1. – 3. Background, Submission Requirements and RFP Guidelines section to follow standard City procurement procedures.

4. SCOPE OF WORK

4.1 Overview and Structure of the Engagement

The engagement is structured in two phases with an explicit decision gate between them:

- Phase I – Feasibility Study (this award). The market, hotel, program, site, financial, funding, and economic impact analyses described in Section 4.3, culminating in a final report and presentations to City Council.
- Phase II – Optional Pre-Design Continuation. Authorized only by separate action of City Council following delivery of Phase I, as described in Section 4.4.

The convention center and the headquarters hotel question shall be analyzed in tandem throughout. Peer projects reviewed by the City indicate that purpose-built convention centers are typically paired with an adjacent or attached full-service headquarters hotel. The City has not predetermined that outcome for Fayetteville. The Study shall evaluate the recommended facility under scenarios both with and without an associated headquarters hotel, state the pros, cons, and projected performance implications of each scenario, and conclude with the consultant's explicit recommendation. No task in this scope may treat the hotel question as an afterthought to the facility analysis, and where the analyses produce different conclusions for center and hotel, the report shall state both conclusions and their interaction.

4.2 Process Requirements

The following structural requirements apply to the engagement and will be incorporated into the resulting contract. They reflect the City's review of how recent public facility projects in the region and peer cities have been structured:

- Phase gate. Phase II work shall not begin, and no Phase II compensation shall accrue, absent written authorization following an affirmative vote of City Council. The Phase I report must be structured to support that decision, including a clear statement of findings, options, and risks.
- Program re-validation trigger. If, during the engagement, the consultant's recommended building program or estimated project cost changes by more than ten percent (10%) from figures previously presented to City Council, the consultant shall notify the City in writing and support a re-validation presentation to Council before proceeding on the changed basis. The resulting contract will include this provision, and the City intends to include equivalent triggers in all subsequent project contracts.
- Program and site presented together. The Phase I report shall present the recommended building program and the site evaluation as an integrated package suitable for concurrent Council and stakeholder sign-off, such that no subsequent project-management or design contract need be executed before the program and site are confirmed together.

- Parcel-level rigor. Site work under this Study shall be conducted at the level of specific parcels, not zones or districts. Each candidate site shall carry its own concept massing, site-specific program fit, and preliminary pro forma as described in Task 4.

4.3 Phase I Tasks

4.3.1 Task 1 – Market Demand Analysis

- Inventory and assessment of competing and comparable facilities in the regional market, including capacity, utilization, and general operating profile, and the anticipated impact of a Fayetteville facility entering the market.
- Analysis of market capacity and saturation in the broader region, including supply and demand trends by event type.
- Estimates of annual events and attendance for a Fayetteville convention center by event type (conventions, trade shows, conferences, banquets and social events, government and military-affiliated events, and other relevant profiles), with methodology and data sources disclosed.
- Assessment of state and regional association demand, including the structural requirements of association host cities (function space, single-property or clustered room block, and walkable amenities) and Fayetteville's competitive position, building on the City's preliminary scan.
- Assessment of demand associated with Fort Liberty and military-affiliated organizations, including reunion, association, and official event segments.
- Analysis of whether a new facility would complement or displace existing local facilities, and identification of market constraints or challenges.

4.3.2 Task 2 – Headquarters Hotel Market Analysis (in tandem)

- Economic and lodging market overview for downtown Fayetteville, building on and updating the City's 2024 hotel market study rather than duplicating it, including occupancy, ADR, and RevPAR trends for the competitive set.
- An explicit recommendation on whether an attached or adjacent headquarters hotel is required or advisable for the recommended facility to succeed, including evaluation of a no-new-hotel scenario relying on existing and planned downtown supply, with the pros, cons, and projected facility performance under each scenario.
- If the analysis supports a headquarters hotel, determination of the hotel program, including room count (evaluating the 250–300 key full-service tier indicated by peer projects), meeting space, food and beverage, and brand and service-level positioning.
- Analysis of whether the required headquarters hotel is financially achievable, including induced and displaced demand, estimated stabilized performance, and an explicit determination of whether a public participation gap exists at the required scale, with reference to documented peer-city hotel gap structures.
- Analysis of the relationship between the recommended headquarters hotel and existing and planned downtown hotel supply, including the 125-key project in development on Hay Street.

4.3.3 Task 3 – Building Program and Facility Recommendations

- Recommended building program for the convention center: exhibit and multipurpose space (size, configuration, ceiling height, floor load, column spacing), ballroom and banquet space, meeting rooms, kitchen and back-of-house, pre-function and registration, service areas, and estimated gross square footage.

- Recommended hotel program elements and the ideal physical relationship between hotel and center (attached, adjacent, or integrated).
- Parking requirements for the combined program and the approach to meeting them.
- Facility positioning relative to the existing regional inventory, including the Crown Coliseum complex and the Crown Expo Center, so that the recommended program complements rather than duplicates existing assets.

4.3.4 Task 4 – Parcel-Level Site Evaluation

- Identification of two to three candidate downtown sites in consultation with the City. The City will make available prior site work, including the three downtown sites reviewed in the 2024 hotel study and the 20-criterion site-evaluation framework developed in the 2021 study, which may be adapted for this purpose.
- For each candidate site: concept-level massing of the recommended center and hotel program on the actual parcel geometry; site-specific program fit including any required program modifications; a preliminary site-specific pro forma; and evaluation against criteria including size and configuration, ownership and acquisition complexity, infrastructure and preparation requirements, visibility and access, linkages to parking, hotels, and downtown amenities, expansion potential, environmental considerations, and cost.
- A comparative ranking of the candidate sites with the basis for the ranking stated. The Study shall not recommend a zone or district in place of specific parcels.

4.3.5 Task 5 – Financial Feasibility and Operating Pro Forma

- Projected operating revenues and expenses for the recommended facility over a twenty (20) year period, by year, including rental, food and beverage, event services, parking, naming and sponsorship, and other revenue lines, and personnel, utilities, insurance, contract services, marketing, maintenance, and administrative expense lines.
- A net operating income statement identifying any projected operating surplus or deficit and the anticipated subsidy requirement, if any, with peer-facility benchmarks for context.
- Cash flow analysis for the headquarters hotel consistent with Task 2, including performance ratios per available and occupied room.
- Recommended pricing, leasing, and operating strategy, including an assessment of operating and governance models (municipal, authority, third-party management, or hybrid).
- An order-of-magnitude capital cost range for the recommended center and hotel program, benchmarked to comparable recent projects and stated as a range with its basis disclosed. A detailed capital cost estimate developed from an actual design is reserved to Phase II.

4.3.6 Task 6 – Funding and Financing Options

- Analysis of funding sources and financing structures for both center and hotel, including the existing 1% prepared food and beverage tax and its bondable capacity (updating the 2021 analysis to current revenues and rates), occupancy tax structures, general obligation and revenue bonds, tax increment financing, public-private partnership and development agreement structures, state participation, naming rights, and other sources.

- Identification of which options require enabling legislation from the North Carolina General Assembly, and the typical structure and timeline of such authorization.
- Case studies of financing structures used by comparable recently completed or advancing projects, including at least one peer North Carolina project.
- Presentation of pros, cons, and risk allocation for each viable structure. The selection of a funding source is a separate City Council decision and is outside the scope of this Study.

4.3.7 Task 7 – Economic and Fiscal Impact

- Projection of economic impact over a thirty (30) year period, including direct and induced spending, jobs, and income, stated with methodology and multipliers disclosed.
- Fiscal impact on City and County revenues, including sales, occupancy, prepared food and beverage, and property tax effects, and impacts from the construction period.
- Impacts shall be presented alongside, not blended with, the operating pro forma, so that operating performance and destination impact remain distinct in the report.

4.3.8 Task 8 – Deliverables, Presentations, and Engagement

- Stakeholder interviews and engagement as proposed in the work plan, coordinated with a City-designated steering committee anticipated to include City staff, a County liaison, the destination marketing organization, downtown district organizations, economic development organizations, a Fort Liberty liaison, the Chamber, and hotel operators.
- A draft report for City review; a final report in editable and PDF formats; an executive summary suitable for public distribution; and the data and models underlying the projections in a usable format.
- Up to two (2) presentations to City Council (or one work session and one regular meeting), and up to two (2) additional presentations to the steering committee or stakeholder groups.

4.4 Phase II – Optional Pre-Design Continuation

At the City's sole option, exercised only by separate written authorization following an affirmative vote of City Council after delivery of the Phase I report, the consultant may be directed to continue into Phase II. Phase II is anticipated to include: architectural concept development and blueprints for the recommended program on the selected site; a parcel-level site selection recommendation; a capital cost estimate developed from the actual program rather than peer analogies; bond capacity and financing structure development; and public engagement workshops. Proposers shall price Phase II separately per Section 2.4, Tab 5. The City anticipates a Phase II duration of approximately six to nine months if authorized. The resulting contract will state a total not-to-exceed amount encompassing both phases, with Phase II amounts unavailable absent the Council authorization described above.

4.5 City-Furnished Information

Upon notice to proceed, the City will furnish: the 2021 County feasibility study; the 2024 hotel market study; parcel, ownership, zoning, and infrastructure data for candidate sites; current prepared food and beverage tax collections; and available demographic and tourism data. All information furnished remains the property of the City and may be used solely for this engagement.

4.6 Schedule of Performance

Phase I shall be completed, including delivery of the final report, within one hundred twenty (120) days of notice to proceed, excluding City review periods. The proposal shall include a milestone schedule demonstrating how this will be achieved.

4.7 Pricing Requirements

The City has established a budget not to exceed One Hundred Thousand Dollars ($100,000) for Phase I services. Proposals with a Phase I fee exceeding this amount may be deemed nonresponsive. Phase II is not included in this figure and is subject to the separate authorization described in Section 4.4; the resulting contract will state a total not-to-exceed amount for both phases. Proposers shall submit a fixed fee for Phase I, broken down by task with hours by staff classification, inclusive of all expenses unless separately itemized as reimbursable at cost with a stated cap. Phase II shall be priced separately as a fixed fee or not-to-exceed amount. The City will withhold final payment of not less than ten percent (10%) of the Phase I fee until acceptance of the final report. Final pricing will be established through the resulting contract.