

*RIM INN MANAGEMENT, LLC
820 E. BUSH STREET
LEMOORE, CA 93245*

February 28, 2008

Lemoore City Council
119 Fox Street
Lemoore, CA 93245

Dear Council Members,

My name is Rosie Marshall and I am the owner and operator of RIM Inn Management, LLC. I have been a resident of Lemoore since 1985 and my company has managed the Best Western Inn & Suites (formerly Holiday Inn Express) since 1997. I am sending this letter in hopes to shed some light on Lemoore's current hotel market and the changes and challenges that have taken place over the last few years.

In early 2000, we saw that there was a significant demand for additional guest rooms because we repeatedly sent customers to stay in Hanford. In August of 2003, we expanded our property by adding 40 more guest rooms. The addition proved to be more than enough, as we no longer had to send business elsewhere. In 2004, Motel 6 opened with 60 rooms, bringing Lemoore's total room inventory to 225+ guest rooms.

In late 2006, Tachi Palace opened their 255-room hotel, doubling Lemoore's room inventory in one shot. Before they opened, it was discussed during a Tourism Committee meeting that the Tachi Palace would not affect the local hotels because they were targeting and marketing to a different kind of clientele. They soon discovered how difficult it was to fill their rooms and began targeting Lemoore's corporate, military, sports and leisure visitors.

The Planning Commission has said that the Tachi Palace is not within the City's limits and that they cannot control what the Tachi Palace does. Many of you would probably say the same. Both are true, however the Council must still consider the negative impact their hotel has made on Lemoore's existing hotel businesses. Regardless where the City limit lines are drawn, it is very important for you to understand that all of the local hotels are in the same market and are targeting the same guests.

You have already approved a 60-room Holiday Inn Express that will bring the total room inventory in Lemoore to 530+ guest rooms. The City should not approve a rezoning just to bring in Candlewood Suites, another mid-scale hotel that is under the same brand (IHG) as Holiday Inn

Express. The Planning Commission commented at the last meeting that perhaps having a hotel with kitchenettes is good because eating at Jasper's could be tiring. Why would we not want people to frequent Jasper's? If visitors are patronizing Lemoore's restaurants, the City is also reaping the benefits.

I urge the City of Lemoore and you, as Council Members to please consider all of these facts. Some of you may wonder why I am the only one speaking out and the other hotels have remained quiet. Here are my answers:

1. I have experience with and exposure to Lemoore's hotel market since 1997. I have seen the changes first hand.
2. I have also been working in the Vacaville/Fairfield area where the hotel market is saturated and hotel owners are facing the same problems. Travis AFB in Fairfield opened a 500-room hotel that severely impacted the hotel market.
3. Others probably just gave up hope that their opinions would not make a difference.

Lemoore is a destination place. People travel to Lemoore and stay overnight because they need to be here. Unless the City has plans in place to boost tourism, the existing hotels will be forced to share the same diminishing pot. The hotel market has softened and our city's supply of rooms will far exceed the current and future demand. I ask each of you to take this matter very seriously and look ahead to the future. How are we going to fill these rooms? Where is the base of our clientele going to come from? What can you do to make sure that the existing hotel businesses (Days Inn, Best Western, Motel 6) and the new Holiday Inn Express will survive this downward trend?

If you have any questions or would like additional information, please do not hesitate to contact me on my cell 559-707-3749 or via email: riminnmgt@yahoo.com. Thank you for your time and consideration.

Sincerely,

Rosie Marshall
RIM Inn Management, LLC

cc: Jeff Brittz, Lemoore City Manager
Jay Patel, Anand Investments, LLC