



**REQUEST FOR PROPOSAL  
MARKET FEASIBILITY STUDY  
HOTEL/LODGING FACILITY**

**DATE DUE: 4:00 pm on Tuesday, October 1, 2019**

**INTRODUCTION**

The Town of Lyons is seeking proposals for professional services from qualified bidders who can conduct a market feasibility study for a proposed hotel (lodging facility) 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 lodging stock and be successful; and an economic feasibility analysis and proforma.

**DELIVERABLES**

The successful bidder must be able to perform the following services:

- Current and projected market demand analysis – number, type and duration of hotel stays
- Conduct a project feasibility study to recommend a facility program and determine the overall market feasibility of the recommended facility
- Facility Recommendation
- Economic Feasibility and Competitive Analysis with Financial Projections and Proforma
- Optimal Site Selection

**OVERVIEW**

The Town of Lyons wishes to examine the potential for successful development of a lodging 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 economically 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 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. More recently, Lyons is sought after for its music, arts and outdoor recreation opportunities. The Town of Lyons has a population of 2,000 and Boulder County's population is 325,000. 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.

- US Highway 36 passes through Lyons, which is a major east–west route in the U.S. state of Colorado, extending from Rocky Mountain National Park to the Kansas state line. A July 2019 Traffic Study showed between 11 and 12K ADT through Lyons in summer months.
- 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 to the business district.
- In 2013, the Town was subjected to a 500+ year flood, damaging 10 commercial buildings and properties and shutting down the entire business district for an 8-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 continued enhancements along East Main Street, installing new sidewalks, lighting, and parking spaces.
- Thousands of tourists regularly head west to Rocky Mountain National Park via US-36, always having to pass through Lyons' historic downtown.
- Lyons Outdoor Games is an annual, premier Colorado outdoor lifestyle, adventure sport and music festival, which occurs in early summer.
- 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.
- Planet Bluegrass, home of world-renowned, award-winning music festivals and concerts is based in Lyons and hosts two annual music festivals in Lyons.
- Lyons is home to five outdoor/indoor wedding venues which are booked from May through October. Lyons also hosts several farm-to-table dinners in summer and fall.

## **DESIRED OBJECTIVES & ASSUMPTIONS**

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

- The perceived need for a quality facility will allow the Town to market itself as an overnight destination to visitors, which multiple independent economic scenarios have recommended 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 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 so with hotels, thus a quality facility in the Town might be able to attract some RMNP visitors seeking a 2-3 night stay.
- There is a decrease in activity from November to April.
- 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. The Town of Lyons 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 (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. 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.
6. 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.
7. Impact of Short-Term Rental inventory (VRBO, AirBnB) and local camping options (if any impact).

### **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. Economic impact forecasts:
  - a. Forecast tax revenue increase to the Town
  - b. Forecast impact on Town restaurants and retailers
  - c. Forecast impact on hotel room nights

5. Address any 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
- Brand affiliation, if any
- 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.

### **Optimal Site Selection**

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

- Property acquisition cost
- Relationship to 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

### **SUBMISSION REQUIREMENTS FOR RFP**

1. Name and basic information of the consulting firm submitting the proposal.
2. Description of the organization's experience in financial feasibility studies in the lodging industry and overall knowledge of the industry.
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 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. A fee proposal for the study must be broken out into each key deliverable below, based on the firm’s suggested approach. A fixed rate must be submitted for each deliverable listed below. The price per fixed deliverable will cover all costs including materials, time, travel and reports.
7. Provide a schedule and time frame for completion of the study.
8. Proposals must be valid for a period of sixty (60) days from the date due.

**COST PROPOSAL**

DELIVERABLE	COST PER DELIVERABLE
<b>1 MARKET DEMAND ANALYSIS</b>	
<b>2 PROJECT FEASIBILITY STUDY</b>	
<b>3 FACILITY RECOMMENDATION</b>	
<b>4 FINANCIAL PROJECTIONS</b>	
<b>5 OPTIMAL SITE SELECTION</b>	

The Town reserves its right to issue Addenda to this RFP up to ten (10) 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](http://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 marked “Hotel Market Study” shall be returned **no later than 4:00 pm on Tuesday, October 1, 2019** to:

Kim Mitchell, Director of Community Programs and Relations  
 Town of Lyons  
 PO Box 49  
 Lyons, CO 80540  
 Email: [kmitchell@townoflyons.com](mailto:kmitchell@townoflyons.com)  
 Phone: 303-823-6622 x35

**The submittal may be submitted electronically in PDF format.**  
 Any submitted proposals become property of the Town.

## **EVALUATION**

Following submission, reference checks and interviews may be conducted. The Town reserves the right to discuss fee structures, request revision where deemed necessary and/or interview only those firms which appear to be most responsive to the RFP. Selection will be based upon the most favorable combination of professional qualification, experience, reference responses and fee structure. The Town will attempt to negotiate a final scope of services and fee agreement with the highest-ranking firm.

## **ADDITIONAL INFORMATION**

Requests for additional information should be directed to:

Kim Mitchell, Director of Community Programs and Relations  
Town of Lyons  
PO Box 49  
Lyons, CO 80540  
Email: [kmitchell@townoflyons.com](mailto:kmitchell@townoflyons.com)  
Phone: 303-823-6622 x35

## **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 reserves the right to not enter into an agreement with any firm responding to this RFP, to request additional information and/or solicit new proposals if deemed necessary. The Town of Lyons reserves the right to reject any and all proposals and to waive minor irregularities. Any contract resulting from this RFP is subject to approval by the Board of Trustees.