

REQUEST FOR PROPOSALS
LIMITED-SERVICE HOTEL DEVELOPMENT
DOVER-FOXCROFT, MAINE



Proposal Submission To:

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PISCATAQUIS COUNTY
ECONOMIC DEVELOPMENT COUNCIL



Piscataquis County Economic Development Council

REQUEST FOR PROPOSAL

For Development of a Hotel in Dover-Foxcroft, Maine

Issued November 1, 2023

Piscataquis County Economic Development Council (PCEDC) requests Proposals from parties interested in purchasing one of two identified sites in the Town of Dover-Foxcroft and developing a hotel on that site.

Proposals and content are set forth in this Request for Proposal (“RFP”).

Interested parties should submit their responses as outlined herein, no later than 5:00pm EST **January 12, 2024**. Based on the qualifications submitted, PCEDC will select a short list of two to four firms to present their proposals in person and discuss the project prior to formal selection. These in-person presentations will occur in Dover-Foxcroft during the week of January 22, 2024.

ALL MATERIALS DISTRIBUTED AS PART OF THIS RFP PROCESS ARE INTENDED FOR THE SOLE USE OF THOSE RESPONDING TO THE RFP AND ARE TO BE TREATED AS CONFIDENTIAL.



HOTEL DEVELOPMENT OPPORTUNITY

Dover-Foxcroft, ME

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1. INTRODUCTION

Piscataquis County Economic Development Council (PCEDC) would like to have a hotel developed in the Town of Dover-Foxcroft. Neither PCEDC nor the Town of Dover-Foxcroft wishes to develop or own the property, but rather would like a developer to purchase a potential parcel for an exclusive use, with deed restrictions.

The vision/mission for this development is an upper-midscale, limited-service hotel that will serve the needs of a variety of stakeholders and demand generators that are directly or indirectly related to Piscataquis County. The objective of this RFP is to identify a qualified and experienced developer which either has developed and owned hotels or will be in partnership with a hotel operator. PCEDC has elected to take this approach rather than using a more traditional real estate broker because of the uniqueness of the organization’s desire to influence the parameters of the development; for example, it does not wish to for development of any real estate category other than a hotel, and therefore, the parcel acquisition would contingent upon certain deed restrictions.

PCEDC has identified two potential sites for development and the market prices for the parcels are to be determined between buyer and seller. Sites include the following:

1. Lot 30 - An identified undeveloped lot that lot sits directly between 1093 West Main, Community Health & Counseling Services and 1123 West Main, Penquis Rental.
2. Any available lot within the Pine Crest Business Park, vacant land.

We consider this to be a unique opportunity because of the youth sports demand generators in the market, the natural beauty of the Maine Highlands landscape, and the lack of traditional lodging establishments in the county, specifically a nationally branded hotel with 80 guestrooms. Pinnacle Advisory Group, a national and well-respected hotel consulting firm, prepared an independent market study for the site in May 2023 and this study is included in the addendum to this report.

2. RFP SCHEDULES AND PROCEDURES

The schedule for the issuing and responding to this RFP as well as the anticipated schedule after the submission date is as follows:

RFP Issued	November 1, 2023
Site Tours:	December 4-8, 2023
Deadline for submission of written Questions:	December 22, 2023
Answers to Questions will be returned by:	January 5, 2024
Deadline for submission of proposals:	January 12, 2024
Presentations of those Selected as Finalists:	Week of January 22, 2024
Finalist Selected	February 5, 2024
Enter into LOI with Deposit	March 2024
Finalize Agreement of Sale	April 2024
Finalize design and secure permitting and zoning	April 2025
Hotel Opens	September 2026



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Format

Respondents shall submit their qualifications and proposal in PDF format via email.

2.1 Submission of Proposals

Proposals must be received by **5:00pm EST on January 12, 2024**. Submissions should be delivered in PDF format via email to Angela Arno at angie@pcedc.org.

Meetings and Presentations

Presentations of finalists are expected to take place, in person, in Dover-Foxcroft during the week of January 22, 2024.

2.2 Selection

This is a contingent land sale, so the selection process will require various negotiations of various transaction points following the proposals, to be followed by a letter of intent and then followed by a Purchase and Sale Agreement.

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3. BACKGROUND AND DESCRIPTION

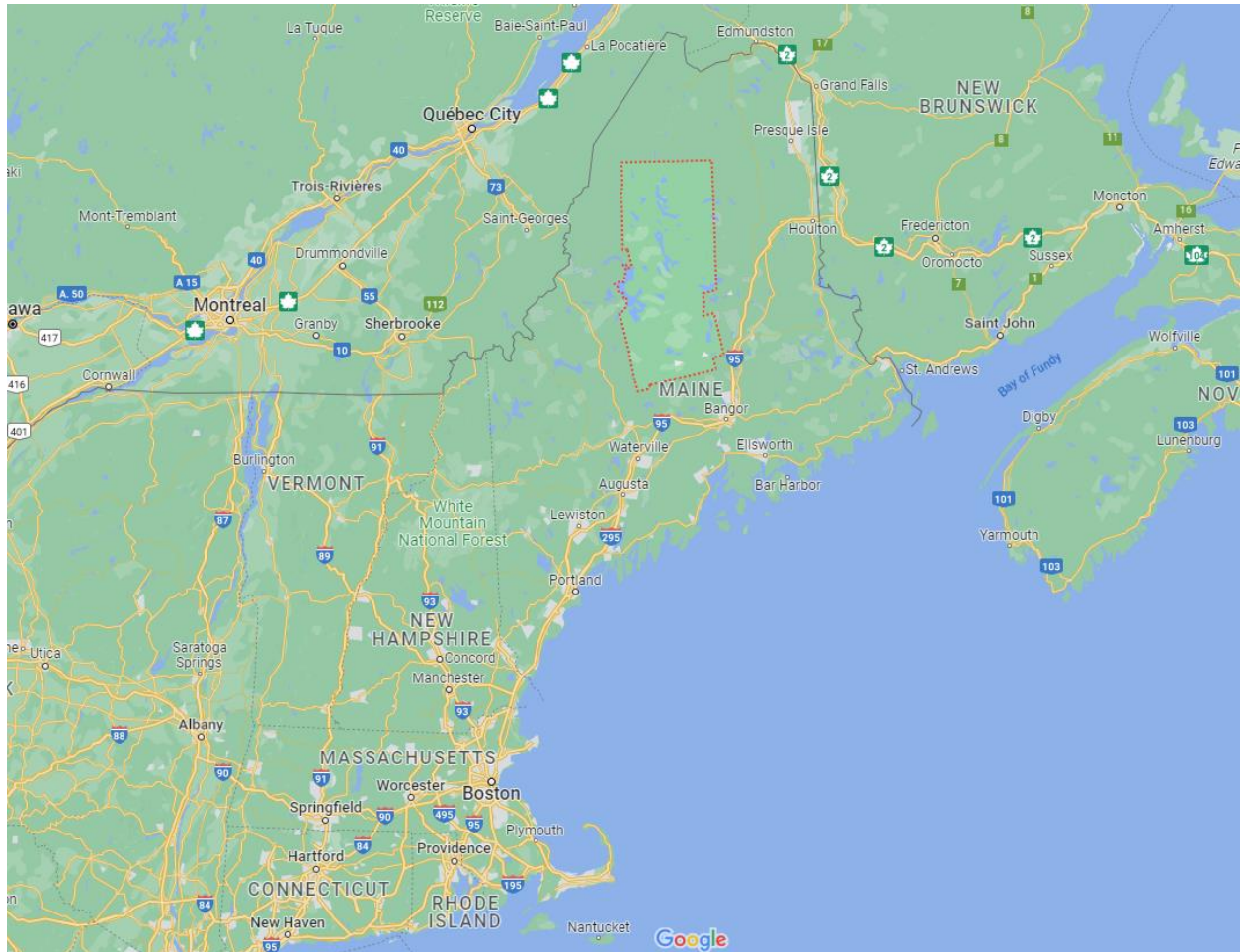
The Highlands Region is in the heart of Maine in both Piscataquis and Penobscot counties. Located here are hundreds of thousands of undeveloped acres of frontier land. The Highlands features the state's highest peak (Mt Katahdin), the longest river (the Penobscot), and the largest lake (Moosehead). There are more than 200 waterfalls; and thousands of miles of trails to explore on foot, bicycle, skis, snowmobile, or ATV. The forest is ripe for wildlife watching and hunting, as well as numerous lakes, rivers, and streams to fish. The landscape is marked with small vibrant towns with annual festivals and fairs, each with their own local color. According to a study done by Downs & St, Germain Research, the Maine Highlands attracted 876,000 visitors in 2022, generating 1.98 million room nights, and spending \$619 million in accommodations, transportation, groceries, restaurants, shopping, and entertainment.

Dover-Foxcroft is a town located in the southcentral portion of Piscataquis County. Piscataquis County covers 4,378 square miles, with a population base of 17,417, equating to only four people per square mile. This low population density allows for an expansive outdoor experience. The area is full of forested land with hiking and biking trails, and picturesque wilderness. Of the 4,378 square miles, 417 miles are water allowing for fishing, boating, and all lake activities.

Piscataquis County is outlined in red within the state of Maine in the following map and demonstrates the vast geographic size of the county.



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Foxcroft Academy: Foxcroft Academy is a public/private high school and college prep school. Approximately 300 local students attend as their “public school” and then another 60 to 80 students come from international destinations, representing 21 countries. This unique structure allows students from rural Maine to be exposed to international students and expand upon their world of thought. Foxcroft Academy is a substantial benefit to the community in terms of keeping families with school-age children in the area.

Jim Robison Field House: The \$7 million Jim Robison Field House opened in August 2022 with an 80,000-square foot artificial turf field, weight room, and locker rooms. The field is large enough to accommodate both field hockey games and soccer games. The field is circled by a 0.2-mile track with three lanes. The complex is open for use by Foxcroft Academy located adjacent, as well as the local community. The Libra Foundation contributed \$2 million to initiate the project. Management would like to host regional and statewide tournaments here.

Piscataquis County Ice Area: The \$13.5 million Piscataquis County Ice Arena opened in September 2019, fully funded by the Libra Foundation. The arena is located just west of the field house along Route 6, on the western side of Dover-Foxcroft. The arena is operated by Foxcroft Academy and is the most state-of-the-art in all of Maine. Management hopes to extend the one-day tournaments into multiple day tournaments with proper infrastructure in town.



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Sebec Lake: Sebec Lake is located five miles north of Dover-Foxcroft with 6,803 acres of water. Peaks-Kenny State Park is located on the south shore and is a seasonal public recreation area with 813 acres. The grounds include a white sand beach at South Cove, 56 campsites, picnic area, hiking trails, and canoe and kayak rentals.

Piscataquis County: Additional demand drivers in the county include Moosehead Lake, Mt Katahdin, the artists community in Monson, and The Quarry restaurant, winner of the 2023 James Beard award in Hospitality, located in Monson.

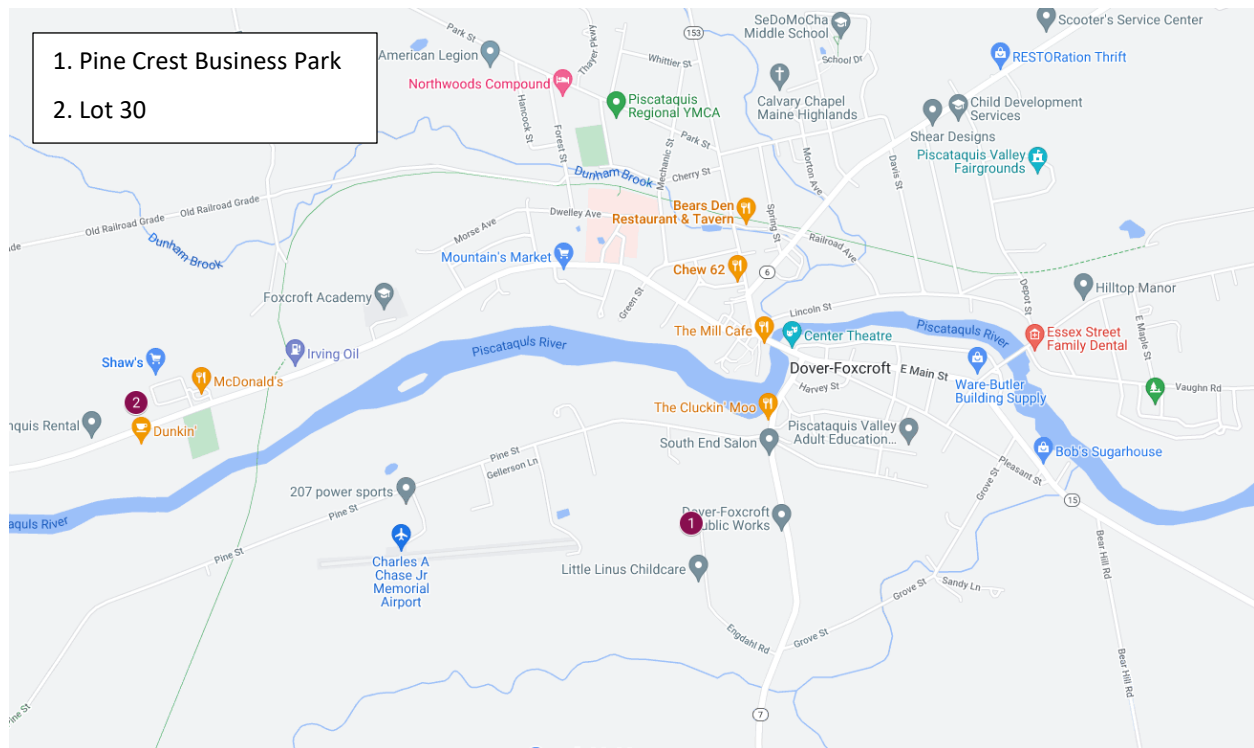
Site Information

There are two available sites for the proposed development within Dover-Foxcroft.



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Available Sites for Development		
	Pine Crest Business Park	Lot 30*
Address	Any available lot Dover-Foxcroft, ME	West Main Street Dover-Foxcroft, ME
Owner	Pincrest Development Corp	Sppedway, Inc.
Contact	Jack Clukey 48 Morton Ave, Suite A Dover-Foxcroft, ME 207-564-3318, Ext. 1014. office 207-717-6565 cell	Nancy A. Cushman P.O. Box 198 Oxford, ME 04270 207-743-7961 office 207-890-5891 cell
Acreege	Lot 6 - 5.5 acres OR Lot 7 - 3.5 acres	10 acres
Access to trails	Yes	Yes
Power	Yes	No
Water	Yes	No
Sewer	Yes	No
*Lot 30 - An identified undeveloped lot that lot sits directly between 1093 West Main, Community Health & Counseling Services and 1123 West Main, Penquis Rental.		
It is important to note that the PCEDC is not the seller of these sites, but rather is a government agency facilitator, committed to creating and supporting the conditions for an equitable development transaction and process leading to the development of a hotel in Dover-Foxcroft. The PCEDC has worked with the owner of each site, and both have expressed a willingness to be a part of this process. Initial questions and due diligence considerations should be directed to and through the PCEDC. After which point, the PCEDC would allow the Buyer and Seller to negotiate the land purchase details.		





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Additional Development Specific Detail

The vision for the proposed property includes that the development is an 80-room (minimum), upper midscale, limited-service hotel that is affiliated with a nationally recognized hotel company. The property should include complimentary breakfast, as well as a brand waiver for a full-service bar offering evening wine, beer, cocktails, and bar/snack food. Further, the property should include approximately 1,200 square feet of meeting space to accommodate local groups such as weddings, funerals, family reunions, or meals for youth sports teams. The proposed property should include amenities such as an indoor pool and hot tub, fitness center, business center, 24/7 market, and complimentary surface parking.

4. EVALUATION CRITERIA

The Proposal Submissions will be evaluated on the following criteria:

- The degree to which the respondents have relevant experience with similar properties;
- Respondent's financial resources and confirmation of ability to secure all financing necessary for this scope of development.
- Feedback provided by references, related to both general and hotel development.
- The willingness of the Respondent to work with the parameters established by PCEDC.
- If the Respondent is a qualified developer that is partnering with a qualified hotel operator, the qualifications of said operator, to include length of time in business in the hospitality industry, current portfolio of owned/operated hotels, reputation with hotel brand managers and hotel lenders, etc.
- The confidence in the degree to which PCEDC believes the respondent can fully execute the defined vision.
- The degree to which the Respondent's vision for the proposed property aligns with PCEDC's vision for the development.

5. AFFILIATION AGREEMENT

PCEDC contemplates entering into an affiliation agreement which spells out the responsibilities of the parties including the following:

Marketing

PCEDC shall acknowledge the Hotel in its marketing materials about Piscataquis County. Any website of PCEDC shall include a link to a website for the hotel operated by the affiliated partner.

Parking

The hotel should offer self-parking in a surface lot adjacent to the hotel. An additional consideration is extra parking for recreation vehicles and/or snowmobiles.

6. DEED RESTRICTIONS

PCEDC will require the following deed restrictions be recorded with the land sale:

- Use restricted to operation of the hotel
- The owner of either land parcel shall have the right of first refusal on a bona fide offer from any third party



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7. SUBMISSION REQUIREMENTS

Each proposal must include the following:

Transmittal Letter

Proposals shall include a transmittal letter identifying the management team. Transmittal letters shall also identify the principal(s) or officer(s) of each respondent authorized to execute documents on behalf of the company, as well as a contact person from the team to receive subsequent communications from PCEDC with respect to the RFP.

Vision for the Proposed Property

Proposals shall include a summary of the proposed hotel development, including features such as number of guestrooms, food and beverage services, meeting facilities and other amenities, as well as anticipated franchise affiliation and opening date, footprint size of the property, and anticipated number of stories.

General Company Information and Experience

Please provide the following:

- I. *Organization Chart* – Provide a graphic organizational diagram of the corporate development/management team. Team members should be clearly identified and the relationships among team members should be indicated.
- II. *Comparable facilities* - Listing in tabular form of other similar hotels developed/operated by the Respondent, to include the following: Location, opening date, period that respondent was/is the operator, room count, food and beverage outlets, function space, and owner name.
- III. *Portfolio* – For the operating partner, a listing of other existing and proposed hotels under development/management (please include name, location, room count, food and beverage outlets, function space).
- IV. *Projects in Your Pipeline* – A list of projects that you have in various stages of completion, to include new development, major renovation projects, and pending (operator) management onboard transitions, and due to become operational in the next three years.
- V. *Comparable Development Budgets* - Please provide a summary of similar development projects and the budgets associated with these development projects.
- VI. *Background on Key Employees* – Provide resumes or biographical information on key employees that will be working on the development and their roles.
- VII. *Corporate Financial Statement* - PCEDC needs to assure that the selected purchasing party has the resources, particularly following the challenging business environment associated with the global pandemic. Kindly provide a review quality corporate financial statement for the years ending 2019, 2022, and projected for 2023.
- VIII. Statement pertaining to Commitment to Diversity, Equity and Inclusion within your organization.



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- IX. Statement pertaining to Commitment to Environmental Sustainability within your organization.

8. LEGAL INFORMATION AS REQUIRED BY PCEDC

This Request for Proposal (“RFP”) contains statements, descriptions and information pertinent to PCEDC and other project related information. The statements, descriptions and information contained herein are for informational purposes only. PCEDC does not represent, warrant or guarantee the accuracy or completeness of such information and any respondent to this RFP should complete its own due diligence with respect to said information.

9. RELEVANT EXHIBITS FOR INTERESTED PARTIES

- A. Cost Estimate to Build Proposed Hotel
- B. Lodging Market Study by Pinnacle Advisory Group

EXHIBIT A – Cost Estimate to Build Proposed Hotel

10. COST ESTIMATE TO BUILD PROPOSED HOTEL

Industry averages have been utilized in order to prepare an estimate of cost to build the Proposed Hotel. Before land costs, it is reasonable to assume a cost between \$16M (rounded) to \$18M (rounded) to construct an upper midscale, limited-service hotel in Maine.

Development Cost Estimate				
Building	4-story wood frame		4-story wood frame	
Bldg Sq. Ft.	44,000		44,000	
Rooms	80		80	
Sq. Ft. per Room	550		550	
	Total Cost	Cost/Room	Total Cost	Cost/Room
Building	\$11,728,000	\$146,600	\$12,792,000	\$159,900
Communications	\$128,000	\$1,600	\$144,000	\$1,800
Equipment	\$336,000	\$4,200	\$368,000	\$4,600
Systems	\$112,000	\$1,400	\$128,000	\$1,600
Supplies	\$208,000	\$2,600	\$224,000	\$2,800
Decorative	\$1,368,000	\$17,100	\$1,496,000	\$18,700
Fees	\$488,000	\$6,100	\$528,000	\$6,600
Total Hard Costs	\$14,368,000	\$179,600	\$15,680,000	\$196,000
Soft Costs @ 10%	\$1,436,800		\$1,568,000	
Contingency @ 5%	\$718,400		\$784,000	
TOTAL COSTS	\$16,523,200		\$18,032,000	
*exclusive of land				

11. LINK TO LODGING MARKET STUDY BY PINNACLE ADVISORY GROUP

<https://pcedc.org/hotel/>