



**County of Orange**

Financial Services Department – Purchasing Division

REQUEST FOR PROPOSAL # 5216

**CONVENTION CENTERS/PUBLIC ASSEMBLY FACILITIES STUDY**

December 1, 2015

**I. INTRODUCTION/PROJECT SCOPE**

**A. INTENT**

The Chapel Hill/Orange County Visitors Bureau requests proposals from recognized travel/hospitality consulting firms experienced with convention centers/public assembly facilities, visitor-oriented development and the travel/hospitality industry to submit a proposal to conduct an inventory of current meeting spaces available within a 30-mile radius and:

- Identify and evaluate options for a Public Assembly Facility and provide preliminary costing, sizing, test preforms, scenarios for evaluation.
- Identify and evaluate other options for consideration that would generate the same or greater impact for visitor-oriented development.

**B. DESTINATION BACKGROUND**

**Chapel Hill** is a town in Orange County, North Carolina (with some eastern portions in Durham County), and the home of the University of North Carolina at Chapel Hill and UNC Health Care.

This study will focus primarily on Orange County meeting facility potential.

Orange County Towns are:

- **Carrboro**
- Chapel Hill
- **Hillsborough (county seat)**

**Orange County** is located in North Carolina. According to the 2010 census, the population was 133,801. Its county seat is Hillsborough. Orange County is included in the Durham-Chapel Hill, NC Metropolitan Statistical Area, which is

also included in the Raleigh-Durham-Chapel Hill, NC Combined Statistical Area, which had a 2012 estimated population of 1,998,808.

Chapel Hill, Durham, and Raleigh form the three corners of the **Research Triangle**, so named in 1959 with the creation of Research Triangle Park, a research park located between Durham and Raleigh. Chapel Hill is one of the central cities of the Durham-Chapel Hill MSA, which in turn is part of the Raleigh-Durham-Chapel Hill Combined Statistical Area, with a population of almost two million.

## CURRENT ORANGE COUNTY ACCOMMODATIONS

### TOTAL ROOMS BY LOCATION

1,236—Chapel Hill  
200—Hillsborough  
142—Carrboro  
106—Orange County (outside of municipalities)  
**1,684—Total**

### TOTAL ROOMS BY TYPE OF PROPERTY

19—Bed & Breakfast Inn (includes one Farm Stay property)  
18—Conference Center (not available to transient guests)  
27—Extended Stay  
802—Full Service  
704—Limited Service  
114—Rooms Only

### TOTAL ROOMS BY TYPE OF ACCOMMODATION

1,620—Hotel Rooms  
19—Bed & Breakfast (includes one Farm Stay property)  
27—Extended Stay  
18—Conference Center (not available to transient guests)

### Occupancy Tax Paid by Guests

3% Orange County + 3% charged by properties within the city limits of Chapel Hill, Carrboro and Hillsborough for a total room tax of 6%.

Each year, Orange County hosts approximately **2.5 million visitors**. The impact of the tourism industry in Chapel Hill and the neighboring communities is widespread – creating jobs, funding town and county services and supporting our

quality of life. Below is more information regarding how tourism benefits Orange County.

### **ECONOMIC IMPACT OF DOMESTIC VISITOR SPENDING IN ORANGE COUNTY 2014**

(Source: 2014 Economic Impact of Travel on North Carolina Counties study by the U.S. Travel Association)

- Visitor spending generated an economic impact of \$181.65 million. This is a 7.75 percent increase from 2013. This percentage increase in visitor spending was the largest in North Carolina.
- Orange County ranked 24th in travel impact among North Carolina's 100 counties.
- Some 1,800 jobs in Orange County were directly attributable to travel and tourism
- Travel generated a \$ 33.55 million payroll in Orange County.
- Tax revenues from travel to Orange County amounted to a total of \$13.34 million (\$9.46 million from the state and \$3.88 million in local taxes). This represents an approximately \$95.33 tax saving to each county resident.

### **Overview of Why People Visit Chapel Hill/Orange County/Durham**

UNC – UNC Chapel Hill is the oldest public university in the nation with a distinguished history of providing high quality education and long considered a public “Ivy League” school. It offers students a multitude of specialty choices such as medicine, law, dental, pharmacy, journalism, and business to name a few.

UNC Health Care – UNC Hospital offers healthcare to its local residents as well as being the State Hospital of North Carolina. Memorial Hospital was the original UNC Hospital but since its conception the Children's, Women's, Cancer and Neurosciences Hospitals have all been added.

Duke – Duke University has a reputation of being one of the top private colleges in the nation. It's also where the famous Duke University Chapel is located.

Duke Medical Center – Duke Medical Center has been considered one of the best hospitals in the country with a focus on research and cutting-edge procedures. Duke Hospital attracts patients from all over the United States and beyond.

UNC & Duke Students – Though there may be some fierce rivalries when it comes to athletics, UNC and Duke have enjoyed a long-standing partnership when it comes to offering the best of two worlds to their students. The free Robertson bus transports students between the two universities and now there is a virtual connection students can use to communicate between the universities. Technology is accelerating the transfer of ideas in our ever-changing world.

Athletics – This area of North Carolina has long been known for its collegiate rivalries, certainly in football but largely in basketball. Here, basketball is king as the epicenter of Tobacco Road!

Arts – Chapel Hill has received numerous accolades for the arts. Art can be found around town in a multitude of mediums from painting to pottery and everything in between including a town dedicated to murals of all types.

Events – Chapel Hill, Carrboro and Hillsborough are all great places to be for a wide variety of events throughout the year. Carrboro hosts the Carrboro Film Festival and Music Festival, Chapel Hill hosts an annual Festifall and Hillsborough has the Paperhand Puppet Parade, among scores of appealing activities.

Business Travel – Travelers come from everywhere, sometimes from across the globe, to attend conferences held in this area. With Raleigh and the Research Triangle in close proximity, visitors often extend their visits to check out Chapel Hill and Orange County. UNC and the Friday Center host national/international conferences bringing business travelers to the destination on a regular basis.

Top 10 Lists – Chapel Hill is one of those places in the country that encourages people to visit or relocate year round. If you happen to check out a “Top 10 List” whether it is for livability, best small town, best college town, etc., you are more than likely to see Chapel Hill someplace on those elite lists.

Food – Chapel Hill and Durham share one of the Top 10 designations for Best Foodie Towns in the country. Every ethnic, farm to fork, casual vs. fine dining restaurant can be found here. Chapel Hill hosts a fabulous annual autumn event, TerraVita, bringing foodies and journalists from all over to sit in the classrooms and discussions and attend the Grand Tasting finale. We boast restaurants with James Beard award-winning chefs, mentions in The New York Times and Bon Appétit magazine and other culinary buzz. Chapel Hill is a great destination for fabulous food.

Half-Back State – Another appealing feature about Orange County is the year-round weather. Many of the snow birds in the New England/Midwest states who decide the winters are too brutal head to Florida. While Florida is sunny and warm all year, many miss the change of the seasons that are found in North Carolina. That is the reason that North Carolina is known as the “Half-Back” state.

## **C. PROJECT BACKGROUND**

Like all destinations, Chapel Hill/Orange County seeks to grow its visitor economy. For many of the reasons outlined above, the renowned Research Triangle region is posed for continued economic growth and Orange County must invest in the appropriate travel/hospitality infrastructure to remain a viable destination choice for all potential visitors. The two-part project scope specified below is intended to provide a road map for potential development over the next decade.

## **D. PROJECT SCOPE:**

### **PART ONE**

#### New Market Demand Analysis

1. Conduct an analysis of Orange County (Chapel Hill, Carrboro, and Hillsborough) hotel and meeting space available for the use of convention, meeting, and trade and exhibition business.
2. Conduct an analysis of the Durham area (Durham County) hotel inventory and locations for the use of convention, meeting, trade and exhibition business.
3. Determine the current and future market potential for hotel growth (current, planned, approved or new hotels/motels under construction) in Orange County. Analysis will include a survey of hotel/motel statistics to include and forecast available rooms, occupancy rates and room rates.

#### New Facility Demand Analysis

1. Evaluate the market potential for a proposed convention facility. Identify trends such as event growth, usage and market share that would impact the feasibility of this facility within Chapel Hill.
2. Re-assess needs of local corporate market.
3. Evaluate comparable facilities in similar towns/destinations regarding operational characteristics.
4. Determine optimal size, amenities and desired use for convention center.

5. Forecast the convention market demand and market share by market segment/type of event for the proposed facility.
  - i. Identify utilization potential for primary demand.
  - ii. Identify secondary utilization.
6. Compare proposed facility with facilities already existing or expanding (in the market, region, state and national region) and facilities under construction or facilities far enough along in their planning to be considered a relative certainty.

#### Financial Feasibility Analysis

1. Identify and analyze the economic impact and projected operating expenses and revenues of the facility as proposed.
2. Identify 10-year Hotel Occupancy Tax projections, and provide comparison to original projections.
3. Recommend Operating Model and 10-year Business Plan (construction through stabilization and beyond).
4. Determine cost projections and financing models.
5. Project operating expenses and revenues for the facility.

#### Economic Impact Analysis

1. Incremental room nights, and associated economic impact, generated by project.
2. Incremental room nights, and associated economic impact, generated by project with NO new headquarters hotel development and no room block agreements.
3. Incremental room nights, and associated economic impact, generated by project.

## **PART TWO**

Evaluate other options for consideration that would generate the same or greater impact for visitor-oriented development. Provide preliminary costing, sizing, test proformas, scenarios for evaluation in comparison to the original project. These scenarios are not limited to the site that has been purchased, or to “traditional” Public Assembly Facility or Convention Center development.

Because it is anticipated that any visitor-oriented development in Chapel Hill would be funded via hotel occupancy taxes, recommendations must fall within the legal uses of the Hotel Occupancy Tax, and Umstead Act, as currently defined. Scenarios are not limited to the meetings/convention market, and may be evaluated for leisure market impact.

Options may include, but are not limited to:

- Exhibit halls only

- “Conference Center” format
- Ballroom space only
- Market-segment-focus to develop niche opportunities (for example, expanded breakout space to meet needs specific to medical meetings, aviation or some other configuration derived to meet a specific market’s needs)
- Other options as identified by the study consultant

Other considerations:

- Through adaptive re-use, can Friday Center be utilized for visitor development, to what projected return-on-investment?
- Is there an emerging demographic market segment (i.e., “zoomers” {40+ years, no children}, multi-generational travelers) currently underserved with travel and entertainment options, both in the nearby Research Triangle Park and elsewhere?
- What is missing in the Research Triangle region that Chapel Hill can offer, that will enhance the county’s visitor industry and thus the overall economy?
- Other options as identified by the study consultant.

## **II. REQUIRED PROPOSAL CONTENT**

All proposals must contain the following information.

1. A complete description of approach to be taken by the individual or firm to the proposed project and discussion of any issues or concerns, which must be addressed in the plan.
2.
  - A. Name, address and telephone number of the individual or firm submitting the proposal.
  - B. Names and qualifications of individuals employed by the individual or firm who will participate in the development of the plan and their individual responsibilities.
  - C. The name of one or more individuals authorized to represent the consultant in its dealings with Orange County and its Visitors Bureau.
3. Names, address and qualifications of any professional firms other than the one submitting proposal, or individuals other than those employed by the firm and not listed above who will be a part of the consulting team.
4. Detailed information on qualifications and past experience of the individual or firm as well as those who will be participating in the preparation of the plan, including experience and past performance on similar projects, professional staff, number of years in business and proposed and current contract obligations.
5. A cost proposal based upon a maximum fee broken down separately for each of the elements listed under the Project Scope (see I-D), indicating the individuals responsible for each, and the projected number of hours and the appropriate hourly rate of each. The cost proposal should include an estimate of any and all additional expenses anticipated.

NOTE: Whether you are bidding on one or multiple elements, you must provide a separate bid/pricing structure per element.

6. A proposed time frame for completion. All phases of the project are to be completed by Friday, May 6, 2016.
7. Name and address of at least three references including contact names for which the individual or firm has performed the same or similar services within the last three to five years.

8. Format and required information for all proposals is provided in Exhibit I-D.

### **III. EVALUATION CRITERIA**

Proposals will be reviewed and evaluated on the ability of the individual or firm to meet or exceed the requirements set forth in the specifications. Determination of the respondents to perform accordingly shall be made by an evaluation team consisting of members of the Chapel Hill/Orange County Visitors Bureau staff; Orange County Board members may also be included; an independent consultant may also be retained to assist the County in the evaluation process.

Proposals shall be evaluated on the following criteria:

1. The quality and clarity of the proposal as well as the presentation materials that will be considered a reflection of the individual or firm's ability to communicate to the public and County officials and staff.
2. Consultants approach to plan, including organizational staffing.
3. Experience, both general and with projects of this type.
4. Qualities of past work.
5. Qualities of past work for individual (s) actually doing the planning work including documented performance in similar projects.
6. Ability to complete the project within budget. (Examples should be provided.)
7. Ability to meet the desired time line for the project.
8. Financial stability and credit history.
9. General impression from oral presentation (if scheduled).
10. The number and scope of conditions attached to proposal.

The Review Committee will thoroughly evaluate each response to this RFP. Specifically, submissions to the RFP will be reviewed in accordance with the selection criteria detailed as follows.

<b><u>Maximum Points</u></b>	<b><u>Evaluation Factor</u></b>
<b>60</b>	<b>Experience</b> (emphasis on similar projects) Individual/team experience in general; Recently completed projects of similar size and scope; Prior experience (development, architectural and operating) with convention center and/or hotel projects; Prior experience with government entities; Prior experience (development, architectural and operating) with Visitor-oriented development.
<b>30</b>	<b>Organization/Financial Capability</b> (demonstrated ability to assemble necessary support assets)
<b>10</b>	<b>Project Approach</b> (practices/management concepts)
<b>100 Points</b>	<b>TOTAL</b>

#### **IV. SELECTION PROCESS**

A full evaluation of the proposals will be made following opening of the proposals on as timely a basis as possible. The evaluation team may request oral presentations from some of the individuals or firms submitting proposals. Presentations, if requested, must be made by individual(s) actually preparing the plan. The evaluation team will then make a recommendation to the Visitors Bureau Board of Directors who in turn will make a recommendation of a consultant to the County.

#### **V. SUBMITTAL INSTRUCTIONS**

Please submit three copies (one clearly marked “original”) of your response (printed duplex on recycled paper). Attach cost proposal to the original in a separate sealed envelope. Also include an electronic copy of the proposal and cost proposal in .pdf format on a thumb drive, or cd. Proposals must be submitted before 5:00 PM on January 5, 2016 to:

David Cannell  
Purchasing Agent  
Orange County Financial & Administrative Services  
200 S. Cameron Street  
PO Box 8181  
Hillsborough, NC 27278

Questions regarding services should be directed to David Cannell, Purchasing Agent, (919) 245-2651, [dcannell@orangecountync.gov](mailto:dcannell@orangecountync.gov) (preferred). All questions must be received no later than 5:00 PM December 28, 2015. All respondents will receive copies of the questions and answers received during the response period.

North Carolina law imposes E-Verify requirements on contractors who enter into certain contracts with state agencies and local governments. Legislation specifically prohibits governmental units from entering into certain contracts “unless the contractor and the contractor’s subcontractors comply with the requirements of Article 2 of Chapter 64 of the General Statutes.” (Article 2 of Chapter 64 establishes North Carolina’s E-Verify requirements for private employers). It is important to note that the verification requirement applies to subcontractors as well as contractors. The new laws specifically prohibit governmental units from entering into contracts with contractors who have not (or their subs have not) complied with E-Verify requirements. Complete the attached affidavit, and include it with your submittal.

\*\*\*\*\*

I, \_\_\_\_\_ (the individual attesting below), being duly authorized by and on behalf of \_\_\_\_\_ (the entity bidding on project hereinafter "Employer") after first being duly sworn hereby swears or affirms as follows:

- 1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).
- 2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS§64-26(a).
- 3. Employer is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. (mark Yes or No)
  - a. YES \_\_\_\_\_, or
  - b. NO \_\_\_\_\_
- 4. Employer's subcontractors comply with E-Verify, and if Employer is the winning bidder on this project Employer will ensure compliance with E-Verify by any subcontractors subsequently hired by Employer. This \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of Affiant  
Print or Type Name: \_\_\_\_\_

State of North Carolina Orange County

Signed and sworn to (or affirmed) before me, this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

My Commission Expires:

\_\_\_\_\_  
Notary Public

(Affix Official/Notarial Seal)