



## RFI FOR CONVENTION HOTEL AND DOWNTOWN DEVELOPMENT PROJECT



The City of Raleigh, North Carolina is one of the fastest growing cities in the country with a dynamic downtown energized by new residential and office construction, a nationally-recognized restaurant scene, burgeoning local retail and night-life, popular museums of science, history, and contemporary art, diverse festivals and cultural events, an active and growing convention center, and a historic performing arts center that is home of the North Carolina Theater, Symphony, Opera, and Ballet.

The City has saved the flagship sites in its portfolio for this critical and catalytic project—a convention center hotel and separate office/mixed-use tower. The property site is located at the southern end of Fayetteville Street, Raleigh’s main street and downtown’s premier address, and across the street from the City’s convention center and performing arts center. The City of Raleigh issues this Request For Interest (RFI) to solicit creative responses from capable and experienced development teams interested in developing (a) the hotel and office/mixed-use tower projects, or (b) the hotel project only.

**Project website:** [www.raleighnc.gov/hotelcc](http://www.raleighnc.gov/hotelcc)

**City website:** [www.raleighnc.gov](http://www.raleighnc.gov)



**RFI Release Date: January 27, 2020**

# 1 The Opportunity

This is a unique and a once-in-a-lifetime opportunity to develop a convention center hotel and separate office/mixed-use tower on two prime vacant lots in downtown Raleigh. The City of Raleigh owns the property and seeks proposals of interest to develop (a) the hotel and office/mixed-use tower projects, or (b) the hotel project only. Innovation, quality design and construction, and sustainability are important values to the City for this transformational project.

- The available 2.5-acre site includes two parcels flanking Fayetteville Street, the most prominent street in downtown Raleigh. Right-of-way is mapped to extend Fayetteville Street through the property creating two sites, each about one acre.
- The 500,000 square foot Raleigh Convention Center (RCC) and connected 401-room Marriott opened in 2008, and the market has since outgrown the available hotel room block within walking distance.
- The City recently committed \$5M to optimize sales efforts and operations at the RCC.
- The 2018 JLL Destination Strategic Plan recommends a new 500+ room convention hotel that, when combined with the RCC optimization effort, could generate over 100K new annual room nights.
- Raleigh's projected population growth is nearly 70% over the next 25 years. According to the 2019 State of Downtown Raleigh report, downtown Raleigh's population grew 57% in the past decade, well above the growth rates for both the city and state, with 2,665 new housing units added in the past four years and over 2,000 more units under construction or planned.
- Downtown Raleigh attractions drew 3.4 million visitors in 2018. Visitation to downtown attractions is up by 47% since 2007. The RCC hosted about 260 events and conferences with nearly 460,000 attendees in 2018.
- Downtown Raleigh's office market is strong with occupancy over 95%, according to Downtown Raleigh Alliance data. The submarket currently has three towers under construction with two more new Class A towers recently delivered in 2019. Notably, technology-focused companies are core users of downtown office space. According to Business Facilities, Raleigh is a top-5 tech hub in the U.S., based on job concentration.

## 2 City Goals

### Hotel

- 500+ rooms with comparable meeting space
- National brand
- Upper upscale
- Full service

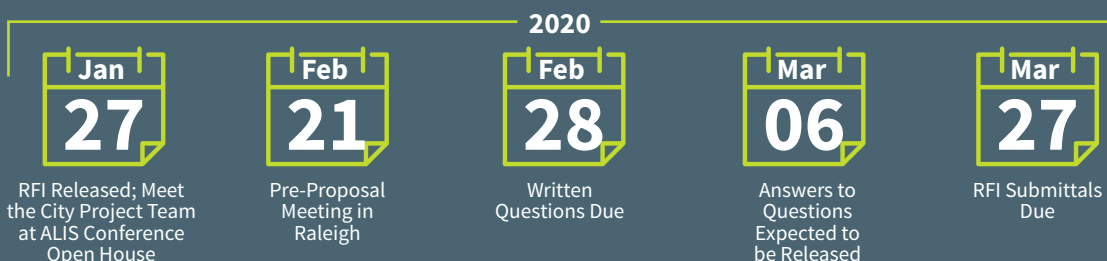
### Office/Mixed-Use

- Class A office tower with major anchor tenant
- Ground level retail, residential, other creative ideas
- Headquarters site

### Site & Parking

- Below-grade parking spanning both sites, including underneath Fayetteville Street, is expected with project development
- 2 one-acre blocks
- Zoned by-right for 40 stories
- Utilities adjacent

## 3 Important Dates



For more information, visit: [www.raleighnc.gov/hotelcc](http://www.raleighnc.gov/hotelcc)



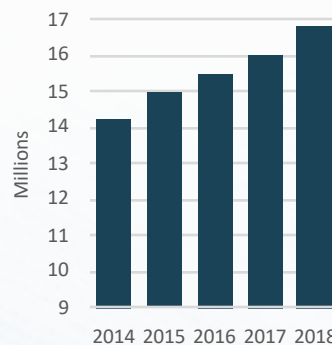
- Downtown Raleigh is poised for continued growth. In 2018, the City opened its new \$100 million Raleigh Union Station less than ½ mile from the proposed hotel and office/mixed-use project sites. The new train station is 26,000 square feet and was built to accommodate current and future demand for intercity passenger rail, commuter rail, buses, taxis, and bicycles. Additionally, a dedicated revenue source has been approved to fund bus rapid transit in and around downtown.

- RDU Airport is only about 13 miles from the project sites by car and has approximately 400 daily flights, with 61 non-stop destinations, and is served by 10 airlines.

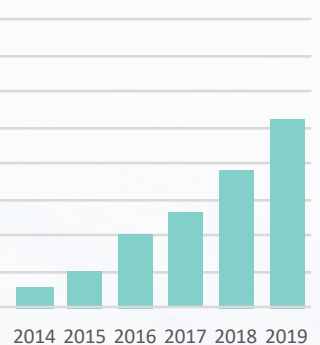
- Dorothea Dix Park, a 308-acre City-owned park, is located approximately 0.5 miles from the project sites. In 2019, the Raleigh City Council approved Phase I of the long-term park Master Plan and the park hosted its first Dreamville Music Festival attracting over 40,000 people. Dreamville will return in 2020.

- To grow tourism and promote economic development, the City of Raleigh and Wake County approved \$14 million in 2019 from Hospitality Tax revenue to buy needed land near the convention center for future center use, \$5 million in 2021 to improve and optimize the convention center, and planned \$230 million for a convention center expansion as early as 2028. Hospitality Tax revenue also is committed to cover 95% of ongoing capital maintenance for the venue.

**Raleigh/Wake County Visitation**



**RDU Total Passenger Traffic**



Source: rdu.com, DKS, Tourism Economics

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In 2019, how did downtown Raleigh hotels *Perform?*

OCCUPANCY  
**77%**

ADR  
**\$158**

Source: STR, VisitRaleigh

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## Incentives

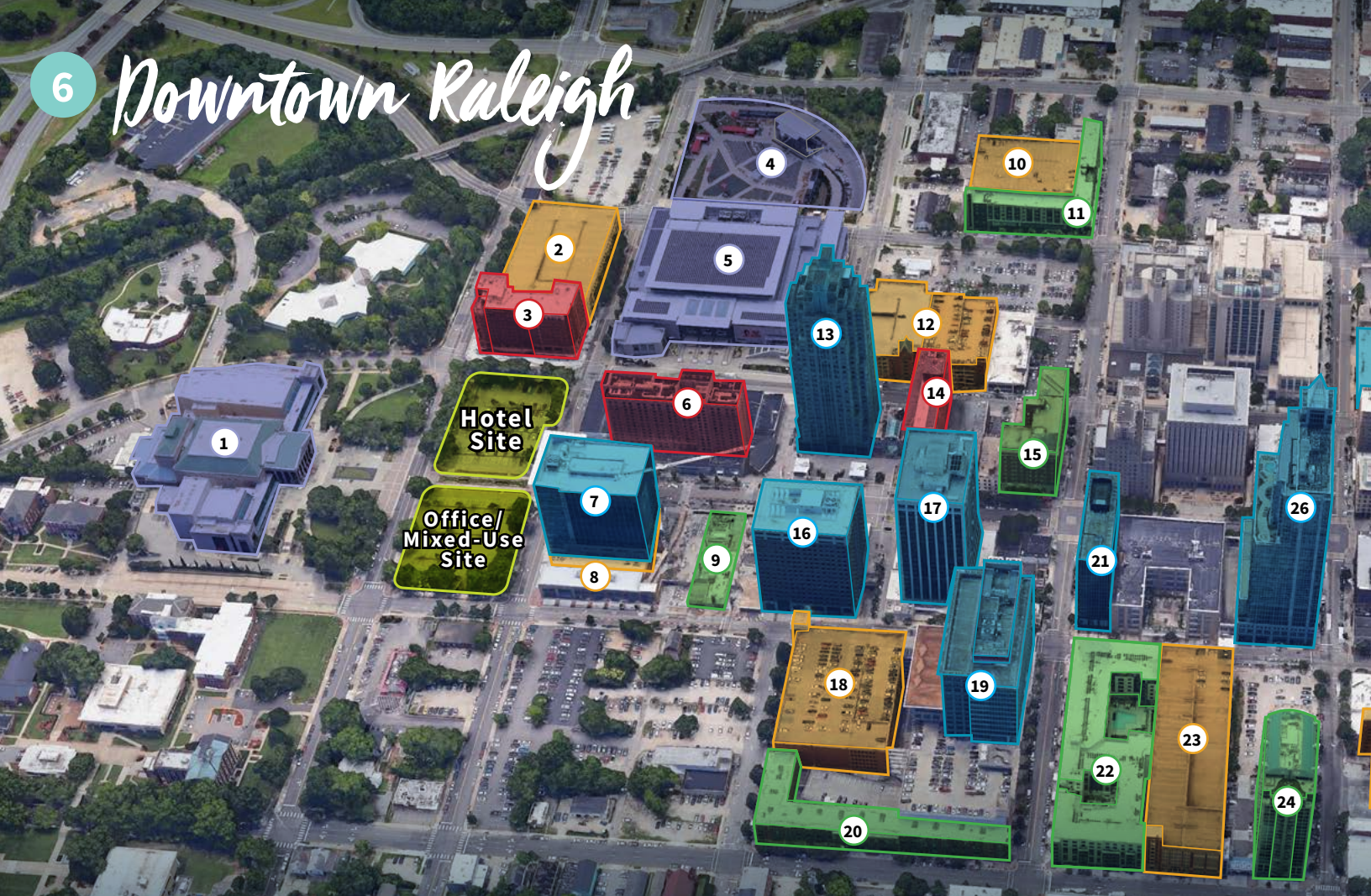
### Available Incentives

- Infrastructure Assistance of \$30M of public funding for the right project, with flexible application: parking, infrastructure, etc.
- Opportunity Zone
- Other incentives are negotiable as allowed by North Carolina law



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# Downtown Raleigh



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## The Site







1. Duke Energy Center For the Performing Arts
2. 1,030-space parking deck
3. 175-room Residence Inn
4. 6,000-seat Red Hat Amphitheater
5. Raleigh Convention Center
6. 401-room Marriott
7. Charter Square | 243k sq. ft. Class A office
8. 622-space below-grade parking deck
9. FNB Tower | new multifamily/closest office tower
10. 992-space parking deck
11. The L Apartments | 83-unit multifamily
12. 500-space parking deck
13. Two Hannover Square/BB&T | 437k sq. ft. Class A office
14. 353-room Sheraton
15. The Sir Walter | 140-unit multifamily
16. One City Plaza | 373k sq. ft. Class B office
17. One Progress Plaza | 455k sq. ft. Class B office
18. 1,000-space parking deck
19. Red Hat Tower | 366k sq. ft. Class A office
20. Palladium Plaza | 65-unit multifamily
21. Capital Bank Plaza | 168k sq. ft. Class A office
22. The Edison Lofts | 223-unit multifamily
23. 715-space parking deck
24. SkyHouse Raleigh | 320-unit multifamily
25. 706-space parking deck
26. PNC Plaza | 292k sq. ft. Class A office/condos
27. 215 S McDowell | 4 tower mixed-use project beginning 2020
28. 227 Fayetteville | 111k sq. ft. Class A office
29. 1 Exchange Plaza | 104k sq. ft. City-owned
30. 726-space parking deck (future 32-story office tower)
31. Wells Fargo Capitol Center | 560k sq. ft. Class A office
32. Raleigh Civic Campus | New City Hall Tower Planned for 2024
33. NC State Capitol

## 8 Raleigh and NC Accolades

**1** state for economic growth potential  
(Business Facilities, 2019)

**2** top 100 best places to live  
(Livability, 2019)

**3** best places for business and careers  
(Forbes, 2019)

**3** state for business  
(CNBC, 2019)

**4** of the 2018 top NC tourist attractions  
(Carolina Publishing Associates, 2019)

**10** fastest growing city  
(CityLab, 2019)

**14** among America's top 150 most dynamic urban centers  
(Point2 Homes, 2019)

**16** nominated or awarded James Beard Foundation chefs in downtown Raleigh  
(US's highest culinary honor)

**48%** residents age 25+ with bachelor's degree or higher in the Raleigh MSA  
(Moody's Analytics, 2018)

## 9 Submittal Requirements

**COVER LETTER**—Include an executive summary that clearly outlines the overall capability of the development team, any developer partnerships for the project and briefly summarizes its ability to design, construct and operate (a) the hotel and office/mixed-use tower projects, or (b) the hotel project only. Indicate whether the team is interested in pursuing (a) the hotel and office/mixed-use tower projects, or (b) the hotel project only. The Cover Letter, no more than two pages long, should be signed by the principal of the lead development team for the project indicating his or her authority to submit the response on behalf of the development team(s).

**TEAM BACKGROUND**—Provide background on development team(s) regarding organization structure (e.g., corporation, partnership, joint venture, etc.), year organized and year of incorporation, and information relating to corporate officers, partners, headquarters location, etc.

**EXPERIENCE**—Provide evidence of experience with projects of similar size and scope. Also discuss experience working with local governments on similar projects that include public/private partnerships. If two or more development teams will work together on this project, describe previous collaborations on other projects (roles and responsibilities of each team, leadership, dispute resolution, etc.). Describe your management of and philosophy toward quality control to ensure the completion of successful projects on schedule. Additionally, describe the strategy/plan you expect to follow to illustrate how you will accomplish the work and meet the City project goals in a timely manner. Pictures and locations of similar hotel, office and mixed-use projects should be included along with descriptions of projects completed in Raleigh and North Carolina. Also include in descriptions project development cost, services provided, size of developments, developer's and/or Financial Partner's ownership stake at the time of development, summary of project capital funding and the developer's role in raising the capital, as well as reference contact information for each project.

**PROJECT UNDERSTANDING AND VISION**—Include narrative that illustrates your team's understanding of the project, unique opportunities and potential challenges. Discuss your approach to the coordination of design and construction of the projects and how the buildings will function together and with the RCC Complex. Describe your vision for the project that adds value from quality design, creativity, innovation and sustainability. In doing so, describe high-level programmatic details such as hotel room count, meeting space square feet, brand, parking plan, office/mixed-use plan (if any), and preliminary development budget.

**SELECTION PROCESS** – Based on RFI submittals alone, the City of Raleigh may elect to negotiate with one development team on (a) the hotel and office/mixed-use tower projects, or (b) the hotel project only. However, it is expected that the City will select a short-list of project development teams from the RFI responses to be invited to participate in a more detailed Request for Proposal (RFP) and interview process. Note that only those development teams that submit an RFI response would be eligible for consideration by the City for a subsequent RFP process, should the City opt to pursue such a process. The City of Raleigh reserves the right to select and negotiate with any development team or teams for the hotel project and/or the hotel and office/mixed-use tower projects.

The City of Raleigh reserves the right to modify and/or terminate this process at any point in time. The preparation of a response shall be at the expense of the proposer. The City will not reimburse proposers for any costs associated with the preparation or submittal of a response.

### **One electronic copy sent to:**

**tony.peterman@am.jll.com**  
**by 5PM ET on March 27, 2020**  
**with subject line marked:**  
**Raleigh Convention Hotel RFI Response**

Any materials submitted in response to this RFI may be subject to inspection under the public records laws of the State of North Carolina. (See Chapter 132 of the North Carolina General Statutes for additional information on these requirements.)

Please refer to  
**[www.raleighnc.gov/hotelcc](http://www.raleighnc.gov/hotelcc)**  
for more information.





Outdoor Dining in Raleigh



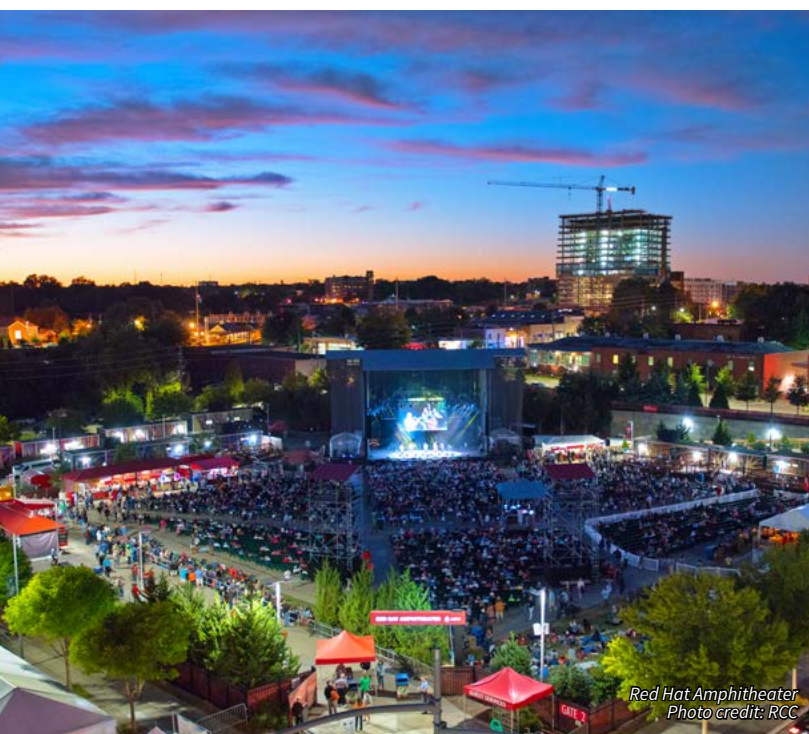
Red Hat Amphitheater  
Photo credit: RCC



Raleigh Union Station



Raleigh Union Station



Red Hat Amphitheater  
Photo credit: RCC



Photo credit: RCC





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*Duke Energy Center For the Performing Arts  
Photo credit: Flyboy Photo & Media*

FOR MORE INFORMATION PLEASE CONTACT



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Respondents should contact the individual listed above and are encouraged not to communicate directly or indirectly with City of Raleigh Council Members or other City employees regarding the RFI or submittals from the time the RFI is released until the City Council approves next steps in the process. Violation of this provision by the respondent or respondent's agent may lead to disqualification from consideration.