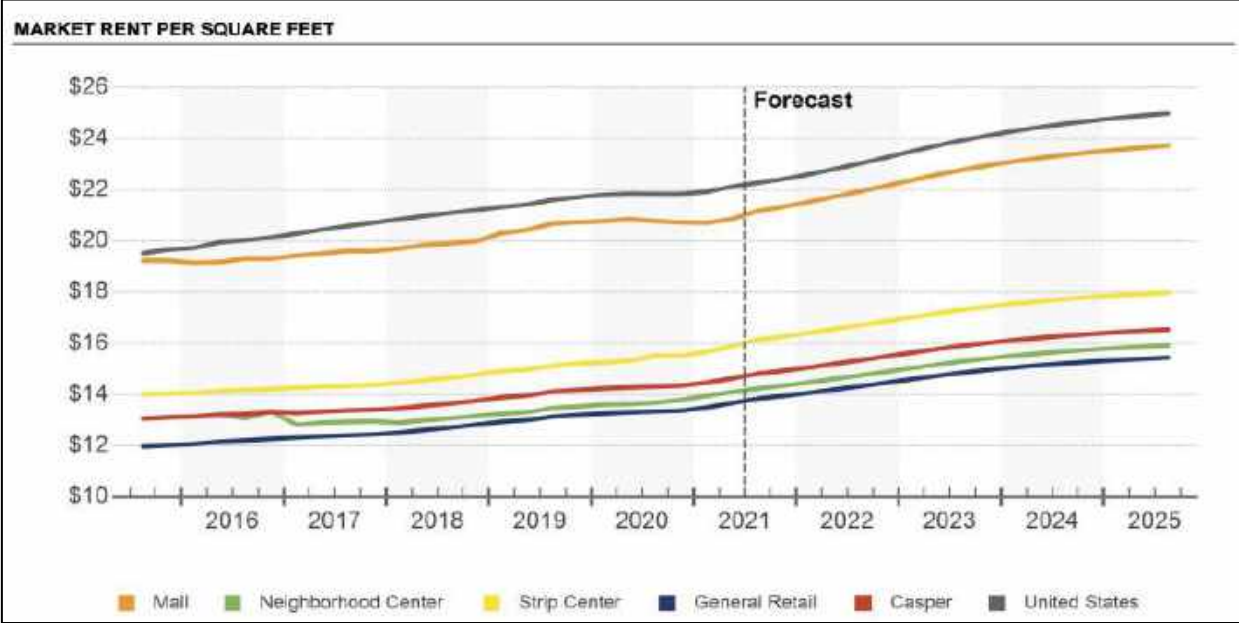


Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.2%	3.2%	2.5%	5.7%	2017 Q3	1.4%	2021 Q2
Net Absorption SF	67.2K	33,103	(2,558)	139,615	2014 Q3	(134,953)	2017 Q3
Deliveries SF	10K	34,207	8,975	131,573	2011 Q2	0	2020 Q4
Rent Growth	3.1%	0%	2.8%	3.4%	2019 Q3	-5.8%	2009 Q4
Sales Volume	\$10.9M	\$6.6M	N/A	\$36.8M	2017 Q2	\$0	2016 Q2

# Submarket Retail Performance Overview

Retail market rents on a per square foot basis are the highest for strip centers, which currently sit at approximately \$16 per square foot. The Casper market average rent per square foot falls at approximately \$14.75 per square foot.

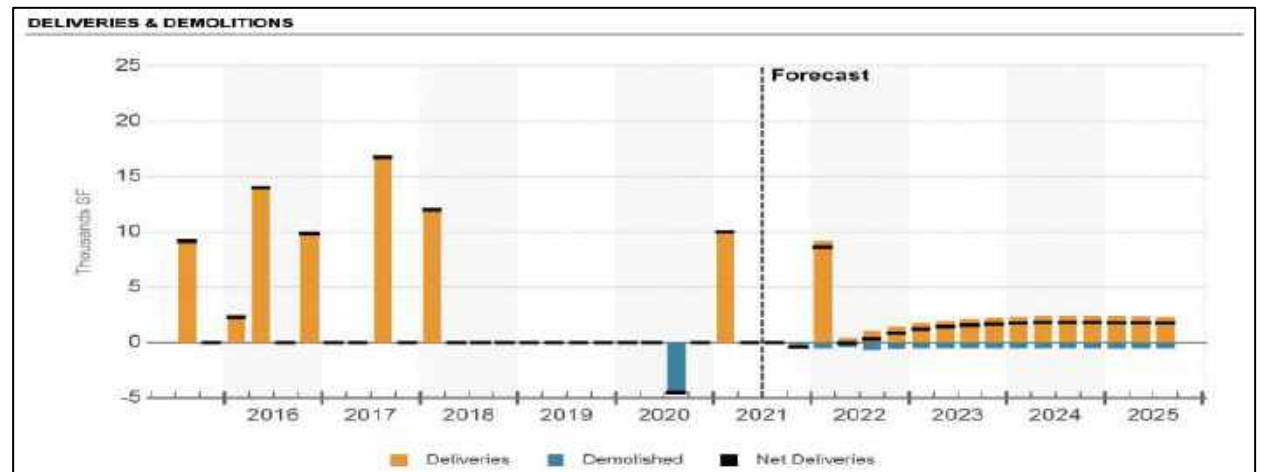
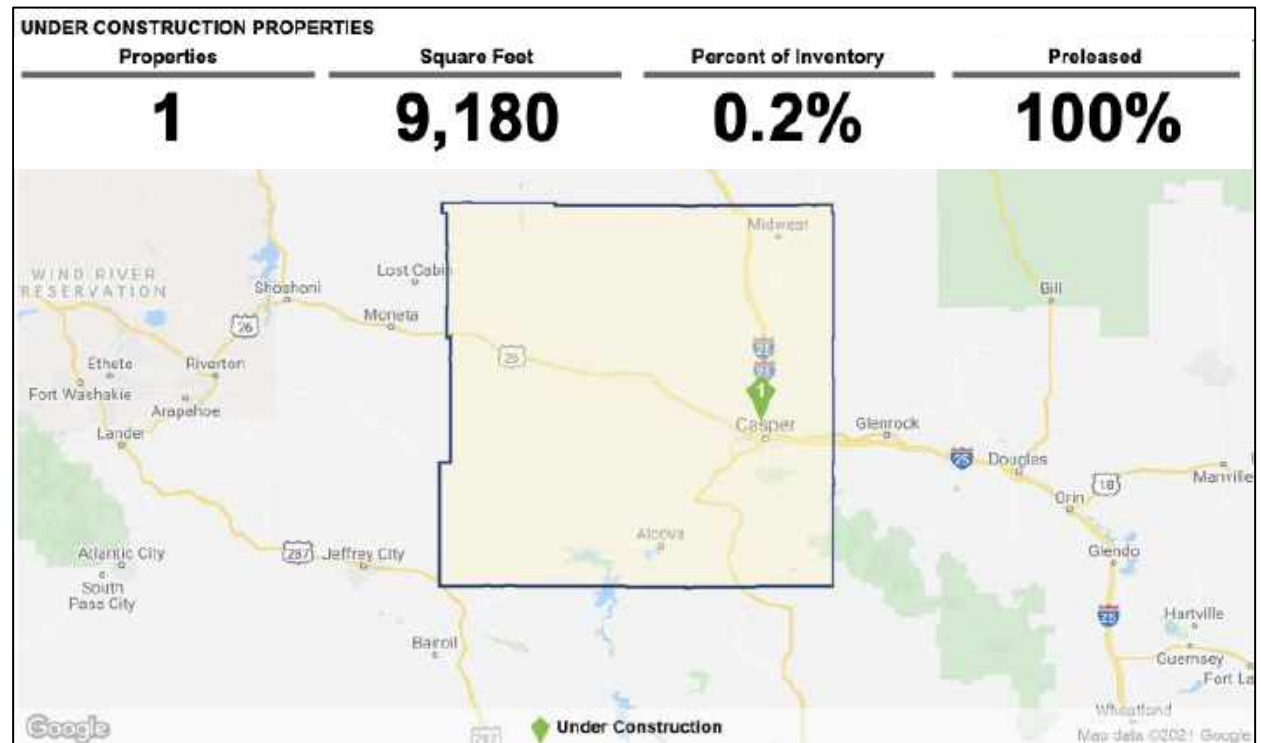
Lowest vacancies can be seen in neighborhood centers and strip centers.



# Deliveries, Under Construction & Proposed

In the past two years, approximately 10,000 square feet of retail has come online in the Casper market. There is 9,200 square feet expected to be delivered in 2022 and in the following years there is expected to be consistent retail growth in the market due to the growth of Natrona County.

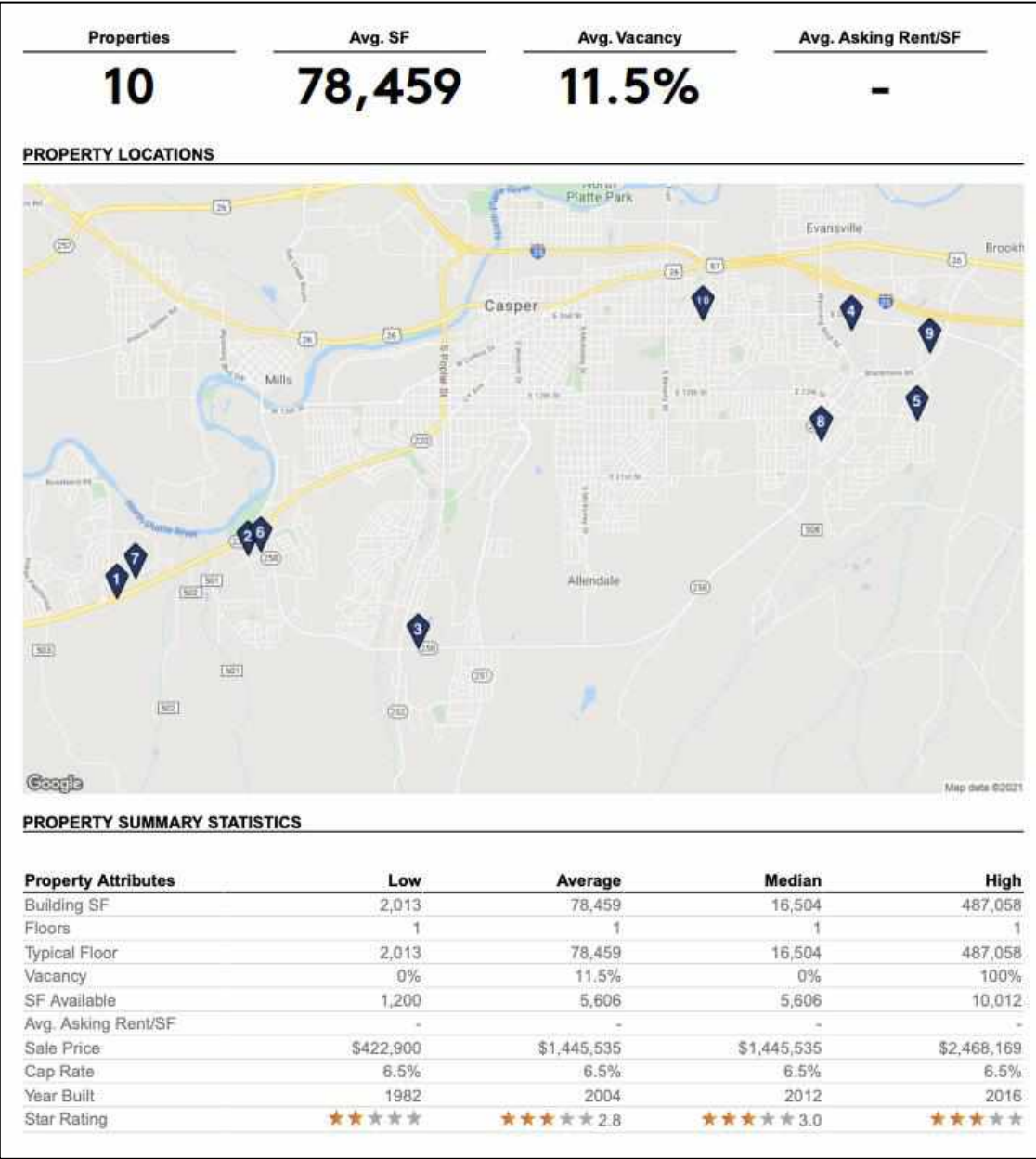
The under-construction project is a new Family Dollar in Casper.



# Class A&B Selected Retail Supply

HSP selected the most relevant Class A and B retail developments in close proximity to the site. Many of the top retail locations are on the outside of Casper and are primarily strip centers and the Eastridge regional mall.

Asking rents in this supply set range from \$7 per square foot to \$30 per square foot. Retail rents have been on the rise in the past years in the market's newer deliveries.



# Class A&B Selected Retail Supply

The adjacent table and pictures show the selected supply of retail in the area which are mapped on the previous slide.

There are a few large retail locations of note, these include Eastridge Mall with 487,058 total square feet and Hilltop Shopping Center with 126,246 square feet.

Property Name - Address	Type	Yr Built	Size	Vacancy	SF Available	Avg. Asking Rent/SF
<b>1</b> 5345 CY Ave Casper, WY 82604	Retail ★★★★★	1982	21,992 SF	0%	-	\$12.64 - 15.45 Est.
<b>2</b> 4070 Plaza Dr Casper, WY 82604	Retail ★★★★★	2008	9,767 SF	12.3%	1,200	\$17.69 - 20.75 Est.
<b>3</b> 4621 SW Wyoming... Casper, WY 82601	Retail ★★★★★	2016	2,013 SF	100%	-	\$18.13 - 22.16 Est.
<b>4</b> Eastridge Mall 601 SE Wyoming Blvd Casper, WY 82609	Retail ★★★★★	1982	487,058 SF	0%	-	\$19.30 - 23.59 Est.
<b>5</b> Blackmore Market... 395 Newport St Casper, WY 82609	Retail ★★★★★	2012	7,145 SF	0%	-	\$26.27 - 30.72 Est.
<b>6</b> 4030 Plaza Dr Casper, WY 82604	Retail ★★★★★	2016	14,000 SF	0%	-	\$9.85 - 12.04 Est.
<b>7</b> Tractor Supply Com... 5300 Cy Ave Casper, WY 82604	Retail ★★★★★	2015	19,007 SF	0%	-	\$10.59 - 12.94 Est.
<b>8</b> 1540 Centennial Ct Casper, WY 82609	Retail ★★★★★	-	5,800 SF	0%	-	\$14.69 - 17.96 Est.
<b>9</b> Anchor B Blackmore Rd Casper, WY 82605	Retail ★★★★★	2014	91,564 SF	0%	-	\$20.77 - 25.39 Est.
<b>10</b> Hilltop Shopping Cen... 2629-2669 E 2nd St Casper, WY 82609	Retail ★★★★★	1995	126,246 SF	2.8%	584 - 10,012	\$7.07 - 8.64 Est.

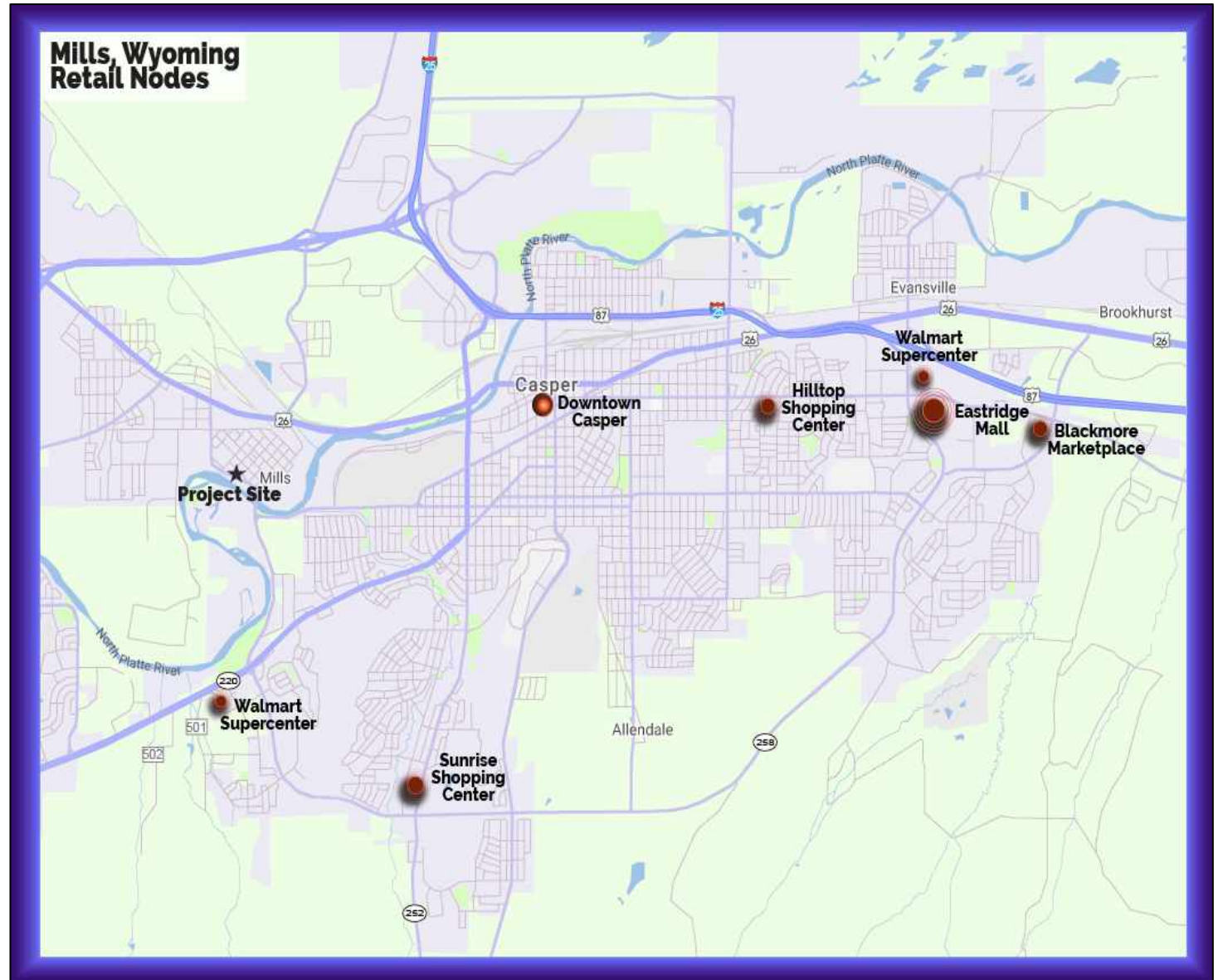


# Retail & Restaurant Districts

HSP identified the main retail and restaurant nodes in Casper to be Downtown Casper, Eastridge Mall, Blackmore Shopping Center, Hilltop Shopping Center and Sunrise Shopping Center.

The Eastridge Mall is a regional that still receives high visitation but is currently experiencing high vacancies and is having trouble attracting big-box tenants. Hilltop Shopping Center is a strip center anchored by Albertson's Grocery store. Sunrise Shopping Center is another strip center that is outdated but has many different retail options. Blackmore Marketplace is a newer retail cluster in Casper that is home to multiple big-box shopping and restaurant chains.

Casper also has two Walmart locations on both sides of the city and are highlighted on the map.



# Downtown Casper

Downtown Casper has a variety of retail shopping options that are mainly focused on women’s apparel and outdoor and sporting goods. These stores cater to the outdoor lifestyle that many people enjoy in Wyoming.

Downtown Casper also has gift shops, pawn shops and knick-knack stores that are in run-down, outdated buildings. Downtown Casper has the benefit of walkable retail but does not offer compelling retail that would routinely attract people into the downtown area.



**Downtown Casper Retail Establishments**

Name	Type	Price Point
Cadillac Cowgirl	Women's Boutique Shop	\$\$
Floral Rhino	Women's Boutique Shop	\$\$
Fashion Crossroads	Women's Boutique Shop	\$\$
FC Outlet	Women's Boutique Shop	\$\$
RW Taubert Lifestyles	Women's Boutique Shop	\$\$
WYO Powered	Outdoor Outfitter	\$
Gear Up and Get Out There	Outdoor Outfitter	\$\$-\$\$\$
Mountain Sports	Outdoor Sports	\$\$-\$
Bush-Wells Sporting Goods Co.	Sporting Goods	\$\$\$-\$
42 Degrees Running Store	Running Apparel	\$

Source: Hunden Strategic Partners

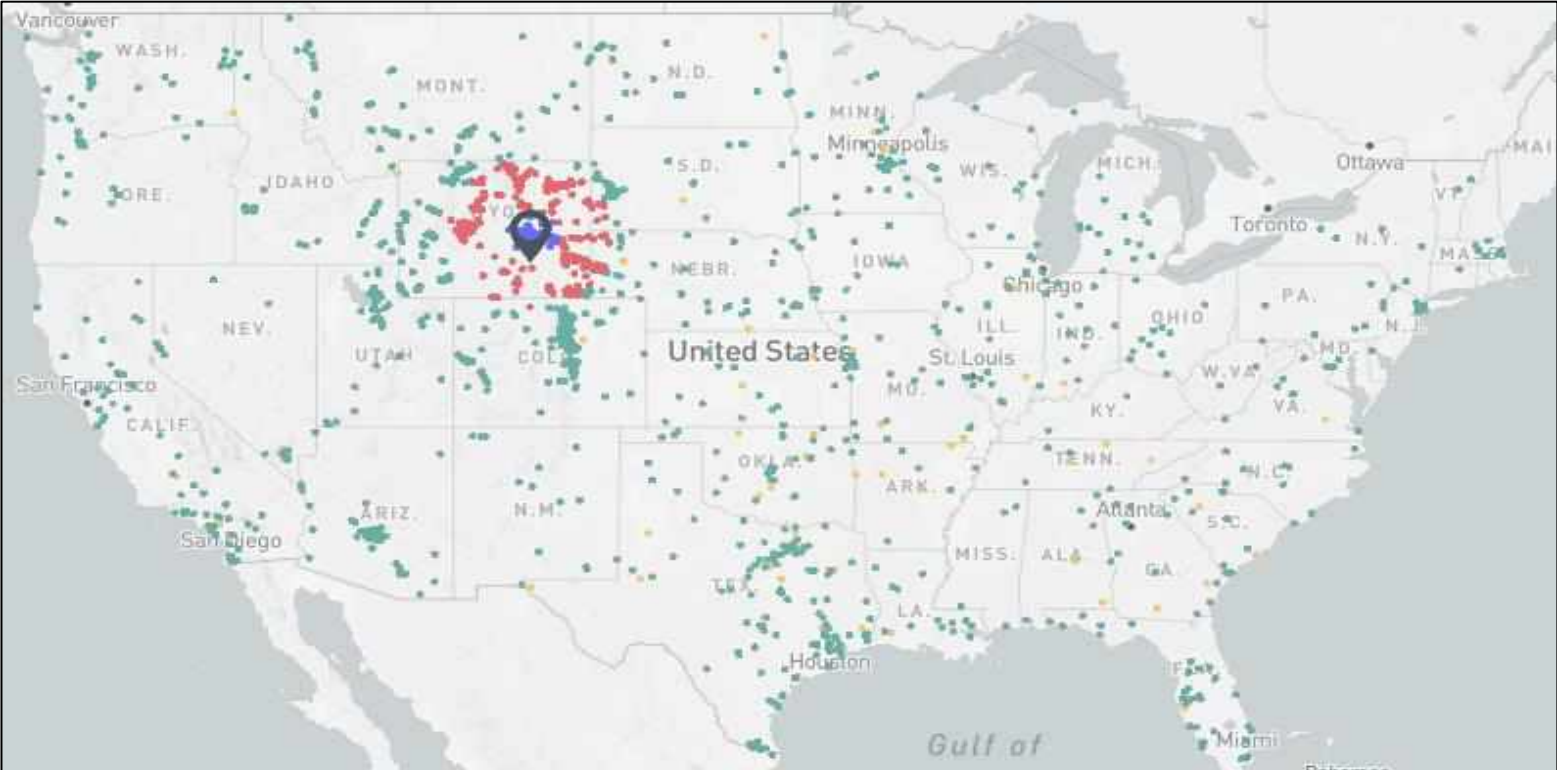


# Eastridge Mall

Eastridge Mall is anchored by JCPenney, Best Buy, Bed Bath and Beyond, Dick’s Sporting Goods and Ross. The Eastridge Mall is Wyoming’s largest shopping mall with a total square footage of 487,058. Rental rates within the mall vary depending on size of the tenant but fall between \$19-\$24.

Eastridge Mall has been impacted by COVID-19 and has seen increased vacancies as a result of the pandemic.

The table on the right shows visitation to the Eastridge Mall in 2021. The mall attracts visitation from all over the country which is most likely a result of visitors travelling through Casper on their way to Yellowstone.



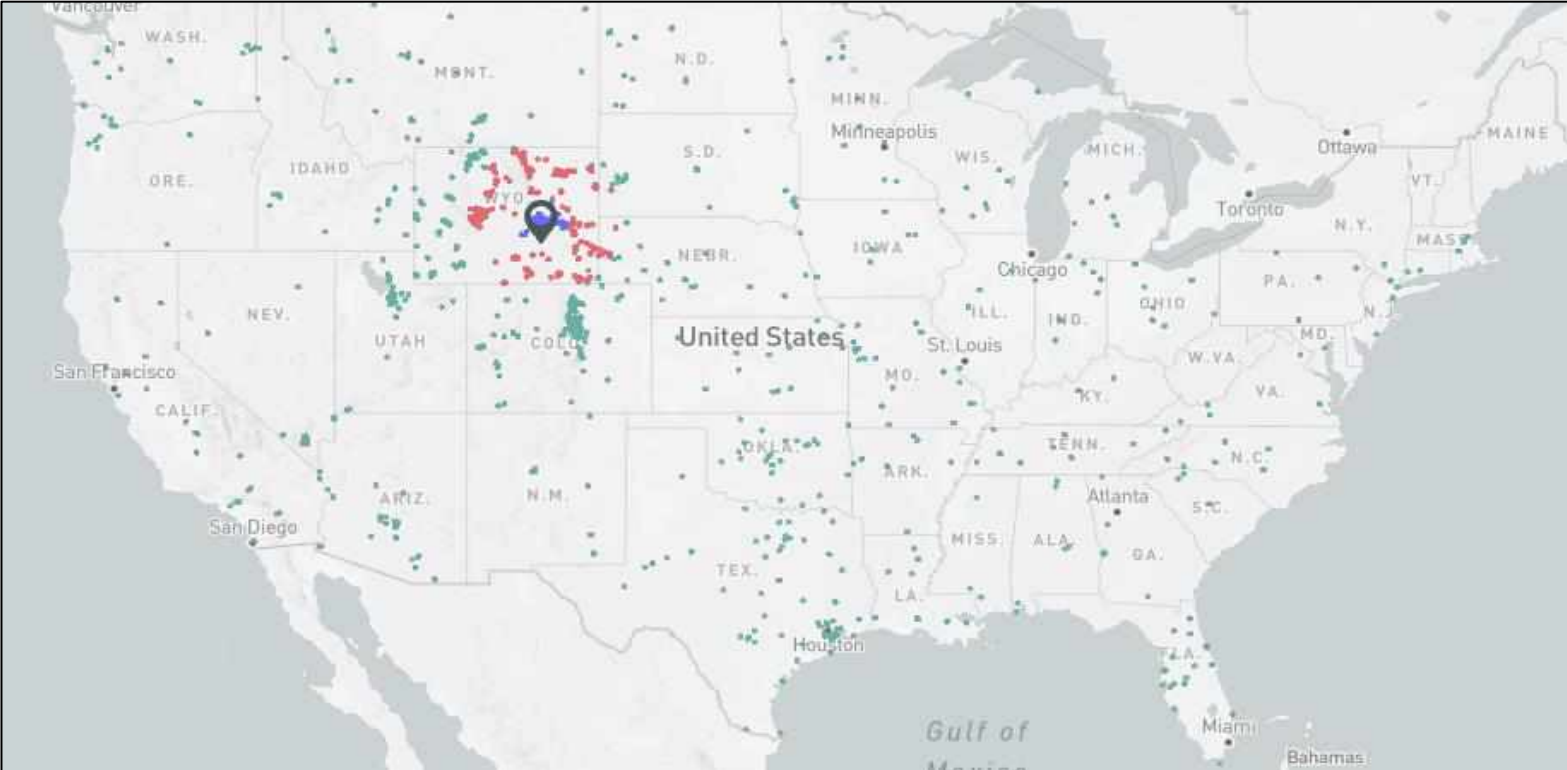
Eastridge Mall 2021 - Casper, WY					
January 1st, 2021 - September 4th, 2021					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	1,050,000	71.1%	110,100	35.4%	9.54
Regional Distance - Over 50 miles & Less Than 150 miles	239,900	16.2%	105,000	33.8%	2.28
Long Distance only - Over 150+ miles	187,100	12.7%	95,800	30.8%	1.95
<b>Total Visits</b>	<b>1,477,000</b>	<b>100.0%</b>	<b>310,900</b>	<b>100.0%</b>	<b>4.75</b>

Source: Placer.ai

# Blackmore Shopping Center

Blackmore Shopping Center is the newest shopping center in Casper and is located directly next to Eastridge Mall. The shopping center is home to large retail chains such as Dress Barn, GAP, Kohl’s, Marshalls, PetSmart, Pier 1 Imports and ULTA Beauty. Restaurants such as Buffalo Wild Wings, Olive Garden and Red Lobster are also adjacent to the shopping center.

Visitation data shows that Blackmore Shopping Center has become Casper’s second most popular shopping node and has more room to expand in the future with undeveloped lots between the center and the mall.



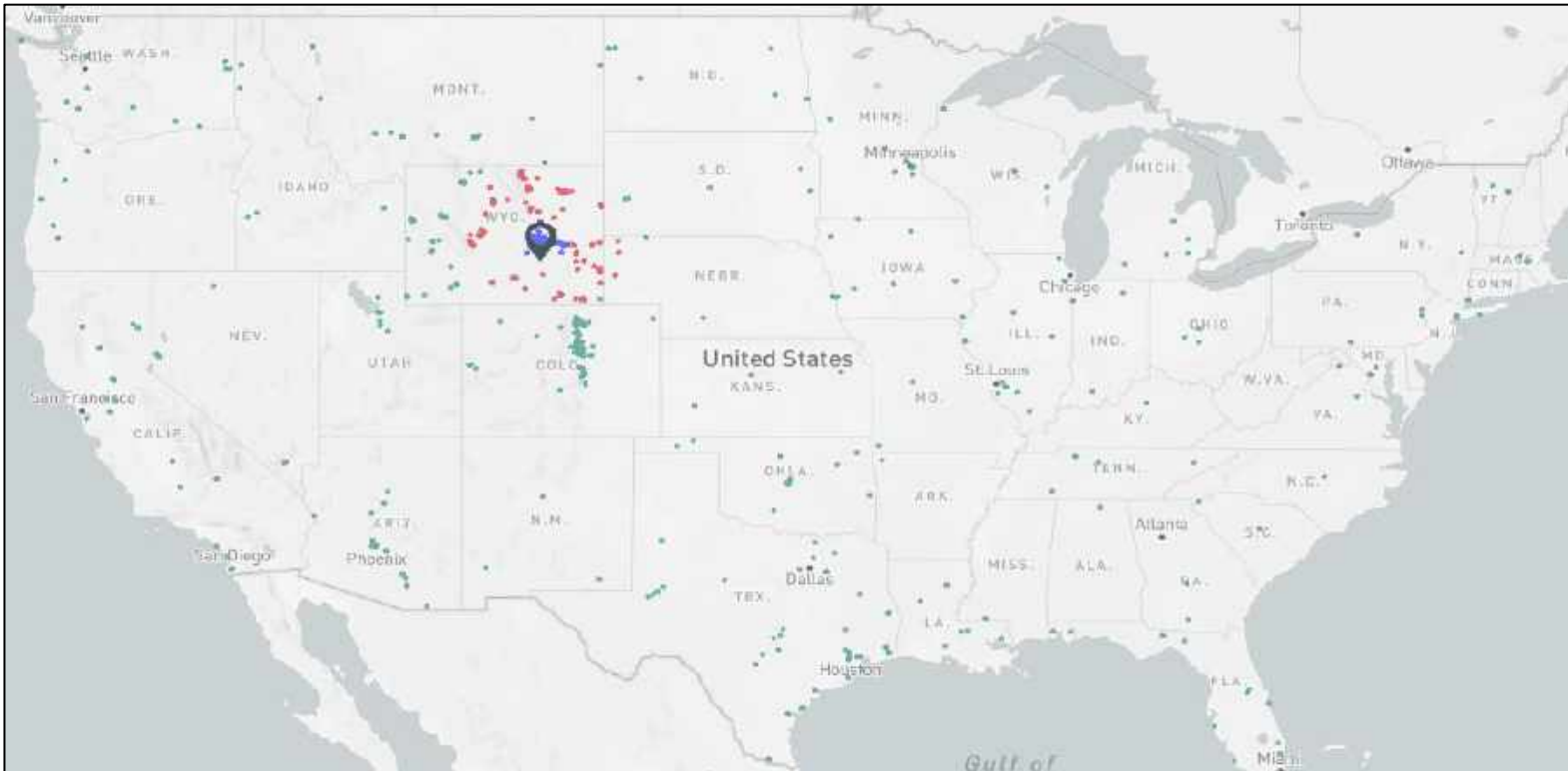
Blackmore Shopping Center - Casper, WY					
January 2019 - December 2019					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	770,100	76.7%	98,100	50.0%	7.85
Regional Distance - Over 50 miles & Less Than 200 miles	142,500	14.2%	57,200	29.2%	2.49
Long Distance only - Over 200+ miles	91,700	9.1%	40,800	20.8%	2.25
<b>Total Visits</b>	<b>1,004,300</b>	<b>100.0%</b>	<b>196,100</b>	<b>100.0%</b>	<b>5.12</b>

Source: Placer.ai

# Hilltop Shopping Center

Hilltop Shopping Center is anchored by Albertson's grocery store. It is also located adjacent to I-25 and 2<sup>nd</sup> Street.

71.1% of Eastridge Mall's visitation comes from within 50 miles of the site, while Hilltop Shopping Center's local visitation is 86.9% of its total visitation. Geofencing data shows that significant visitation is coming from Mills, which is lacking a grocery store.



Hilltop Shopping Center   2021 - Casper, WY					
January 1st, 2021 - September 4th, 2021					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	451,500	86.9%	72,700	68.4%	6.21
Regional Distance - Over 50 miles & Less Than 150 miles	22,400	4.3%	12,100	11.4%	1.85
Long Distance only - Over 150+ miles	45,800	8.8%	21,500	20.2%	2.13
<b>Total Visits</b>	<b>519,700</b>	<b>100.0%</b>	<b>106,300</b>	<b>100.0%</b>	<b>4.89</b>

Source: Placer.ai

# Sunrise Shopping Center

Sunrise Shopping Center is a strip mall center located on the southwest side of Casper, close to Casper Mountain. It is an older shopping center with a mix of smaller retail stores, entertainment options and local dining options.

Sunrise Shopping Center has 32 total stores. Rental rates are lower than Eastridge Mall and Hilltop at Sunrise Shopping Center fall between \$7-\$14.



Sunrise Shopping Center - Casper, WY January 1st, 2021 - September 4th, 2021					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	47,200	64.8%	18,300	51.3%	2.58
Regional Distance - Over 50 miles & Less Than 150 miles	8,800	12.1%	5,500	15.4%	1.60
Long Distance only - Over 150+ miles	16,800	23.1%	11,900	33.3%	1.41
<b>Total Visits</b>	<b>72,800</b>	<b>100.0%</b>	<b>35,700</b>	<b>100.0%</b>	<b>2.04</b>

Source: Placer.ai

# Restaurant Market

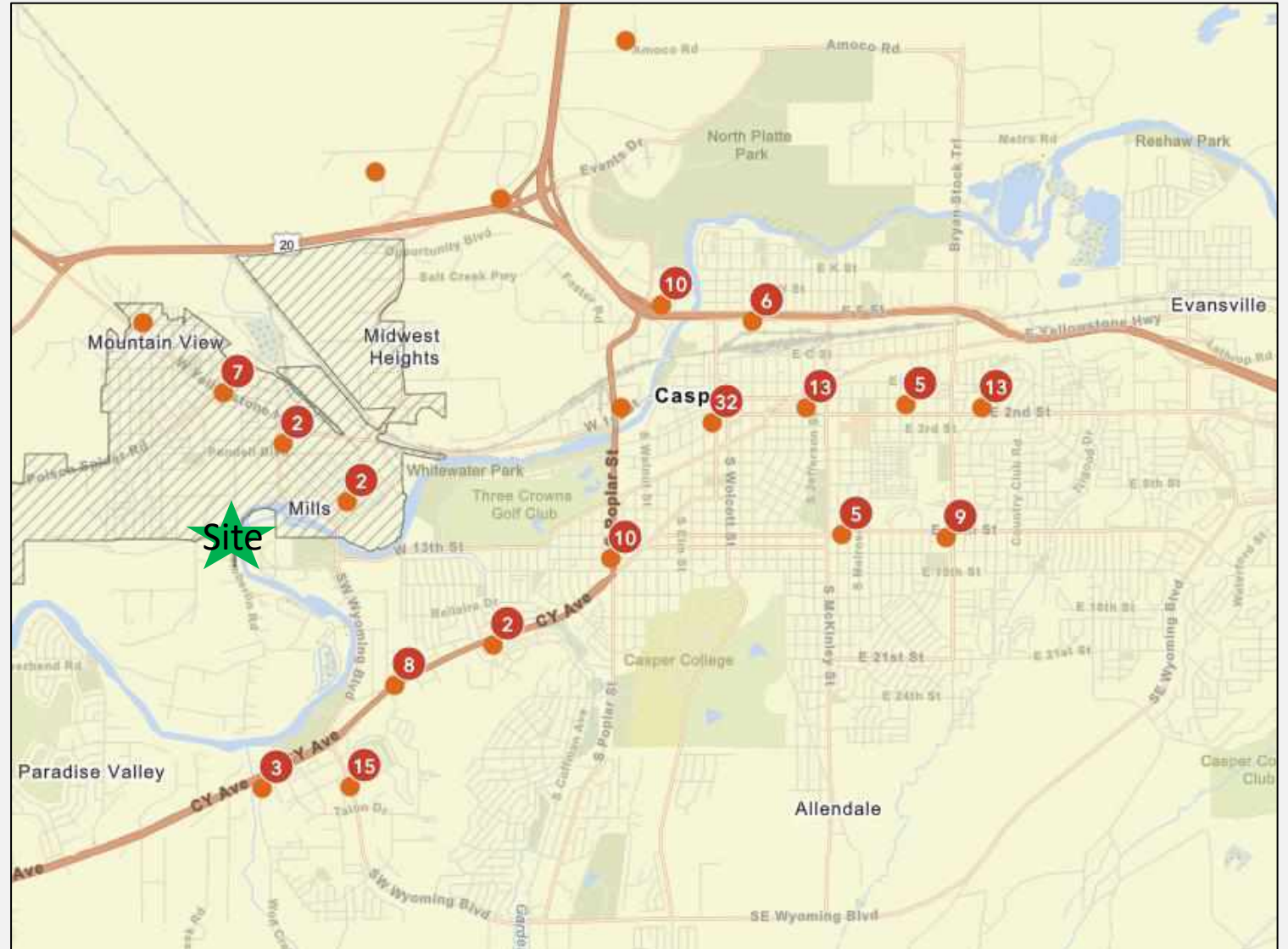
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# Casper and Mills Restaurant Supply

The main restaurant nodes are in downtown Casper, along Highway 220 and a few options in Mills.

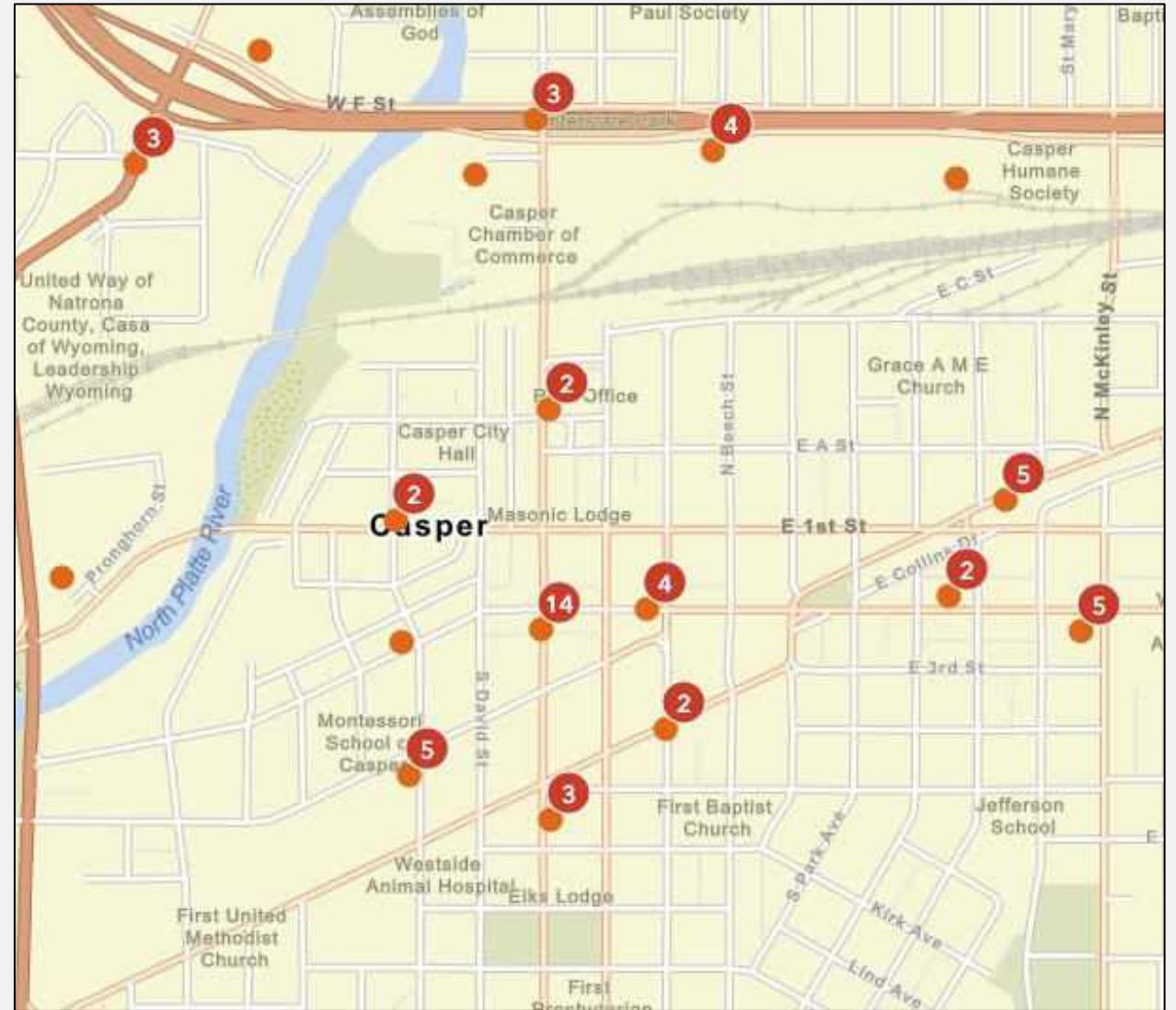
The maps shows that Mills has few restaurant options, but Casper has a total of 192 restaurants.

Mills has a lack of restaurant options and forces residents of Mills to travel into Casper for their dining needs. Despite the variety of options in Casper, there are no riverfront restaurants, suggesting an opportunity for the subject site.



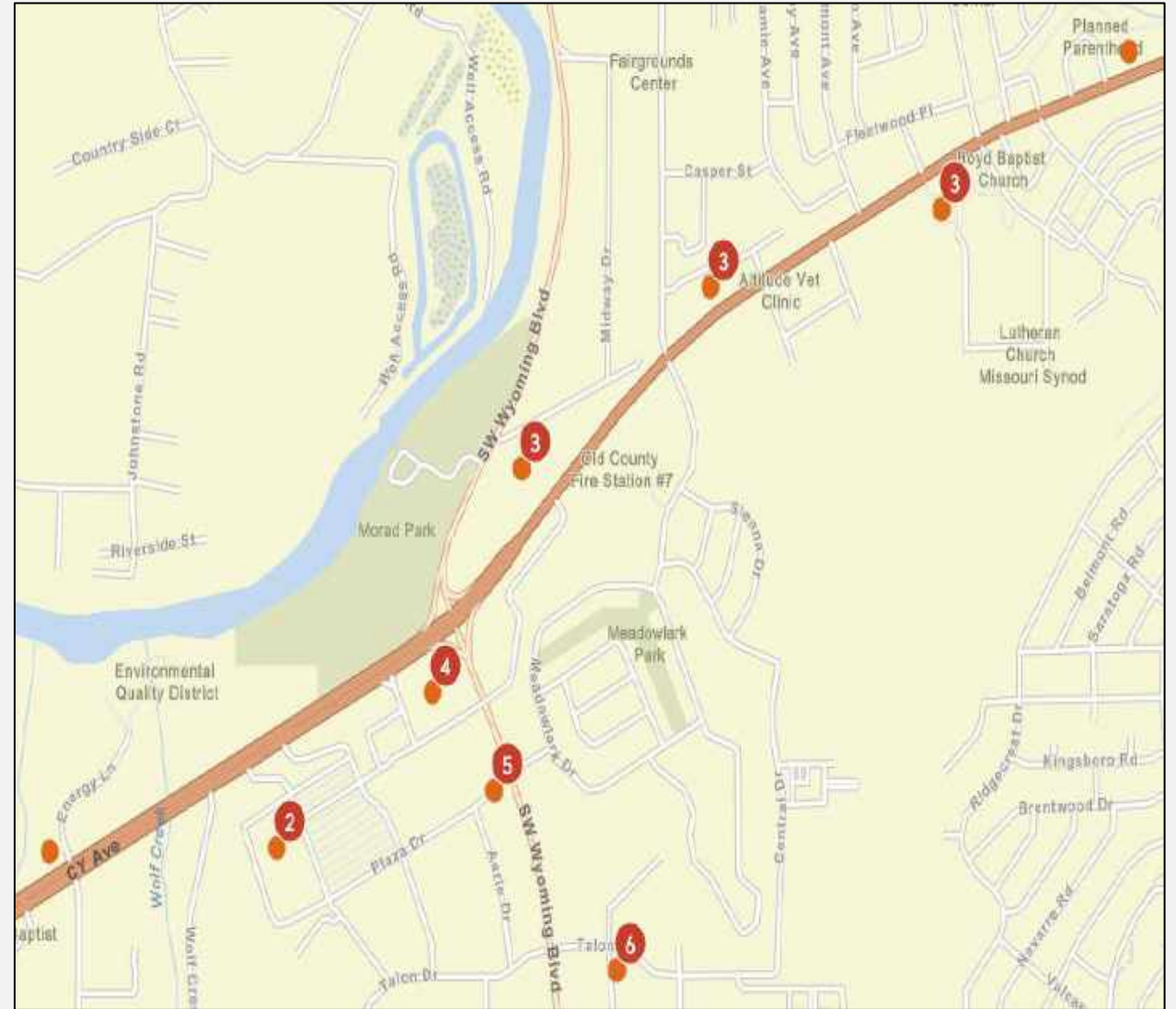
# Restaurant Nodes – Downtown Casper

Downtown Casper is a popular, walkable downtown district with many restaurant, retail and entertainment options. Downtown Casper has the largest number of restaurant options ranging from small coffee shops and bakeries to breweries and steakhouses. Along with the Yellowstone District and David Street Station, downtown Casper is a popular destination for residents in the surrounding areas to visit.



# Restaurant Nodes – Highway 220

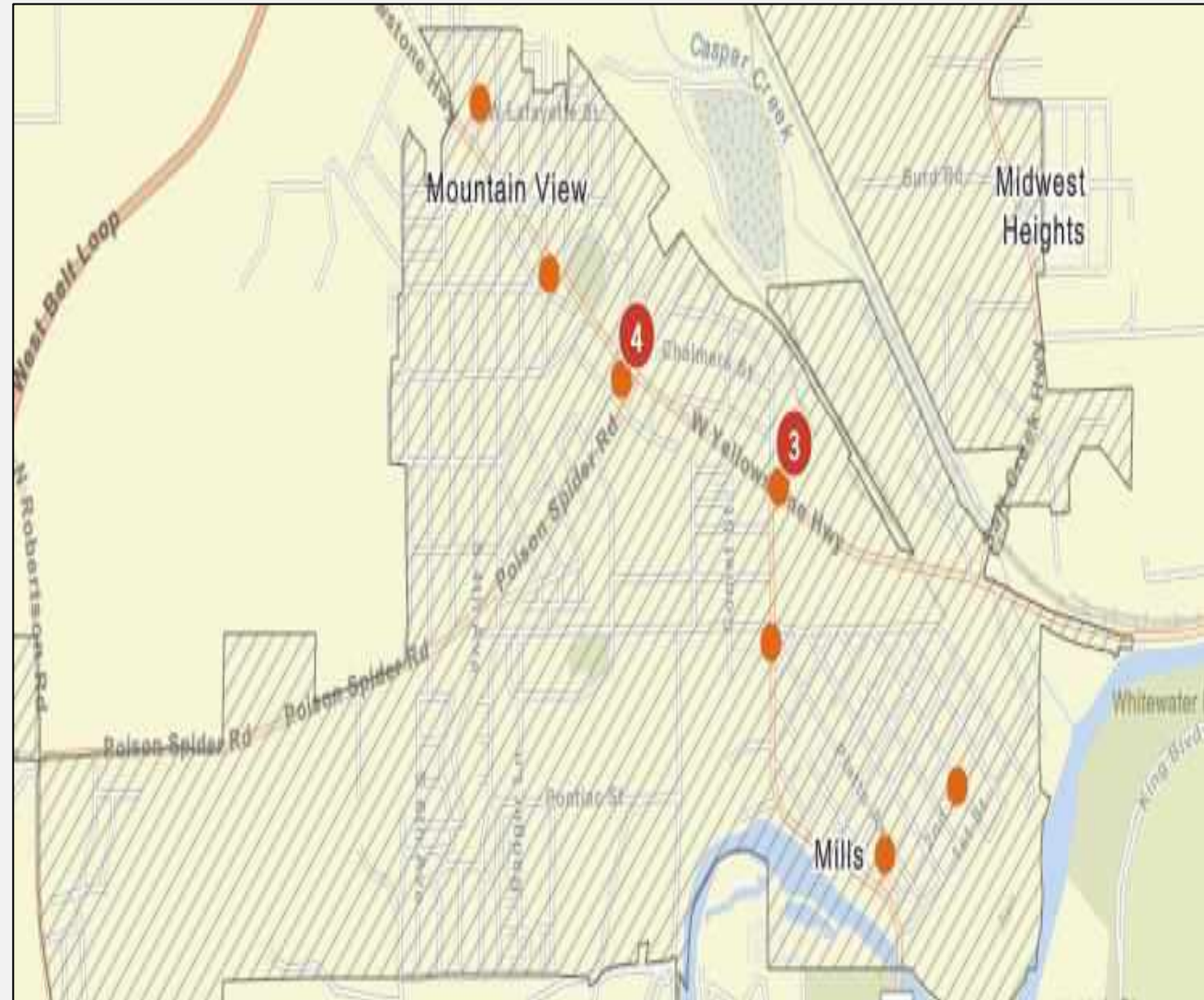
Highway 220 has high traffic and is primarily made up of fast-food and fast casual options. The highway is just south of Mills making it a high traffic area that the Project can draw from. The fast-food offerings are located in the same plaza as Walmart, which is a popular retail option in Casper and attracts high visitation. The fast casual options include J's Pub and Grill and Guadalajara. The Silver Fox Restaurant is right off the highway, which is one of the most high-end restaurants in Casper.





# Restaurant Nodes – Mills

As seen on the map and gleaned from many stakeholders in Mills, the area is severely lacking adequate restaurant options. The current supply consists of small family restaurants and diners as well as a few fast-food. Mills has the opportunity to have one or two restaurants located on the riverfront. Such an offering cannot be found anywhere else in the region and is extremely high demand within the community.



# Project Riverfront Restaurant Opportunity



Restaurant: Old Mill Restaurant

Location: Pigeon Forge, TN

Notes: Old Mill Restaurant is a popular local restaurant that capitalizes on the aesthetics of the West Prong Little Pigeon River in Tennessee. The restaurant is a local favorite that serves comfort style Southern food.



Restaurant: Biga on the Banks

Location: San Antonio, TX

Notes: Biga on the Banks Restaurant is a riverfront restaurant on the San Antonio Riverwalk. The restaurant features a large patio adjacent to the river that provides outdoor dining along the river. A patio with outdoor dining is in high demand and would be a unique offering in Mills and Casper.



Restaurant: Burra Burra on the River

Location: McCaysville, GA

Notes: Burra Burra on the River is located on the Toccoa River between Georgia and Tennessee. The restaurant is another great example of a restaurant that focuses on outdoor seating and offers a patio that connects patrons to the views of the river. The restaurant is also connected with an outdoor shopping mall.

HSP spoke with market participants and experts to understand the growth in the specific submarket area, any potential gaps in the market and future retail & restaurant developments that will transform the area. The following implications were drawn:

**Lack of Existing Retail and Restaurant Presence.** Mills is currently lacking retail and restaurant nodes. In order to reach retail and restaurant nodes, Mills residents are required to drive into Casper. Restaurant offerings are saturated in Casper, but there is still a need for more offerings in Mills. While Casper is close to Mills, there is a significant gap in these markets and an unmet demand for retail stores and restaurants in Mills. Retail nodes in Casper mainly consist of large shopping malls and strip centers. There are a few smaller retail shops spread around Casper, but there is an opportunity to introduce boutique retail shops on the riverfront in combination with rentals for water activities on the river.

**Opportunity for a Variety of Riverfront Restaurants.** There is a strong opportunity for restaurants, an ice cream shop and a coffee shop on the riverfront development. From feedback with local stakeholders HSP concludes that there is high demand for a family-style lunch restaurant for local employees and for families to enjoy during the day. There is also high demand for an upscale restaurant because the current offerings of this nature are located in Casper. Ice cream shops and coffee shops/bakeries have the ability to serve visitors quickly and draw people to the riverfront to spend time. Successful riverfront developments around the country incorporate outdoor patio-style seating to allow guests to enjoy natural views.

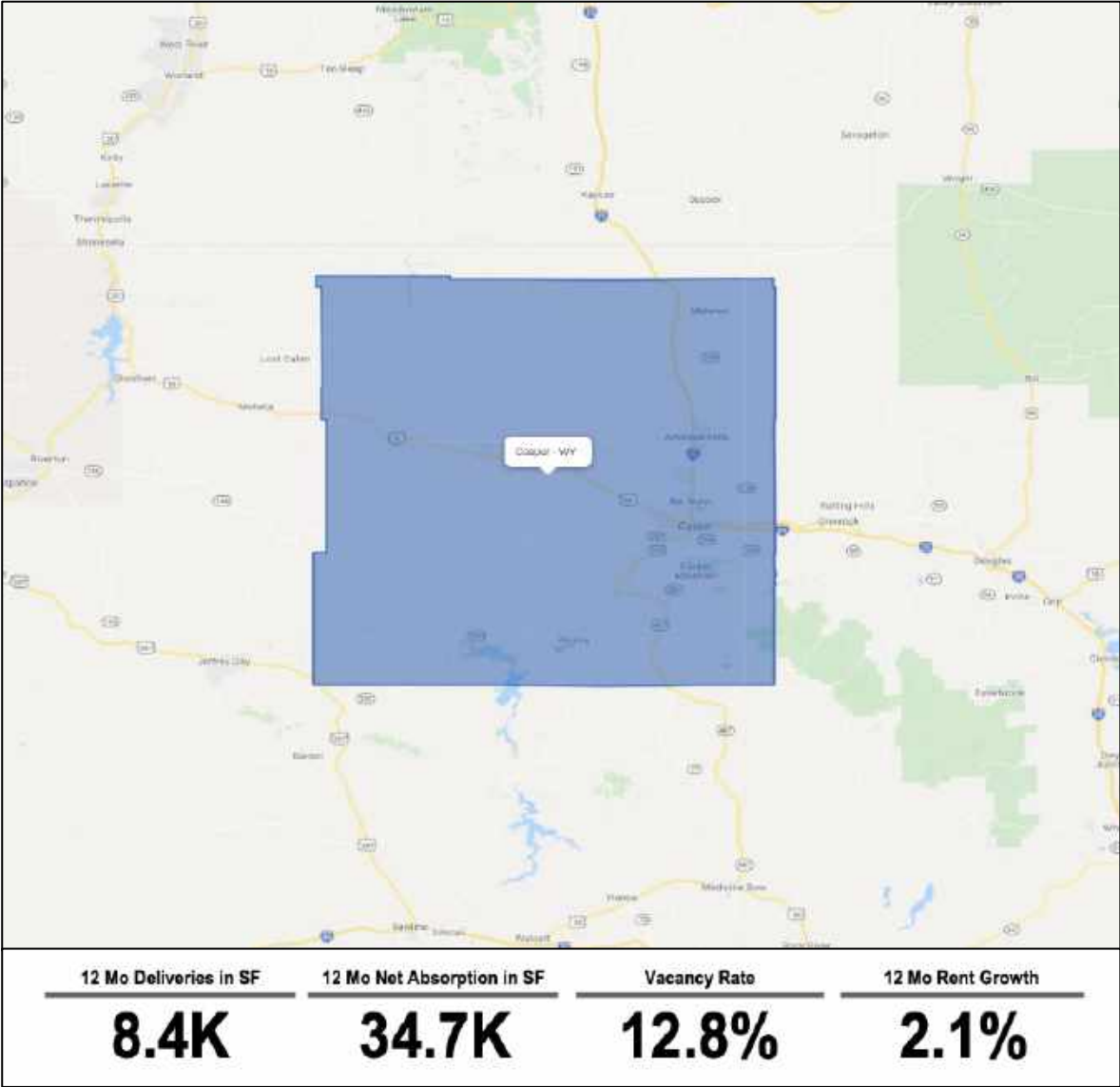
**Connectivity to New Neighborhoods with the Bike Trail.** The bike trail that is under construction on the river is a great way to connect the newly developed neighborhoods in Mills to the riverfront development. This is a great opportunity to incorporate family-oriented stores such as ice cream shops, bakeries and coffee shops on the riverfront with benches and public spaces to spend time.

# Chapter 4: Office Market Analysis

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# Casper, Wyoming Market

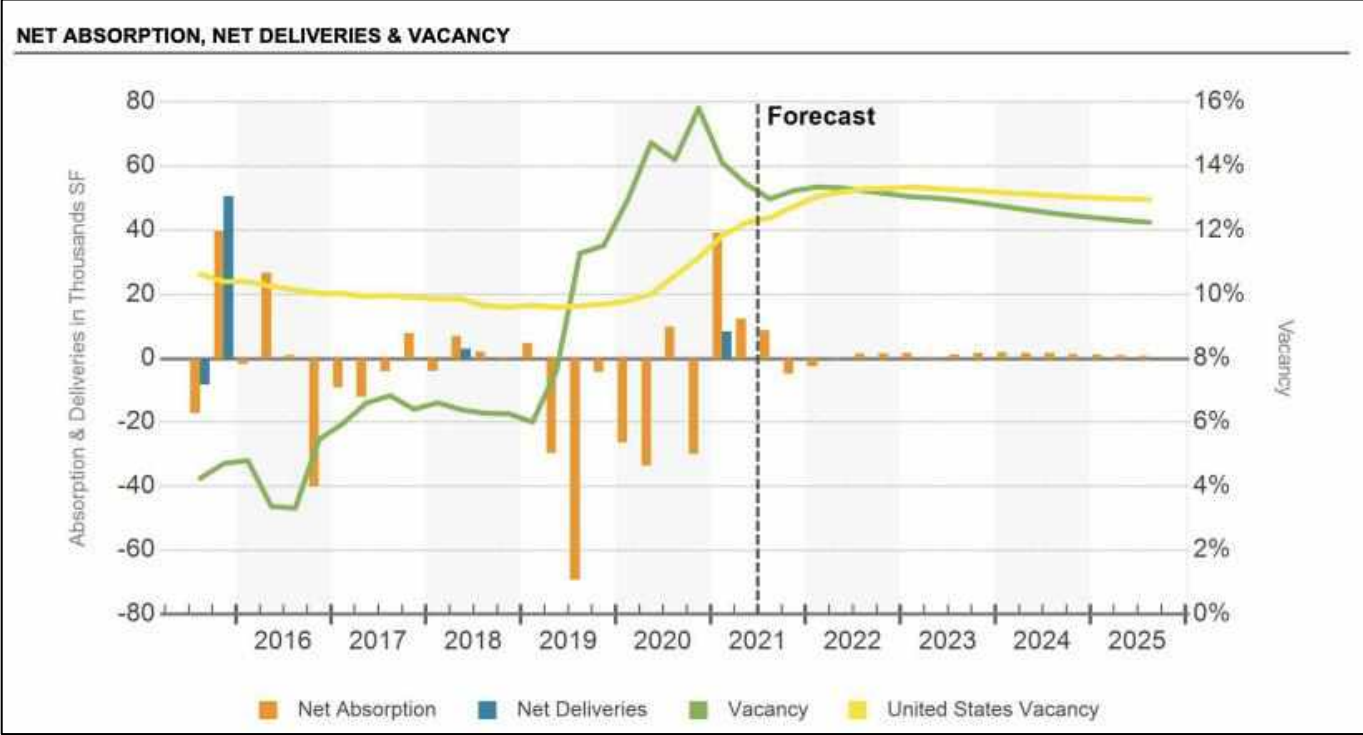
Despite overall poor performance in the Casper office market during the COVID-19 pandemic, absorption and deliveries have begun to pick back up. Over the past twelve months there has been a net absorption of 34,700 square feet, and a vacancy in the submarket of 12.8%. Although this is a high vacancy rate in the overall market, this is significantly less than major cities across the country.



# Casper Office Performance Overview

In the Casper market, vacancy spiked during the COVID-19 pandemic, but these levels have begun to decline back to normal. Market rents range from \$14.05 per square foot for 1- and 2-star office assets to over \$28 per square foot for 4- and 5- star assets.

In the past three years, office rents have grown at an average annual rate of 2.5%. Over this period 8,400-square feet has been delivered to market with no developments currently underway.



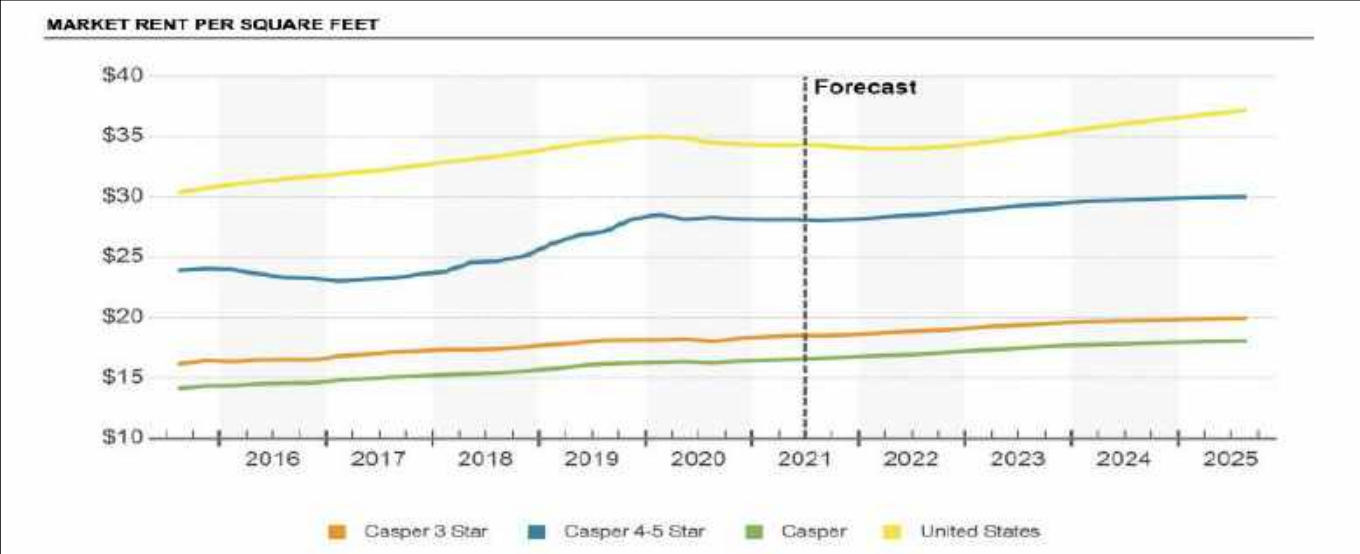
KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	67,857	18.1%	\$28.04	29.0%	0	0	0
3 Star	869,189	16.0%	\$18.53	16.9%	2,319	0	0
1 & 2 Star	945,075	9.5%	\$14.05	17.1%	9,398	0	0
<b>Market</b>	<b>1,882,121</b>	<b>12.8%</b>	<b>\$16.62</b>	<b>17.4%</b>	<b>11,717</b>	<b>0</b>	<b>0</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.5%	4.7%	12.7%	15.8%	2020 Q4	0.1%	2008 Q3
Net Absorption SF	34.7K	(13,567)	8,466	65,911	2016 Q3	(133,640)	2020 Q2
Deliveries SF	8.4K	7,476	842	83,064	2008 Q3	0	2020 Q4
Rent Growth	2.1%	0.4%	2.0%	5.4%	2015 Q4	-9.3%	2009 Q4
Sales Volume	\$1M	\$1.2M	N/A	\$5.7M	2017 Q1	\$0	2020 Q3

# Casper Office Performance Overview

Office rents have been on a steady rise; however, the market is primarily made up of 1- and 2- star properties that charge cheaper rents. The majority of these office spaces are small, local businesses such as lawyer practices, small accounting firms and other small mom and pop style companies.

Some of the major industries within Casper include mining, quarrying, oil and gas which take up the larger office spaces within Casper with headquarter buildings.

Other major industries such as fishing and hunting that are popular in Casper do not require large offices spaces, resulting in lower demand.

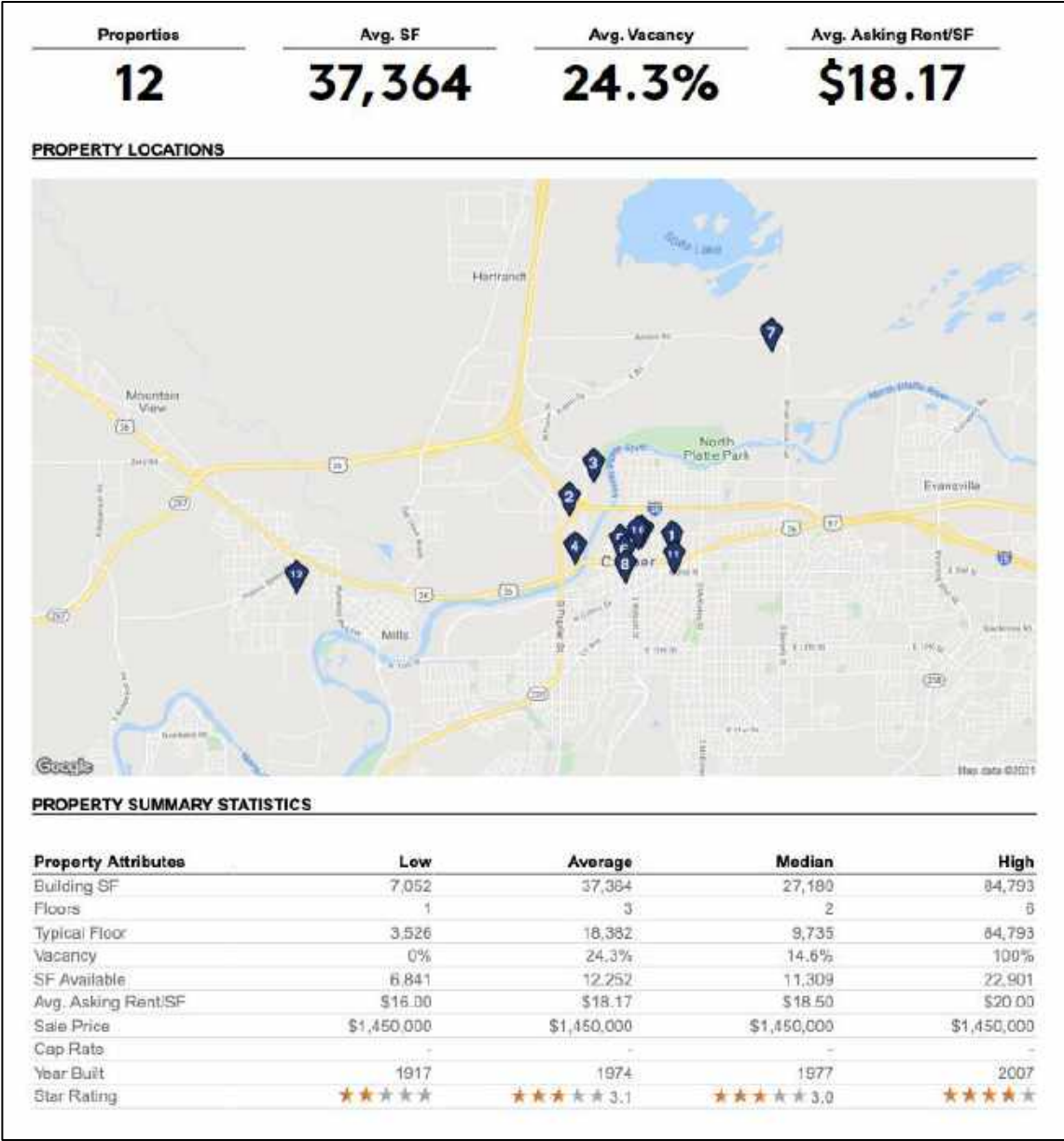


Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$18.08	116	0.8%	10.3%	229,258	12.2%	-0.2%
2024	\$17.93	115	1.6%	9.4%	233,826	12.4%	-0.4%
2023	\$17.64	113	2.9%	7.7%	241,345	12.8%	-0.3%
2022	\$17.14	110	2.6%	4.6%	247,111	13.1%	-0.1%
2021	\$16.71	108	2.0%	2.0%	249,031	13.2%	-2.6%
YTD	\$16.62	107	2.1%	1.5%	241,385	12.8%	-3.0%
2020	\$16.38	105	0.7%	0%	296,110	15.8%	4.3%
2019	\$16.26	105	4.5%	-0.7%	215,900	11.5%	5.3%
2018	\$15.56	100	2.6%	-5.1%	117,305	6.3%	-0.1%
2017	\$15.16	98	3.8%	-7.5%	119,742	6.4%	0.9%
2016	\$14.60	94	1.8%	-10.9%	102,131	5.5%	0.7%
2015	\$14.34	92	5.4%	-12.5%	88,142	4.7%	0.9%
2014	\$13.60	88	2.8%	-17.0%	69,483	3.8%	1.5%
2013	\$13.23	86	1.1%	-19.2%	42,545	2.3%	-0.5%
2012	\$13.09	84	0.5%	-20.1%	50,818	2.8%	0.8%
2011	\$13.02	84	-2.9%	-20.8%	36,382	2.0%	1.4%
2010	\$13.40	86	-4.9%	-18.2%	10,200	0.6%	-0.2%
2009	\$14.10	91	-9.3%	-13.9%	13,117	0.7%	0.8%

# Class A&B Selected Office Supply

HSP selected the most relevant Class A and B office developments in close proximity to the sites. The area has seen an influx of office developments in recent years with more expected to come online in the future.

Asking rents in this supply set range from \$11 per square foot to \$23 per square foot.





# Class A&B Selected Office Comp Supply

The adjacent table and pictures show the selected supply of office in the area which are mapped on the previous slide.

Casper's A and B level office space is primarily made up of oil companies corporate office spaces, medical offices and smaller office spaces.

Property Name - Address	Type	Yr Built	Size	Vacancy	SF Available	Avg. Asking Rent/SF
<b>1</b> Park Ridge Profes... 6000 E 2nd St Casper, WY 82609	Office ★★★★★	2007	24,360 SF	50.5%	12,300	\$16.00/NNN
<b>2</b> 550 N Poplar St Casper, WY 82601	Office ★★★★★	1977	23,346 SF	0%	3,028 - 7,345	\$18.50/NNN
<b>3</b> Cottonwood Park 907 N Poplar St Casper, WY 82601	Office ★★★★★	1977	54,300 SF	30.1%	658 - 16,340	\$17.75 - 20.00/FS
<b>4</b> 707-777 W 1st St Casper, WY 82601	Office ★★★★★	1982	20,151 SF	0%	-	\$25.14 - 28.89 Est.
<b>5</b> 123 W 1st St Casper, WY 82601	Office ★★★★★	1981	84,793 SF	0%	-	\$12.69 - 13.85 Est.
<b>6</b> Petroleum Building 111 W 2nd St Casper, WY 82601	Office ★★★★★	1917	51,600 SF	13.3%	439 - 6,841	\$14.69 - 17.96 Est.
<b>7</b> 2220 Bryan Stock Trl Casper, WY 82601	Office ★★★★★	2002	22,931 SF	100%	-	\$16.53 - 19.33 Est.
<b>8</b> The Mobil Oil Building 330 S Center St Casper, WY 82601	Office ★★★★★	1965	30,000 SF	29.1%	408 - 8,728	\$15.72 - 18.12 Est.
<b>9</b> The Pan American... 152 N Durbin St Casper, WY 82601	Office ★★★★★	1953	43,000 SF	53.3%	328 - 22,901	\$18.58 - 22.70 Est.
<b>10</b> Ohio Oil Building 159 N Wolcott St Casper, WY 82601	Office ★★★★★	1949	70,836 SF	16.0%	250 - 11,309	\$16.73 - 20.45 Est.



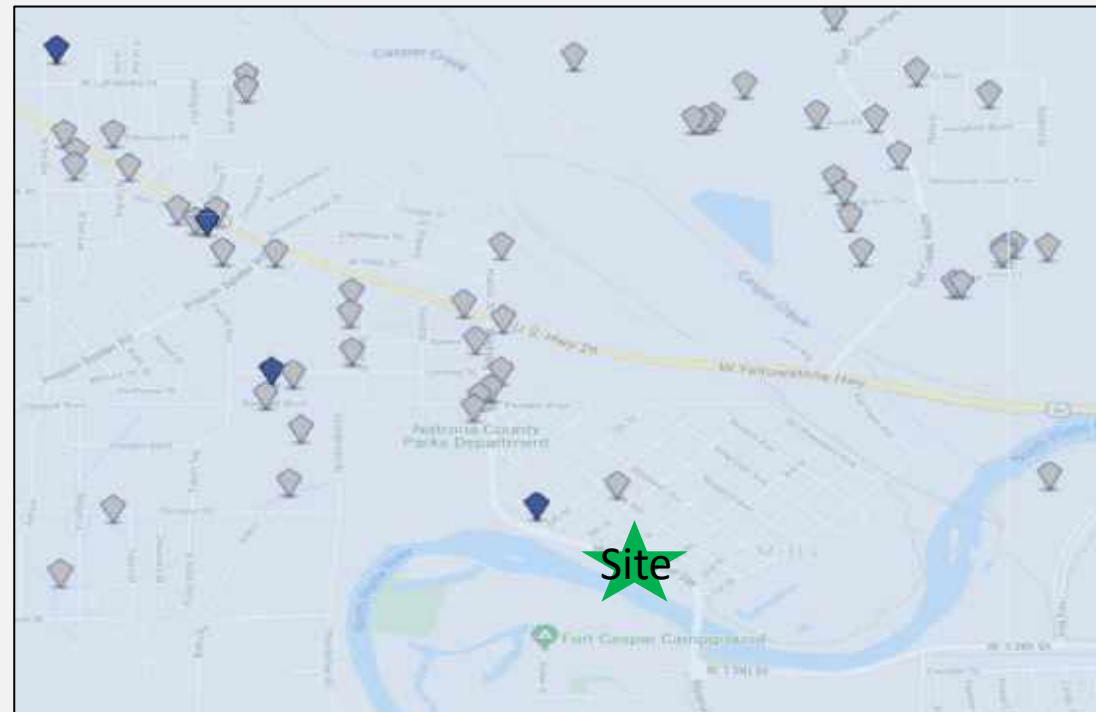
# Class A&B Selected Office Comp Supply

The table above and pictures to the right show a continuation of the selected supply of office.

These buildings examples of smaller offices spaces with comparable size to the spaces that would be proposed for the Project.

The graphic on the bottom shows the current office spaces in Mills. These spaces are all on the outer edge of town and are low-end, outdated spaces that would not be comparable to the new developed spaces on the Project.

Property Name - Address	Type	Yr Built	Size	Vacancy	SF Available	Avg. Asking Rent/SF
 242 S Grant St Casper, WY 82601	Office ★★★★★	2002	7,052 SF	0%	-	\$16.83 - 20.57 Est.
 935 Pendell Blvd Mills, WY 82644	Office ★★★★★	-	16,000 SF	0%	-	\$16.46 - 20.12 Est.



HSP spoke with market participants and experts to understand the growth in the specific submarket area, any potential gaps in the market and future retail developments that will transform the area. The following implications were drawn:

**Lack of High-Quality, Smaller Office Space.** Casper and Mills currently lack office space for small businesses that would fit within the riverfront development. When speaking with brokers and small business owners in the market, there was no indication of a demand for office space within the riverfront development because of the nature of the larger industries in Casper and Mills. Oil companies demand smaller field offices with more equipment and larger corporate office spaces. Medical offices prefer to be located closer to the regional hospital in larger office space. There is an opportunity for mixed-use, lofted office space in the riverfront development for small businesses, but only if there is a demand to occupy the space.

**Attractive Riverfront Office Space.** The riverfront office space could be used to attract a small, but high-profile tenant to Mills and take advantage of space on the riverfront development.

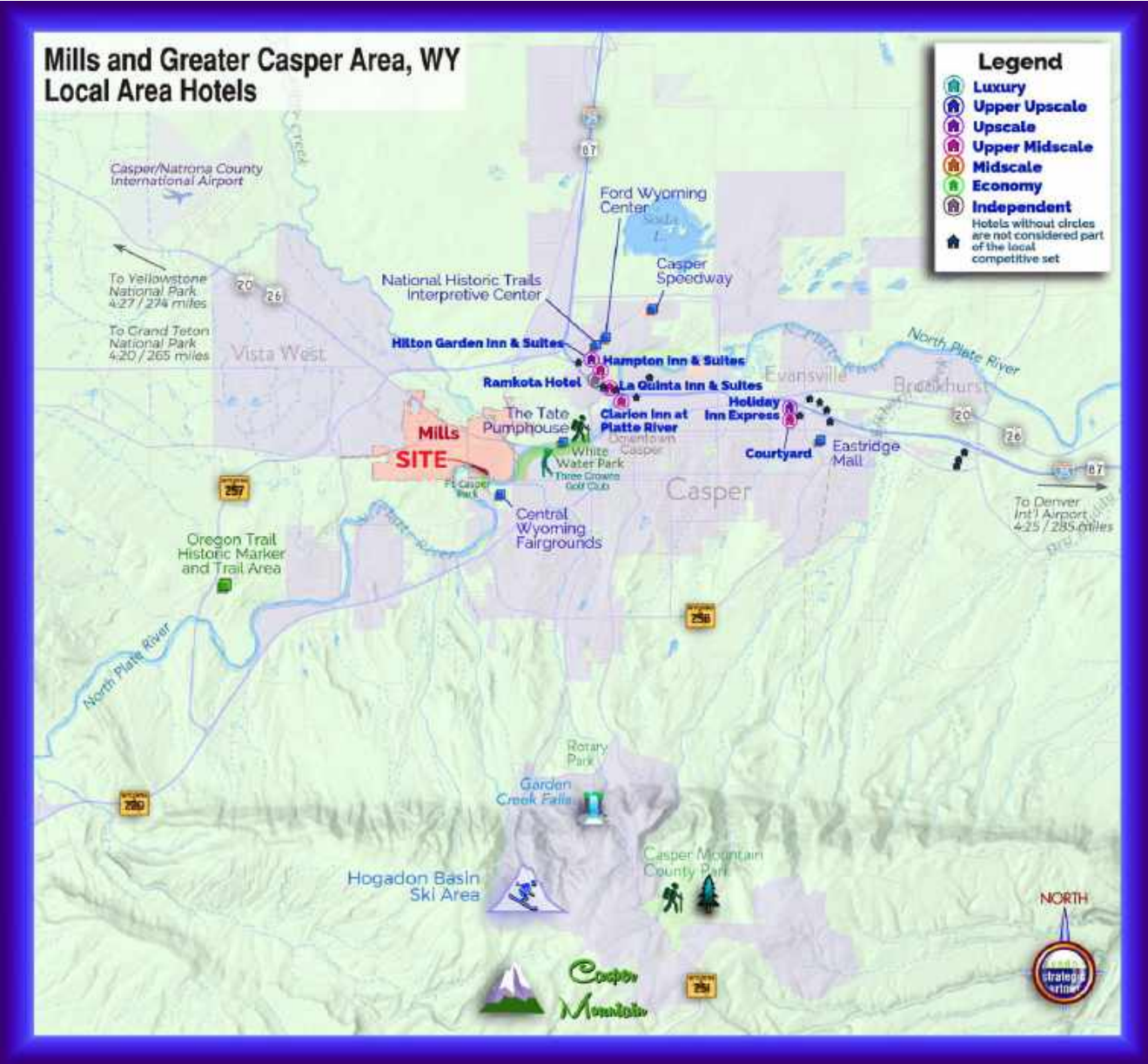
# Chapter 5: Hotel Market Analysis

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# Local Hotel Map

The competitive set of hotels are located along Highway I-25 or in close proximity to the highway.

The supply of hotels in Mills and the greater Casper area is weak. The properties are primarily select service, older and are all branded properties. This highlights a key gap in the area for a unique, upscales quality offering that is in demand by those visiting the area.



# Lodging Summary: Mills / Casper

Lodging Summary - Mills / Casper, WY						
Chainscale	Rooms	% of Total Rooms	Hotels	Rooms per Hotel	Avg Year Open / Renovated	Avg Age (Years)
Luxury	0	0%	0	–	0	0
Upper Upscale	0	0%	0	–	0	0
Upscale	221	12%	2	111	2008	14
Upper Midscale	502	27%	4	126	2010	12
Midscale	173	9%	2	87	2010	12
Economy	626	33%	7	89	1997	24
Independent	366	19%	7	52	1968	53
<b>Total/Average</b>	<b>1,888</b>	<b>100%</b>	<b>22</b>	<b>93</b>	<b>1998</b>	<b>23</b>

Source: Smith Travel Research, CoStar, Hotel websites, Hunden Strategic Partners

HSP utilized Smith Travel Research and Costar to identify 22 hotels that were within the relevant market area. The above table summarizes the number of rooms, quality of hotels, rooms per hotel and average age in years for the hotels. There are a more than 1,800 hotel rooms, of which 60 percent are primarily either Economy or Upper Midscale in quality of rooms, while the remainder is spread out between other types of quality.

# Local Hotel Competitive Set

HSP identified this hotel competitive set by conducting market research, assessing quality, newer builds, renovations and interviewing local hoteliers.

HSP believes that this hotel’s competitive set best reflects the lodging market in Casper and its performance. The competitive set contains 7 hotels that range from Independent to Upscale and from 84 rooms to 230 rooms.

Mills / Casper Hotel Market Supply					
Property Name	City	Miles from Mills	Rooms	Year Built / Renovated	Hotel Class
Ramkota Hotel	Casper	2.1	230	1977	Independent
Clarion Inn At Platte River Casper	Casper	2.2	198	2018	Upper Midscale
La Quinta Inns & Suites Casper	Casper	2.2	120	2008	Upper Midscale
Hampton by Hilton Inn & Suites Casper	Casper	2.2	100	2008	Upper Midscale
Hilton Garden Inn Casper	Casper	2.2	121	2008	Upscale
Holiday Inn Express Casper I 25	Casper	4.7	84	2004	Upper Midscale
Courtyard Casper	Casper	4.8	100	2007	Upscale
<b>Total / Average</b>	<b>7 hotels</b>		<b>953</b>	<b>2004</b>	

Source: CoStar, Smith Travel Research

# Competitive Hotel Performance

Historical Supply, Demand, Occupancy, ADR, and RevPar for Competitive Hotels											
Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	% Occ.	% Change	ADR	% Change	RevPar	% Change
2013	1,054	384,614	-	266,029	-	69.2	-	\$85.52	-	\$59.15	-
2014	1,056	385,440	0.2%	287,817	8.2%	74.7	8.0%	\$91.59	7.1%	\$68.39	15.6%
2015	1,056	385,440	0.0%	252,212	-12.4%	65.4	-12.4%	\$95.97	4.8%	\$62.80	-8.2%
2016	1,056	385,440	0.0%	212,098	-15.9%	55.0	-15.9%	\$90.96	-5.2%	\$50.05	-20.3%
2017	1,056	385,440	0.0%	193,356	-8.8%	50.2	-8.8%	\$94.81	4.2%	\$47.56	-5.0%
2018	996	363,431	-5.7%	199,360	3.1%	54.9	9.3%	\$91.93	-3.0%	\$50.43	6.0%
2019	821	299,731	-17.5%	213,389	7.0%	71.2	29.8%	\$97.81	6.4%	\$69.63	38.1%
2020	953	347,845	16.1%	142,606	-33.2%	41.0	-42.4%	\$86.26	-11.8%	\$35.36	-49.2%
2021 YTD (August)	953	231,579	0.0%	124,721	26.8%	53.9	26.8%	\$99.72	13.9%	\$53.71	44.5%

Sources: Smith Travel Research, Hunden Strategic Partners

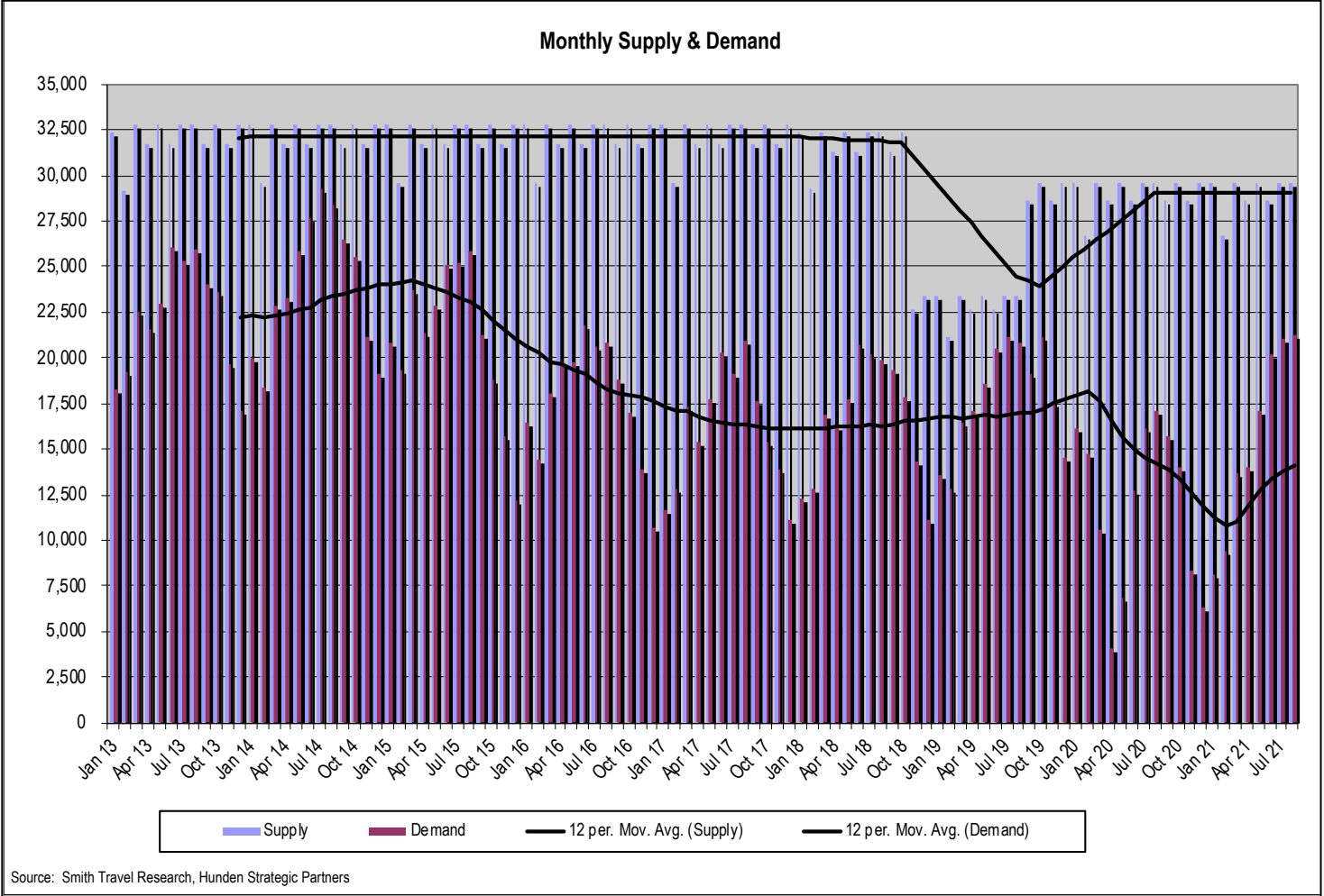
The local competitive set generally has experienced a decline during the past eight years. From 2013 to 2019, the ADR's have fluctuated between a low of \$85.52 in 2013 and a high of \$97.81 in 2019. RevPAR decreased drastically due to the impacts of COVID-19 pandemic in 2019. Occupancy averages throughout the period generally track the average daily rates. Supply of hotels have decreased by nearly 100 rooms between 2013 and the first half of 2021, with no proposed hotels or hotels currently under construction. However, the YTD figures across all performance metrics indicate a sharp recovery in the market as COVID-19 pandemic restrictions are easing up.



# Supply & Demand Hotel Room Nights

The supply of room nights in the local area was stagnant from 2013 until mid-2018, until the market experienced a drop in room nights due to renovations and the opening of the Clarion Inn that was completed in 2018.

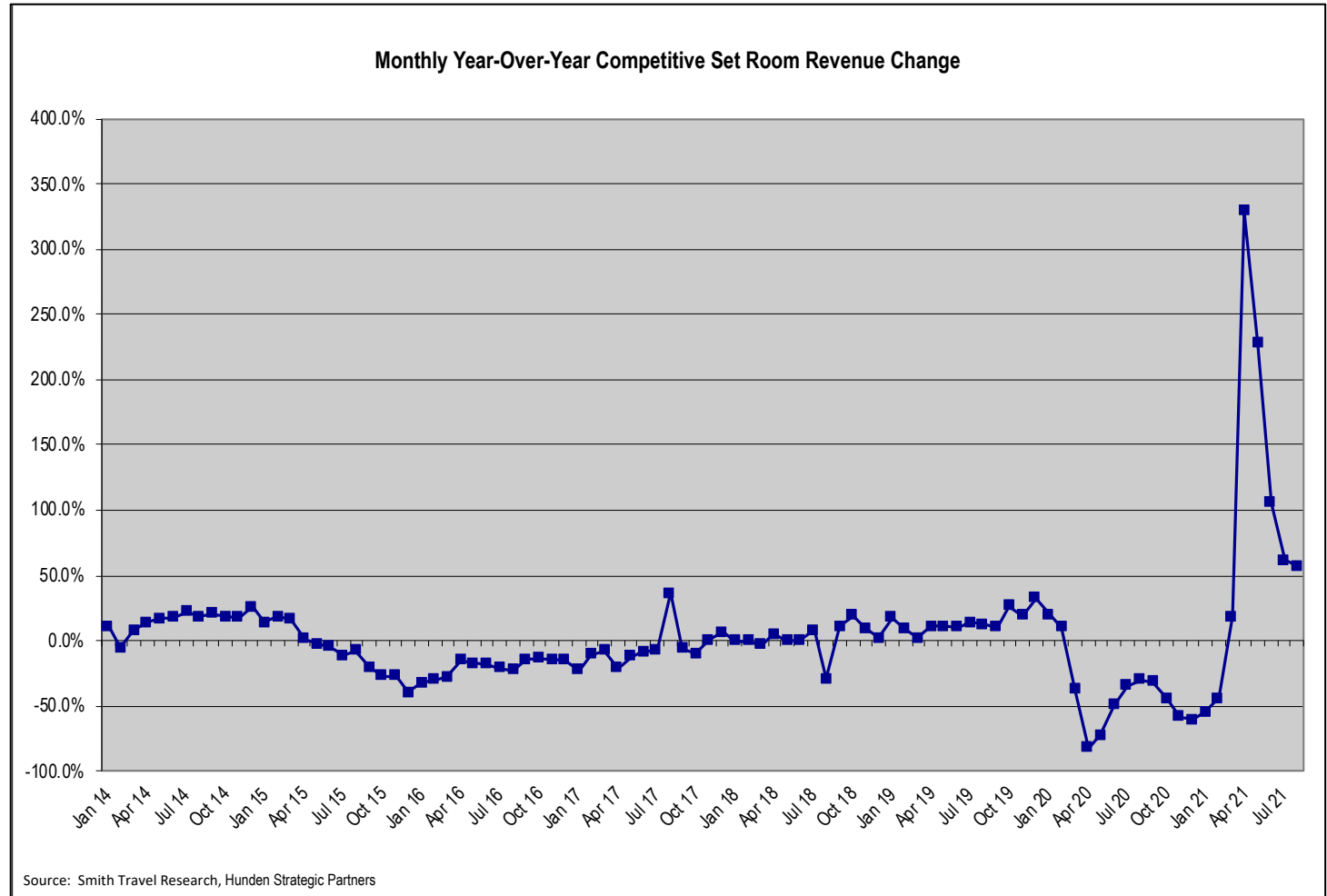
Demand for room nights also declined since late 2015. The impacts of COVID-19 severely impacted the demand amongst the competitive set, but post-pandemic data indicates a recovery to pre-pandemic demand.



# Room Revenue Change

Any data point greater than zero is a positive indicator for the competitive set.

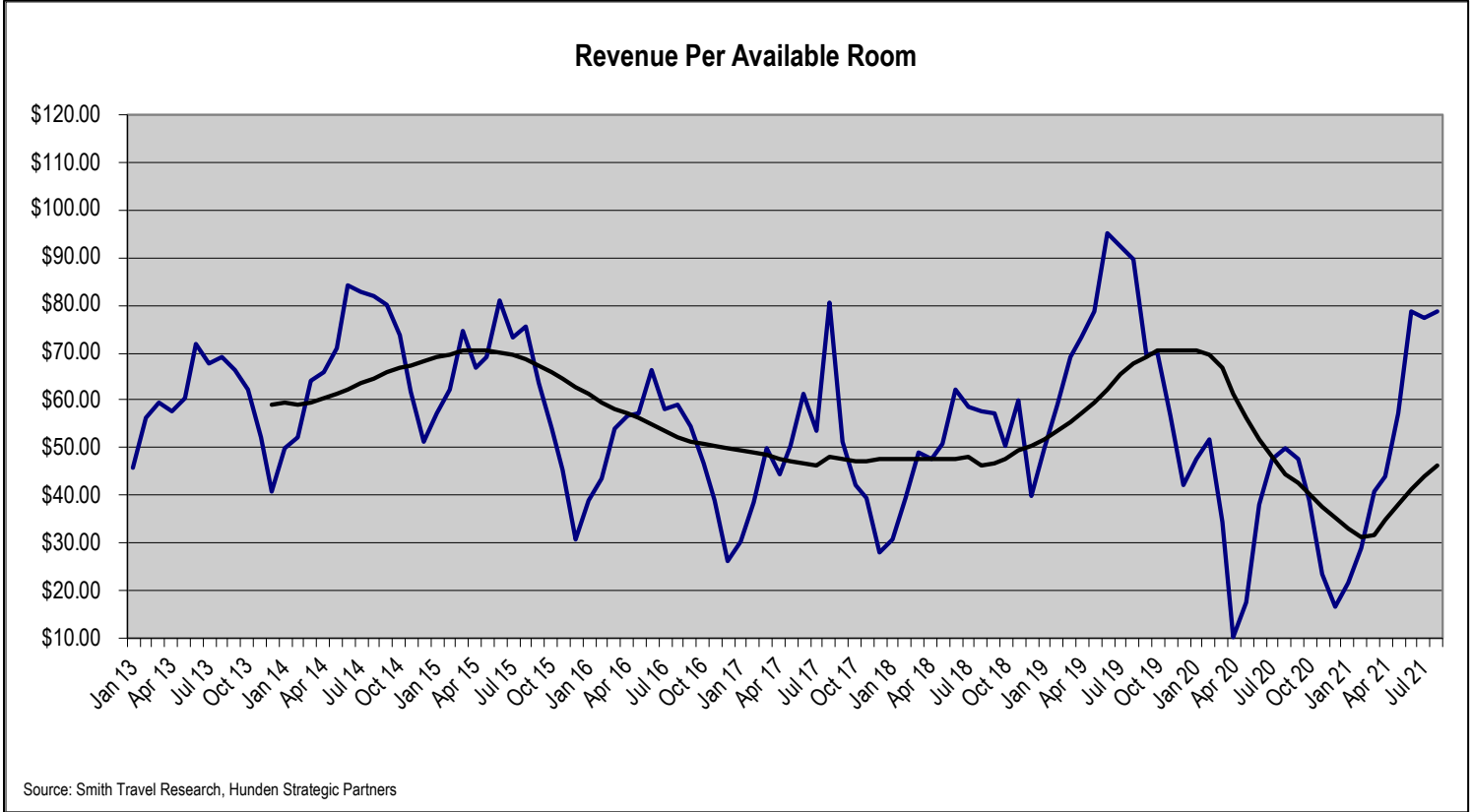
The year-over-year room revenue change for the competitive set slightly increased from 2014 to 2019 and has generally fluctuated with the lowest revenue change (monthly Y-O-Y) recorded at negative 39.7 percent and the highest recorded change at positive 36.4 percent. The large decrease from February 2020 to April 2020 is due to COVID-19.



# Revenue per Available Room

The trend line, over the eight-year period, shows that RevPAR had declined beginning in mid-2015. This is due to the renovations that took place for the Clarion Inn, where the market had seen a decline of 100 rooms, which affected comp set ADR's and occupancies.

The overall decrease in RevPAR is an indicator of a declining market, likely due to declines in the oil and gas industry from 2014 - 2018. As with most cities that have distinct seasons, RevPAR was lowest for the local competitive set during the winter months.

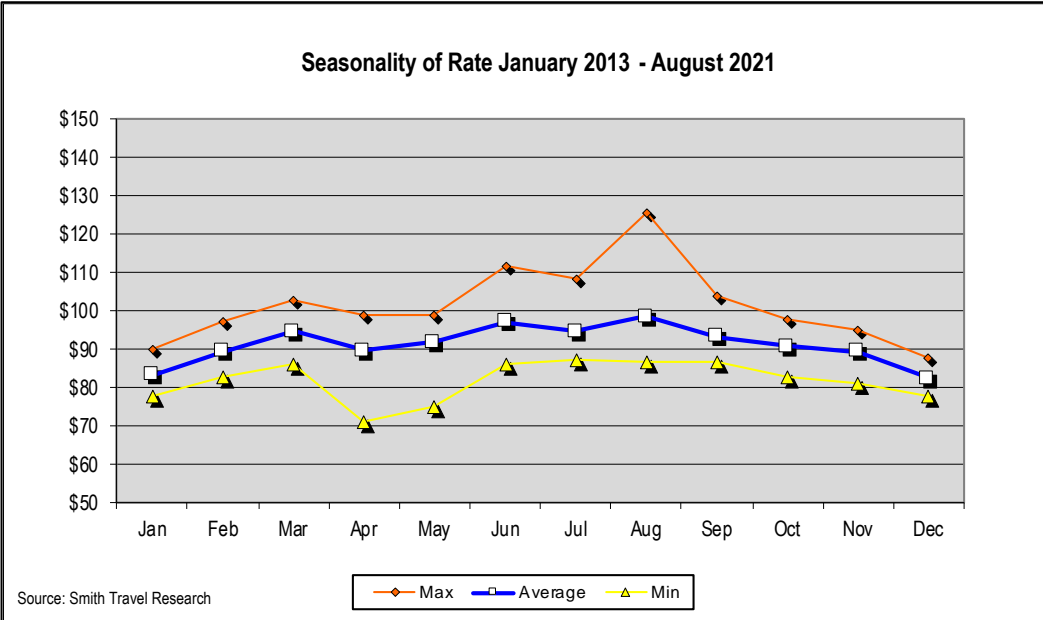
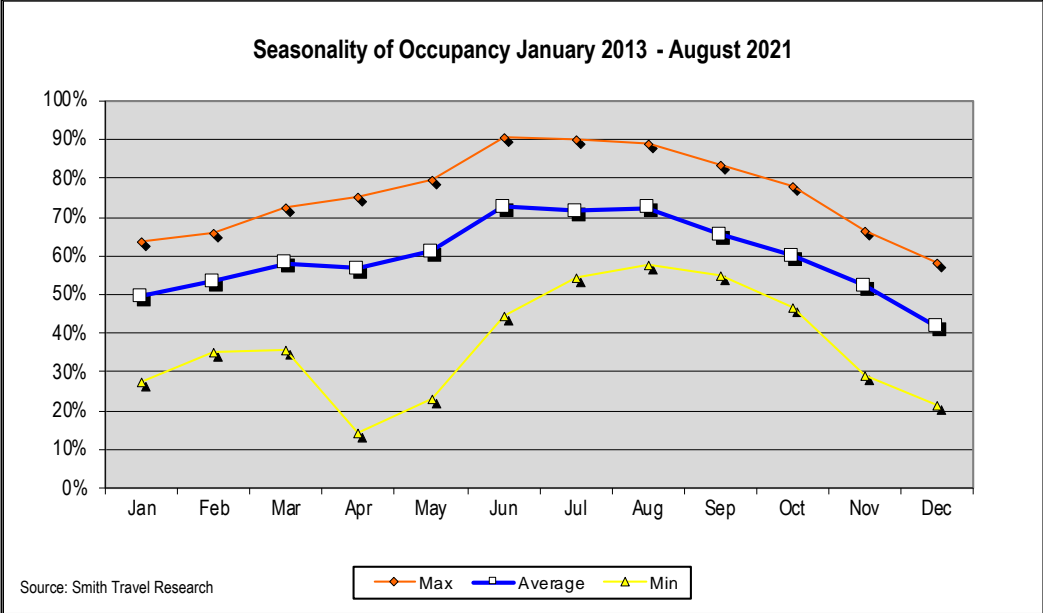


# Seasonality – Occupancy and ADR

The adjacent tables detail the seasonal performance of the competitive hotel set over the last eight years. As shown, the local hotels experienced strong occupancy from May to August, which lines up with the increase in leisure activity during the summer season and warm weather. The lowest occupancy period is during the winter and spring months.

Rate generally mirrors occupancy (shown in the bottom chart).

It's important to note that the impacts of the COVID-19 pandemic are reflected in the minimum line graphs in both charts which skews occupancies and ADR's downward.

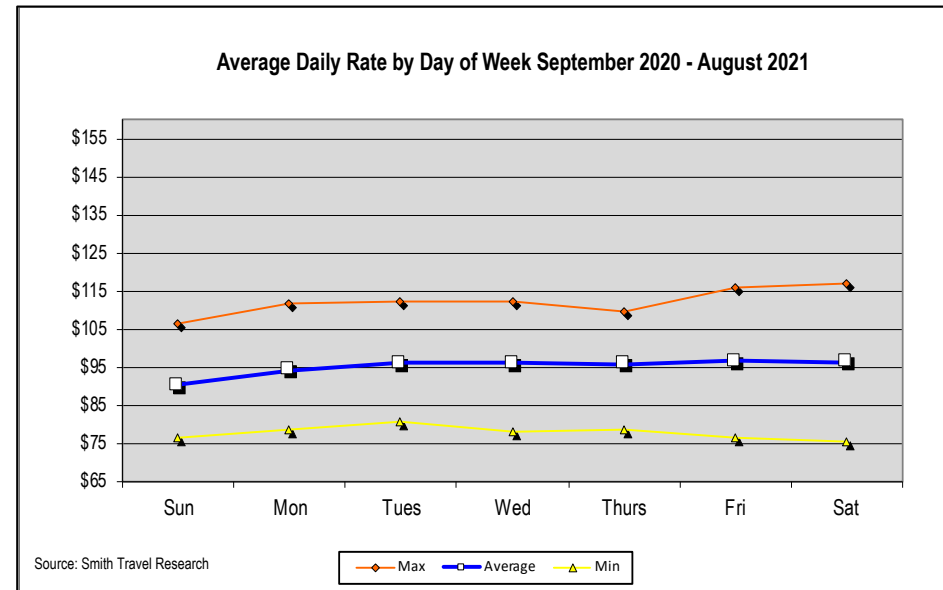
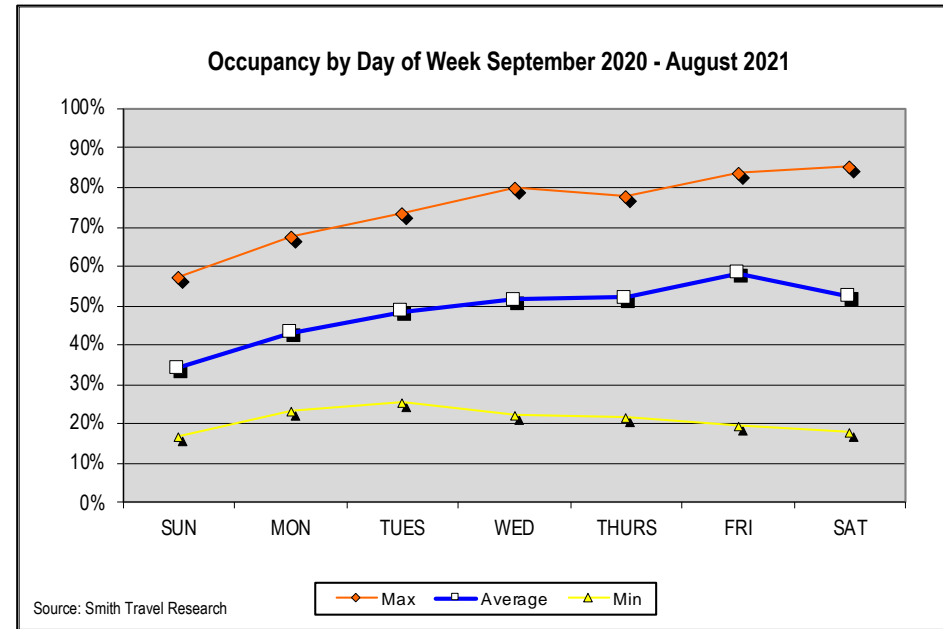


# Day of Week – Occupancy and ADR

The adjacent figures demonstrate the day of week performance of the competitive hotel set from September 2020 through August 2021.

The occupancy trends throughout the week see incremental increases as the weekend days approach. Increased occupancy during the weekends indicate a strong leisure market.

Average rates are generally low during weekdays and only marginally higher over the weekend, reemphasizing the strong leisure demand. The ADR chart has lower weekday numbers than usual because corporate travel dried up due to COVID-19.



# Hotel Charts

The adjacent heat charts summarize the day of week by month performance of the hotel market over the last calendar year.

The heat charts further indicate a weakened corporate and leisure demand due to the impacts of COVID-19 through the late-summer and fall of 2020. Occupancy peaks in June, July and August, exceeding 65% in all months over the weekend days. Rate peaks generally occur in the early spring and summer months, but not by a significant amount.

As shown on the previous slide, occupancy is typically high during weekends when leisure travel is popular. Average daily rate tends to mirror occupancy.

**Occupancy Percent by Day of Week by Month - September 2020 - August 2021**

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Sep - 20	38.7%	45.5%	53.1%	53.8%	57.4%	69.5%	66.4%	54.9%
Oct - 20	34.3%	45.8%	51.0%	54.6%	51.2%	48.2%	45.2%	47.2%
Nov - 20	20.0%	28.1%	32.7%	34.4%	35.5%	32.3%	23.3%	29.5%
Dec - 20	17.8%	23.4%	25.5%	22.5%	21.4%	19.7%	18.2%	21.2%
Jan - 21	17.0%	24.9%	30.3%	31.5%	29.9%	32.5%	27.4%	27.7%
Feb - 21	22.0%	29.8%	34.5%	40.4%	38.7%	46.4%	35.5%	35.3%
Mar - 21	26.0%	34.1%	45.7%	48.7%	48.7%	66.9%	56.0%	46.6%
Apr - 21	25.1%	38.7%	45.3%	55.6%	56.8%	63.1%	52.1%	48.1%
May - 21	41.4%	46.3%	53.2%	53.3%	64.8%	84.0%	67.4%	58.6%
Jun - 21	56.0%	67.5%	66.1%	67.3%	70.8%	82.0%	85.5%	70.7%
Jul - 21	57.1%	66.4%	72.5%	74.9%	72.6%	78.4%	73.8%	70.8%
Aug - 21	56.1%	67.8%	73.4%	79.8%	77.7%	76.6%	76.4%	72.5%
<b>Average</b>	<b>34.3%</b>	<b>43.2%</b>	<b>48.6%</b>	<b>51.4%</b>	<b>52.1%</b>	<b>58.3%</b>	<b>52.3%</b>	

Sources: Smith Travel Research

	55%-65%
	65%-75%
	>75%

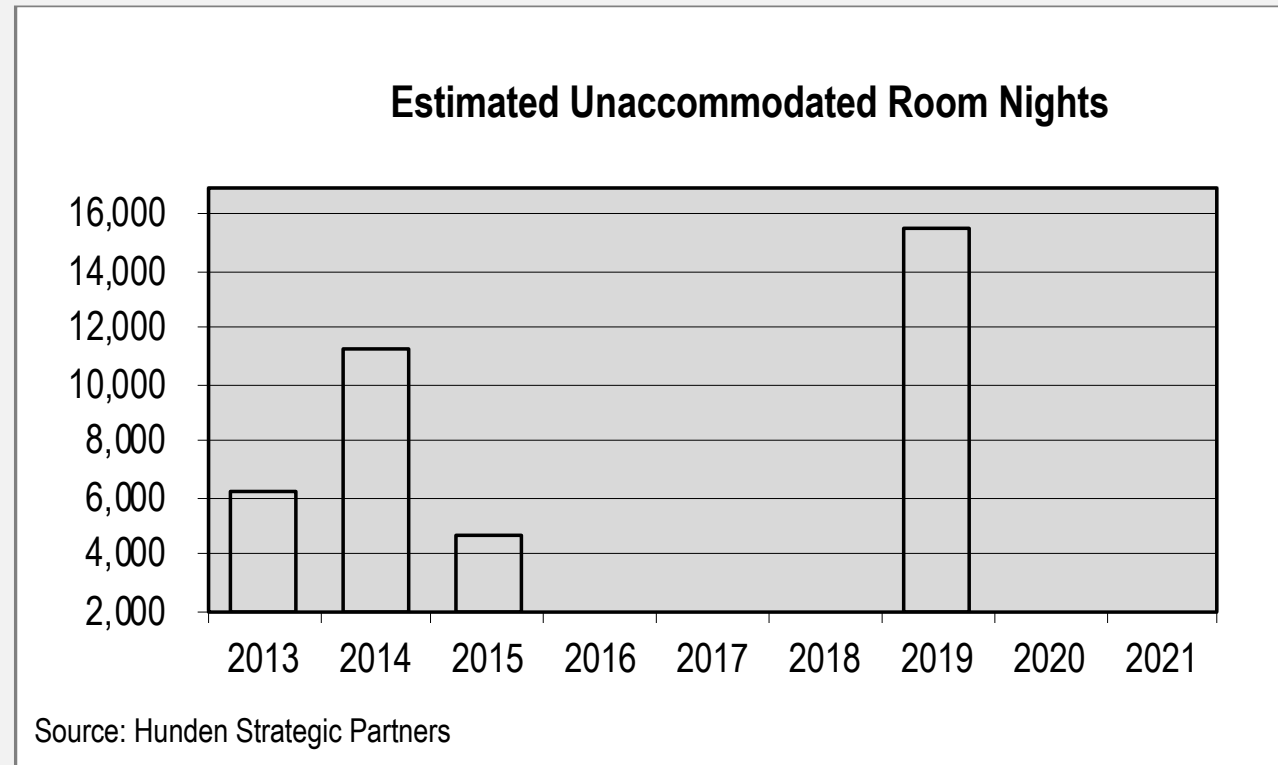
	\$90-\$100
	\$100-\$110
	>\$110

**Average Daily Rate by Day of Week by Month - September 2020 - August 2021**

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Sep - 20	78.97	83.99	87.61	86.07	88.97	89.73	88.57	86.27
Oct - 20	79.93	85.45	85.80	86.17	84.48	79.67	79.33	82.97
Nov - 20	78.18	82.44	83.99	82.12	84.46	78.44	76.37	80.86
Dec - 20	76.54	78.71	80.71	78.09	78.49	76.82	75.71	77.87
Jan - 21	76.98	80.03	83.23	81.31	80.85	78.14	77.42	79.71
Feb - 21	77.49	79.33	80.84	81.86	84.39	87.78	82.63	82.05
Mar - 21	80.34	82.26	86.13	89.16	90.03	94.64	90.68	87.60
Apr - 21	81.18	86.56	89.23	92.27	90.69	91.96	90.60	88.93
May - 21	92.89	93.22	97.99	99.68	100.38	103.94	98.79	98.13
Jun - 21	106.53	111.73	111.41	109.98	108.93	115.76	116.80	111.59
Jul - 21	101.99	106.46	109.27	112.19	109.18	107.77	109.96	108.12
Aug - 21	100.55	111.04	112.45	112.28	109.91	108.55	108.51	109.04
<b>Average</b>	<b>90.38</b>	<b>94.43</b>	<b>96.17</b>	<b>96.06</b>	<b>95.83</b>	<b>96.69</b>	<b>96.45</b>	

Sources: Smith Travel Research

# Unaccommodated Room Nights



Based on existing occupancy levels, HSP estimates that 2019 was the last year when there was significant latent demand. However, as the pandemic retreats, it is likely that hotel demand will recover and there will be more demand than supply for many nights of the year, as is shown this past summer in the prior page.

# Case Studies Overview

HSP studied several developments that have similarities to the project recommended. In this chapter, HSP has profiled comparable lodging developments that offer a concept-driven, all-inclusive experience. Recreation includes any onsite activities for guests to engage in, including a pool, lawn games, or communal social spaces.

Project	Opened / Renovated	Location	# of Rooms	Event Space	Onsite Restaurant	Onsite Recreation
Astro Motel	2018	Santa Rosa, CA	43	✗	✓	✓
El Rey Court Hotel	2018	Santa Fe, NM	86	✓	✓	✓
Brentwood Hotel	2016	Saratoga Springs, NY	12	✗	✗	✗
Tourist Hotel	2018	North Adams, MA	48	✗	✓	✓
Amigo Motor Lodge	2014	Salida, CO	22	✗	✗	✗
Skyview Motel	2018	Los Alamos, CA	33	✗	✓	✓
Calistoga Motor Lodge	2017	Calistoga, CA	50	✓	✗	✓

Source: Various Developments, Hunden Strategic Partners



# The Astro

**Location:** Santa Rosa, CA  
**Opened/Renovated:** 1963 / 2018  
**# of Rooms:** 43

Originally built in 1963, The Astro had fallen into disrepair and was completely remodeled and reopened in 2018. Located in Juilliard Park, the Astro is walkable to downtown Santa Rosa in an up-and-coming arts district recently named Sonoma County's next big destination neighborhood by the San Francisco chronicle.

**Dining.** The onsite restaurant, The Spinster Sisters, was awarded Best Restaurant in Sonoma in 2017. The restaurant focuses on locally sourced, seasonal fare. Operating hours are Tuesday through Saturday, 5:30pm to 9pm, as well as brunch hours on Saturday and Sunday.

**Recreation & Amenities.** As Sonoma County is one of the most popular destinations for cycling, the hotel attracts recreation tourism. There is an onsite bike repair service for guests, and the motel also offers bikes for rent. The Astro is located adjacent to The Santa Rosa Creek Trail, which has paths that vary in difficulty for all levels of cyclists. Additionally, the property works with local partners to offer packages for various outdoor excursions in the area.



# El Rey Court

<b>Location:</b>	Santa Fe, NM
<b>Opened/Renovated:</b>	1936 / 2018
<b># of Rooms:</b>	86

Originally built in 1936 with just 12 rooms, the El Rey Court has undergone multiple expansions over the years until it was acquired by the current ownership in 2016. The original adobe structures were preserved but completely renovated ahead of a grand reopening in 2018. Located in Santa Fe, New Mexico, this property offers a unique, specifically Southwestern experience.

**Meetings and Events.** El Rey Court has been reimagined to accommodate events, meetings and parties. Private meeting suites with fireplaces are available for rent for small meetings and corporate retreats, and the property features a large event lawn for large outdoor gatherings.

**Dining.** The onsite restaurant, La Reina, is primarily a cocktail lounge but serves small plates and appetizers daily.

**Recreation & Amenities.** The biggest amenity and recreation asset for the El Rey is the outdoor courtyard pool, which anchors the guest rooms. The El Rey Swim Club is open to locals as well as guests, through a monthly membership, which creates an additional revenue stream for the facility.



# Brentwood Hotel

**Location:** Saratoga Springs, NY

**Opened/Renovated:** 2016

**# of Rooms:** 12

Located on the Historic Saratoga Race Course, The Brentwood is an exterior corridor motor lodge with 12 rooms, all offering a race view. Though the Brentwood offers fewer onsite amenities outside of the hotel bar, the unique location allows synergistic experiences with the racetrack, as well as with an adjacent Mexican restaurant and additional bar. Additionally, the property offers a courtyard with communal firepits for guests to enjoy, and bikes available for daily rentals.

The Brentwood Hotel is useful as a case study of a motor lodge that is operating in a four-season area, as opposed to many of the comparable projects in southern California and the southwest.



# The Amigo Motor Lodge

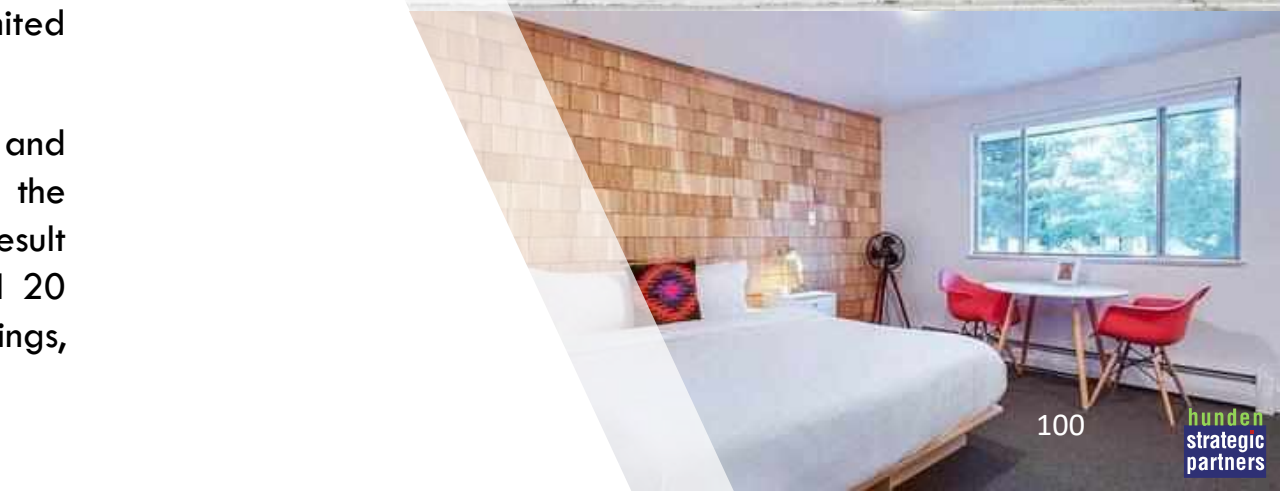
**Location:** Salida, CO  
**Opened/Renovated:** 1950 / 2014  
**# of Rooms:** 17 rooms / 5 Airstream trailers

The Amigo Motor Lodge is a historic lodging property from the 1950s and was renovated and reopened in 2014. It is located one mile from downtown Salida, Colorado, in the middle of several outdoor attractions. One of the most unique features of this property is the ability to rent one of the five onsite Airstream trailers for a more private, nontraditional experience.

**Meetings and Events.** While the Amigo does not typically host events, they do offer wedding accommodations on the condition that the party buyout the entire property, as they have had problems in the past with parties causing disruptions for other rooms.

**Dining.** While there is no onsite restaurant, the Amigo offers limited breakfast service in the lobby, including coffee, tea, yogurt and fruit.

**Recreation & Amenities.** The Amigo Motor Lodge site is fairly simple and does not offer many recreation amenities on the property. However, the location provides easy access to several outdoor attractions, and as a result the property attracts a segment of active travelers. The site is located 20 minutes from Ski Monarch, year-round bike trails, Mt. Princeton Hot Springs, and dog sledding.



# Tourists Hotel

**Location:** North Adams, MA

**Opened/Renovated:** 2018

**# of Rooms:** 48

Tourists is a hotel and riverside retreat inspired by the classic American roadside motor lodge, set on the banks of the Hoosic River in the Berkshires in the city of North Adams. The 48-room property is located on an 80-acre campus among woodland trails, rivers, and is designed to be a basecamp for exploration and adventure.

**Event Space.** The Tourists Hotel lacks traditional event or meeting space, but they do host private events on the open multi-use lawn and the surrounding grounds.

**Dining.** The property has onsite food and beverage service, which offers coffee and snacks in the common area, as well as in-room dinner service.

**Recreation & Amenities.** Onsite recreation includes hikes, yoga, crafts and a large site filled with natural assets. Additionally, the property partners with several local attractions to offer experiential packages at nearby areas of interest, including Mount Greylock, the Appalachian Trail and several area museums and galleries.



# Skyview Hotel

**Location:** Los Alamos, CA

**Opened/Renovated:** 1955 / 2018

**# of Rooms:** 33

Skyview is a renovated, historic roadside motel turned boutique lodging facility. The property offers 33 guest rooms, a full-service restaurant, heated pool and a working vineyard. The Skyview is located on a hillside overlooking Santa Barbara wine country on a 5-acre site.

**Meetings and Events.** Booking an event or wedding at the Skyview requires an associated room block of all 33 guest rooms. The full buyout then includes access to the full-service restaurant, courtyard and vineyard for ceremonies and gatherings.

**Dining.** The onsite restaurant, Norman, is open daily for full-service dining indoors or on the outdoor patio. The wine program is extensive and features wine from the onsite vineyard as well as other regional offerings.

**Recreation & Amenities.** Onsite amenities available to guests include a restored 1950s heated pool with outdoor showers, rentable bikes, private patios with fire pits, a communal courtyard, and the 2.5-acre Skyview Vineyard.



# Calistoga Motor Lodge

**Location:** Calistoga, CA

**Opened/Renovated:** 2017

**# of Rooms:** 50

Reborn in 2017 as the Calistoga Motor Lodge and Spa, the property is an ode to the American road trip. The 55 rooms were inspired by Airstream camper vans, with retro prints, bold colors, and minimalist design.

**Events.** The Motor Lodge offers 10,000-square feet of event space for meetings and weddings. Multiple indoor and outdoor venues are available, including a garden room and a private dining room.

**Dining.** The onsite restaurant, Fleetwood features rustic Italian food in an upscale setting.

**Recreation & Amenities.** A rotating schedule of activities like group hikes, alfresco cinema night, and spa happy hour, as well as games like bocce ball, Hula-Hoop, cornhole, and traditional board games. The courtyard has three geothermal pools, which are fed by Calistoga's underground hot springs



The hotel market within Casper and Mills currently lacks high-end and leisure-oriented options that would offer a unique and authentic experience for visitors.

Supply remained stagnant until the renovations of the Clarion Inn that was completed in 2018. Demand within the area has declined due to a lack of compelling and new lodging options. In addition, hotel locations are saturated within the Casper location and most of the higher quality hotels are disconnected from key attractions such as the North Platte River.

The North Platte River and Casper Mountain drive visitation to the area. A small-scale (quality) lodging option connected with outdoor outfitters, retail and restaurant options can create a critical mass of visitation the area. In addition, it's connectivity to these key assets, specifically to river, would make it a compelling option for outside visitors and outdoor recreational enthusiasts.



# Chapter 6: Outdoor Recreation and Other Unique Attractions

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# Outdoor Recreation

# Outdoor Recreation Economic Impact

The figures to the right show the economic impact of outdoor recreational activities for the state of Wyoming in 2019.

The most sought out activity in the state are Snow-related activities with RVing and Equestrian activities following it.

Wyoming Outdoor Recreation Economic Impact					
Value Added (GDP)		Employment		Compensation	
ORSA Total	Share of State	ORSA Total	Share of State	ORSA Total	Share of State
\$1.7 Billion	4.2%	21,344 Jobs	5.2%	\$0.8 Billion	4.1%

Source: ORSA

Value Added by Select ORSA Activity (000's)				
Activity	2017	2018	2019	State Rank
Snow Activities	\$132,947	\$141,673	\$147,491	10
RVing	\$65,060	\$71,672	\$76,116	42
Equestrian	\$56,187	\$59,945	\$60,993	39
Hunting/Shooting/Trapping	\$48,798	\$42,770	\$43,190	43
Boating/Fishing	\$41,033	\$41,976	\$43,148	49
Climbing/Hiking/Tent Camping	\$16,277	\$17,938	\$19,093	40
Motorcycling/ATVing	\$17,447	\$17,275	\$17,373	48
Recreational Flying	\$3,237	\$3,524	\$3,714	46
Bicycling	\$2,161	\$2,166	\$2,245	50
<b>Total / Average</b>	<b>\$383,147</b>	<b>\$398,939</b>	<b>\$413,363</b>	<b>41</b>

Source: ORSA

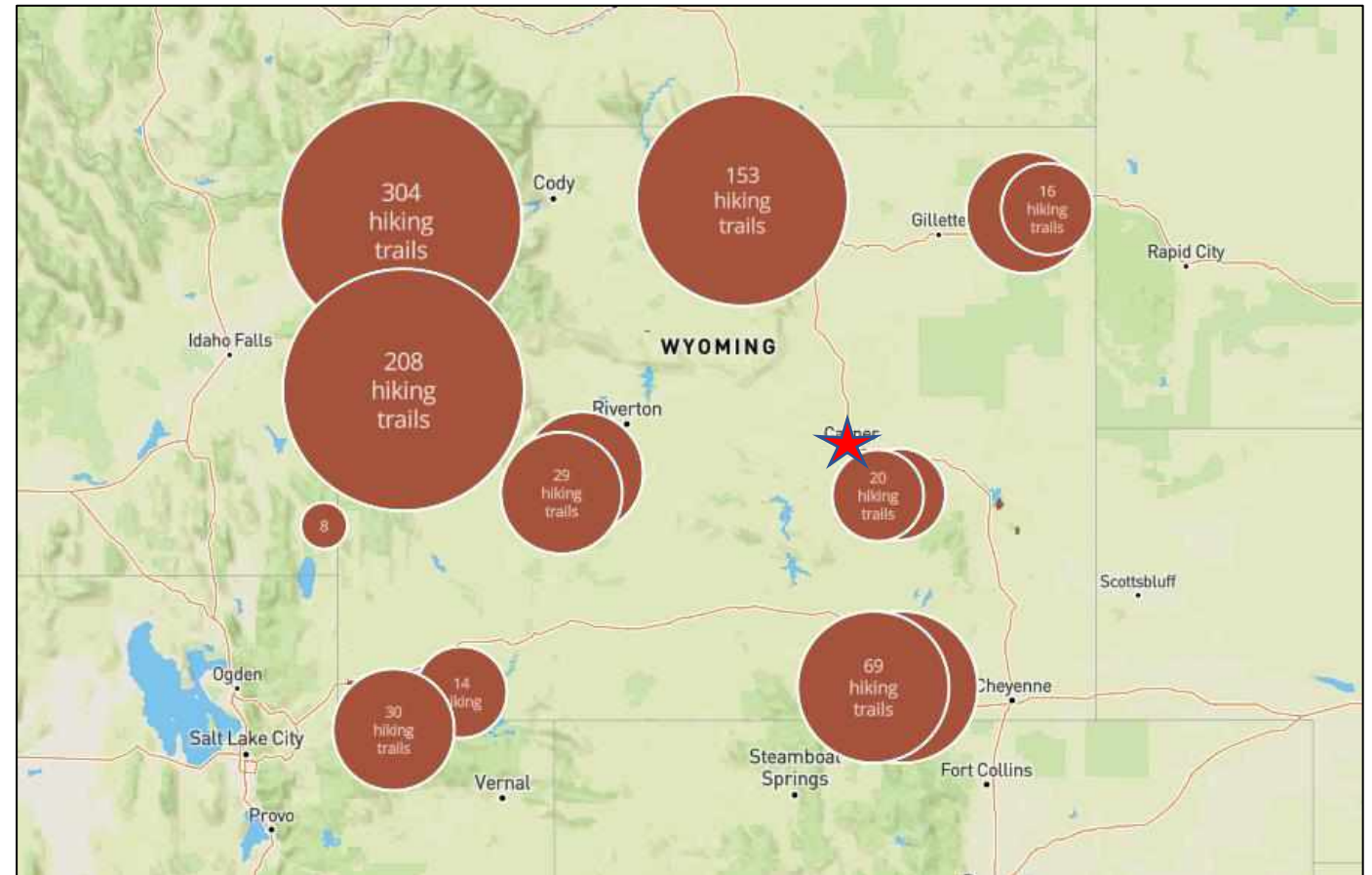


# Outdoor Recreation: Summer & Spring Activities

The figure on the right identifies the various clusters of hiking and biking trails that exist in the state of Wyoming. In the Casper / Mills area, there are a total of 20 hiking trails and 18 biking trails that run through the city limits and into Casper Mountain as well.

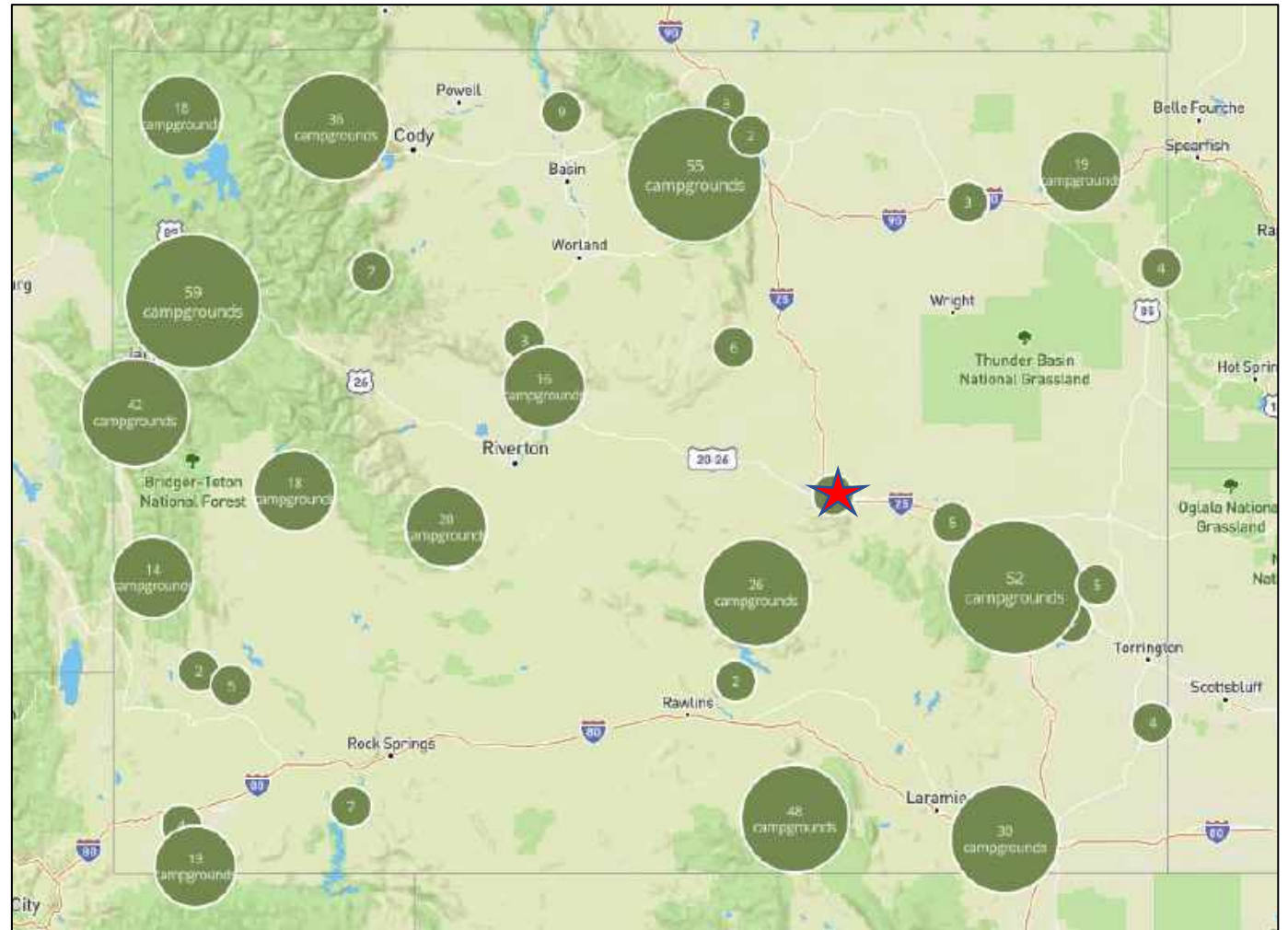
The well-known trails within the Casper / Mills area are:

- Eadsville Trail
- Muddy Mountain Trail
- Crossroads Park Trail



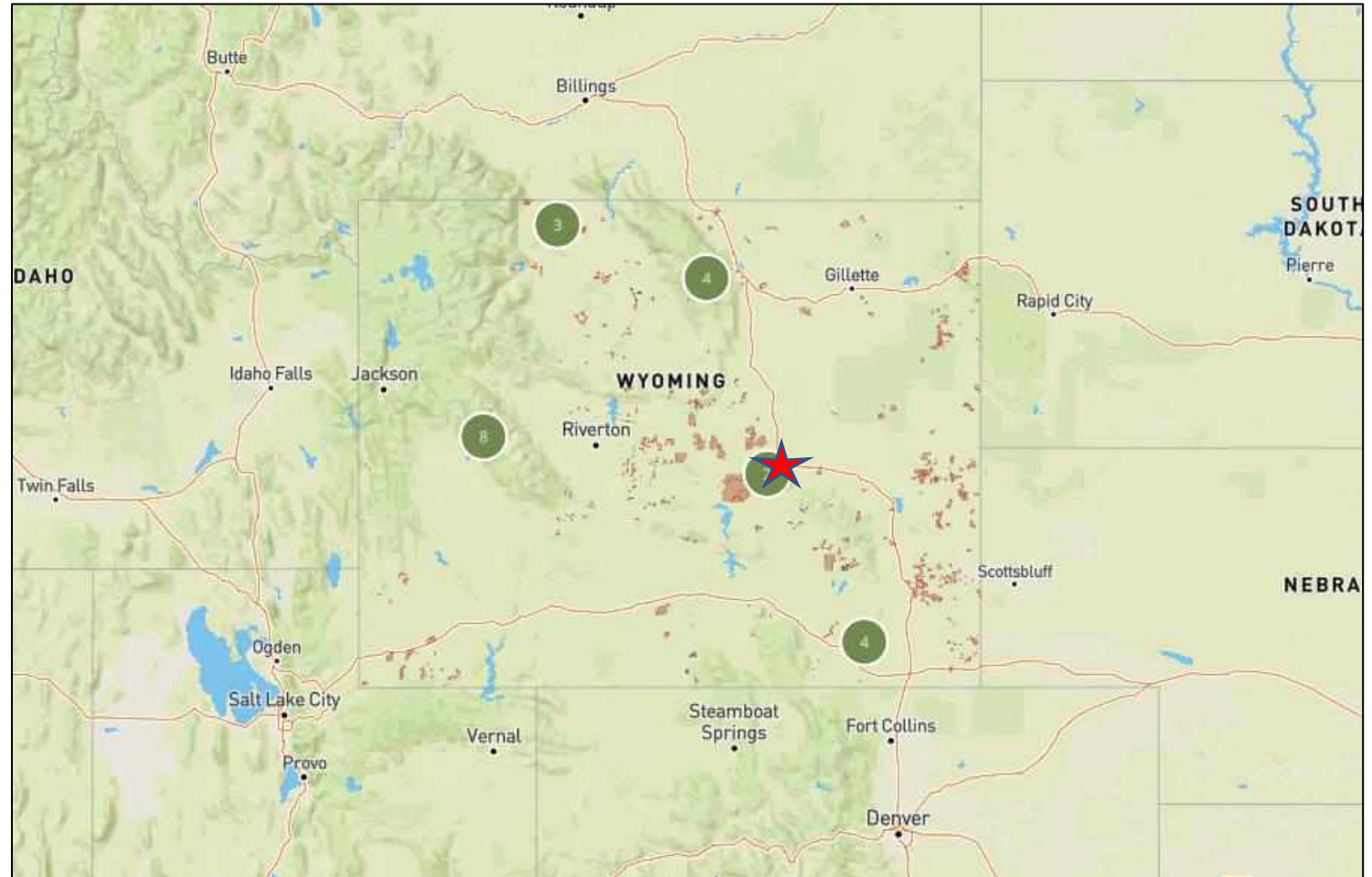
# Outdoor Recreation: Summer & Spring Activities

The figure on the right identifies the various clusters of campgrounds that exist in the state of Wyoming. In the Casper / Mills area, there are a total of 4 campgrounds but are surrounded by more than 70 other campgrounds extending into Alcova, Douglas and Glendo.



# Outdoor Recreation: Summer & Spring Activities

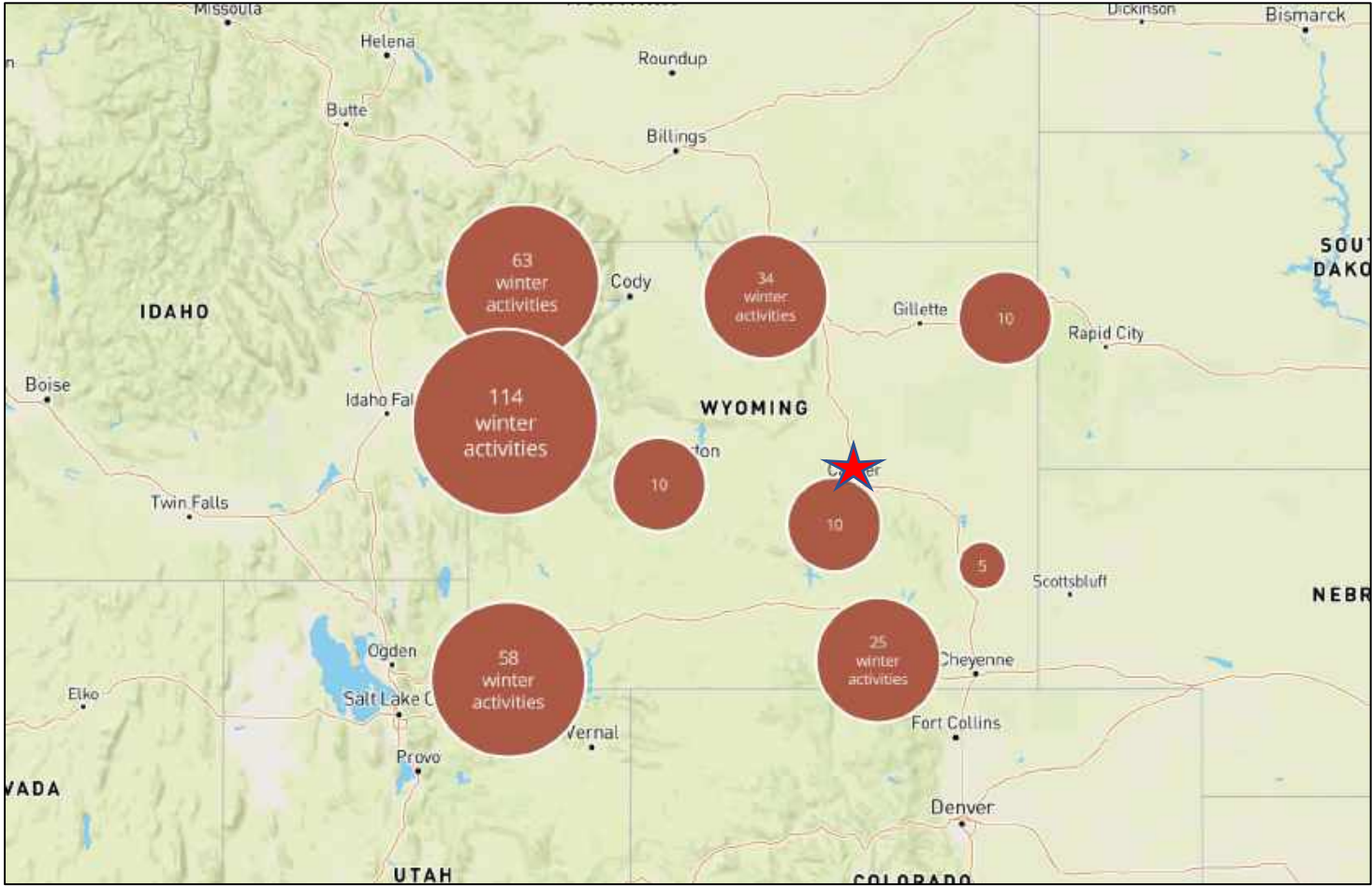
The figure on the right identifies the various clusters of fishing access sites that exist in the state of Wyoming. In the Casper / Mills area, there are a total of 20 hiking trails and 18 biking trails that run through the city limits and into Casper Mountain as well.



# Outdoor Recreation: Winter & Fall Activities

The figure on the right identifies the various clusters where winter activities are conducted throughout the state of Wyoming. Most of the activities are in Jackson and Yellowstone. Within the Casper / Mills area, there are a total of 10 winter activities, and they include:

- Snowshoeing
- Fat Biking
- Skiing & Snowboarding
- Nordic Skiing





# Local Outdoor Recreation Activity Sites



Casper Mountain, Casper, WY

Casper Mountain is one of the biggest outdoor recreational sites within Casper and Mills. In addition to being a scenic site, Casper Mountain also houses the Rotary Park & Garden Creek Falls, 60 camp sites, Hogadon Basin Ski Area, 50 miles of multi-use trails, Adamas Memorial Archery Range and Crimson Dawn park and museum that hosts the Midsummer Festival.



North Platte River, Mills, WY

The North Platte River extends over 716 miles running through the states of Colorado, Wyoming and Nebraska. This river runs through Mills and Casper Wyoming and is the home ground for outdoor recreational activities that include fishing, floating canoeing, kayaking and stand –up paddle boarding.



Edness Kimball Wilkins State Park, Casper, WY

Edness Kimball Wilkins State Park first opened in 1981, and since then has been known to be a wildlife watching site and has a designated ‘bird watching site’ that has been established by the Wyoming Audubon Society. The North Platte River runs through the park and is also place that fishing enthusiasts can fish in. Other uses of the park include a swimming pond, 40+ picnic areas and multi-use-paved trails that extend for 2.8 miles.

# Common Outdoor Recreation Activities



Fishing

The North Platte River serves as an important asset for fishing activity in Mills and Casper. The river has anywhere from 3,000 to 5,000 fish per mile that makes it an attractive location for fishing enthusiasts traveling to the area. Other than the North Platte River, other fishing sites close to Mills / Casper include Fremont Canyon, Alcova and Pathfinder reservoirs.



Biking

Biking is another common activity in Mills and Casper. There are three well-known biking trails near and within Mills which include the Eadsville, Muddy Mountain and Crossroads Park trails. These trails are paved and marked and offer varying levels of difficulty to various enthusiasts.

HSP spoke with market participants and experts to understand the growth in the specific submarket area, any potential gaps in the market and future retail developments that will transform the area. The following implications were drawn:

**Lack of structured outfitters inducing recreational activity:** The North Platte River is very important asset to the Mills community. Currently, the river lacks a compelling set of outfitters along the river that induces recreational activity such as kayaking or floating along the river. Local or smaller scale outfitters can help activate riverfront activity and provide a vibrant feel to the area.

**Opportunity for compelling attractions:** the state of Wyoming's unique and compelling attractions have one factor in common, they leverage their history when creating museums with various tours and experiences and are complimented with national parks that are under the purview of the National Parks Systems. These are historic sites and are currently the top attractions in Wyoming. The opportunity for man-made attractions that are complimented by scenic attractions, such as the North Platte river can draw a lot of tourism to Mills.

# Chapter 7: Case Studies

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# Pueblo Riverwalk

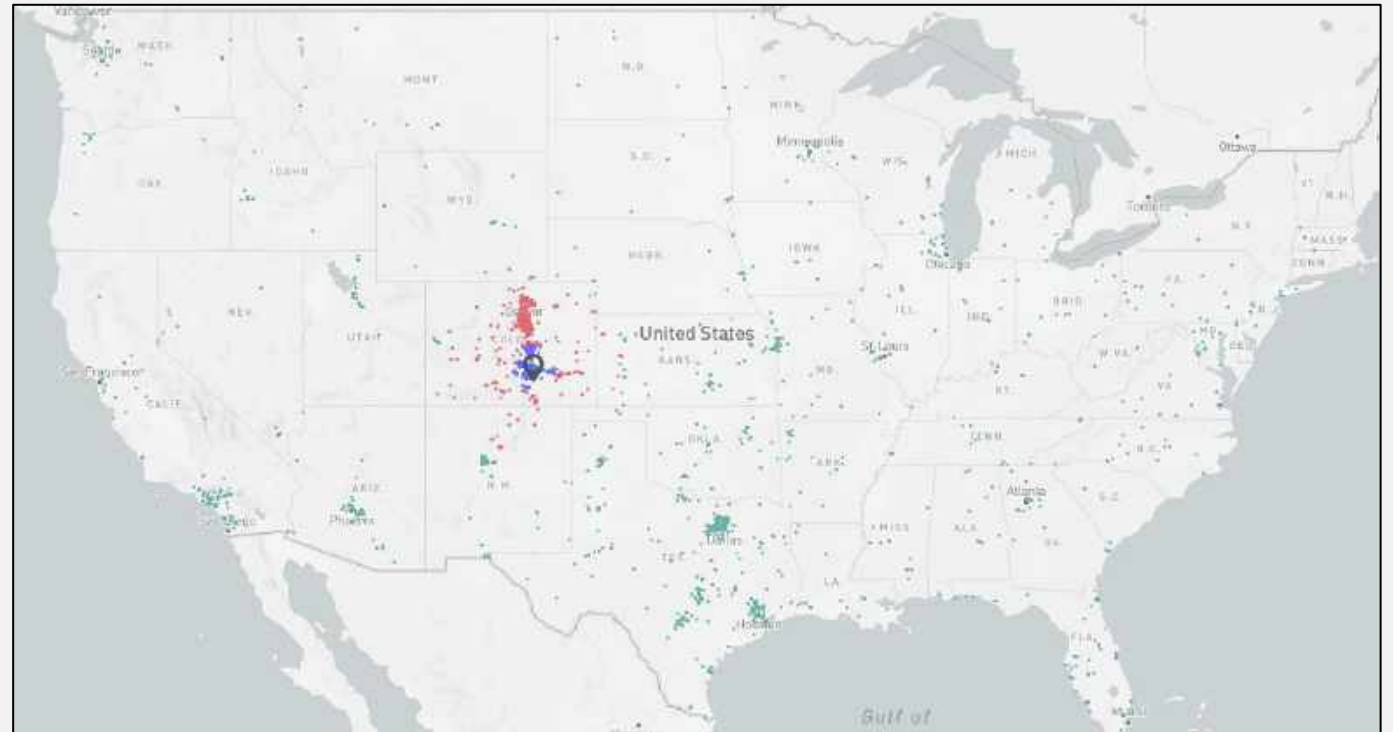
**Location:** Arkansas River, Pueblo, Colorado

**Population:** 110,841

**Uses on the Site:**

- Restaurant – Variety of restaurants, bars and breweries
- Retail – Salons and other boutique shops
- Commercial office space
- Local Art
- Boat Ride Tours

**Implications and Takeaways:** The Pueblo Riverwalk is an established downtown attraction in Pueblo with many different use types in the river. Pueblo is a smaller city in Colorado but attracts significant visitation with its attractive riverfront offerings. Pueblo has taken advantage of its river in the downtown area by developing restaurants, retail, office space, public infrastructure and boat tours to create critical mass on the riverfront. Visitation spikes every year in September during the annual Chile and Frijoles Festival, featuring a show by George Lopez in 2021. The Pueblo Riverfront is located in an opportunity zone that has helped to bring more economic activity to the riverfront.



Pueblo Riverwalk - Pueblo, CO January 2019 - December 2019					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	566,000	79.6%	157,200	60.9%	3.60
Regional Distance - Over 50 miles & Less Than 200 miles	73,800	10.4%	52,100	20.2%	1.42
Long Distance only - Over 200+ miles	71,300	10.0%	48,900	18.9%	1.46
<b>Total Visits</b>	<b>711,100</b>	<b>100.0%</b>	<b>258,200</b>	<b>100.0%</b>	<b>2.75</b>

Source: Placer.ai

# Pueblo, Colorado



# Buena Vista Riverwalk

**Location:** Arkansas River, Buena Vista, Colorado

**Population:** 2,782

**Size of the Project:** 41 acres

**Uses on the Site:**

- Retail – Outdoor adventure gear, kayak, rafting and float rentals and art gallery
- Restaurant - Casual dining, wine bar and coffee shops
- Hotel – Four-star hotel with a ballroom for weddings
- Town Square with benches, tables, stage and climbing wall
- Residential single-family housing

**Implications and Takeaways:** The Buena Vista Riverwalk began construction in 2009 and is still under construction. The 41-acre property was developed by two professional kayakers that hoped to develop the unutilized riverfront outside their small town. The offerings on the riverfront are meant to attract outdoor enthusiasts and offers rental services for water activities with direct access to the river. The Town Square was developed because of the lack of a central meeting place in the town prior to its development. The City of Buena Vista offered density bonus incentives and land giveaways to help incentivize the development of South Main on the riverfront.



Buena Vista Riverfront - Buena Vista, CO					
January 2019 - December 2019					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	79,500	32.6%	13,700	12.9%	5.80
Regional Distance - Over 50 miles & Less Than 200 miles	82,000	33.7%	48,100	45.2%	1.70
Long Distance only - Over 200+ miles	82,000	33.7%	44,700	42.0%	1.83
<b>Total Visits</b>	<b>243,500</b>	<b>100.0%</b>	<b>106,500</b>	<b>100.0%</b>	<b>2.29</b>

Source: Placer.ai

# Buena Vista, Colorado





# Breckenridge Riverwalk

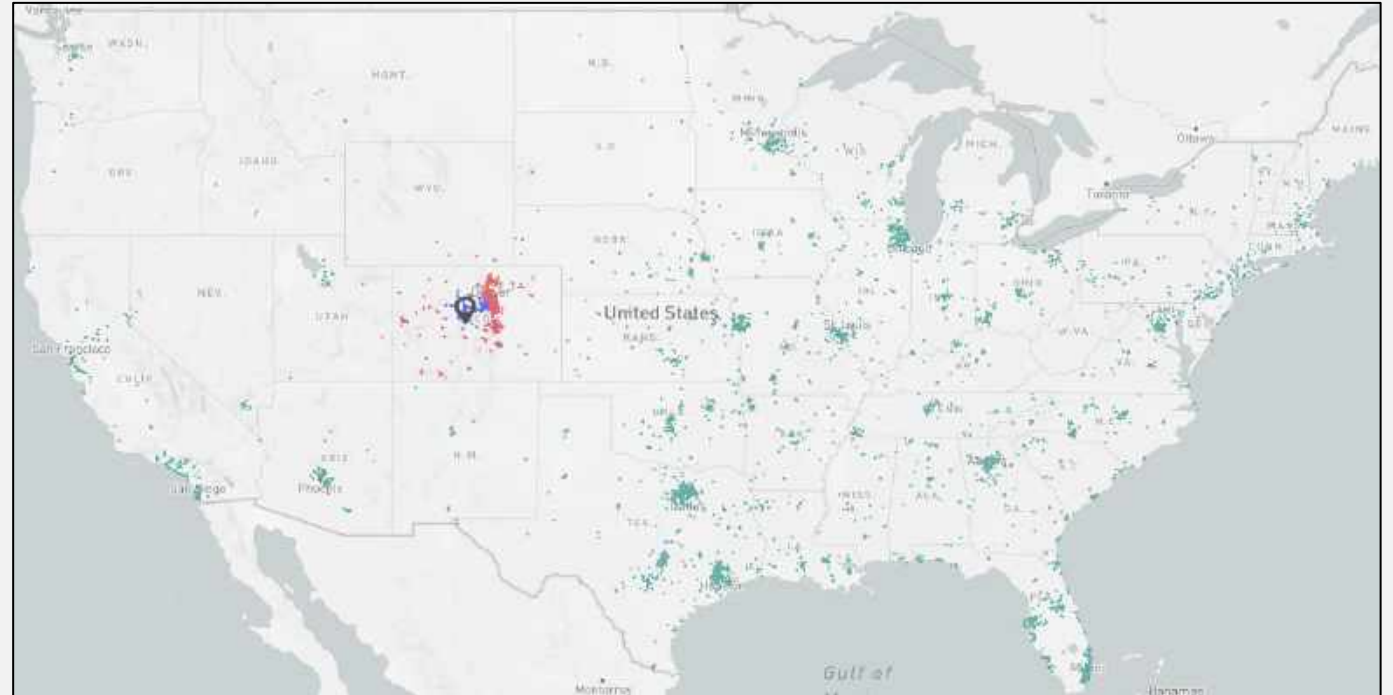
**Location:** Blue River, Breckenridge, Colorado

**Population:** 4,938

**Uses on the Site:**

- Amphitheatre – 770 seats, alcohol permitted venue
- Retail – Main Street Mall, souvenir and boutique shops
- Restaurant - Casual dining and coffee shops
- Local Art
- Gardens and Green Spaces

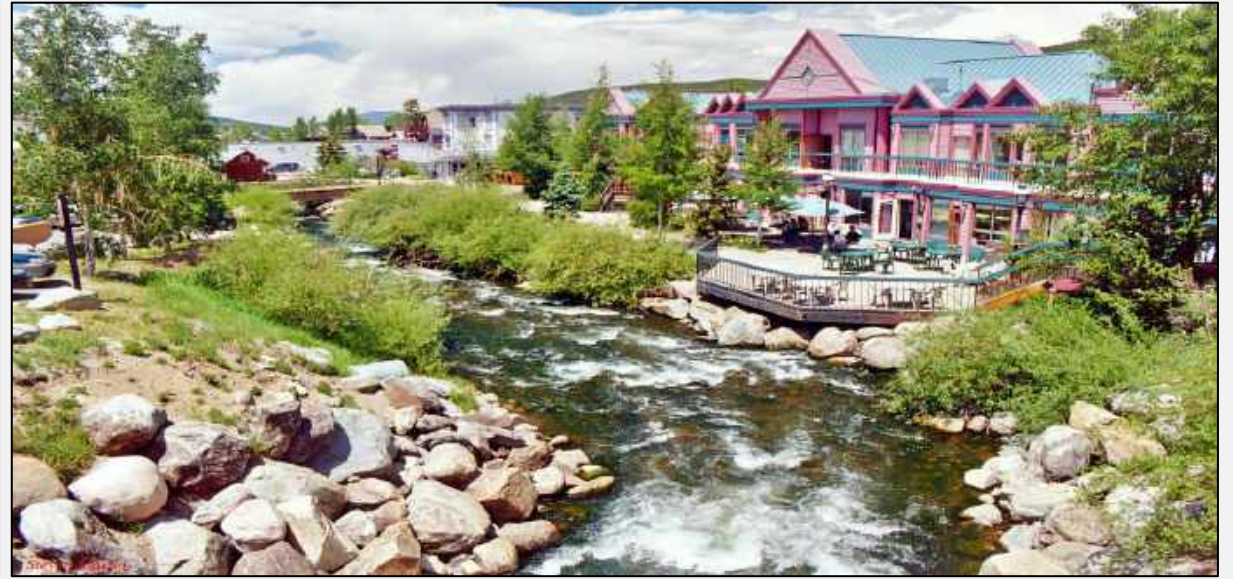
**Implications and Takeaways:** The Breckenridge Riverwalk attracts significant visitation from all of the country, mainly due to the fact that it is one of the most popular ski destination in Colorado. There has been significant developments around the river front including restaurants, a shopping mall, small boutique retail shops and an amphitheater. In 2006, a public/private partnership raised over \$1,000,000 to update the facility and the Town of Breckenridge contributed an additional \$4,000,000 to complete the project and make it a central hub in town. Breckenridge hosts an annual Beer Festival that typically attracts 10,000 people per year in July. This is another example of a community leveraging its assets on the river and conducting festivals for the community.



Breckenridge Riverwalk - Breckenridge, CO					
January 2019 - December 2019					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	84,300	17.1%	27,000	8.6%	3.12
Regional Distance - Over 50 miles & Less Than 200 miles	121,200	24.5%	89,600	28.5%	1.35
Long Distance only - Over 200+ miles	288,300	58.4%	197,800	62.9%	1.46
<b>Total Visits</b>	<b>493,800</b>	<b>100.0%</b>	<b>314,400</b>	<b>100.0%</b>	<b>1.57</b>

Source: Placer.ai

# Breckenridge, Colorado



# Basalt River Park

**Location:** Roaring Fork River, Basalt, Colorado

**Population:** 73,710

**Size of the Project:** 2.83

**Uses on the Site:**

- Residential – Studio apartments and high-end houses
- Restaurant – Outdoor seating with a patio on the riverfront
- Community Building
- Town Park

**Implications and Takeaways:** The Basalt River Park property is currently under construction and will be finished by the end of 2021. It is very similar to the Mills Riverfront Project because it is located on one of the town’s busiest roadways and requires over \$1.1 million in infrastructure improvements for safety adjustments such as sidewalks, parking spaces and road improvements to encourage motorists to slow down. The Town Park will have stone paths that connect directly to the river.



# Old Mill District

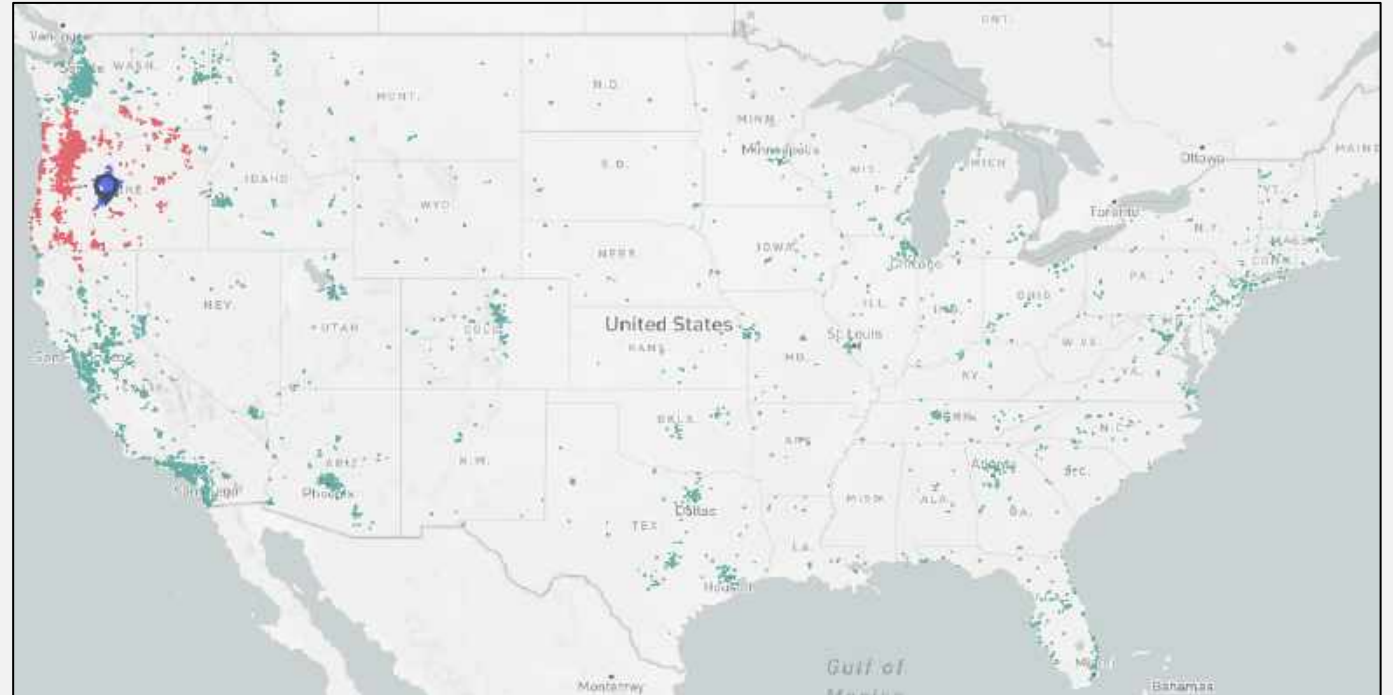
**Location:** Deschutes River, Bend, Oregon

**Population:** 106,023

**Uses on the Site:**

- Restaurant – Variety of restaurants, bars and breweries
- Retail – Big box retailers and boutique shops
- Commercial office space
- Multiple parks and green spaces

**Implications and Takeaways:** Bend, Oregon has built their entire city around their riverfront real estate, populating the banks of the Deschutes River. The Old Mill District is full of restaurants, retailers, hotels, multiple parks and a large amphitheater. Bend’s population has grown over 38 percent since the 2010 census. The city has a large focus on recreation on the river including boating, canoeing, kayaking, surfing, paddleboard, floating, tubing and rafting. Similar to the Project site in Mills, The Old Mill District is located in an opportunity zone which has provided help to private developers that have invested in the area. The opportunity zone will be attractive to prospective developers in Mills by allowing them preferential tax treatment and reinvestment opportunities.



Old Mill District - Bend, OR January 2019 - December 2019					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	2,320,000	65.5%	220,200	25.4%	10.54
Regional Distance - Over 50 miles & Less Than 200 miles	640,800	18.1%	347,700	40.0%	1.84
Long Distance only - Over 200+ miles	582,500	16.4%	300,700	34.6%	1.94
<b>Total Visits</b>	<b>3,543,300</b>	<b>100.0%</b>	<b>868,600</b>	<b>100.0%</b>	<b>4.08</b>

Source: Placer.ai

# Bend, Oregon



# Missoula, Montana

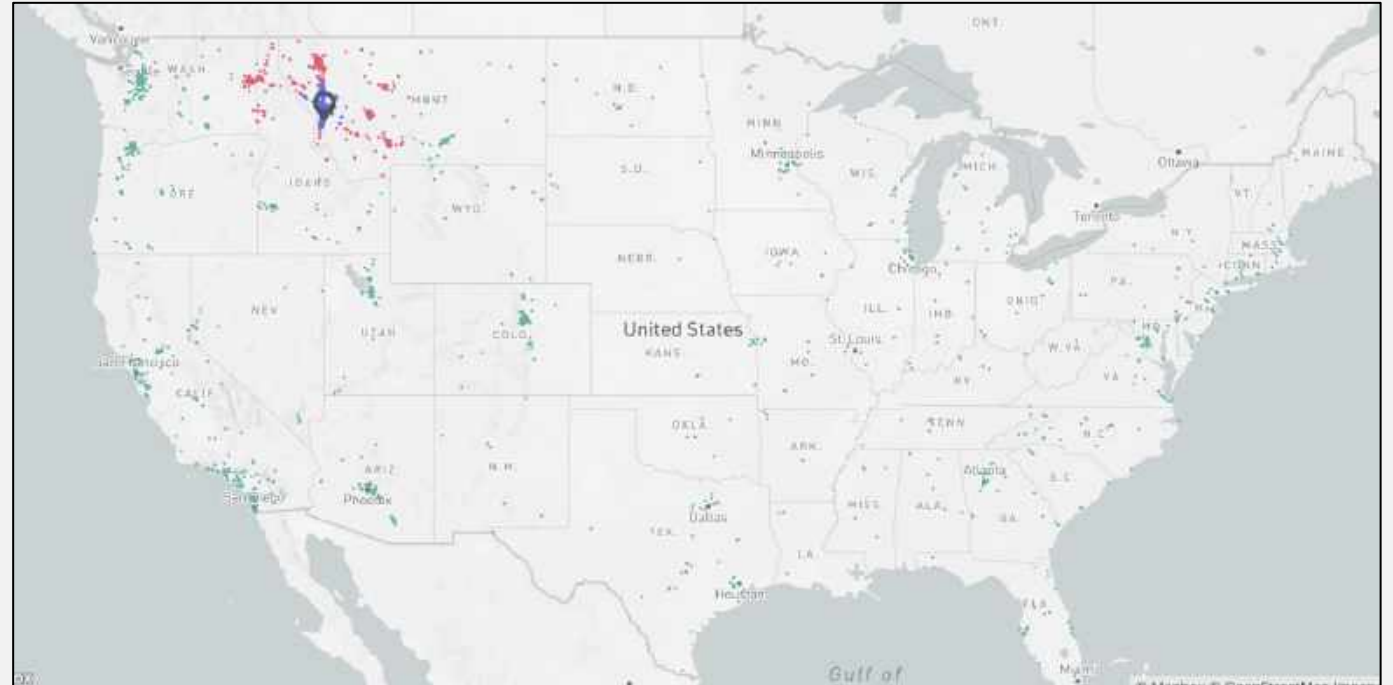
**Location:** Clark Fork River

**Population:** 73,710

**Uses on the Site:**

- Restaurant – Variety of restaurants, bars and breweries
- Retail – Grocery store and coffee shops
- DoubleTree Hilton Hotel
- Multiple parks, pavilions and green spaces

**Implications and Takeaways:** Missoula, Montana has emphasized the development of their riverfront since the early 1990's. The city has developed parking lots, walkways, bridges and easements to help bring car and foot traffic to the various restaurants and parks on the riverfront. Caras Park is Missoula's main hub for community events and mixes green space, a covered pavilion and adjacent restaurants and a distillery. The riverfront also is home to retailers and rentals for kayaking and floating on the river. Manmade adjustments have been made to the river to make it more friendly for recreation purposes. Missoula had plans for another riverfront hotel and conference center, but the deal recently fell through. The city is continuing to find a new project to take its place and create another mixed-use district on the riverfront.



Caras Park - Missoula, MT January 2019 - December 2019					
Visitor Origins by Distance from Site Colors correspond to charts & maps	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	453,000	71.4%	100,100	47.8%	4.53
Regional Distance - Over 50 miles & Less Than 200 miles	68,700	10.8%	44,100	21.1%	1.56
Long Distance only - Over 200+ miles	113,100	17.8%	65,200	31.1%	1.73
<b>Total Visits</b>	<b>634,800</b>	<b>100.0%</b>	<b>209,400</b>	<b>100.0%</b>	<b>3.03</b>

Source: Placer.ai

# Missoula, Montana



HSP analyzed cities and towns across the United States that have successfully developed their riverfront properties and have induced visitation to their communities. The following implications were drawn:

**Mixing Recreation with Support Amenities.** The cities and towns analyzed in this chapter successfully combined recreation and retail, restaurant, parks and entertainment to create a desirable location that attracts critical mass. Mills is currently lacking a central hub of activity and the riverfront property has the potential to fill this gap in the market. By combining recreation on the river with a mixed-use development and town center, Mills can create a desirable destination on the North Platte River that currently does not exist anywhere on the river.

**Clarification of Identity.** The cities and towns in this chapter heavily market and show off their riverfront developments. Mills currently does not have any attractive developments that they can point towards for identity. The riverfront property has the potential to serve the community as the location for festivals, events and entertainment within Mills.

**Development Happens Over Time.** The larger cities in the selected set started with smaller developments and have expanded over time. The riverfront property has the potential to be a catalyst for change in Mills that the community can build out from in the future. As the development becomes more attractive and popular in the coming years, the real estate near the development will appreciate in value and become more desirable for redevelopment.



# Chapter 8: Recommendations for Highest & Best Use

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# Opportunity Analysis

After careful consideration of multiple factors, it is recommended that retail, restaurant, recreation and hotel be the primary uses on the site.

A highest and best use analysis considers the following elements:

- Physically Possible
- Financially Feasible
- Legally Permissible
- Maximally Productive

Highest and Best Use Matrix - Mills Riverside Site		
Use	Type	Opportunity
Restaurant	Coffee/Café	Good
	Ice Cream/Juice Bar	Good
	Fast Food/Quick Service	Limited/Weak
	Fast-Casual	Strong
	Chain Restaurant	Limited/Weak
	Casual Family Dining	Moderate
	Restaurant & Bar/Brewery	Strong
	Fine Dining	Limited/Weak
Retail	Boutique Shop	Good
	Grocery	Weak
	Chain Big-Box Retailer	Weak
	Quick-Service Market	Strong
	Sporting/Outdoors	Strong
Office	Traditional	Weak
	Loft	Limited/Weak
	Small Local Business	Good
Hotel	Select-Service	Limited/Weak
	Full-Service	Weak
	Boutique	Strong
Recreation	Rafting/Kayaking Outfitter	Strong
	Hiking/Walking Trail	Strong
	Fishing	Good
	Splash Pad	Limited/Weak
	Play Area	Good
	Climbing Rock	Good
Residential	Multifamily	Weak
	Condominiums	Weak
	Townhomes	Weak

Source: Hunden Strategic Partners

# Recommended Mix of Uses:

Based on HSP's highest and best use analysis which determined the mix of real estate uses that would be physically possible, financially feasible, legally permissible and maximally productive, the following recommendations were determined:

## 2- Story Boutique Hotel

- 30-40 Keys
- 30-40 Parking Spaces
- 10,000 – 12,000 SF Floorplate

## Retail

- 4,000 – 8,000 Square Feet
- 50 – 100 Parking Spaces

## Restaurant

- Indoor/Outdoor
- Riverside Outdoor Seating
- 3,000 – 5,000 Square Feet
- 60–120 Parking Spaces

## Community Plaza

- Activated Outdoor Plaza
- Small Open-Air Amphitheater
- Green Space
- Extended Riverwalk
- 30–50 Parking Spaces

## Recreation

- Rafting & Kayaking Outfitter (500 SF)
- Hiking & Walking Trail Connection
- 15 – 25 Parking Spaces



# Boutique/Unique Hotel Inspiration



**Exposed Corridors**  
**Wyoming Character**  
**River Facing**

# Community Plaza Inspiration



**A Place for Mills**  
**Summer Fest**  
**Concerts & Events**

# Restaurant & Retail Inspiration



**Indoor/Outdoor  
Riverfront Views**

# Outfitter Inspiration



The Domain – North Austin, TX

**Minimal Infrastructure**  
**Public Launch Point**

**Feedback & Edits**

**Demand & Financial Projections**

**Economic, Fiscal & Employment Impact**

**Conceptual Programming**



# Chapter 9: Demand and Revenue Projections

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# Model Assumptions

The assumed program includes restaurant/retail along with an outdoor recreation outfitter, an experiential boutique hotel and community plaza with amenities outlined in the recommendations.

The total estimated development costs is \$17+ million. Of the project components, the cost of construction of the community plaza (\$6.9 million) is expected to be covered by the City of Mills, while the other commercial components (\$10.2 million) will be covered through private sources of funding and public incentives of \$4.08 million.

The remainder of the section will present the operating cash flows and supportable market value for each private use.

<i>Estimated Sources &amp; Uses - Mills Riverfront</i>						
<b>Uses</b>	<b>Amount</b>	<b>Unit</b>	<b>Cost/Unit</b>	<b>Est. Dev Cost</b>	<b>Commercial Value</b>	
Restaurant/Retail + Outdoor Rec. Outfitter	13,500	SF	\$ 280	\$ 3,780,000	\$	2,600,000
Hotel	40	Rooms	\$ 160,000	\$ 6,400,000	\$	3,500,000
Site Prep (all)	10	Acres	\$ 190,000	\$ 1,900,000	\$	-
Public Plaza & Improvements	40,000	SF	\$ 125	\$ 5,000,000	\$	-
<b>Total Square Feet / Unit Count</b>				<b>\$ 17,080,000</b>	<b>\$</b>	<b>6,100,000</b>
<b>Sources</b>						<b>Amount</b>
<b>Private Financing</b>						
Private Equity					\$	1,350,000
Private Debt					\$	4,750,000
<b>Total Private Financing</b>					<b>\$</b>	<b>6,100,000</b>
<b>Public Financing</b>						
Public Grant (used for site prep, surface parking)					\$	1,900,000
Public Funds for Public Plaza & Improvements					\$	5,000,000
Other Public Contribution to Mitigate Private Feasibility Gap					\$	4,080,000
<b>Total Public Contribution</b>					<b>\$</b>	<b>10,980,000</b>
<b>Total Development Cost</b>					<b>\$</b>	<b>17,080,000</b>

Source: Hunden Strategic Partners

Retail / Restaurant / Outdoor  
Recreation Outfitter

**hunden** strategic partners

# Proforma

HSP projected that the proposed retail/restaurant and outdoor outfitter component will generate revenues of \$257,000 in Year 1 and growing to \$312,000 by Year 10. This assumes a starting vacancy of 25 percent that would stabilize in Year 4 at the market average of 7 percent. Net operating income is expected to be \$181,000 in Year 1 and increase to \$274,000 in Year 10.

Mills Riverfront Proforma - Retail/Restaurant/Outdoor Recreation Outfitter (000s)										
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Leasable SF	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Occupied SF	10,125	11,475	12,555	12,555	12,555	12,555	12,555	12,555	12,555	12,555
Lease Rate	\$ 19.00	\$ 19.42	\$ 19.85	\$ 20.28	\$ 20.73	\$ 21.18	\$ 21.65	\$ 22.13	\$ 22.61	\$ 23.11
<b>Reimbursements</b>										
CAM	\$ 2.25	\$ 2.30	\$ 2.35	\$ 2.40	\$ 2.45	\$ 2.51	\$ 2.56	\$ 2.62	\$ 2.68	\$ 2.74
R/E Taxes	\$ 1.00	\$ 1.02	\$ 1.05	\$ 1.07	\$ 1.09	\$ 1.12	\$ 1.14	\$ 1.17	\$ 1.19	\$ 1.22
Insurance	\$ 0.37	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.41	\$ 0.42	\$ 0.43	\$ 0.44	\$ 0.45
<b>Total</b>	<b>\$ 3.62</b>	<b>\$ 3.70</b>	<b>\$ 3.78</b>	<b>\$ 3.87</b>	<b>\$ 3.95</b>	<b>\$ 4.04</b>	<b>\$ 4.13</b>	<b>\$ 4.22</b>	<b>\$ 4.31</b>	<b>\$ 4.41</b>
<b>Revenue</b>										
Gross Potential Rent (000s)	\$ 257	\$ 262	\$ 268	\$ 274	\$ 280	\$ 286	\$ 292	\$ 299	\$ 305	\$ 312
Vacancy	25%	15%	7%	7%	7%	7%	7%	7%	7%	7%
Vacancy Loss	\$ 64	\$ 39	\$ 19	\$ 19	\$ 20	\$ 20	\$ 20	\$ 21	\$ 21	\$ 22
<b>Gross Effective Rent</b>	<b>\$ 192</b>	<b>\$ 223</b>	<b>\$ 249</b>	<b>\$ 255</b>	<b>\$ 260</b>	<b>\$ 266</b>	<b>\$ 272</b>	<b>\$ 278</b>	<b>\$ 284</b>	<b>\$ 290</b>
Tenant Reimbursements	\$ 37	\$ 42	\$ 48	\$ 49	\$ 50	\$ 51	\$ 52	\$ 53	\$ 54	\$ 55
<b>Gross Operating Income</b>	<b>\$ 229</b>	<b>\$ 265</b>	<b>\$ 297</b>	<b>\$ 303</b>	<b>\$ 310</b>	<b>\$ 317</b>	<b>\$ 324</b>	<b>\$ 331</b>	<b>\$ 338</b>	<b>\$ 345</b>
<b>Expenses</b>										
CAM	\$ 23	\$ 26	\$ 30	\$ 30	\$ 31	\$ 31	\$ 32	\$ 33	\$ 34	\$ 34
R/E Taxes	\$ 10	\$ 12	\$ 13	\$ 13	\$ 14	\$ 14	\$ 14	\$ 15	\$ 15	\$ 15
Insurance	\$ 4	\$ 4	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 6	\$ 6
Other - Non-Reimbursable	\$ 4	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 7
Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
<b>Total Expenses</b>	<b>\$ 48</b>	<b>\$ 56</b>	<b>\$ 61</b>	<b>\$ 63</b>	<b>\$ 64</b>	<b>\$ 65</b>	<b>\$ 67</b>	<b>\$ 68</b>	<b>\$ 70</b>	<b>\$ 71</b>
<b>Net Operating Income</b>	<b>\$ 181</b>	<b>\$ 209</b>	<b>\$ 235</b>	<b>\$ 241</b>	<b>\$ 246</b>	<b>\$ 251</b>	<b>\$ 257</b>	<b>\$ 263</b>	<b>\$ 268</b>	<b>\$ 274</b>

Source: Hunden Strategic Partners

# Retail/Restaurant/Outdoor Recreation: Financing

HSP assumed a debt structure that included a loan amount of \$2.15 million that is amortized over 25 years at an interest rate of 6.5 percent. The assumed annual debt service payment for this is constant at \$176,000 until Year 4, when the component is assumed to be refinanced at an interest rate of 6.25 percent and the annual debt service payment decreases to \$163,000. Based on the assumptions and the projected cash flows from the retail/restaurant/outdoor recreation component, HSP ascertained that a gap of \$1.18 million is required to be funded by the city of Mills in order to ensure the viability of the component.

Supportable Financing (000s) - Retail/Restaurant/Outdoor Recreation Outfitter													
	Constr. Yr1	Constr. Yr2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Net Operating Income	\$ -	\$ -	\$ 181	\$ 209	\$ 235	\$ 241	\$ 246	\$ 251	\$ 257	\$ 263	\$ 268	\$ 274	\$ 2,425
Interest and Debt Reserve W/D	\$ 35	\$ 105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Payment	\$ (35)	\$ (105)	\$ (176)	\$ (176)	\$ (176)	\$ (163)	\$ (163)	\$ (163)	\$ (163)	\$ (163)	\$ (163)	\$ (163)	\$ (163)
Net Income to Repay Equity	\$ -	\$ -	\$ 4	\$ 33	\$ 59	\$ 78	\$ 83	\$ 89	\$ 94	\$ 100	\$ 106	\$ 112	\$ 759
Princ. Amount	\$ 538	\$ 1,613	\$ 2,150	\$ 2,113	\$ 2,075	\$ 2,030	\$ 1,994	\$ 1,956	\$ 1,916	\$ 1,873	\$ 1,828	\$ 1,779	
Interest	\$ 35	\$ 105	\$ 140	\$ 137	\$ 135	\$ 127	\$ 125	\$ 122	\$ 120	\$ 117	\$ 114	\$ 111	
Less Payment	\$ (35)	\$ (105)	\$ (176)	\$ (176)	\$ (176)	\$ (163)	\$ (163)	\$ (163)	\$ (163)	\$ (163)	\$ (163)	\$ (163)	\$ (163)
Loan Balance	\$ 538	\$ 1,613	\$ 2,113	\$ 2,075	\$ 2,033	\$ 1,994	\$ 1,956	\$ 1,916	\$ 1,873	\$ 1,828	\$ 1,779	\$ 1,728	
<b>Debt Assumptions</b>													<b>Refi</b>
Loan Amount	\$ 2,150												\$ 2,030
Amortization Period (Years)	\$ 25												\$ 25
Loan Interest Rate	6.5%												6.25%
Annual Debt Service Payment	\$ (176)												\$ (163)
<b>Financing</b>													
Developer's Equity	\$ 450												
Private Debt	\$ 2,150												
Total Supportable Private Financing	\$ 2,600												
Gap	\$ 1,180												
<b>Project Amount</b>	<b>\$3,780</b>												
Debt (Private) Coverage Ratio			1.02	1.19	1.34	1.48	1.51	1.55	1.58	1.61	1.65	1.69	1.46
Return on Private Equity/Leveraged IRR*			1.0%	7.4%	13.2%	17.3%	18.5%	19.7%	21.0%	22.2%	23.5%	24.8%	16.9%
WACC													8.3%
*On developer's equity only.													
**On project cost.													
***Assumes 50% draw in Construction Year 1; 75% average during Construction Year 2													
Source: Hunden Strategic Partners													

# Retail/Restaurant: Value & ROI Analysis

HSP has assumed a discount rate of 8.3 percent and a terminal capitalization rate of 5.75 percent. The expected cash on cash return of 5.3 percent in Year 1, rising to 7.8 percent in Year 9. The present value of the residual value and the income from the retail/restaurant/outdoor recreation outfitter component yields a value of more than \$3.4 million or \$254 per square foot.

Value and ROI Analysis (000s) - Retail/Restaurant/Outdoor Recreation Outfitter														
Calendar Year	Construction													
	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Net Cash Flow	\$ -	\$ -	\$ 181	\$ 209	\$ 235	\$ 241	\$ 246	\$ 251	\$ 257	\$ 263	\$ 268	\$ 274		
Princ. Amount														
Cash Flow to Investor	\$ -	\$ -	\$ 181	\$ 209	\$ 235	\$ 241	\$ 246	\$ 251	\$ 257	\$ 263	\$ 268	\$ 274	4,924	
Present Value	\$ -	\$ -	\$ 142	\$ 152	\$ 158	\$ 149	\$ 141	\$ 133	\$ 125	\$ 118	\$ 112	\$ 105	105	
Cash on Cash Return	0.0%	0.0%	5.3%	6.1%	6.9%	7.0%	7.2%	7.3%	7.5%	7.6%	7.8%	143.4%		
Discount Rate	8.3%													
													Yr 10 Net Cash Flow	\$ 274
													Terminal Cap Rate	5.75%
													Yr 10 Residual Value	\$ 4,769
													Less Closing Costs (2.5%)	\$ 119
													Net Reversion Proceeds	\$ 4,650
													Yr 5 Net Cash Flow	\$ 246
													Terminal Cap Rate	5.25%
													Yr 10 Residual Value	\$ 4,685
													Less Closing Costs (2.5%)	\$ 117
													Net Reversion Proceeds	\$ 4,568
<b>Present Value Summary</b>														
													<b>\$000s</b>	
PV Residual	\$ 2,096													
PV Income Stream	\$ 1,336												Per SF	
<b>Present Value</b>	<b>\$ 3,433</b>												<b>\$ 254</b>	
Source: Hunden Strategic Partners														

Hotel

**hunden** strategic partners

# Proforma

HSP assumed 40 rooms to be programmed at the boutique hotel along the riverfront. The expected revenues generated by the hotel is expected to start at \$886,000 in Year 1 and rising to \$1.18 million by Year 10. This assumes an occupancy rate of 54 percent in Year 1 that stabilizes in Year 4 at 59 percent and an Average Daily Rate of \$111 in Year 1 and rising to \$135 in Year 10. Cash flow from operations is expected to be \$265,000 and rising to \$405,000 in Year 10.

Projection of Income & Expense: 40-room Boutique Hotel - (in \$000, inflated)																							
	Year 1				Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10		
Room Count	40				40		40		40		40		40		40		40		40		40		
Available Room Nights	14,600				14,600		14,600		14,600		14,600		14,600		14,600		14,600		14,600		14,600		
Occupancy Rates	54%				56%		59%		59%		59%		59%		59%		59%		59%		59%		
Occupied Room Nights	7,823				8,188		8,686		8,686		8,686		8,686		8,686		8,686		8,686		8,686		
Average Daily Rate	\$111				\$113		\$116		\$119		\$121		\$124		\$127		\$130		\$132		\$135		
RevPAR	\$59				\$64		\$69		\$71		\$72		\$74		\$75		\$77		\$79		\$81		
Percent of Change from Prior Year	--				7.1%		8.9%		2.2%		2.2%		2.2%		2.2%		2.2%		2.2%		2.2%		
	\$	%	%	PAR	POR	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%		
<b>REVENUE</b>																							
Rooms	\$866	100.0%	100.6%	\$21,639	\$111	\$927	100.0%	\$1,009	100.0%	\$1,032	100.0%	\$1,054	100.0%	\$1,078	100.0%	\$1,101	100.0%	\$1,126	100.0%	\$1,150	100.0%	\$1,176	100.0%
Hotel Food and Beverage	0	0.0%	0.0%	\$0	\$0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other Operated Departments	0	0.0%	0.0%	\$0	\$0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Rentals and Other Income	0	0.0%	0.0%	\$0	\$0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total Revenue</b>	<b>\$866</b>	<b>100.0%</b>	<b>100.6%</b>	<b>\$21,639</b>	<b>\$111</b>	<b>\$927</b>	<b>100.0%</b>	<b>\$1,009</b>	<b>100.0%</b>	<b>\$1,032</b>	<b>100.0%</b>	<b>\$1,054</b>	<b>100.0%</b>	<b>\$1,078</b>	<b>100.0%</b>	<b>\$1,101</b>	<b>100.0%</b>	<b>\$1,126</b>	<b>100.0%</b>	<b>\$1,150</b>	<b>100.0%</b>	<b>\$1,176</b>	<b>100.0%</b>
<b>DEPARTMENTAL EXPENSES</b>																							
Rooms	\$267	30.9%	30.9%	\$6,686	\$34	\$268	28.9%	\$283	28.0%	\$289	28.0%	\$295	28.0%	\$302	28.0%	\$308	28.0%	\$315	28.0%	\$322	28.0%	\$329	28.0%
Hotel Food and Beverage	0	71.2%	71.2%	\$0	\$0	0	70.2%	0	70.2%	0	69.2%	0	69.2%	0	69.2%	0	69.2%	0	69.2%	0	69.2%	0	69.2%
Telephone	0	0.0%	0.0%	\$0	\$0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other Operated Departments	0	4.9%	4.9%	\$0	\$0	0	3.9%	0	3.9%	0	3.9%	0	3.9%	0	3.9%	0	3.9%	0	3.9%	0	3.9%	0	3.9%
Rent and Other Income	0	3.0%	3.0%	\$0	\$0	0	2.0%	0	2.0%	0	2.0%	0	5.0%	0	5.0%	0	5.0%	0	5.0%	0	5.0%	0	5.0%
<b>Total Departmental Expenses</b>	<b>\$267</b>	<b>30.9%</b>	<b>30.9%</b>	<b>\$6,686</b>	<b>\$34</b>	<b>\$268</b>	<b>28.9%</b>	<b>\$283</b>	<b>28.0%</b>	<b>\$289</b>	<b>28.0%</b>	<b>\$295</b>	<b>28.0%</b>	<b>\$302</b>	<b>28.0%</b>	<b>\$308</b>	<b>28.0%</b>	<b>\$315</b>	<b>28.0%</b>	<b>\$322</b>	<b>28.0%</b>	<b>\$329</b>	<b>28.0%</b>
<b>Gross Operating Income</b>	<b>\$598</b>	<b>69.7%</b>	<b>69.7%</b>	<b>\$14,952</b>	<b>\$76</b>	<b>\$659</b>	<b>71.5%</b>	<b>\$727</b>	<b>72.2%</b>	<b>\$743</b>	<b>72.0%</b>	<b>\$759</b>	<b>72.0%</b>	<b>\$776</b>	<b>72.0%</b>	<b>\$793</b>	<b>72.0%</b>	<b>\$810</b>	<b>72.0%</b>	<b>\$828</b>	<b>72.0%</b>	<b>\$846</b>	<b>72.0%</b>
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																							
Administrative and General	\$122	14.1%	14.1%	\$3,051	\$16	\$126	13.6%	\$132	13.1%	\$134	13.0%	\$137	13.0%	\$140	13.0%	\$143	13.0%	\$146	13.0%	\$150	13.0%	\$153	13.0%
Marketing	\$77	8.9%	8.9%	\$1,926	\$10	\$78	8.4%	\$82	8.1%	\$83	8.0%	\$84	8.0%	\$86	8.0%	\$88	8.0%	\$90	8.0%	\$92	8.0%	\$94	8.0%
Utility Costs	\$46	5.3%	5.3%	\$1,147	\$6	\$45	4.8%	\$45	4.5%	\$46	4.5%	\$47	4.5%	\$48	4.5%	\$50	4.5%	\$51	4.5%	\$52	4.5%	\$53	4.5%
Property Operations and Maintenance	\$50	5.8%	5.8%	\$1,255	\$6	\$49	5.3%	\$50	5.0%	\$52	5.0%	\$53	5.0%	\$54	5.0%	\$55	5.0%	\$56	5.0%	\$58	5.0%	\$59	5.0%
<b>Total Undistributed Expenses</b>	<b>\$295</b>	<b>34.1%</b>	<b>34.1%</b>	<b>\$7,379</b>	<b>\$38</b>	<b>\$298</b>	<b>32.1%</b>	<b>\$310</b>	<b>30.7%</b>	<b>\$315</b>	<b>30.5%</b>	<b>\$322</b>	<b>30.5%</b>	<b>\$329</b>	<b>30.5%</b>	<b>\$336</b>	<b>30.5%</b>	<b>\$343</b>	<b>30.5%</b>	<b>\$351</b>	<b>30.5%</b>	<b>\$359</b>	<b>30.5%</b>
<b>Gross Operating Profit</b>	<b>\$303</b>	<b>35.0%</b>	<b>35.0%</b>	<b>\$7,574</b>	<b>\$39</b>	<b>\$362</b>	<b>39.0%</b>	<b>\$417</b>	<b>41.3%</b>	<b>\$428</b>	<b>41.5%</b>	<b>\$438</b>	<b>41.5%</b>	<b>\$447</b>	<b>41.5%</b>	<b>\$457</b>	<b>41.5%</b>	<b>\$467</b>	<b>41.5%</b>	<b>\$477</b>	<b>41.5%</b>	<b>\$488</b>	<b>41.5%</b>
<b>Franchise Fees</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>FIXED EXPENSES</b>																							
Property Taxes	\$15	1.7%	1.7%	\$375	\$2	\$15	1.7%	\$16	1.6%	\$16	1.6%	\$16	1.6%	\$17	1.6%	\$17	1.6%	\$17	1.6%	\$18	1.6%	\$18	1.6%
Insurance	15	1.7%	1.7%	\$368	\$2	15	1.6%	15	1.5%	15	1.5%	16	1.5%	16	1.5%	17	1.5%	17	1.5%	17	1.5%	18	1.5%
Reserve for Replacement	\$9	1.0%	1.0%	\$216	\$1	\$14	1.5%	\$30	3.0%	\$41	4.0%	\$42	4.0%	\$43	4.0%	\$44	4.0%	\$45	4.0%	\$46	4.0%	\$47	4.0%
<b>Total Fixed Expenses</b>	<b>\$38</b>	<b>4.4%</b>		<b>\$959</b>	<b>\$5</b>	<b>\$44</b>	<b>4.8%</b>	<b>\$61</b>	<b>6.1%</b>	<b>\$73</b>	<b>7.1%</b>	<b>\$74</b>	<b>7.1%</b>	<b>\$76</b>	<b>7.1%</b>	<b>\$78</b>	<b>7.1%</b>	<b>\$79</b>	<b>7.1%</b>	<b>\$81</b>	<b>7.1%</b>	<b>\$83</b>	<b>7.1%</b>
<b>Cash Flow from Operations</b>	<b>\$265</b>	<b>30.6%</b>	<b>30.6%</b>	<b>\$6,614</b>	<b>\$34</b>	<b>\$318</b>	<b>34.2%</b>	<b>\$356</b>	<b>35.2%</b>	<b>\$355</b>	<b>34.4%</b>	<b>\$363</b>	<b>34.4%</b>	<b>\$371</b>	<b>34.4%</b>	<b>\$379</b>	<b>34.4%</b>	<b>\$388</b>	<b>34.4%</b>	<b>\$396</b>	<b>34.4%</b>	<b>\$405</b>	<b>34.4%</b>

Source: Hunden Strategic Partners



# Hotel: Financing

HSP assumed a debt structure that included a loan amount of \$2.6 million that is amortized over 25 years at an interest rate of 7 percent. The assumed annual debt service payment for this is constant at \$207,000 until Year 4, when the component can get refinanced at an interest rate of 6.75 percent and the annual debt service payment decreases to \$207,000. Based on the assumptions and the projected cash flows from the hotel component, HSP ascertained that a gap of \$2.9 million is required to be funded by the city of Greenville in order to ensure the viability of the component.

ROI and Financial Structure Assumptions - 40-Room Boutique Hotel													
	Constr. Yr1	Constr. Yr2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Net Operating Income	\$0	\$0	\$265	\$318	\$356	\$355	\$363	\$371	\$379	\$388	\$396	\$405	\$3,596
Interest and Debt Reserve W/D	\$46	\$137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$46	\$137	\$265	\$318	\$356	\$355	\$363	\$371	\$379	\$388	\$396	\$405	
Debt Service Payment	(\$46)	(\$137)	(\$223)	(\$223)	(\$223)	(\$207)	(\$207)	(\$207)	(\$207)	(\$207)	(\$207)	(\$207)	
Net Income to Repay Equity	\$0	\$0	\$41	\$94	\$133	\$148	\$156	\$164	\$172	\$181	\$189	\$198	\$1,476
Princ. Amount***	\$650	\$1,950	\$2,600	\$2,559	\$2,515	\$2,470	\$2,430	\$2,386	\$2,340	\$2,291	\$2,238	\$2,182	
Interest	\$46	\$137	\$182	\$179	\$176	\$167	\$164	\$161	\$158	\$155	\$151	\$147	
Less Payment	(\$46)	(\$137)	(\$223)	(\$223)	(\$223)	(\$207)	(\$207)	(\$207)	(\$207)	(\$207)	(\$207)	(\$207)	
Loan Balance	\$650	\$1,950	\$2,559	\$2,515	\$2,468	\$2,430	\$2,386	\$2,340	\$2,291	\$2,238	\$2,182	\$2,122	
<b>Assumptions</b>							<b>Refi</b>						
Loan Amount (\$000's)	\$2,600						\$2,470						
Amortization Period (Years)	25						25						
Loan Interest Rate	7.00%						6.75%						
Annual Debt Service Payment (\$000's)	(\$223)						(\$207)						
Equity:													
Developer's Equity (\$000's)	\$900												
Private Debt	\$2,600												
Total Supportable Private Financing	\$3,500		\$88,000	per room									
Gap/Subsidy/Grants	\$2,900		\$73,000	per room									
Project Amount (\$000's)	\$6,400		\$160,000	per room									
Debt (Private) Coverage Ratio			1.19	1.42	1.59	1.72	1.75	1.79	1.83	1.87	1.91	1.95	10 Yr. Avg 1.70
Return on Private Equity*			4.6%	10.5%	14.7%	16.5%	17.3%	18.2%	19.1%	20.1%	21.0%	22.0%	16.4%
Return on Assets**			4.1%	5.0%	5.6%	5.6%	5.7%	5.8%	5.9%	6.1%	6.2%	6.3%	5.6%

\*On developer's equity only.  
 \*\*On project cost.  
 \*\*\*Assumes 50% draw in Construction Year 1; 75% average during Construction Year 2

Source: Hunden Strategic Partners

# Hotel: Value & ROI Analysis

HSP has assumed a discount rate of 8.3 percent and a terminal capitalization rate of 5.75 percent. The expected cash on cash return of 5.9 percent in Year 1, rising to 8.9 percent in Year 9. The present value of the residual value and the income from the hotel component yields a value of more than \$4.5 million or \$111,000 per room.

Calendar Year	Construction		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Constr. Yr1	Constr. Yr2										
Net Cash Flow	\$0	\$0	\$265	\$318	\$356	\$355	\$363	\$371	\$379	\$388	\$396	\$405
Cash Flow to Investor	\$0	\$0	\$265	\$318	\$356	\$355	\$363	\$371	\$379	\$388	\$396	\$3,994
Present Value	\$0	\$0	\$225	\$255	\$271	\$256	\$248	\$240	\$232	\$224	\$217	\$210
Cash on Cash Return	0.0%	0.0%	5.9%	7.1%	8.0%	8.0%	8.2%	8.3%	8.5%	8.7%	8.9%	89.7%
Discount Rate	5.6%											
Number of Rooms	40											

Present Value Summary		\$000s
PV Residual		\$2,078
PV Income Stream		\$2,378
Present Value		\$4,455
Present Value Per Room (\$)		\$111

2021 Net Cash Flow	\$405
Terminal Cap Rate	11.0%
2020 Residual Value	\$3,681
Less Closing Costs (2.5%)	\$92
Net Reversion Proceeds	\$3,589

Source: Hunden Strategic Partners

Combined

# Combined Proforma

Proforma - Mills Riverfront (000s) - Combined Project Elements										
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
<b>Total SF</b>	<b>13,500</b>									
Restaurant/Retail + Outdoor Outfitter	13,500									
Hotel (Rooms)	40									
<b>Gross Operating Income</b>										
Restaurant/Retail (Lease Income)	\$ 229	\$ 265	\$ 297	\$ 303	\$ 310	\$ 317	\$ 324	\$ 331	\$ 338	\$ 345
Hotel	\$ 598	\$ 659	\$ 727	\$ 743	\$ 759	\$ 776	\$ 793	\$ 810	\$ 828	\$ 846
Tenant Reimbursements	\$ 37	\$ 42	\$ 48	\$ 49	\$ 50	\$ 51	\$ 52	\$ 53	\$ 54	\$ 55
<b>Total Gross Operating Income</b>	<b>\$ 864</b>	<b>\$ 967</b>	<b>\$ 1,071</b>	<b>\$ 1,095</b>	<b>\$ 1,119</b>	<b>\$ 1,143</b>	<b>\$ 1,168</b>	<b>\$ 1,194</b>	<b>\$ 1,220</b>	<b>\$ 1,247</b>
<b>Expenses</b>										
Restaurant/Retail	\$ 48	\$ 56	\$ 61	\$ 63	\$ 64	\$ 65	\$ 67	\$ 68	\$ 70	\$ 71
Hotel	\$ 334	\$ 342	\$ 371	\$ 387	\$ 396	\$ 405	\$ 414	\$ 423	\$ 432	\$ 441
<b>Total Expenses</b>	<b>\$ 382</b>	<b>\$ 398</b>	<b>\$ 432</b>	<b>\$ 450</b>	<b>\$ 460</b>	<b>\$ 470</b>	<b>\$ 480</b>	<b>\$ 491</b>	<b>\$ 502</b>	<b>\$ 513</b>
<b>Net Operating Income</b>	<b>\$ 482</b>	<b>\$ 569</b>	<b>\$ 639</b>	<b>\$ 645</b>	<b>\$ 659</b>	<b>\$ 673</b>	<b>\$ 688</b>	<b>\$ 703</b>	<b>\$ 719</b>	<b>\$ 735</b>

Source: Hunden Strategic Partners

The above table shows the revenues and expenses from all components that would be on the riverfront site. The annual net operating income starts \$482,000 and approaches \$735,000 in Year 10. A big factor in generating revenue are the sales of hotel room nights which take up more than 60 percent of the revenue stream.

# Combined Financing

The above table shows the financing assumptions and projections for all the components on the riverfront site. HSP ascertained that a new total gap of more than \$9.08 million is required to be funded by the city of Mills in order to ensure the viability of the project. These estimates consider the \$1.9 million infrastructure grant awarded to the city of Mills by the Wyoming Business Council. This infrastructure grant reduces the combined project construction costs from a total of \$17.08 million to \$15.18 million. This remaining gap can be filled by using grant funding for economic development and/or lowering upfront costs such as land costs, site preparation and infrastructure costs.

Supportable Financing (000s) - Combined Project Elements													
	Constr. Yr1	Constr. Yr2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Net Operating Income	\$ -	\$ -	\$ 482	\$ 569	\$ 639	\$ 645	\$ 659	\$ 673	\$ 688	\$ 703	\$ 719	\$ 735	\$ 6,511
Interest and Debt Reserve W/D	\$ 89	\$ 267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Payment	\$ (89)	\$ (267)	\$ (426)	\$ (426)	\$ (426)	\$ (397)	\$ (397)	\$ (397)	\$ (397)	\$ (397)	\$ (397)	\$ (397)	\$ 735
Net Income to Repay Equity	\$ -	\$ -	\$ 56	\$ 143	\$ 213	\$ 248	\$ 262	\$ 277	\$ 291	\$ 307	\$ 322	\$ 338	\$ 2,457
Princ. Amount***	\$ 1,188	\$ 3,563	\$ 4,750	\$ 4,680	\$ 4,605	\$ 4,520	\$ 4,451	\$ 4,377	\$ 4,298	\$ 4,213	\$ 4,122	\$ 4,024	
Interest	\$ 89	\$ 267	\$ 356	\$ 351	\$ 345	\$ 328	\$ 323	\$ 317	\$ 312	\$ 305	\$ 299	\$ 292	
Less Payment	\$ (89)	\$ (267)	\$ (426)	\$ (426)	\$ (426)	\$ (397)	\$ (397)	\$ (397)	\$ (397)	\$ (397)	\$ (397)	\$ (397)	
Loan Balance	\$ 1,188	\$ 3,563	\$ 4,680	\$ 4,605	\$ 4,524	\$ 4,451	\$ 4,377	\$ 4,298	\$ 4,213	\$ 4,122	\$ 4,024	\$ 3,919	
<b>Debt Assumptions</b>													<b>Refi</b>
Loan Amount	\$ 4,750												\$ 4,520
Amortization Period (Years)	\$ 25												\$ 25
Loan Interest Rate	7.5%												7.25%
Annual Debt Service Payment	\$ (426)												\$ (397)
<b>Financing</b>													
Developer's Equity	\$ 1,350												
Private Debt	\$ 4,750												
Total Supportable Commercial Financing	<b>\$ 6,100</b>												
Commercial Development Gap	\$ 4,080												
Community Plaza Development Cost	\$ 6,900												
<b>Project Amount</b>	<b>\$17,080</b>												
Infrastructure Grant	\$ (1,900)												
<b>Project Amount After Grant</b>	<b>\$15,180</b>												
Debt (Private) Coverage Ratio			1.13	1.34	1.50	1.63	1.66	1.70	1.73	1.77	1.81	1.85	1.61
Return on Private Equity/Leveraged IRR*			4.1%	10.6%	15.8%	18.4%	19.4%	20.5%	21.6%	22.7%	23.9%	25.0%	18.2%
WACC													9.9%
*On developer's equity only.													
**On project cost.													
***Assumes 50% draw in Construction Year 1; 75% average during Construction Year 2													
Source: Hunden Strategic Partners													

# Combined Value & ROI Analysis

Value and ROI Analysis (000s) - Combined Project Elements												
Calendar Year	Construction		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Year 1	Year 2										
Net Cash Flow	\$ -	\$ -	\$ 482	\$ 569	\$ 639	\$ 645	\$ 659	\$ 673	\$ 688	\$ 703	\$ 719	\$ 735
Cash Flow to Investor	\$ -	\$ -	\$ 482	\$ 569	\$ 639	\$ 645	\$ 659	\$ 673	\$ 688	\$ 703	\$ 719	\$ 9,686
Present Value	\$ -	\$ -	\$ 363	\$ 391	\$ 399	\$ 367	\$ 341	\$ 317	\$ 295	\$ 274	\$ 255	\$ 237
Cash on Cash Return	0.0%	0.0%	7.2%	8.5%	9.5%	9.6%	9.8%	10.0%	10.2%	10.4%	10.7%	143.9%
Discount Rate	9.9%											
<b>Present Value Summary</b>			<b>\$000s</b>									
PV Residual	\$	3,493										
PV Income Stream	\$	3,240	Per SF									
<b>Present Value</b>	\$	<b>6,733</b>	\$ 499									
Source: Hunden Strategic Partners												

Yr 10 Net Cash Flow	\$	735
Terminal Cap Rate		8.00%
Yr 10 Residual Value	\$	9,181
Less Closing Costs (2.5%)	\$	230
Net Reversion Proceeds	\$	8,952

Yr 5 Net Cash Flow	\$	659
Terminal Cap Rate		8.00%
Yr 10 Residual Value	\$	8,235
Less Closing Costs (2.5%)	\$	206
Net Reversion Proceeds	\$	8,029

HSP has assumed a discount rate of 9.9 percent and a terminal capitalization rate of 8 percent. The expected cash on cash return of 7.2 percent in Year 1, rising to 10.7 percent in Year 9. The present value of the residual value and the income from the retail/restaurant/outdoor recreation outfitter component yields a value of more than \$6.73 million or \$499 per square foot.

# Chapter 10: Economic, Fiscal and Employment Impact Analysis

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# Direct Net New & Recaptured Spending

**Direct Net New/Recaptured Spending (000s) - All Components**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Food & Beverage	\$ 3,208	\$ 4,097	\$ 4,710	\$ 4,991	\$ 5,193	\$ 5,308	\$ 5,424	\$ 5,544	\$ 5,666	\$ 5,790	\$ 49,930
Lodging	\$ 158	\$ 237	\$ 232	\$ 239	\$ 246	\$ 253	\$ 260	\$ 268	\$ 276	\$ 283	\$ 2,452
Retail	\$ 534	\$ 876	\$ 1,067	\$ 1,211	\$ 1,300	\$ 1,329	\$ 1,358	\$ 1,388	\$ 1,418	\$ 1,449	\$ 11,930
Transportation	\$ 784	\$ 1,287	\$ 1,567	\$ 1,778	\$ 1,909	\$ 1,951	\$ 1,994	\$ 2,038	\$ 2,082	\$ 2,128	\$ 17,518
Other	\$ 345	\$ 566	\$ 689	\$ 781	\$ 839	\$ 858	\$ 876	\$ 896	\$ 915	\$ 936	\$ 7,700
<b>Total</b>	<b>\$ 5,029</b>	<b>\$ 7,063</b>	<b>\$ 8,264</b>	<b>\$ 9,000</b>	<b>\$ 9,487</b>	<b>\$ 9,698</b>	<b>\$ 9,913</b>	<b>\$ 10,133</b>	<b>\$ 10,357</b>	<b>\$ 10,587</b>	<b>\$ 89,530</b>

Source: Hunden Strategic Partners

Direct net new spending, including recaptured spending, falls into the five categories: food & beverage, lodging, retail, transportation and other.

The total of these categories during the 10-year period shown is more than \$89.5 million for the entire Project. The food and beverage component of direct spending is the largest and is expected to generate more than \$49.93 million.



# Direct, Indirect & Induced Net New Spending

Direct, Indirect & Induced Spending (000s) - All Components

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Direct	\$ 5,029	\$ 7,063	\$ 8,264	\$ 9,000	\$ 9,487	\$ 9,698	\$ 9,913	\$ 10,133	\$ 10,357	\$ 10,587	\$ 89,530
Indirect	\$ 1,834	\$ 2,565	\$ 3,001	\$ 3,265	\$ 3,440	\$ 3,516	\$ 3,594	\$ 3,674	\$ 3,755	\$ 3,839	\$ 32,484
Induced	\$ 1,466	\$ 2,204	\$ 2,615	\$ 2,900	\$ 3,082	\$ 3,150	\$ 3,220	\$ 3,292	\$ 3,365	\$ 3,440	\$ 28,734
<b>Total</b>	<b>\$ 8,330</b>	<b>\$ 11,832</b>	<b>\$ 13,880</b>	<b>\$ 15,164</b>	<b>\$ 16,009</b>	<b>\$ 16,365</b>	<b>\$ 16,728</b>	<b>\$ 17,099</b>	<b>\$ 17,478</b>	<b>\$ 17,866</b>	<b>\$ 150,749</b>

Source: Hunden Strategic Partners

Direct spending that is projected on site leads to indirect and induced spending. All three levels of spending, combined, total more than \$150 million across a 10-year period. More than \$89.5 million of spending will come directly from onsite visitation, while indirect and induced spending are projected to be \$32.84 million and \$28.7 million, respectively.

# Net New Earnings & Full-Time Equivalent Jobs

Net New Earnings & FTE Jobs from Direct, Indirect & Induced Spending (000s) - All Components											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Net New Earnings</b>											
From Direct Spending	\$ 2,000	\$ 2,768	\$ 3,232	\$ 3,507	\$ 3,690	\$ 3,772	\$ 3,855	\$ 3,941	\$ 4,028	\$ 4,117	\$ 34,909
From Indirect Spending	\$ 617	\$ 853	\$ 995	\$ 1,079	\$ 1,135	\$ 1,160	\$ 1,186	\$ 1,213	\$ 1,239	\$ 1,267	\$ 10,746
From Induced Spending	\$ 484	\$ 704	\$ 830	\$ 913	\$ 966	\$ 988	\$ 1,010	\$ 1,032	\$ 1,055	\$ 1,079	\$ 9,061
<b>Total</b>	<b>\$ 3,101</b>	<b>\$ 4,325</b>	<b>\$ 5,057</b>	<b>\$ 5,498</b>	<b>\$ 5,792</b>	<b>\$ 5,920</b>	<b>\$ 6,051</b>	<b>\$ 6,185</b>	<b>\$ 6,322</b>	<b>\$ 6,462</b>	<b>\$ 54,716</b>
<b>Net New FTE Jobs</b>											<b>Average</b>
From Direct Spending	49	68	78	84	87	87	87	87	87	87	<b>80</b>
From Indirect Spending	18	25	28	30	31	31	31	31	31	31	<b>29</b>
From Induced Spending	15	22	26	28	29	29	29	29	29	29	<b>27</b>
<b>Total</b>	<b>81</b>	<b>115</b>	<b>133</b>	<b>143</b>	<b>148</b>	<b>148</b>	<b>148</b>	<b>148</b>	<b>148</b>	<b>148</b>	<b>136</b>

Source: Hunden Strategic Partners

Jobs will be created primarily onsite but also offsite from the direct, indirect and induced spending, which are expected to produce net new earnings of \$54.7 million during the period shown. Net new full-time equivalent jobs are expected to be created directly within the Project, as well as direct, indirect and induced jobs from earnings. During the 10-year period, the Project is expected to support an average of 136 jobs.

Fiscal Impact - Tax Impacts from New District Spending (000s) - All Components											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Capturable State Taxes</b>											
Sales Tax (4%)	\$ 200	\$ 279	\$ 328	\$ 357	\$ 377	\$ 385	\$ 393	\$ 402	\$ 411	\$ 420	\$ 3,551
Hotel Tax (5%)	\$ 8	\$ 12	\$ 12	\$ 12	\$ 12	\$ 13	\$ 13	\$ 13	\$ 14	\$ 14	\$ 123
<b>Total</b>	<b>\$ 208</b>	<b>\$ 291</b>	<b>\$ 339</b>	<b>\$ 369</b>	<b>\$ 389</b>	<b>\$ 397</b>	<b>\$ 406</b>	<b>\$ 415</b>	<b>\$ 425</b>	<b>\$ 434</b>	<b>\$ 3,674</b>
<b>Capturable County Taxes</b>											
Sales Tax (1%)	\$ 49	\$ 68	\$ 80	\$ 88	\$ 92	\$ 94	\$ 97	\$ 99	\$ 101	\$ 103	\$ 871
Hotel Tax (5%)	\$ 6	\$ 9	\$ 9	\$ 10	\$ 10	\$ 10	\$ 10	\$ 11	\$ 11	\$ 11	\$ 98
<b>Total</b>	<b>\$ 55</b>	<b>\$ 78</b>	<b>\$ 90</b>	<b>\$ 97</b>	<b>\$ 102</b>	<b>\$ 105</b>	<b>\$ 107</b>	<b>\$ 109</b>	<b>\$ 112</b>	<b>\$ 114</b>	<b>\$ 969</b>
<b>Capturable Local Taxes</b>											
Property Tax	\$ 25	\$ 27	\$ 29	\$ 29	\$ 30	\$ 31	\$ 31	\$ 32	\$ 33	\$ 34	\$ 301
<b>Total</b>	<b>\$ 25</b>	<b>\$ 27</b>	<b>\$ 29</b>	<b>\$ 29</b>	<b>\$ 30</b>	<b>\$ 31</b>	<b>\$ 31</b>	<b>\$ 32</b>	<b>\$ 33</b>	<b>\$ 34</b>	<b>\$ 301</b>
<b>State, County &amp; Local Total</b>	<b>\$ 288</b>	<b>\$ 396</b>	<b>\$ 458</b>	<b>\$ 496</b>	<b>\$ 521</b>	<b>\$ 533</b>	<b>\$ 545</b>	<b>\$ 557</b>	<b>\$ 569</b>	<b>\$ 582</b>	<b>\$ 4,944</b>

Source: Hunden Strategic Partners

HSP estimated the potential tax collections within the State of Wyoming, Natrona County and City of Mills in terms of sales taxes, hotel taxes and property taxes generated from the Project.

The Project is expected to generate \$4.94 million for the State, County and City within the 10-year period.

# Summary of 10-Year Impacts

The Project is expected to generate \$151 million in net new spending, \$55 million in net new earnings and 136 new full-time equivalent jobs at stabilization.

Capturable taxes accruing to the State of Wyoming, Natrona County and City of Mills are expected to total approximately \$4.9 million.

Construction will produce 136 construction jobs from the \$16.35 million Project budget.

10-Yr. Summary of Impacts - All Components	
<b>Net New Spending</b>	<b>(millions)</b>
Direct	\$90
Indirect	\$32
Induced	\$29
<b>Total</b>	<b>\$151</b>
<b>Net New Earnings</b>	<b>(millions)</b>
From Direct Spending	\$35
From Indirect Spending	\$11
From Induced Spending	\$9
<b>Total</b>	<b>\$55</b>
<b>Net New FTE Jobs</b>	<b>Actual</b>
From Direct Spending	80
From Indirect Spending	29
From Induced Spending	27
<b>Total</b>	<b>136</b>
<b>Construction Jobs</b>	<b>218</b>
<b>Construction Spending (\$000s)</b>	<b>16,355</b>
<b>Capturable State Taxes</b>	<b>(millions)</b>
Sales Tax (4%)	\$3.6
Hotel Tax (5%)	\$0.1
<b>Total</b>	<b>\$3.7</b>
<b>Capturable County Taxes</b>	<b>(millions)</b>
Sales Tax (1%)	\$0.9
Hotel Tax (5%)	\$0.1
<b>Total</b>	<b>\$1.0</b>
<b>Capturable Local Taxes</b>	<b>(millions)</b>
Property Tax	\$0.3
<b>Total</b>	<b>\$0.3</b>
<b>State, County &amp; Local Total</b>	<b>\$4.9</b>

Source: Hunden Strategic Partners

Construction Impacts - All Components	
<b>Development Cost (000s)</b>	
Labor (60%)	\$ 9,813
Materials (40%)	\$ 6,542
<b>Total</b>	<b>\$ 16,355</b>
Construction Jobs	218
Source: Hunden Strategic Partners	



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Hunden Strategic Partners is a full-service real estate development advisory practice specializing in destination assets.

With professionals in Chicago, San Diego, and Minneapolis, HSP provides a variety of services for all stages of destination development in:

- Real Estate Market and Financial Feasibility
- Economic, Fiscal and Employment Impact Analysis (Cost/Benefit)
- Organizational Development
- Public Incentive Analysis
- Economic and Tourism Policy/Legislation Consulting
- Research and Statistical Analysis
- Developer Solicitation and Selection

The firm and its principal have performed more than 800 studies over the past 25 years, with more than \$6 billion in built, successful projects.