



Project Data

Key Scope Items:

- Market & Financial Feasibility Study
- TIF Analysis
- Branding Recommendation

Development Budget: \$28,000,000

HSP Professionals Involved in Project: Rob Hunden

Time of Service: 2002

Hotel Feasibility

Burr Ridge, Illinois

Burr Ridge is an affluent growing suburb of Chicago. In an effort to stay competitive with surrounding towns, the village created a TIF district to aid in the development of Burr Ridge Village Center, a mixed-use development to include restaurants, retail, office space as well as a full service hotel. Mr. Hunden worked for Commonwealth Hotels to provide a market and financial feasibility study regarding the prospective purchase of an under-construction 178-room hotel in the development.

The hotel development construction process was halted when the original developer could not make the debt and contractor payments, despite the fact that the Village of Burr Ridge had created a TIF district around the corporate park in order to assist the hotel. The bank then auctioned off the loan and Mr. Hunden, aided the winning bidder, Commonwealth Hotels, to determine the feasibility of the hotel and make recommendations about its characteristics and the feasibility of purchasing the loan.

After studying the half-built hotel, the TIF district, the market and running four separate financial scenarios, it was recommended that the property have a full-service brand name, include a high-end nationally-branded steak restaurant with an outside entrance and a reconfigured banquet and meeting space to meet the demands of the market. The recommended hotel was developed under the Marriott brand and is operating successfully.