

# HOTEL FOR THE MAXWELL CENTER IN GOLDSBORO, NC



Downtown Goldsboro



Seymour Johnson Air Force Base



The Maxwell Center



The Maxwell Center Courtyard



Select-Service Hotel



Bryan-Multi Sports Complex

The full version of the Market and Feasibility Study for the Proposed Hotel at the Maxwell Center completed by HVS is available at [goldsboronc.gov/hotelstudy](http://goldsboronc.gov/hotelstudy).



A map of North Carolina highlighting the location of Maxwell Center. The center is marked with a red pin and labeled "Maxwell Center" in bold black text. It is situated in Goldsboro, near the intersection of US-70 and NC-13. A blue circle highlights the area around the center. Other cities shown include Raleigh, Fayetteville, Greenville, and Rocky Mount. Major highways like I-85, I-95, and I-40 are also depicted.

**SITE ACREAGE**  
+/- 11.9 AC

**WAYNE COUNTY AGRICULTURAL RESEARCH CENTER**

**SERVICE AREA**

**PEDESTRIAN ACCESS**

**PARKING 80 SPACES**

**PARKING 150 SPACES**

**PARKING 62 SPACES**

**PARKING 80 SPACES**

**PARKING 40 SPACES**

**FUTURE SITE DEVELOPMENT - 6.1 ACRES**

**FUTURE PEDESTRIAN ACCESS**

**HOTEL CONFERENCE CENTER**

**HOT TOWER**

**0 100 FEET**

**APRIL PATRICK HENDERSON**

**Total Parking: 492 Spaces**

The proposed 6-acre site is prime real estate located at the intersection of Wayne Memorial Drive and New Hope Road in an affluent area, 9/10 of a mile from the new U.S. Hwy 70/future Interstate 42, less than a mile from UNC Wayne Healthcare Systems Hospital and Wayne Community College, over 20 restaurants in a 2 mile radius, and within 4 miles of I-795. It is currently zoned for both commercial and residential use.

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# Proposed Hotel Facilities



To determine the potential feasibility of the proposed hotel at the Maxwell Center, HVS was contracted to conduct a market and feasibility study. The study concluded the Goldsboro-Wayne County hotel market could support a 130-room upscale, select-service hotel with a 13.5% internal rate of return over a ten-year holding for an investor. The market research and forecasts coupled with the meeting planner responses have positioned the proposed subject hotel as an upscale, select-service property. Examples of this hotel type include AC by Marriott, Cambria Suites, Courtyard by Marriott, EVEN Hotels, Hilton Garden Inn and Hyatt Place. Although the study determines a hotel with the following facilities would thrive in the Goldsboro-Wayne County hotel market, the City and County will consider other design options that better support the financial investment of the hotel developer.

## Proposed Facilities Summary

Guestroom Configuration		Number of Units
King		50 - 70
Queen/Queen		60 - 80
Executive Rooms and Suites		5 - 10
Total		130
Food & Beverage Facilities		Seating Capacity
Restaurant with Open-Display Kitchen		TBD
Lobby Bar		TBD
The Shop (24-Hour Pantry with Fresh Food Options)		0
Indoor Meeting & Banquet Facilities		Square Footage
Meeting Rooms, Multi-Function Gathering Spaces		3,500
Net Total (Excludes Prefunction Areas)		3,500
Amenities & Services		
Swimming Pool		Fitness Room
Outdoor Patio and Fire Pit		Lobby Computer Workstations
Infrastructure		
Parking		Self-Parking
Elevators		Guest, Service
Life-Safety Systems		Sprinklers, Smoke Detectors

Sample key findings are highlighted throughout this brochure, and the full report is available in downloadable pdf form on [goldsboronc.gov/hotelstudy](https://goldsboronc.gov/hotelstudy). A copy can be obtained by contacting Ashlin Glatthar at [aglatthar@goldsboronc.gov](mailto:aglatthar@goldsboronc.gov) or (919) 734-7922.

# Development Costs & Incentives



The City and County desire the facilities and amenities as recommended by the findings of HVS' market and feasibility study; however, the City and County are open to considering hotel design options that vary from the results and recommendations of HVS' report. Overall, the proposed subject hotel should offer a well-designed, functional layout that support areas and guest rooms, as well as compliment the travel demands generated by the Maxwell Center.

## Development Cost Categories

Component Based on Sample Development Budgets	Estimate for 130-Room Hotel	Cost per Room	%of Total
<b>Hard Costs &amp; Site Improvements</b>	\$11,700,000	\$90,000	59%
<b>FF&amp;E</b>	1,950,000	15,000	10%
<b>Pre-Opening Costs and Working Capital</b>	650,000	5,000	3%
<b>Soft Costs</b>	1,950,000	15,000	10%
Subtotal (without Land and Developer's Fee)	\$16,250,000	\$125,000	
<b>Assumed Site Component Cost at 10% of Total</b>	\$1,950,000	\$15,000	10%
Subtotal (without Developer's Profit/Entrepreneurial Incentive)	\$18,200,000	\$140,000	
<b>Developer's Profit/Entrepreneurial Incentive</b>	\$1,625,000	\$12,500	8%
<b>Total</b>	\$19,800,000	\$152,000	100%

## INCENTIVE OPPORTUNITIES

Based on the range of development costs detailed in the HVS feasibility analysis, the calculated return to the equity investor is 13.5%. To help ensure a strong rate of return for this project, the City the City and County are prepared to offer the following for the right proposal:

- Development of storm water retention pond for site (already installed)
- Shared egress and ingress with the Maxwell Center campus (already installed)
- 2 acres out of the 6 acres for hotel development
- Installation of concrete curb and gutter
- Pavement of parking lot
- Water and Sewer installed to the site (already installed)

**Additionally, pending the City and County's comprehensive financial analysis of proposals, the City and County are prepared to consider the use of other assets or financial tools as incentives for the project.**

# Demand Generators for Overnight Travel



## Forecast of Market Occupancy

	2021	2022	2023	2024
<b>Meeting and Group</b>				
Base Demand	19,026	19,787	20,381	20,584
Unaccommodated Demand	502	522	537	543
Induced Demand	7,003	9,445	11,394	11,394
Total Demand	26,531	29,754	32,312	32,521
Growth Rate	32.1 %	12.1 %	8.6 %	0.6 %
<b>Commercial/Government</b>				
Base Demand	81,573	84,836	87,381	88,254
Unaccommodated Demand	693	720	742	749
Induced Demand	7,566	9,189	10,171	10,171
Total Demand	89,832	94,745	98,294	99,175
Growth Rate	8.1 %	5.5 %	3.7 %	0.9 %
<b>Leisure</b>				
Base Demand	52,388	54,484	56,118	56,680
Unaccommodated Demand	514	535	551	557
Induced Demand	3,657	4,108	4,582	4,582
Total Demand	56,560	59,127	61,252	61,818
Growth Rate	5.1 %	4.5 %	3.6 %	0.9 %
<b>Totals</b>				
Base Demand	152,987	159,106	163,880	165,518
Unaccommodated Demand	1,709	1,777	1,830	1,849
Induced Demand	18,227	22,742	26,148	26,148
Total Demand	172,922	183,626	191,858	193,515
Less: Residual Demand	0	0	0	0
Total Accommodated Demand	172,922	183,626	191,858	193,515
Overall Demand Growth	10.9 %	6.2 %	4.5 %	0.9 %
<b>Market Mix</b>				
Meeting and Group	15.3 %	16.2 %	16.8 %	16.8 %
Commercial/Government	51.9	51.6	51.2	51.2
Leisure	32.7	32.2	31.9	31.9
<b>Existing Hotel Supply</b>				
Proposed Hotels	594	593	593	593
Proposed Subject Property <sup>1</sup>	130	130	130	130
Home2 Suites by Hilton (conversion) <sup>2</sup>	83	83	83	83
Available Room Nights per Year	294,336	294,336	294,336	294,336
Nights per Year	365	365	365	365
Total Supply	806	806	806	806
Rooms Supply Growth	19.2 %	0.0 %	0.0 %	0.0 %
Marketwide Occupancy	58.7 %	62.4 %	65.2 %	65.7 %

<sup>1</sup> Opening in January 2021 of the 100% competitive, 130-room Proposed Subject Property

<sup>2</sup> Opening in February 2019 of the 100% competitive, 83-room Home2 Suites by Hilton (conversion)

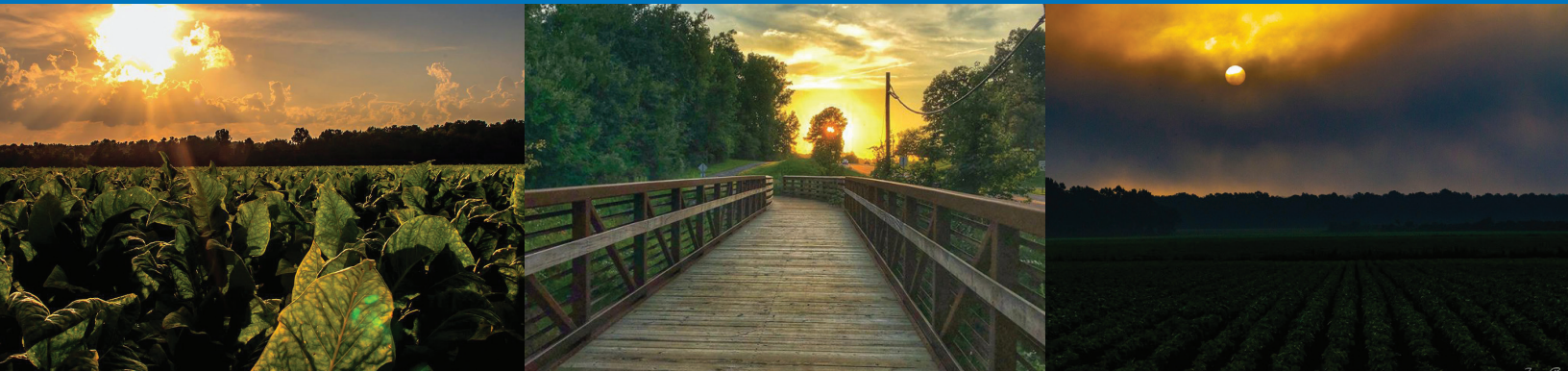
Goldsboro's strong travel industry is reflected in the surge of economic development the community has experienced in the last three years. Over 40 commercial and independent businesses have opened their doors. Since 2016, over \$25 million public and private investments have revitalized Goldsboro's historic downtown providing a unique visitor experience. In addition to the opening of the Maxwell Center, the city completed a \$7 million sports venue known as the Bryan Multi-Sports Complex. Within its first operating year, the venue will have hosted four state-sanctioned sporting events generating almost 3,000 room nights. More overnight demand is expected

from the installation of Boeing's KC-46A Pegasus at Seymour Johnson AFB in 2019, as well as the increased rosters of the 916th Refueling Wing's drill weekends. **For a full listing of the current and future room night generators, please review the full market and feasibility study by HVS available on [goldsboronc.gov/hotelstudy](http://goldsboronc.gov/hotelstudy).**

## Likelihood of Booking Events at Maxwell Center Given Hotel Development

I would be much more likely to book an event at the Maxwell Center	53%
An adjacent hotel would have no impact on booking my events	27%
I would be somewhat more likely to book an event at the Maxwell Center	20%

# Historical Trends & Forecasts



The following table provides a historical perspective on the supply and demand trends for a selected set of hotels most comparable to the proposed subject hotel. The continued economic growth, along with the completion of the Maxwell Center and the Bryan Multi-Sports Complex, demonstrate a positive trend for the occupancy, ADR, and RevPAR of the local hotel market.

## Historical Supply & Demand Trends - Local Competition

	Average Daily	Available Room	Occupied Room				Average			
Year	Room Count	Nights	Change	Nights	Change	Occupancy	Rate	Change	RevPAR	Change
2008	364	132,860	—	81,629	—	61.4 %	\$76.55	—	\$47.03	—
2009	364	132,860	0.0 %	79,530	(2.6) %	59.9	73.68	(3.7) %	44.11	(6.2) %
2010	364	132,860	0.0	86,180	8.4	64.9	75.98	3.1	49.29	11.7
2011	364	132,860	0.0	93,396	8.4	70.3	80.87	6.4	56.85	15.3
2012	408	149,052	12.2	106,730	14.3	71.6	81.74	1.1	58.53	3.0
2013	452	164,980	10.7	109,946	3.0	66.6	82.50	0.9	54.98	(6.1)
2014	506	184,668	11.9	117,330	6.7	63.5	84.04	1.9	53.39	(2.9)
2015	601	219,532	18.9	136,356	16.2	62.1	87.33	3.9	54.24	1.6
2016	642	234,330	6.7	164,737	20.8	70.3	91.20	4.4	64.12	18.2
2017	642	234,330	0.0	163,543	(0.7)	69.8	93.45	2.5	65.22	1.7
Hotels Included in Sample			Class			Competitive Status	Number of Rooms	Year Affiliated	Year Opened	
Best Western Plus Goldsboro Hotel			Upper Midscale Class			Primary	120	Mar 2014	Apr 1988	
Hampton Inn Goldsboro			Upper Midscale Class			Primary	111	Jul 1995	Jul 1995	
Country Inn & Suites Goldsboro			Upper Midscale Class			Primary	66	Nov 2000	Nov 2000	
Quality Inn Goldsboro			Midscale Class			Secondary	67	Dec 2012	Nov 2000	
Sleep Inn & Suites Mount Olive			Midscale Class			Secondary	88	Jul 2012	Jul 2012	
Holiday Inn Express & Suites Goldsboro			Upper Midscale Class			Primary	92	Jun 2014	Jun 2014	
TownePlace Suites Goldsboro			Upper Midscale Class			Primary	98	Jun 2015	Jun 2015	
Total							642			

Based on the historical trends coupled with the forecast data outlined in the study by HVS, the following tables outline how the proposed hotel will flourish in the meeting and group segments due to the joint marketing efforts with the Maxwell Center and other demand generators affecting the local market.

The strong historical trends coupled with some of the forecasted data in the tables below support the positive outlook for the proposed hotel's major KPIs.

If subject hotel is built per the timeline set forth in the study by HVS, assuming no other demand generator influences the market, the following table projects estimated revenue and expenses for the property.

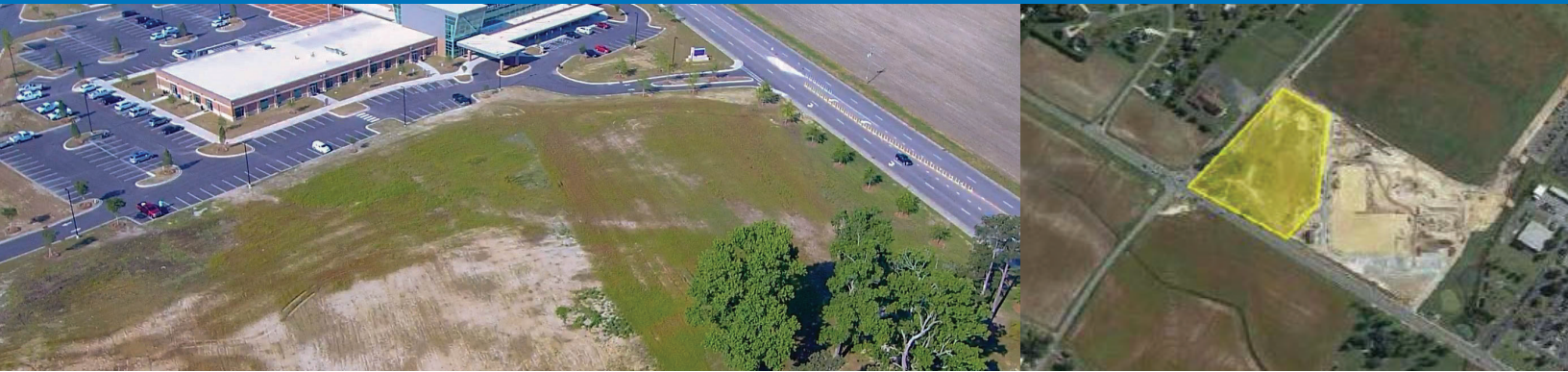
## Detailed Forecast of Income and Expense

	2021 (Calendar Year)	2022	Stabilized	2024	2025
Number of Rooms:	130	130	130	130	130
Occupancy:	59%	64%	68%	68%	68%
Average Rate:	\$132.45	\$137.75	\$142.57	\$146.84	\$151.25
RevPAR:	\$78.14	\$88.16	\$96.95	\$99.85	\$102.85

## Forecast of Revenue & Expense Conclusion

	Year	Total Revenue		House Profit		House Profit Ratio	EBITDA Less Replacement Reserve		
		Total	% Change	Total	% Change		Total	% Change	As a % of Ttl Rev
Projected	2021	\$4,172,000	—	\$1,559,000	—	37.3 %	\$1,232,000	—	29.5 %
	2022	4,688,000	12.4 %	1,882,000	20.7 %	40.0	1,398,000	13.5 %	29.7
	2023	5,142,000	9.7	2,155,000	14.5	42.0	1,585,000	13.4	30.9
	2024	5,296,000	3.0	2,219,000	3.0	42.0	1,633,000	3.0	30.9
	2025	5,454,000	3.0	2,286,000	3.0	42.0	1,682,000	3.0	30.9

# Request for Proposal for Hotel at the Maxwell Center



The City of Goldsboro is seeking proposals, letters of interest and information from qualified development companies for the development of a key hotel site adjacent to the Maxwell Regional Agricultural and Convention Center, or more commonly referred to as the Maxwell Center.

The Market and Feasibility Study for a Proposed Hotel at the Maxwell Center has been completed by the reputable firm, HVS. Their analysis of the project includes development costs, mortgage and equity component, terminal capitalization rate, and mortgage-equity methods—data that projects a 13.5% rate of return for an investor after a ten-year holding.

**Although HVS' market and feasibility study determines a favorable rate of return, the City and County are open to reviewing proposals that include a different set of hotel facilities than outlined in HVS' study that would better support the financial investment of hotel developers.**

## SUBMITTAL REQUIREMENTS & CONTACT INFORMATION

Respondents are requested to submit proposals to the City that outline plans for the development of a hotel. Respondents should identify a single contact person for all correspondence and notifications. Submissions should entail the following:

- A brief background and history of developer.
- Examples of other hotel projects conducted, ideally, within the last five years.
- List project scope, deliverables, contact information and final outcome.
- A proposed time frame for completing the assignment.
- Incentives for the City & County to consider, in addition to the contributions listed in brochure.
- All other relevant information that will assist the review committee in the evaluation.

If you have any questions, need additional information or would like to schedule a site visit, please contact the City of Goldsboro. Proposers should send their information by email or mail to: Ashlin Glatthar, Director of Travel & Tourism, [aglatthar@goldsborgnc.gov](mailto:aglatthar@goldsborgnc.gov), 308 N. William Street, Goldsboro, NC 27530.

## EVALUATION AND SELECTION PROCESS

The City Manager will designate a panel to evaluate all proposals received in response to this solicitation. The panel will evaluate proposals based on the submitted information and material as set forth above. The evaluation will also be based upon individual panel members' judgment as to the degree to which proposals demonstrate both feasibility and market ability to meet the needs of the project.

Notwithstanding, the City and County reserve the right to reject any or all submittals at its sole and absolute discretion, or to extend the deadline for receipt of proposals or modify this solicitation at any time. Members of the panel and other City or County staff may contact references and industry sources, and may investigate previous projects (that may include site visits).

## PROJECT TIMELINE

Proposal submittals are due at the earliest convenience of the interested developer. The review committee will review the proposals in the order which they are received to make notifications within 30 days of receipt to relay next steps.



**Goldsborough Bridge Battlefield**



**Wings Over Wayne Air Show**



**Cruise the Neuse Event**



**Grady's Barbecue**

## WHY GOLDSBORO?

We could go on about our scenic state park, historic sites that date back to antebellum era, legendary BBQ joints, and brag about the daily airshows we witness as F-15E Strike Eagles soar across our skies, but what Goldsboro's appeal really boils down to is its originality. Goldsboro doesn't try to offer the stocked tourism menu folks can find in most cities. Instead, we capitalize on the simple way of life that gets lost in the technology and noise of metropolitan settings. Best put, we promote experiential tourism. Whether the traveler arrives to Goldsboro for business or pleasure, our goal remains the same. We aim to provide a way for both residents and visitors to enjoy an authentic experience full of outdoor adventure, unique flavors, history, genuine hospitality, and airpower that cannot be found or duplicated elsewhere.

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