

INTRODUCTION

The Town of Lyons requests proposals for professional services to conduct a market feasibility study for a proposed hotel/motel in the Town of Lyons. The study should address the current and projected market demand analysis for the number, type and duration of hotel stays in the Town; 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 hotel.

OVERVIEW

The Town of Lyons wishes to examine the potential for successful development of a hotel facility within the town limits of Lyons. Although a specific site has not been designated, there are several potential sites within the town that may provide an opportunity for hospitality development. The goal of the Town of Lyons 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 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.

COMMUNITY BACKGROUND:

Incorporated in 1891, the Town of Lyons is historically known for exporting its red sandstone from local quarries. More recently, Lyons is sought after for its music, arts and outdoor recreation opportunities. The Town of Lyons has a population of approximately 2,000 while being situated in Boulder County, which has a population of 310,048. The Town of Lyons is located on the Front Range of the Colorado Rockies, 50 miles north of Denver and 20 miles south of Estes Park and Rocky Mountain National Park. Other facts include:

- US Highway 36 passes through Lyons, which is a major east–west route in Colorado and the United States, extending from Rocky Mountain National Park to the Kansas state line.
- Hundreds of thousands of tourists regularly head west to Rocky Mountain National Park on Highway 36, always having to pass by Lyons’s doorstep.
- Site of Planet Bluegrass, world-renown, award-winning home of music festivals and concerts drawing thousands of festival goers annually.
- In 2009, the Town of Lyons began a \$2 million capital improvement project for streetscape improvements in its downtown area that included widened sidewalks, efficient and stylish streetlights, public art and landscaping; thus attracting new businesses and encouraging private sector investment in the business district.

- In 2013, the Town was subjected to a 500+ year federally-declared disaster, with flood waters damaging ten commercial buildings and properties and shutting down the entire business district for an eight-week period due to lack of utilities. However, the business district has bounced back with new determination to succeed and prosper.
- In 2016, the Town continues beautification work on East Main Street, installing new sidewalks, lighting, traffic signal and parking spaces.
- Lyons Outdoor Games is an annual, premier Colorado outdoor lifestyle, adventure sport and music festival, which occurs in early summer, again drawing thousands of visitors to the area.
- The Town of Lyons is a *Main Street* organization, which is a demonstrated program developed by the National Trust for Historic Preservation that focuses public and private resources on revitalizing and promoting the Town's historic buildings and history.
- The area is host to five successful wedding venues.

DESIRED OBJECTIVES & ASSUMPTIONS

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

- The perceived need for a quality hotel will allow the Town to market itself as an overnight destination to visitors, which has been recommended by multiple independent economic plans for the Town.
- The perception that existing hotels in or near the Town are either aging or too small, and may not be suitable for destination travelers who could otherwise be attracted to visit Lyons.
- The perception that existing hotels are losing overnight stays to newer facilities in Longmont and Boulder for visitors doing business with local industry located in the Town.
- The perception that there is demand for destination events like weddings, sporting events, tourism and music festivals 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 (non-profit galas, annual meetings, etc.) that would be attracted to a facility in town.
- The perception that Lyon's tourism product primarily relies on accommodations with rental homes, and "Air BnBs," and less with hotels, so a quality hotel in the Town may be able to attract some RMNP visitors only seeking a 1-3 night stay.
- The vision of leveraging Lyons's abundant surrounding natural, historical and cultural resources into destination workshops and seminars for special interest travelers. This could include geologist, quarry industry, photography and cooking workshops, birding, etc.
- A Front Range Business and Industry Conference location for various private and public sector entities, using a quality hotel with meeting space as a platform.
- An increased ability to attract new events to the Town.

SCOPE OF WORK

The following is an outline of the desired services to be performed:

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 (Town) 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 Town.
6. Conduct demand analysis
 - a. Primary & secondary market research
 - b. Identify demand generators or potential users of a 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 Lyons 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 Town
 - c. Project impact on Town restaurants and retailers
5. Address potential public incentives that could improve the viability and/or investment attraction for the project.

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
- Other facilities and amenities
- Brand affiliation, if any

Financial Projections

- Provide financial projection for development and operations that can be used by the Town if a request for proposal is sought for a hotel project.

Note: The Town of Lyons will consider input from respondents as to other suggested services to be considered.

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 Town of Lyons and potential stakeholders to make informed decisions.
6. Provide a schedule and time frame for completion of the study.
7. The proposers will acknowledge receipt of all Addenda, if any, in their proposals. The Town 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 Town of Lyons's desires, or to make corrections or changes to the RFP document or submittal process. All project information will be updated and posted to Rocky Mountain E-Purchasing System, which can be accessed through the Town's website at www.townoflyons.com under "Bid Opportunities" and/or "Bids & RFPs." It is the proposer's responsibility to obtain the information directly from RME Purchasing 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 30, 2016** to:

Jacquelyn Watson, Economic Development and Community Relations Manager
Town of Lyons
PO Box 49
Lyons, CO 80540
Email: jacquew@townoflyons.com
Phone: 303-823-6622 x12

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

Any submitted proposals become property of the Town.

EVALUATION CRITERIA

Consultants will be evaluated according to the following:

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

ADDITIONAL INFORMATION

Requests for additional information should be directed to:

Jacquelyn Watson, Economic Development and Community Relations Manager

Town of Lyons

PO Box 49

Lyons, CO 80540

Email: jacquew@townoflyons.com

Phone: 303-823-6622 x12

RESERVATION OF RIGHTS

The Town will conduct a comprehensive and impartial review and evaluation of all Proposals meeting the requirements of this solicitation. Please note that the Town, 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 Town.

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

“The Town of Lyons will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Persons needing accommodations or special assistance should contact the Town at hr@townoflyons.com as soon as possible, but no later than 72 hours before the scheduled event.”