

CITY OF GEORGETOWN, SOUTH CAROLINA



BID# 01-2014-004

REQUEST FOR PROPOSAL (RFP)

**HOTEL MARKET STUDY FOR DOWNTOWN
GEORGETOWN, SOUTH CAROLINA**

Date Due: Friday, September 19, 2014 @ 4:00 pm EST

Submit To:

Tee Miller

Economic Development Director

City of Georgetown

120 N. Fraser Street

Georgetown, SC 29440

Released: September 5, 2014

INTRODUCTION

The City of Georgetown requests proposals for professional services to conduct a market feasibility studies for a proposed downtown hotel in the City of Georgetown. The study should address the current and projected market demand analysis for the number, type and duration of hotel stays in the City; a competitiveness analysis on what a new hotel facility must do to provide a unique alternative to the current hotel stock and be successful; and, an economic feasibility analysis and proforma for a potential downtown hotel.

OVERVIEW

The City of Georgetown wishes to promote development of a hotel facility within the historical district of Georgetown. Although a specific site has not been designated, there are several potential sites within the downtown that may provide an opportunity for hospitality development. The goal of the City of Georgetown is to determine what type of hospitality project is feasible by the private sector and what amenities could be supported. The feasibility may include recommendations for public incentives and new infrastructure to improve the project viability if there is a shortfall in the projections.

The successful bidder will conduct a study to determine the optimal site, recommend a facility program and determine the overall market feasibility of the recommended facility. The resulting analysis will be provided to potential hotel developers, management companies and brands who may be interested in participating in a hotel project.

The study may be broken down in the following phases, or other divisions based on the firm's recommended approach for similar projects:

| PHASE | |
|----------|--|
| 1 | FEASIBILITY FOR HOTEL DEVELOPMENT |
| 2 | POSITIONING OF THE SUBJECT PROJECT FOR THE MARKET |
| 3 | PROJECTED FINANCIAL PROFORMAS FOR DEVELOPMENT AND OPERATIONS |

COMMUNITY BACKGROUND:

- Founded in 1729, the City of Georgetown is the 3rd oldest City in South Carolina, which provides it a rich history with its colonial and antebellum rice culture.
- The City of Georgetown has a population of 9,163 and the County population is 60,158.
- As the county seat, the City of Georgetown includes the courthouse, property records, tax collection offices, etc. and most of the Federal, state and county government

presence, to serve the beach areas of Debordieu, Pawleys Island, Litchfield, Murrels Inlet as well as the more rural areas of the county. This requires many of the legal and government support services to locate in the city. The city also includes many of the hospital assets, including the 131-bed Georgetown Memorial Hospital, which clusters the healthcare related services in the City.

- The City of Georgetown is located on the coast 60 miles north of Charleston and 35 miles south of Myrtle Beach.
- US Highway 17 passes through Georgetown, which is the old Coastal Highway connecting Florida to Virginia, and still a major corridor for travelling between Savannah and Wilmington.
- In 2008, the Georgetown County began a \$73.5 million capital improvement plans for Recreation and Leisure projects that included state-of-the-art baseball/softball complexes, marine complex (boat landing) and tennis facilities with the intent of hosting tournaments to attract visitors. The marine center is located in the City and the primary tournament ready ball fields are located just out of the City. The tennis center is located on the Waccamaw Neck.
- The Backwoods Quail Club located in the County is a world class shooting facility that regularly host sporting class shooting competition. It is considered to be one of the top 4 of such facilities in the United States. In 2013, Backwoods hosted the US Open which brought in more than 1,200 participants and required some to stay as far away as Surfside Beach, which is 60 miles from Backwoods.
- Thousands of boaters regularly migrate using the Intracoastal Waterway (ICW) heading south to Florida in the fall, and north in the spring, but always having to pass by Georgetown's doorstep. There is also a significant of boaters that make the Great Loop, which is a 6000 mile journey that consists on traveling the ICW north to the St. Lawrence Rivers, through the Great Lakes, down the Mississippi, across the Gulf, and back up the ICW. Again, always passing Georgetown's doorstep.
- Coastal Carolina University has recently taking over a 13,500 building on Front Street to operate their Marine Science program and expand their other community programs, including providing lifelong learning classes.
- In 2013, the City lost 8 commercial properties to a fire in the historic downtown that should have devastated a town the size of Georgetown. However, in less than a year from the fire, there are more businesses operating on Front Street than before. The owners of the 8 properties are in the process of developing plans to rebuild and with the hopes to start construction in early 2015, which will be a huge boom to the downtown commercial district.
- The City of Georgetown has started a *Main Street* organization, which is a demonstrated program developed by the National Trust for Historic Preservation that will focus public and private resources on revitalizing and promoting the City's Historic Downtown.

DESIRED OBJECTIVES & ASSUMPTIONS

The primary factors contributing to the consideration of a new hotel facility in downtown Georgetown are as follows:

- The perceived need for a quality hotel downtown will allow the City to market itself as an overnight destination to visitors, which has been recommended by multiple independent economic plans for the City.
- The perception that existing hotels in the City are aging, and may not be suitable for destination travelers that could otherwise be attracted to visit Georgetown.
- The perception that existing hotels are losing overnight stays to newer facilities in Pawleys Island and Litchfield for visitors doing business with the hospital, county courthouse, regional government, or local industry located in the City.
- The perception that there is demand for destination events like weddings, sporting events, tourism and transient boaters that may not be accounted for in standard market analyses.
- The perception that there is a demand for banquet and meeting space for weddings, small conferences, business events (chamber galas, annual meetings, etc.) that would be attracted to a downtown facility in close proximity of the waterfront.
- The perception that the Georgetown County's tourism product primarily relies on accommodations with rental homes, condos, and villas and less with hotels, so a quality hotel in the City may be able to attract some beach visitors only seeking 2-3 night stay.
- The vision of leveraging Georgetown's abundant surrounding natural, historical and cultural resources into destination workshops and seminars for special interest travelers. This could include National Geographic Photography workshops, Revolutionary War/Francis Marion seminars, birding, Rice Culture/Gullah, etc. Similar to how the Alluvian Hotel in Greenwood, MS has successfully attracted travelers interested in cooking and hunting using a quality hotel with meeting space as a platform.
- An increased ability to attract new events to the City.

SCOPE OF WORK

The following is an outline of the desired services to be performed. The City of Georgetown will consider input from respondents as to other suggested services to be considered for inclusion.

Market Demand Analysis

1. Determine current and potential future lodging and hospitality demand in the market area
2. Review competitive facilities in both the immediate area (city) and vicinity (county).

3. Conduct accommodation inventory and meeting space analysis.
4. Analyze present marketing position strategies and provide recommendations for underserved markets and/or opportunities that can be targeted with a new hospitality product.
5. Identify and determine current community needs and possible quality of life opportunities that would benefit from additional hotel space, and evaluate the economic opportunity for the city.
6. Conduct demand analysis
 - a. Primary & secondary market research
 - b. Identify demand generators or potential users of a downtown facility, including interviews with potential users including meeting planners, event promoters and/or other customers.

Project Feasibility Study

1. Determine the viability of a hospitality product in downtown Georgetown based on the potential demand and market penetration of customers.
2. Identify financing constraints in the current market
3. Estimate capital investment required and the expected revenues returns needed to attract able investors.
4. Project economic impacts
 - a. Project impact on hotel room nights
 - b. Project tax revenue increase to the city
 - c. Project impact on city restaurants and retailers
5. Address potential public incentives that could improve the viability and/or investment attraction for the project.

Optimal Site Selection

Determine the optimal site location(s) for a downtown facility based on:

- Property acquisition cost
- Relationship to downtown commercial core, waterfront and other area amenities
- Access, both vehicular and pedestrian
- Ambiance of the surrounding neighborhood
- Relationship to demand generators
- Parking
- Current land uses in the vicinity
- Ability to provide outdoor event space
- Advantages/disadvantages of the site versus alternative sites

Facility Recommendation

As part of the analysis, and based on the nature and kind of requirements associated with the identified potential users of the facility, and available sites, make recommendations for:

- Number and mix of guest rooms
- Room configuration
- Food and beverage concept
- Banquet and meeting space requirements
- Brand affiliation
- Other facilities and amenities

Financial Projections

- Provide detailed financial proformas for development and operations that can be provided to potential hotel developers, lending institutions, management companies and franchises that may be interested in participating in the hotel project.

SUBMISSION REQUIREMENTS FOR RFP

1. Name and basic information of the consulting firm submitting the proposal
2. Names and professional qualifications of the representatives of the firm that will be conducting the study
3. List of the firms or entities, including the names and contact information, for which the bidder had conducted similar studies. Include a brief summary of the purpose of the study and any measurable results to date.
4. Describe in detail the approach or process that your firm will undertake to gather research, including identifying potential demand generators, conducting personal and/or group interview sessions.
5. Describe the methods for presenting the findings, conclusions, and recommendations that will enable the City of Georgetown and potential stakeholders to make informed decisions.
6. A fee proposal for the study that may be broken out into phases based on the firm's suggested approach. Fee proposals should include a detailed estimate of "out of pocket" expenses and a "not to exceed" cap on such expenses. Due to the possibility of negotiation with any proposer submitting a reasonable and responsible proposal which appears to be eligible for contract award pursuant to the selection criteria set forth in this RFP, prices will not be divulged at the time of opening. Submittals will be logged in and list will be posted on the City's website within twenty-four hours after opening, or no later than 5 pm on the next business day.

7. Provide a schedule and time frame for completion of the study.
8. The proposers will acknowledge receipt of all Addenda, if any, in their proposals. The City reserves its right to issue Addenda to this RFP up to five (5) days prior to the bid due date as needed to clarify the City of Georgetown's desires, or to make corrections or changes to the RFP document or submittal process. All project information will be updated and posted on the City's website at www.cogsc.com under "Current Bids". It is the proposer's responsibility to obtain the information directly from the City's website regarding this project. Proposals must be valid for a period of sixty (60) days from the date due.

Proposals marked "Hotel Market Study" shall be returned **no later than 4:00 pm on Friday, September 19, 2014** to:

**Tee Miller
Economic Development Director
City of Georgetown
120 N. Fraser Street
Georgetown, SC 29440**

The submittal should include two (2) original copies, one bound and one unbound.

Any submitted proposals become property of the City.

EVALUATION CRITERIA

Consultants will be evaluated according to the following:

- Qualifications and previous related work of key project personnel, particularly with regard to working with municipalities of similar size, in similar market environments, and the demonstrated ability of key project personnel to conduct and produce a reliable study that will be valued by potential project stakeholders.
- Qualifications and previous related work of firm(s), particularly with regard to working with municipalities of similar size, in similar market environments, including firm's experience and available resources to produce a reliable study that will be valued by potential project stakeholders.
- Understanding of project goals, market environment, local issues and needs
- Demonstrated relative experience to this project.
- Creativity or innovative project approach
- Proposed fees and schedule to complete project.

SELECTION PROCESS

The City anticipates evaluating the proposals for selection shortly after due date. The City will attempt to negotiate a final scope of services and fixed fee agreement with the highest ranking firm. If the City is unable to reach agreement with the highest ranking firm, the City reserves the right to negotiate with the next highest firm until an agreement is reached. Negotiated contract may be submitted to the City Council for final approval.

ADDITIONAL INFORMATION

Requests for additional information should be directed to:

Tee Miller
Economic Development Director
City of Georgetown
120 N. Fraser Street
Georgetown, SC 29440
Email: tmiller@cogsc.com
Phone: 843-545-4075

RESERVATION OF RIGHTS

The City will conduct a comprehensive and impartial review and evaluation of all Proposals meeting the requirements of this solicitation. Please note that the City, at its sole discretion, reserves the right at any time during this process to reject any or all Proposals that are not in the best interest of the City.

Only timely submitted Proposals shall be reviewed and evaluated by staff to determine if they comply with the required forms and documents and submission requirements listed in the RFP. This will be a pass/fail review. Failure to meet any of these requirements may render a Proposal to be a failing response and result in rejection of the entire Proposal. Further evaluation will not be performed.

The City of Georgetown reserves the right to reject any and all proposals and to waive minor irregularities. The City further reserves the right to seek new proposals when such a procedure is in the best interest of the City to do so.