



July 1, 2026

Ms. Cynthia Leis
Director
Allen Economic Port Authority
144 S. Main Street, Suite 200
Lima, OH 45801

Dear Ms. Leis:

We have completed our desktop analysis of the Lima hotel market. The purpose of this study is to determine if demand exists to support the development of redeveloping Memorial Hall to a Lifestyle/boutique hotel.

The report has been prepared for your internal use and guidance in determining the feasibility of the project in relation to its cost. Neither our name nor the material submitted may be included in any prospectus or used in offerings or representations in connection with the sale of securities or interest to the public without our expressed written permission. The assignment was a desktop study which included interviews with the representatives of competitive hotels, interviews with people familiar with development trends in the area including City officials, Lima/Allen County, Ohio Convention & Visitors Bureau, and Allen Economic Development Group representatives and desk research. The conclusions set forth are based on the desktop research.

CONCLUSION

Based upon the research and analysis conducted, Spencer Group concludes the redevelopment of Memorial Hall in downtown Lima could be supported as a Lifestyle hotel. The proposed property will be an excellent alternative for hotel demand generated by Lima demand and would be a welcome alternative in the downtown market. We conclude an affiliation with a strong national franchise organization will be vital to the successful operation of the hotel. Based on conversation with national franchise representatives it was concluded that average daily rates up to \$170 could be achieved in downtown Lima. A restaurant/bar is recommended as well as limited meeting space and no more than 80 rooms.

Lifestyle hotels in smaller markets have been successful and are successful because they are an excellent alternative for individuals who want more than the typical hotels offer.

48165 Hill Top Drive East, Plymouth, MI 48170

SITE and Area REVIEW

The site of the Memorial Hall located at W. Elm and S. Elizabeth Street in downtown Lima is an excellent site. The City of Lima has done an excellent job in redeveloping the downtown area. Downtown Lima has many demand generators and support amenities. Downtown Lima has a desirable entertainment district that offers numerous restaurants as well as coffee shops. Coupled with the development of the Amphitheater, which has been very successful in booking numerous events that create significant demand.

The following is the list of top 20 companies in Lima.

Lima Ohio Top Employers		
Business	Number of Employees	Type
Mercy Health St. Rita's Medical Center	3,000	HOSPITAL
HCF	3000	HEALTHCARE
Lima Memorial Health System	1,700	HOSPITAL
Ford Motor Co. - Lima Engine Plant	1,457	MANUFACTURING AND INDUSTRY
Procter & Gamble Mfg. Co.	1100	MANUFACTURING AND INDUSTRY
General Dynamics Land Systems Inc.	920	MANUFACTURING AND INDUSTRY
Metokote	750	MANUFACTURING AND INDUSTRY
Novus Foods/Lakeview Farms	690	FOOD INDUSTRY
Allen/Oakwood Correctional Institution	481	GOVERNMENT AGENCIES
Cenovus	450	PETROCHEMICAL
SumiRiko	444	MANUFACTURING AND INDUSTRY
City of Lima	400	GOVERNMENT AGENCIES
Bob Evans Foods	305	FOOD/MANUFACTURING
Nelson Packaging	300	MANUFACTURING AND INDUSTRY
SpartanNash	260	FOOD/LOGISTICS
K&M Tire	238	LOGISTICS/AUTOMOTIVE
Charles River Laboratories	229	HEALTHCARE
Nutrien	210	AGRICULTURE
D&D Ingredient	150	FOOD & AG
US Plastic Corp	145	FOOD & AG

There is currently a 250,000 square foot Google Data Center under construction in American Township directly north of Lima. This project is part of a three-phase development for Google with the second and third building being the same size as the first. Construction started in January 2026, and Phase I of this development is anticipated to be completed in 2028. This is an overall \$1.5 billion investment over the next seven years. On an average day there will be up to 2,400 contractors on site.

In addition, Google committed to \$60 million of new and improved infrastructure, including water, sewer, and roadways around the new data center. Other major projects in the area include a new County Administration Building being occupied in the Fall of 2026 in downtown Lima and the Riverfront One project which is a renovated building adjacent to the Memorial Hall site planned to be a multi-use building with market rate apartments and retail.

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MARKET ANALYSIS

We have included ten properties in Lima to be competitive with the proposed Memorial Hall hotel. The following table identifies those properties, number of rooms and year opened.

Competitive Properties Lima, Ohio

Hotel	Opened	No. of Rooms
Howard Johnson by Wyndham	Feb 1989	150
Fairfield Inn & Suites	Oct 1995	62
Hampton Inn	Aug 1997	98
Wyngate by Wyndham	Oct 1999	100
Country Inn & Suites	Jul 2007	72
Courtyard	Dec 2008	99
Holiday Inn & Suites	Oct 2009	116
TownePlace Suites	June 2021	110
Holiday Inn Express & Suites	Sept 2023	99
Home2 Suites	Dec 2024	86
Total Rooms as of 2025		992

Properties in Lima range from one year to 37 years old. The oldest being the 150-room Howard Johnson by Wyndham that originally opened in 1988 as a Holiday Inn and subsequently converted. The next three properties totaling 260 rooms are 27-31 years old. Then three properties with 287 rooms opened between 2007 and 2009. Demand increased in the area and two properties opened in 2021 and 2023, which is significant because this was during the Covid-19 pandemic when properties weren't being developed. In addition, the last new property opened in December 2024. Again, showing the strength in demand in the area.

Based on the CoStar Report, the table on the following page summarizes the demand levels in the Lima Competitive Set over the last nine years.

**Competitive Set of the Proposed Memorial Hall Hotel- Lima, OH
 Standard Historical Trend**

YEAR	OCCUPANCY	ADR
2017	68.3%	\$ 92.50
2018	72.8	98.90
2019	75.2	100.86
2020	56.4	92.93 (1)
2021	63.3	102.27(2)
2022	63.5	102.27
2023	63.7	105.53 (3)
2024	66.4.	112.43 (4)
2025	58.2	106.60
YTD May 2026	57.9	110.21 (5)
YTD May 2025	54.5	101.77
YTD May 2024	61.0	109.61
(1) Covid-19 beginning in March 2020 (2) 110-room Towne Place Suites opened in June 2021 (3) 99-room Holiday Inn Express & Suites opened June 2023 (4) 86-suite Home2 Suites opened in December 2024 (5) Estimated 2026 occupancy is 64.5% based on YTD occ and estimated demand based on historical trends and Turnaround projects.		
Source: Co-Star Report		

The Covid-19 pandemic negatively impacted the hotel and travel industry beginning in March 2020 as a whole. As a result, Lima competitive set market occupancy decreased 25.0%, and average daily rates decreased 7.9% and overall RevPar decreased 30.9% from 2020 to 2021. Average daily rates increased 6.9% in 2021 and 3.0% in 2022. This resulted in growth in RevPar 19.9% in 2021 and 3.3% in 2022. Overall demand grew 22.8 percent in 2021 even with a 15.8% growth in supply and ongoing effects of the Covid-19 pandemic. Overall demand has continued to grow from an annual demand of 184,864 room nights in 2021 to 221,413 in 2025. Supply during the same period increased overall 42.3%.

Occupancy was also affected in 2025 by national franchised properties that opened in the surrounding communities in Logan, Shelby and Auglaize Counties. This is not uncommon when new properties open in the surrounding counties when inventory in the existing county is older.

Demand in the first five months of 2026 is recovering and will continue to grow substantially for the remainder of the year primarily due to the turnaround for Nutrien and Cenovus which happens between August and October every other year (even years).

With the construction of the Google Data Center planned to open in 2028 and continued construction through 2032 demand will continue to grow significantly.

As indicated by the report above and our analysis we support the redevelopment of Memorial Hall to a Lifestyle hotel. We would be pleased to hear from you if we can be of any further assistance in the interpretation and application of these findings and conclusions. Thank you for your cooperation during this engagement; it has been a pleasure to work with you.

Sincerely,



Wanda L. Spencer
Spencer Group