

Development Opportunity for Downtown Hotel

Request for Proposals (RFP)



Dogwood Parking Lot Site

December 15, 2025

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About This Solicitation

The City of Hendersonville, NC ("City") is seeking proposal statements from experienced development teams to present conceptual plans for the redevelopment of the Dogwood Parking Lot site, described in this RFP. The site consists of three City owned parcels that are located adjacent to the City's vibrant Main Street Municipal Service District. The City is seeking a developer that can successfully build a hotel on the existing properties while aligning design and aesthetics with the existing downtown fabric. This RFP will consist of a review period and a recommendation for endorsement presented to Hendersonville's City Council. While an endorsement by Council is not final approval, it will trigger an exclusive period of negotiation between the City and their selected partner for a development agreement for the project.

The Opportunity

The Dogwood Parking Lot is an existing surface lot abutting a vibrant and heavily trafficked portion of the City's downtown corridor. The City of Hendersonville is a thriving, regional tourism destination, but the absence of a full-service downtown hotel and event product is limiting the City's ability to absorb the growing demand. The City Council has identified this project as critical to the continued success of its local tourism market.

The parcels outlined in red below make up the approximate 1.50 acre existing surface parking lot, identified as the Dogwood Parking Lot.



The lot is located between N. Church St. (East), 5th Avenue West (North), N. Washington St. (West), and 4th Avenue West (South). The lots are prime for development and have a gradual grade running from the northwest end of the lot down to the southeast end.

Substantial work has been done to this point in identifying the opportunity, including and not limited to:

Site Planning

Identified site constraints and established the highest and best use of the site as it relates to community interests. Massing and site test fits (Attachment A) have been done to determine the size and scope of potential development on the property.

Public Engagement

Engaged with stakeholders to learn more about their vision for downtown, and are prepared to support and incorporate this vision into the final development of the lot. Recently the Gen H Comprehensive Plan, was adopted with a specific [Downtown Master Plan](#), the Community Development Plan for this area, on August 1st, 2024.

With current demand for a downtown hotel product, the City of Hendersonville is prepared to engage in a public-private partnership to facilitate the successful development of the Dogwood Parking Lot for a hotel.

About Hendersonville

Hendersonville, NC is located 20 miles south of the City of Asheville in a valley at the edge of the Blue Ridge Mountains. The Asheville Regional Airport is within 20 minutes of downtown Hendersonville, accessible via I26, with direct daily flights to Atlanta, Chicago, Newark and multiple Florida destinations.

Located within 20 miles of Pisgah National Forest and Dupont State Park, Hendersonville is a gateway to a variety of outdoor recreational activities. Visitors flock to the area for its natural resources and stay in the city for its vibrant, downtown retail and restaurant district. The district is listed on the National Register of Historic Places and features the iconic, serpentine Main Street with 16 blocks of specialty shops, art galleries, entertainment venues and casual to high-end restaurants. Recently, the first 6 miles of the future 19.4 mile Ecusta Trail was completed, with a trailhead at the Hendersonville Welcome Center on South Main Street.



Downtown hosts several events year-round that attract thousands of visitors from North Carolina and beyond. The tourism industry is supported by the Henderson County Tourism Development Authority (TDA) and Downtown Hendersonville's Main Street Program which is dedicated to supporting the district's entrepreneurial spirit and maintaining its historic character.

Market Overview

The City of Hendersonville is a well-established tourism destination experiencing strong year-over-year growth. Henderson County was ranked 14th in tourism expenditures behind North Carolina's major hospitality and convention counties such as Mecklenburg and Wake, homes to Charlotte and Raleigh, respectively. Tourism spending in the county, in 2024, increased 2.4% over 2023, and was the highest spending increase in the region. Only three of thirteen regional counties saw an increase in spending over 2023. Despite an unprecedented natural disaster during 2024, Henderson County's tourism remained strong and showed its high levels of resilience.

The market area extends through the Southeast; the top points of origin for overnight leisure visitors are Charlotte, NC; Atlanta, GA; Columbia, SC & Knoxville, TN. Visitors are typically older, upper middle-class, and well-educated couples, a demographic that is also driving the hospitality industry in nearby Asheville.

Visitors are increasingly drawn to Hendersonville for its various offerings. Pisgah National Forest and Dupont State Forest combined attract nearly five million visitors a year. The region has become a prime destination for craft beer enthusiasts, boasting 25+ craft breweries within a 20-mile radius. Sierra Nevada Brewing Co. alone welcomes tens of thousands of visitors a year to the Henderson County based brewery. The regional boom in food and drink tourism is driving year-round activity into downtown



Hendersonville's culinary and brewery scene. Additionally, Downtown Hendersonville hosts several events throughout the year, including the North Carolina Apple Festival, which draws over 275,000 visitors over Labor Day weekend annually.

The growth in visitation to the area and spending is occurring despite limited options for accommodation. Most hotel developments are more than 2.5 miles outside of downtown. Despite growing demand, there is currently no option for a high-quality, full-service hotel located within a mile of downtown, limiting Hendersonville's ability to compete with the new higher-end products coming online in Asheville. The Henderson County Tourism Development Authority (TDA) receives frequent inquiries about a downtown lodging option.

Additionally, current event or meeting venues in downtown Hendersonville are limited to 100 guests or fewer due to lack of large indoor meetings or event space. In 2010, the City of Hendersonville commissioned a feasibility study for a new convention center which concluded that due to the City's proximity to large population centers and transportation hubs, and its diversity of tourism activities, it could successfully attract business for a small to mid-sized convention center. The study indicated, however, that without additional full-service hotel rooms, such an event and convention industry could not be sustained. Currently, Fairmont Heritage Place, The Cedars, is under construction and plans to include event space. This will drive the need for additional hotel rooms near this new, needed amenity.

Overall, the City's infrastructure and strong partnerships allow for a thriving tourism industry, as evidenced by the high occupancy rates and lodging revenue growth. The downtown economic vitality is supported by the City's investment in amenities including public restrooms, parking, and a pedestrian-focused atmosphere that has made Hendersonville a respected national model in downtown revitalization.

Concept for a Public-Private Partnership

The City envisions a partnership with a successful hotel developer to bring a boutique style hotel to the existing Dogwood Parking Lot. The City is willing to facilitate this partnership by selling the lot, which has a market (appraised) value of \$4,335,000, identified in a 2025 appraisal (attachment B). The City intends to use proceeds of the sale to provide an investment in streetscape improvements, parking replacement, and other infrastructure enhancements. Additionally, the City will consider expanding its municipal service district to heighten service levels in and around the property to include enhanced public safety patrols, landscaping and maintenance crews, hanging baskets, decorative lights, and other amenities. Lastly, the public private partnership model allows the City to negotiate variances related to its zoning ordinance with the developer. In partnership, the City is seeking a private hotel development to include but not be limited to:

- A room count of 80 to 120,
- A mixed-use ground level space for retail, small event spaces, and the like, and
- Design features that mold with the existing community aesthetic.

A successful proposal will include hotel renderings and site test fits, a plan for projected hotel parking needs (requests for parking access in the City's parking deck should be specifically noted and detailed), a preliminary pro-forma detailing expected returns, sources, and uses (total private investment), and expectations for the City's contribution in the project.

Additional public participation options may be considered should proposals prove their necessity for a successful project.

Submission of Proposals

Developers shall organize their proposals in the format described below. Please submit the requested information in appropriate detail to allow adequate review and evaluation of qualifications and plans. Any information that a respondent requests remain confidential should be sent under a separate cover (see below Submission Procedure).

1. Letter of Introduction

Include a summary of the respondent's basic qualifications, experience, and reasons for interest in this opportunity. The letter should be signed by a principal or authorized officer for the entity.

2. Program Proposal

Provide a detailed hotel description. Include design schematics and illustrative sketches, development assumptions, and financial assumptions.

- Hotel (number of keys, total gross square footage, amenity package, event space square footage, etc...)
- Commercial (total gross square footage, intended use by square footage)
- Parking requirements
- Overall site design showing how the existing lot will be used
- Site acquisition price
- Detailed development budget
- Expected amounts and sources of debt and equity
- Expected average daily rate, occupancy rate, venue rental fee and commercial rents

3. Development Team

Identify the following information regarding the development team.

- Identification of up to three partner firms and roles, including co-developers, architects/designers, and general contractors
- Overview for each firm on the team, including brief history of firm, past experience working with the developer, and relationship of the firm's parent company with the office responsible for this project, if applicable
- Identification and resumes of lead staff (principals and project managers) that will be responsible for negotiating a development agreement with the City and completing the remainder of the pre-construction approval process

4. Management Team

Include summary information regarding the proposed management team for the operations of the hotel.

- Identification of hotel management partner or franchise
- Overview of the management partner(s) including brief history and hotel portfolio, and experience working with the developer
- Identification and resumes of lead staff

5. Experience & References

Provide relevant development experience, particularly in developing hotel projects. Provide information on at least three, and no more than five projects. Each comparable development should detail the following information.

- Location and name of project
- Name of hotel management partner
- Photos/illustrations of completed project
- Point of contact for project references
- Contact information for a representative of the primary public agency partner in a project, if applicable

6. Disclosures

Please disclose any pertinent information.

- Disclosure of any potential conflicts of interest that could be relevant to this project in any manner
- Disclosure of whether the developer or any officer, director, or owner thereof has had judgments entered against him or her within the past 10 years for the breach of contracts for governmental or nongovernmental construction or development
- Disclosure of whether the developer has been in substantial noncompliance with the terms and conditions of prior construction contracts with a public body
- Disclosure of whether any officer, director, owner, project manager, procurement manager, or chief financial official thereof has been convicted within the past 10 years of a crime related to financial fraud or to governmental or nongovernmental construction or contracting
- Disclosure of whether any officer, director, or owner is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state, or agency of the federal government

Evaluation Criteria

The evaluation of developers responding to this solicitation will be undertaken to select a partner and plan that is viable, will best serve public interests, and can be completed in a reasonable time frame.

The following evaluation criteria will be used to make that selection:

- Qualifications and experience of the development team
- Experience of the hotel management partner, with preference given for downtown and boutique hotel experience
- Quality of the proposed building design and its fit with the surrounding downtown fabric
- Demonstrated ability to secure funding to execute a project of similar scale and complexity in a reasonable timeframe
- List of active development projects and demonstration of current capacity

Submission Procedure

Development Partner proposals are due at 5:00 p.m. EDT on February 15, 2026. Proposals should be submitted electronically in PDF format to bpahle@hvlnc.gov.

Proposals must be prepared in conformance with the guidelines described under “Submission of Proposals”. The email subject must be “Development Partner Proposal: Dogwood Parking Lot Site, Hendersonville, NC”.

All responses are subject to public disclosure under the North Carolina Public Records Law. The City recognizes that respondents must submit information that it may deem confidential and proprietary in order to comply with the requirements of this solicitation.

Notwithstanding anything herein to the contrary, the parties acknowledge that the Client is subject to certain public records disclosure requirements under N.C.G.S. Chapter 132 and nothing contained in this agreement shall be construed to obligate the Client not to comply with such laws. In this respect, the Client acknowledges the content of N.C.G.S. § 132-1.1 and acknowledges its responsibility thereunder with respect to confidential information it wishes to protect.

Please note: this RFP is authorized by both NCGS § 158-7.1 and NCGS § 160D-1315. In considering and evaluating proposals, and negotiating with prospective development partners, the City reserves the right to proceed under either statute, according to the best interest of the City.

For information concerning the procedure for responding to this solicitation, please e-mail:

Brian Pahle, Deputy City Manager, at bpahle@hvlnc.gov, and

Lew Holloway, Community Development Director, at lholloway@hvlnc.gov.

Selection Process

The City will review all responses, contact references, and coordinate interviews as necessary. After a review of submitted proposals, clarifications may be requested. Unless requested by the City, no additional information may be submitted by developers after the February 15, 2026 deadline. The City Staff will enter discussions with the developers having the most viable proposals before finalizing its recommendation of a partner to the Hendersonville City Council.

The next steps in the timeline for this development project are estimated as follows. The City reserves the right to extend or otherwise modify the following schedule:

- | | |
|--|-----------------------------------|
| • RFP Release Date | December 15, 2025 |
| • Proposal Submittal Deadline | February 15, 2026 @ 5:00 PM (EDT) |
| • Staff Review Begins | February 16, 2026 |
| • Recommendation and City Council Approval | To Be Decided (TBD) |

Upon an endorsement by Council, staff will enter into an exclusive period of negotiations between the City and their selected partner for a development agreement for the project. In these negotiations, the developer may be required to provide evidence of sufficient financial strength to undertake and successfully complete a project of this scale.

Disclaimers

All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither the City of Hendersonville, nor any of their officers, agents, or employees, shall be responsible for the accuracy of any information provided to any respondent as part of this solicitation or vetting process. All respondents are encouraged to independently verify the accuracy of any information provided. The use of any of this information in the preparation of a response to this request is at the sole risk of the respondent.

Those submitting responses to this solicitation assume all financial costs and risks associated with the submission. No reimbursement or remuneration will be made by the City to cover the costs of any submittal, whether or not such submittal is selected or utilized.

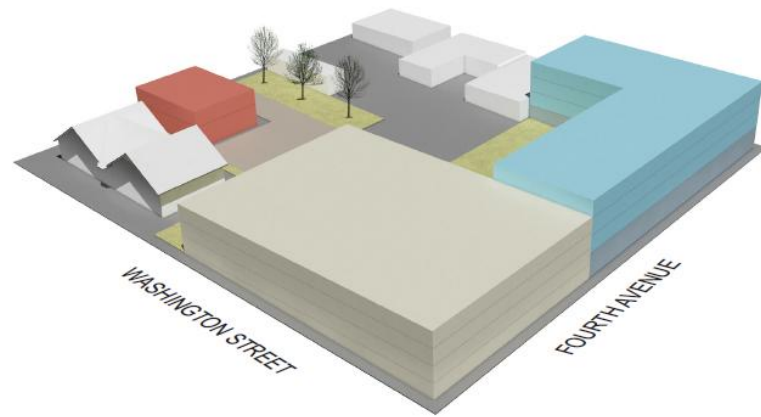
The City reserves the right to reject any or all submittals at its sole and absolute discretion and accepts no responsibility for any financial loss by such action.

Any agreements that may be entered into between the developer(s) and the City, including but not limited to a Development Agreement, are subject to approval by the City Council.

The City reserves the right to waive irregularities or informalities in any submittal in the exercise of its sole and absolute discretion.

The City of Hendersonville is an equal opportunity employer.

Appendix A



+/- 93 TOTAL UNITS
 +/- 160 PUBLIC PARKING SPACES
 +/- 110 HOTEL PARKING SPACES



DOGWOOD SITE - CAPACITY DIAGRAM [OPTION 1]

HENDERSONVILLE HOTEL STUDY
 07.25.2016

SAMSEL ARCHITECTS

Appendix B

[APPRAISAL BEGINS ON NEXT PAGE]

A RESTRICTED APPRAISAL REPORT

of

Three Adjacent Parcels of Land *(Known Collectively as the Dogwood Parking Lot)*

Located at

201-299 4th Avenue West, Hendersonville, North Carolina 28792



As of

November 24, 2025

Prepared For:

Mr. Brian D. Pahle, Deputy City Manager
City of Hendersonville, NC
160 Sixth Avenue East,
Hendersonville, North Carolina 28792

Prepared By

John C. Palmer, MAI, AI-GRS, CCIM, CDA
and

Jacob Q. Palmer, Registered Trainee

THE PALMER COMPANY, INC.

COMMERCIAL REAL ESTATE APPRAISERS AND CONSULTANTS

221 S. PLAINS DRIVE

ASHEVILLE, NORTH CAROLINA 28803

PHONE: 828-280-4520

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Palmer Company File #: 25-1866

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COMMERCIAL REAL ESTATE APPRAISERS AND CONSULTANTS

221 S. Plains Drive
Asheville, North Carolina 28803

Phone: 828-280-4520
Email: JPalmer@palmercompanyinc.com

December 2, 2025

Mr. Brian D. Pahle, Deputy City Manager
City of Hendersonville, NC
160 Sixth Avenue East,
Hendersonville, North Carolina 28792

Re: Appraisal of Three Adjacent Parcels of Land, located at 201-299 4th Avenue West, Hendersonville, North Carolina 28792
Palmer Company File #: 25-1866

Dear Mr. Pahle:

At your request, we have prepared this appraisal report according to the Letter of Engagement.

This report is a Restricted Appraisal Report prepared in accordance with Standards Rule 2-2 (b) of the *Uniform Standards of Professional Appraisal Practice (USPAP)*. As such, it does not present detailed discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, analyses, and additional information is contained in our project work file. The use of this report is restricted to the client and intended users only.

The Client is identified as the City of Hendersonville.

The Intended Use of this appraisal report is to assist the client in establishing a fair market value of the subject property. The objective of this assignment is to develop an opinion of the market value of the fee simple interest in the subject property. This report is not intended for any other use.

The Intended User of this appraisal report is the City of Hendersonville. This report is not intended for use by other parties.

The effective date of value of this appraisal report is November 24, 2025.

We viewed the subject property on November 24, 2025 in order to gather information about the physical characteristics of the subject improvements that are relevant to the valuation problem and to evaluate general trends in the neighborhood.

The subject property is identified as three adjacent parcels of land totaling approximately 1.46 acres (per Public Records), collectively known as the Dogwood Parking Lot. The subject property is improved as a municipal paid parking lot with asphalt drives and marked parking spaces, landscaping, and associated infrastructure. A brief summary description of the subject property is contained in the following report.

The identified street address of the subject property is 201-299 4th Avenue West, Hendersonville, North Carolina. The subject property site was frontage and access points on four streets; 5th Ave W, N Church St, 4th Ave W, and N. Washington St. The subject property is located in a good location within the City of Hendersonville CBD. The Henderson County Tax Assessor identifies the subject property as PIN #'s 9568-78-4147, 9568-78-2188 and 9568-78-3304.

It is our opinion, based on data obtained from sales transactions and interviews with market participants, that the probable Exposure Time for the property at the concluded market value is estimated to be approximately less than twelve months.

Based on the data and analyses developed in this appraisal, in our professional judgment, the estimated market value of the subject property, as of November 24, 2025, the effective date of value, subject to all Extraordinary

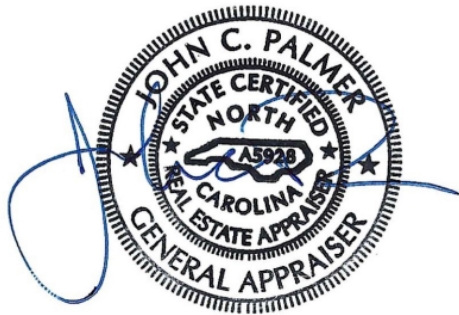
Assumptions, Hypothetical Conditions, and General Assumptions and Limiting Conditions specifically provided within this report, was:

Estimated Market Value of the Subject Property Site:	\$4,160,000
Estimated Contributory Value of the Site Improvements:	<u>\$ 175,000</u>
Total Estimated Value of the Subject Property Site:	\$4,335,000
<i>(Estimated Market Value of the Fee Simple Interest)</i>	

This letter must remain attached to the appraisal report, which contains 54 pages plus related exhibits, in order for the value opinion to be valid.

It was a pleasure preparing this appraisal for you. Please do not hesitate to contact us if we may be of further assistance in the interpretation and application of the findings and opinions.

Respectfully submitted,
The Palmer Company, Inc.



John C. Palmer, MAI, AI-GRS, CCIM, CDA
North Carolina State Certified General Real Estate Appraiser - License #A5928
North Carolina RE Broker – License #198326
South Carolina State Certified General Appraiser #AI.6808 CG
Virginia State Certified General Real Estate Appraiser #4001017039

Jacob Q. Palmer, Registered Trainee
North Carolina State Registered Trainee Real Estate Appraiser
- Certificate #T6286