

# **REQUEST FOR PROPOSALS**

## **Hotel Market Demand Study For City of Maple Valley**



City of Maple Valley Economic Development Office  
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Maple Valley, Washington 9838  
(425) 413-6641



## **Request for Proposal**

### ***Professional Services to conduct a Hotel Market Demand Study***

The City of Maple Valley, Washington, is soliciting proposals from experienced individuals or firms to conduct a ***Hotel Market Demand Study*** to provide a professional assessment as to whether the City of Maple Valley possesses the current consumer demand to interest a developer in building a lodging property which is financially sustainable for the community. A Hotel Market Demand Study would involve determining Hotel Occupancy Percentage and Average Daily Rate (ADR) projections (*and sometimes financial projections*) for a particular site(s) or the South King County market in general, however, the study does not compare project costs or developer return on investment (ROI) requirements. Should the Hotel Market Demand Study result in relative high occupancy levels and show that the Average Daily Rate (ADR) is likely achievable, this data can be used to interest lodging developers who would then conduct their own feasibility analysis to determine the initial feasibility and to perform an economic feasibility analysis and proforma for a potential lodging facility.

The proposal should include consultant recommendations that detail the implementation for the development of lodging in Maple Valley. Although a specific site has not yet been selected for lodging, several potential sites have been identified within city limits which may provide an opportunity for such development. This list of potential sites will be provided to the consultant once a contract has been signed. The goal for the City of Maple Valley is to determine if the market is conducive for a sustainable lodging property and to identify what type of lodging would be most feasible for private sector investment along with hospitality amenities that could be developed to support the lodging property.

#### **History of Lodging in Maple Valley:**

Since the City's inception back in 1997, there has always been some discussion of the need for a hotel in Maple Valley to accommodate business and leisure travelers. As you can see from the photos presented here, in the early 1900s Maple Valley offered three different lodging options with the *Seattle Hotel*, *Milwaukee Hotel*, and *Maple Valley Hotel*. These hotels provided rest for the railroad crew and workers.

## Hotel Seattle and Grocer (1912)



## Milwaukee Hotel & Bakery (1912)



## Maple Valley Hotel (1906)



In the early 1900's, the Jacobsen family purchased what was then a homestead farm and opened it to hunters and anglers. The farm evolved into two and then three separate resorts in the 1920's. An expanded Gaffney's Grove Resort opened in 1939, capable of accommodating 9,000 visitors daily. This premier lake resort featured baseball fields, tennis courts, dance pavilions, a skating rink, and two swimming beaches with slides, trapezes, and diving towers. The award winning *Lake Wilderness Lodge* was constructed in the early 1950's. The land was later consolidated under a single ownership and by the 1950's, *Gaffney's Resort* was an active year-round vacation destination that included boat and swim facilities, airstrip, ballroom, rental accommodations and restaurant. The main Lodge was designed by Seattle architectural firm Young & Richardson & Carlston & Detlie known most recently as, TRA. In 1952, the building received the highly prestigious American Institute of Architecture and Washington State Design Awards. In 1997 it was designated a King County landmark, cited as an excellent example of "post-war, Northwest architecture".

## **Lodging Leakage:**

The following activities listed below are occurring at the present time in the Maple Valley area most of which require lodging giving the City of Maple Valley justification to have a Hotel Market Demand Study conducted. Currently there are no hotels located in Maple Valley and there are no lodging properties along Hwy 18 between the cities of Auburn and North Bend to accommodate these visitors.

- a. Weddings, reunions, and other special events attracting families and relatives to the city.
- b. Sports tournaments
- c. Major events including the **Tough Mudder, Lake Wilderness Triathlon, Black Diamond Triathlon, Fred Hutch Obliteride, and Cascade 6-Hour Adventure Race** to name a few.
- d. Vendors traveling to call on local businesses such as Fred Meyer, and big box retail stores in the Maple Valley/Covington/Black Diamond area.
- e. Tahoma National Cemetery memorial services and special events.
- f. Equestrian-related businesses
- g. Weather impacts (Snoqualmie Pass closures)
- h. Tahoma School District activities
- i. residential construction

Based on the study results, the consultant's recommendation will enable City of Maple Valley staff to direct efforts and resources to address lodging development now or in the future.

**Proposals must be received at City Hall, P.O. Box 320, Maple Valley, WA 98038, no later than 5:00 p.m. on Friday, September 15, 2017.** Proposals will be evaluated based on the following criteria: 1) Respondents must have at least five years of experience conducting Hotel Market Demand and / or Hotel Feasibility Studies; 2) Prompt responsiveness to the solicitation; 3) Proposed scope of services; 4) Availability to start and complete the project, and 5) Proposed cost of services. The City of Maple Valley will not be liable for any costs associated with the preparation and presentation of a proposal submitted in response to this request for proposal. Proposal Evaluations will be completed by **Friday, September 29, 2017** with the top two firms to be interviewed during the week of **October 2 - 6, 2017**.

### ***Scope of Work***

The following is a list of the services to be performed along with the desired outcomes. The City of Maple Valley will consider input from the RFP respondents as to other suggested services to be included in the study should it help provide us with the objectives that we are trying to accomplish. Those services should be listed as *optional* and *additional* in the submission of the RFP.

#### ***1. Review Reports***

- Review the Economic Development Assessments Reports that were produced by both the **International Economic Development Council (IEDC)** in 2014 and **Camoin Associates** in 2016 in order to get a general overview of Maple Valley's economic climate and opportunities.

## 2. *Tour City of Maple Valley*

- Tour Maple Valley to better understand the commercial development activity that currently exists, the available commercial real estate for sale, the new Tahoma High School & Regional Learning Center, Lake Wilderness Park, Lodge, and Golf Course, shopping areas, and outdoor recreation amenities such as mountain bike and hiking trails.

## 3. *Perform a Market Demand Analysis*

- Interview the individuals listed below in order to identify specific lodging-related economic and demographic trends that may have an impact on future lodging demand.
  - Chamber of Commerce staff (*including some Chamber member businesses*)
  - Local Business Owners
  - Local Commercial Real Estate Property Owners
  - Local and Regional Hotel Developers and Investors
  - Local Residents (*to capture the Visiting Friends & Relatives (VFR) market demand*)
  - Residents living outside Maple Valley
  - Hospitality Professionals (*other hotels, restaurants, transportation companies, select tourist attractions*)
  - Lodging User Groups (*i.e. event organizers, sports clubs, businesses, meeting planners, wedding planners, sports facility managers, meeting facility managers, equestrian-related businesses, outdoor recreation groups and any other potential user of a lodging facility*).
  - Any other individuals relevant to collecting data for this study.
- Analyze existing lodging properties (*within a 20-mile radius of Maple Valley*) to include the cities of **Auburn**, **Black Diamond**, **Covington**, **Enumclaw**, **Issaquah**, **Kent**, **North Bend**, and **Renton** in order to determine current lodging demand, market penetration, and the degree of competitiveness.
- Inspect the potential lodging development sites in Maple Valley regarding access, visibility, surrounding neighborhood, proximity to primary sources of demand, and advantages and disadvantages of each site compared to that of other hotels in the area. (*A list of potential lodging sites that have already been identified will be provided when the contract has been awarded*).

## 3. *Develop a Demand Analysis Report*

Draft a report to include the following:

- Recommendation on the type of lodging facility most suitable for Maple Valley (*e.g. hotel, motel, cabins, limited service, full-service, independent hotel, or hotel chain*).

- Recommendation on the most suitable site for placing a lodging facility within the City.
- A competitive analysis on what a new lodging facility must provide as a unique alternative to the current lodging inventory in nearby communities in order to be successful in Maple Valley. This would include specific recommendations for features and amenities.
- The lodging facility's potential utilization, revenue, and occupancy to include, however, not limited to: a) **Hotel Occupancy Percentage**; b) **Average Daily Rate (ADR)** and c) other financial projections (*if necessary*) based on the current South King County lodging market.
- A summary of the **Key Economic Indicators**
- **Historical Performance Figures** (*demand trends*) for the last five years for at least five hotels located closest to Maple Valley.
- **Estimated Mix of Rooms Demand** (*Commercial & Government, Group Travel, and Leisure Travel*)
- **Seasonality of Market Occupancy Rates**
- **Seasonality in Market Average Daily Rate (ADR)**
- Projected **Changes in Market Supply & Demand**
- Conclusion

### *Assumptions*

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

- The perceived need for quality lodging that will allow the City of Maple Valley to market itself as an overnight destination for business travelers, tourists, outdoor enthusiasts, and visiting friends and relatives (VFR) of our residents.
- The perception that Maple Valley is losing overnight visitors to communities with lodging available located 15 to 20 miles away (visitor leakage).
- The perception that there is demand for destination events like weddings, sporting events, tourism and music festivals that may not be accounted for in a Standard Market Analysis.
- The perception that there is a demand for lodging for weddings, small conferences, and sports events that would be attracted to a lodging facility in Maple Valley.
- The perception that Maple Valley's tourism product currently relies on lodging accommodations with rental homes such as bed & breakfast inns, Air BnBs, Vacation Rentals By Owner (VRBO), and less with a standard lodging property, therefore, a quality lodging property in Maple Valley may capture visitors throughout the year.
- The vision of leveraging Maple Valley's abundant natural, historical, and cultural resources into destination workshops and seminars for special interest travelers. This could include photography, outdoor recreation-related workshops, birding, etc.
- An increased ability to attract new businesses and events to Maple Valley.

## ***Schedule***

The City of Maple Valley would like to have the Hotel Market Demand Study completed no later than **Friday, January 26, 2018**.

## ***Description of the Consultant Proposal***

The following information should be provided by the respondents wishing to be considered:

1. Location of office
2. Length of time individual or firm has been providing these types of services
3. List of staff who would be assigned to this project, including summary resumes and description of professional capabilities specifically required to perform this work
4. List of recent projects similar to this project
5. List of references, including phone numbers
6. Proposed scope of services, based on the description of tasks outlined above
7. Description of graphic presentation, mapping, and related technical capabilities of the individual or firm
8. Proposed cost for provision of services  
Proposals should be concise and explicit and should not exceed 15 pages in total length (*not including summary resumes*).

## ***How to Submit a Proposal***

Your bid materials must be delivered to City Hall c/o Tim Morgan, Economic Development Manager, no later than 5:00 PM **Friday, September 15, 2017** via the following methods:

### **Via U.S. Mail:**

Tim Morgan  
Economic Development Manager  
City of Maple Valley  
Post Office Box 320  
Maple Valley, WA 98038-0320

### **Via Electronic Mail:**

[tim.morgan@maplevalleywa.gov](mailto:tim.morgan@maplevalleywa.gov)

### **Via Hand Delivery:**

Tim Morgan  
Economic Development Manager  
22017 SE Wax Road, Suite 200  
Maple Valley, WA 98038