

## **RFI for Convention Hotel and Downtown Development Project**

### **CITY RESPONSES TO WRITTEN QUESTIONS**

ISSUED JULY 20, 2022

#### **PROCESS & TIMING**

1. What is the anticipated process for Development Team selection? Will there be an RFQ? Would that process be followed by an RFP?

*The City reserves the right to determine its best path forward at the conclusion of this RFI process. However, it is anticipated that a short-list of development teams will be established by the City and an RFP-type process would be conducted to determine the selected development partner.*

2. Will the architecture for the Raleigh Convention Hotel will be commissioned? If so, should the commissioning consultant(s) be included as a part of the developers' team in their response to this initial RFI or in subsequent RFQs later in the process? Or will the City of Raleigh solicit commissioning services in a separate RFQ?

*The architecture component of a project will not be commissioned separately by the City. Rather, the City expects the developer to select its own architectural team.*

3. Does the City want qualifications from the Lead Developer only, or, should proposed sub-consultants such as Architect, Contractor, etc. also be included?

*The City is expecting to receive sufficient qualifications from all Team members so it may understand the level of experience each would bring to the Project.*

4. Please confirm that design drawings and renderings of the proposed project are not required at this time.

*The City is not requiring drawings or renderings as part of this RFI process.*

5. How quickly does the City plan to get to a selection, deal negotiations, financial close, etc.?

*The timing of the next steps is to-be-determined, but the City is not seeking a protracted process. A short-list selection, if made by the City, is anticipated to be within or before Q4 of this year.*

## PROJECT COMPONENTS & PARKING

6. What are the affordable housing requirements, if any?

*The City is not requiring affordable housing to be included in the residential/mixed-use tower.*

7. What type of quality is the City looking for in the residential/mixed-use tower?

*The City anticipates that the residential tower would provide market-rate housing of a quality commensurate with the prominent location within the core of downtown Raleigh.*

8. Is the developer responsible for the reconstruction of Fayetteville Street between the two Project parcels? If so, what are the street reconstruction requirements?

*The issues related to the reconstruction of Fayetteville Street between the two Project parcels will be resolved in any subsequent RFP phase.*

9. Can the Hotel utilize the City parking deck denoted as "City Parking Lot/Future Convention Center Use" as shown in the RFI in aerial image "#7 The Site"?

*That lot is currently small surface parking (not a deck) and is expected to play a role in the future convention center expansion. However, it may be possible for the Hotel to have access to a small portion of those spaces (in the range of 15 to 20 spaces) in the interim pending other Project issues to be discussed and determined during any subsequent RFP process.*

10. Can the Residential/Mixed-Use Site utilize the 622-space parking garage across the street shown as denoted as Bullet #8 as shown in aerial image "#6 Downtown Raleigh"?

*That underground parking garage is owned by the City. Current contractual agreements with nearby commercial buildings would leave very few spaces, if any, available for use by the Project. Although the City's contractual commitments for these 622 spaces could change in time, the Development team should not plan on this garage being used in any meaningful way to address the Project's parking needs.*

11. Assuming the view corridor is preserved, is connectivity of the two towers above Fayetteville Street viewed favorably by the City?

*The view corridor from the NC State House to the Duke Energy Center is of paramount importance to the City; it will be preserved. However, the City recognizes that there may be valuable efficiencies for the two towers to be joined at some level. Therefore, the City is open to receiving and exploring ideas that accomplish both.*

12. Does the City desire some level of connectivity (walkway, skybridge, etc.) between the new Hotel and the convention center?

*Although the possibility of a connector spanning the intersection of W Lenoir & S Salisbury Streets and connecting the new Hotel to the convention center had been discussed, it was deemed that the expense of the effort would be greater than the value it would generate for the two facilities. If the Development Team desires to further explore this possibility, they are welcome to do so. If the Development team believes that the option ultimately has merit, the issue could be revisited in the RFP phase. However, the City will not fund the cost of the connector.*

## **SITE**

13. Does the City anticipate leasing or selling the two parcels of land?

*The City's preference would be to lease the parcels. However, the City recognizes that a fee-simple sale of one or both parcels may produce an overall financial outcome that is beneficial to the City. These issues would be part of any subsequent RFP discussions and negotiations.*

14. Are there any ground rights or air restrictions associated with either site?

*The by-right height of both parcels is 40 stories. The Right of Way for Fayetteville Street through the center of the property exists.*

15. Does an ALTA survey exist for the sites? Are grading plans available?

*The City does not have an ALTA survey of the site. Moreover, a specific grading plan for the site does not exist. However, the "Q15. Addendum" available on the Project website presents a Kimley Horn Underground Parking Study which provides related and useful information about the site conditions.*

16. Can the parcel identified as “City-owned Land” in aerial image “#7 The Site” and located between the Hotel Site and the Duke Energy Center be developed? If so, can it be developed on the ground level or is it only available at the second level (ground level to remain undeveloped but covered)? Can the street be bridged above a certain level by the building? Will there be an easement to allow for this?

*Based on feedback gleaned from the 2020 RFI process as well as other more recent discussions, the City understands that the Hotel size and program it seeks via this RFI process may be challenging to accommodate efficiently on the identified “Hotel Site.” Although such an outcome remains the City’s preference, the City would entertain discussions with Development teams to explore using some of the “City-owned Land” if such action were shown to produce significant economic benefits to the City and the Project. Although the City would not consider the closing or re-routing of W South Street, developing on grade and bridging W South Street to connect back to the Hotel may be considered. It should be noted that the Duke Energy Center has plans to completely change its guest arrival experience, and any requested use of the “City-owned Land” would need to be properly coordinated to complement those efforts. Easements and related discussions would be part of a subsequent RFP process.*

17. Please clarify “Utilities adjacent” as stated in the “#2 City Goals” section on page 2 of the RFI. Are there requirements over and above the normal utility work required to support the development?

*The utilities likely required for the two towers exist at or near the street adjacent to the two parcels, and therefore it is anticipated that work to support the development and downstream capacity and fire flow studies along with necessary improvements would be required. At the time of the actual development plan submittal to the City, a downstream sewer capacity study may be required to determine adequate capacity to support the Project and must be permitted and constructed prior to a Certificate of Occupancy. Verification of water availability for Fire Flow as part of the permitting process and any improvements required to achieve that will be the responsibility of the Developer.*

18. Is the Hotel site in a designated Opportunity Zone?

Yes.

19. Between the Hotel Site and the Residential/Mixed-Use Site parcels there is an area identified as “Plaza” in the RFI. Has the City made a final determination as to whether this would be a pedestrian-only experience, or, open to vehicular traffic?

*The current Comprehensive Plan has this area slated for vehicular use. However, this Project is critically important for the City, and we acknowledge the complexity that will be required in its planning and execution to ensure success. Therefore, the City is open to explore options with respect to the area identified as the Plaza. Any changes to the Comprehensive Plan, if requested by the Developer and supported by the City, would require a process.*

## MARKET DATA

20. Can the City provide updated market data to the links contained in question G.8 under the Q&A? Specifically, please provide apartment rental rates, absorption rates, vacancies, and parking rates.
21. Will the City provide condominium sales data for downtown Raleigh?
22. Will the City provide available statistics /reports for the retail market, including tenant improvement allowances and free rent?
23. If available, will the City provide any updated hotel feasibility study(s)?
24. Does JLL have projections for the recovery outlook in 2024 & 2025 when the Hotel would likely open?
25. Will the City please provide data for the eight new projects breaking ground in 2022 and 12 projects under construction (and as referenced on page 3 of the RFI)? Specifically, the type of project, number of units, construction cost, and estimated completion dates.

*Q. 20-25: The City encourages each Development team to perform its own due diligence related to the Project and the Raleigh market. Current market data is provided in the Downtown Raleigh Market Report Q2 2022 and available on the Project website as "Q20-25 Addendum."*