

Village of Winthrop Harbor

Hotel Feasibility Study
Request for Proposal

Submittal Deadline:
February 15, 2018
4:00PM

Prepared by:
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SCOPE OF WORK

The Village of Winthrop Harbor requests proposals for professional services to conduct a market feasibility study for a hotel within the municipality. The study should address the following:

- The current and projected market demand for the number, type and duration of hotel stays in the village.
- A competitiveness analysis on what a hotel facility must include to provide a financially viable alternative to the region's existing hotel stock, and
- An economic feasibility analysis and proforma for a potential hotel.

The resulting study is intended to be provided to potential hotel developers, management companies, financial institutions and/or potential investors interested in participating in a hotel development project in the Village of Winthrop Harbor.

COMMUNITY BACKGROUND

Winthrop Harbor is located on the shores of Lake Michigan in the northeast corner of Illinois and is home to North Point Marina, the largest freshwater marina in the United States. Access to 6 miles of shoreline, 1,500 boat slips and nearly one million annual visitors to the marina and surrounding lakefront complex, make up the basis of an untapped tourism market.

In addition to recreational boating opportunities the lakefront complex includes public beaches, charter fishing and a variety of eco-tourism activities from bird watching to biking and hiking. A quality hospitality product is the cornerstone of the village plan to convert visitors to our community to economic growth.

See the municipal website: www.winthropharbor.com for additional background, including the Plan for Economic Development and Comprehensive Plan documents under the Community Development link.

PRELIMINARY SITE CONSIDERATIONS

All viable properties are available for consideration as a part of this study. The goal of the village is to determine what type of private sector hospitality project is feasible considering site, brand and accommodation amenities.

A specific site has not been identified and there are distinct opportunities depending on the area of the village to be considered for hotel development; 1) the lakefront or, 2) the Sheridan Road commercial corridor.

- 1) The lakefront includes a 5 acre parcel of land adjacent to North Point Marina that is a part of the original master development plan for the complex. A resort/convention center type hotel was contemplated in the original master plan for this location.
- 2) The Sheridan Road commercial corridor consists of the most heavily trafficked road in the village and our major north/south thoroughfare connecting Pleasant Prairie and Kenosha Wisconsin to the north and Zion, Beach Park and Waukegan to our south. A

traditional, quality overnight accommodation including food service and perhaps a swimming pool in this area would support the objectives of the village economic development plan.

The Sheridan Road commercial corridor also includes the entryway to the lakefront complex and a Metra stop connecting Kenosha with downtown Chicago. A Transit Oriented Development (TOD) plan exists for the area surrounding the Metra stop. The TOD imagines mixed-use development, including hospitality uses, in a design to reflect a “Harbor-Theme”, intended to enhance the ability of the village to market itself as a tourism destination.

A number of options exist within this corridor that could accommodate a hotel development from vacant land to desired redevelopment opportunities. The following are sites actively marketed for hotel development in the past:

- NE Corner of Sheridan Road and 7th Street, commonly known as “The Triangle”. The site consists of 8 acres with multiple owners. The village owns 4+ acres, including Sheridan Road and 7th Street frontages. The Triangle has long been considered a key redevelopment opportunity in pursuit of the village economic development plans. It has been supported in the past with infrastructure upgrades, zoning code modifications and the establishment of a Tax Increment Financing District.
- SE Corner of Sheridan Road and 1st Street. This 11 acres site is owned by the village and is at the entryway to both the village and the State of Illinois. Approximately 6 of the 11 acres are wetlands, however all of the Sheridan Road and 1st Street frontages are outside of the wetlands.

DESIRED STUDY OBJECTIVES

- 1) Winthrop Harbor specific Market Demand Analysis
 - a. Future lodging & hospitality demand in the market area
 - b. Primary and secondary market research
 - c. Identify demand generators or potential users including interviews with potential users
- 2) Project Feasibility Study
 - a. Assess the viability of a hotel development in both the Lakefront and Sheridan Road commercial corridor areas of Winthrop Harbor
 - b. Identify market constraints
 - c. Estimate capital investment required and expect return on investment needed to attract investors
 - d. Estimate municipal motel tax revenue generated from a new hotel development
 - e. Address potential public incentives (state and local) that could improve the viability of attracting investment in the project
- 3) Facility Recommendations for both the Lakefront and Sheridan Road commercial corridor

- a. Number and mix of guest rooms
 - b. Room configuration
 - c. Food and beverage concept
 - d. Meeting space requirements
 - e. Other recommended amenities
- 4) Financial Projections
- a. Detailed financial proformas that can be provided to hotel developers, lending institutions, investors, management companies and franchises
 - b. Projections for years 1-5
 - c. A breakeven assessment

SUBMITTAL REQUIREMENTS

- 1) Name and contact information of the submitting firm.
- 2) Names and professional qualifications of those conducting the study.
- 3) List of entities, including contact information, for which the bidder has conducted similar studies. Include study purpose and measurable results to date.
- 4) Provide a detailed description of the professional fees to be charged.
- 5) Provide a task list and schedule to complete the study.

TERM OF CONTRACT

Contract will start upon acceptance, for a one year period, renewable only upon written agreement approved by the Village Board and the contractor.

HOW TO SUBMIT

Proposals marked Winthrop Harbor Feasibility RFP shall be received no later than February 15, 2018 at 4:00PM local time via email to pdipersio@winthropharbor.com . The submittal is to be transmitted as a PDF document.

RIGHT TO REJECT PROPOSALS

By responding to this RFP the respondent accepts the process outlined in this RFP and fully acknowledges that the final determination of the Village of Winthrop Harbor is binding and without appeal.

The Village of Winthrop Harbor reserves the right to reject any or all proposals, without prejudice and/or waive any irregularities if deemed in the best interest of the village. In addition, the village reserves the right to reissue all or part of this Request for Proposal and/or not award any contract at its discretion and without penalty.

The Village of Winthrop Harbor reserves the right to accept the proposal considered to be most advantageous to the village regardless of whether or not the terms include the lowest cost.