

August 14, 2019

**ADDENDUM**  
**Request for Proposals**  
**Masterplan for Destination Resort**  
**Red River Gorge, Kentucky**

**Background:**

The Kentucky Chamber of Commerce convened a task force of business leaders in 2013 to address the rapid economic decline in Kentucky's eastern coalfields. Most of the selected task force members are originally from eastern Kentucky – although their business successes have generally been achieved by relocating outside the region – and they have sentimental attachments and deep loyalty to the region.

The focus of the task force has been on spurring economic development and job creation, specifically through pursuing the untapped tourism potential of East Kentucky and identifying ways to create a destination tourist attraction that will serve as a catalyst for additional economic development in the region. The task force commissioned a study by AECOM in 2013 to identify possible tourism attractions for the region and has concentrated most of its attention on the Red River Gorge, an area that serves as a natural gateway to eastern Kentucky and which is close to several major metropolitan markets.

**The Issuer of this Request for Proposals:**

Red River Economic Development, LLC, (RRED), was created by the original Chamber task force as a public-private partnership to oversee this project and to be the applicant for the federal and state grants involved with the planning process. The non-profit group's board of directors includes five business leaders and the four chief elected officials representing the four counties that encompass the Red River Gorge area.

RRED seeks the services of an experienced planning and/or development firm or partnership of such firms to partner with RRED to develop a masterplan for a destination resort and related tourism attractions in the vicinity of Red River Gorge in eastern Kentucky, one hour east of Lexington on the Mountain Parkway.

RRED is a single member LLC that operates under the umbrella of the Kentucky Chamber Foundation, the charitable 501-c-3 arm of the Kentucky Chamber of Commerce.

RRED has secured funding from the Appalachian Regional Commission (ARC) and from multi-county coal severance funds administered by the state of Kentucky, for the purposes of producing a masterplan for a destination resort that will serve as a catalyst for additional economic developments in the Red River Gorge region and throughout East Kentucky.

The attached concept paper outlines the general aspirations of RRED. The attached market study for a resort was conducted for RRED by HVS hospitality consultants.

The goal of creating a masterplan is to attract a developer and or developers to successfully create a destination resort and related tourism attractions in the region.

## **Target Location**

For the purposes of this project, Eastern Kentucky is generally defined as the Appalachian region of Kentucky that lies south of I-64 and east of I-75. The target area for this tourism development proposal is the four-county area surrounding the **Red River Gorge** (Powell, Wolfe, Lee and Menifee counties), specifically centered on the area near Slade, Kentucky, which encompasses Natural Bridge State Resort Park and enjoys immediate access from the Mountain Parkway.

## **The Masterplan will Address the Following Elements:**

### **Phase I. Compile Existing Information (within 30 days, Month 1):**

- 1) Summarize the previous studies related to tourism in the Red River Gorge region, including the 2013 AECOM report (a review of successful tourism developments in rural areas of the country), and the 2016 HVS report (a focused tourist market analysis for a destination resort in the Red River Gorge).
- 2) Compile any available site-specific studies of geological formations, public land ownership and /or management and utility infrastructure in the vicinity (e.g. within a 10-mile radius).
- 3) Inventory existing natural assets, facilities and attractions, site maps, aerial photography and videography, transportation features (current and planned) and utilities in the vicinity.
- 4) Evaluate and update the previous HVS analysis of potential sites and consider any other potential sites in the vicinity of the Natural Bridge State Resort Park that offer features consistent with the criteria in the October 30, 2018 Concept Paper.

### **Deliverable: Written Report by end of Month 2. (10% of Project)**

### **Phase II. Engage Stakeholder Groups and the General Public (Months 2 – 6):**

- 5) Seek input from local residents, stakeholder groups (e.g. rock-climbing groups, state tourism officials, etc.) and elected officials through a minimum of 25 one-on-one interviews with key stakeholders, regular progress reports to the fiscal courts in the four counties, and at least four town hall meetings in the region during the course of the planning process. Define how to utilize the redriverky.com website and social media to communicate with and gather input from the public.
- 6) Select a preferred site for the resort based on analysis in #4 above.
- 7) Regularly post progress reports on the project's dedicated website. The website will be governed by RRED and managed for RRED by the Kentucky Chamber (charitable) Foundation. It

will serve as a clearinghouse for progress reports on the project, posting public announcements, gathering ideas for the project and generally encouraging public dialogue about the project. The website will be maintained through the planning and development stages of the project and then repurposed and managed by an appropriate public body (e.g. tourism agency or joint marketing coalition) for on-going support of the development and its economic impact.

**Deliverable: Preliminary Written Report on Stakeholder Input by End of Month 2 (10% of project)**

**Phase III. Prepare a Development Plan (Months 3, 4, and 5):**

- 8) Prepare a proposal for a destination resort, outline basic features that are considered desirable and feasible, suggest amenities that are considered desirable and feasible in the immediate vicinity, identify key linkages to other attractions in the vicinity and address the appropriate scale of the key elements of the resort.
- 9) Prepare a preliminary site plan for the proposed resort including on-site infrastructure (e.g. roads, entryways, parking, etc.), adjacent on-site features (e.g. lake(s), wedding venue(s), conference center, scenic viewing areas, hiking trails, music venue, rental cabins, residential options, etc.) and complementary attractions in the vicinity (e.g. rental cabins, residential areas, recreational options, campgrounds, etc.).
- 10) Identify how your firm would address the economic feasibility of upgrading or replacing the nearby Natural Bridge State Resort Park lodge (Hemlock Lodge), the state-owned rental cabins and camping sites.
- 11) Provide recommendations for structuring a P3 (public-private partnership) project to encompass the renovation and possible coordinated management of the existing Natural Bridge state park facilities alongside the proposed private (greenfield) resort.
- 12) Perform an economic analysis of the proposed resort, associated on-site features and proposed features for the existing state resort park. Describe how your firm would offer a realistic pro forma for an economically viable, greenfield resort development and address the economic viability of including a coordinated redevelopment of the Natural Bridge State Park, perhaps as a more family-centric lodging option. The analysis should address the risk to the owners/operators of the proposed resort development(s) and suggest possible financing mechanisms and funding sources for the development(s).
- 13) Review, comment and supplement the previous HVS study of resort lodging, design, potential market and the accompanying average daily rate (ADR) projections. RRED wants to determine whether the quality of the resort development should exceed other lodging options in Kentucky in order to create a market for higher-end lodging. Evaluate whether the resort should accommodate an ADR of \$150-\$175 per night while also providing an on-site, higher-end alternative such as luxury cabins, treehouses, yurts, tipis, etc.?
- 14) Provide an Economic Impact Analysis that outlines the temporary and permanent (direct and indirect) jobs created by the proposed destination resort, its impact on wages, and its likely impact on local and state tax revenue. Identify any additional public services that would be required by the development or by the local community because of the development.
- 15) Collaborate with state and regional workforce officials to assess the availability of qualified workers for temporary and permanent employment in specific job categories at the resort and suggest workforce training programs that will be needed to address shortages of workers with appropriate skills.

- 16) Offer recommendations for complementary attractions in the vicinity that would entice visitors to extend their stays and would enhance the economic viability of the anchor resort. (Review, comment and supplement the previous AECOM and HVS studies which provide preliminary concepts for such attractions.)
- 17) Recommend possible upgrades to existing tourism assets in East Kentucky that could compliment the economic viability of the anchor resort and eastern Kentucky tourism in general.
- 18) Identify necessary and desired infrastructure improvements (transportation, utilities, broadband, etc.) to support the proposed resort and complementary attractions, including costs estimates and potential funding sources.
- 19) Utilize computer-assisted modeling to create a 3-D presentation of the proposed resort for building public and investor support for the development(s).
- 20) Present examples of other comparable and/or relevant tourist developments that could inform the project advocates' decisions regarding development at the Red River Gorge.
- 21) Suggest and evaluate the best and highest use of economic development assets in the region (e.g. the Pine Ridge Industrial Park, owned by the Pine Ridge Industrial Authority and established by the Commonwealth of Kentucky in the late 1990s.) Offer a high-level economic and market analysis of the suggested uses.
- 22) Provide an inventory of concepts offered during the various Engagement activities in Phase II above and offer preliminary analysis of those considered viable (following a high-level market analysis) for complementary attractions in the region.

**Deliverable: Preliminary Plan for RRED Review by End of Month 4; Final Plan for Public Review by End of Month 6 (40% of Project)**

**Phase III – A. Define Appropriate Linkages (Months 4 and 5):**

- 23) Prepare plans including cost estimates for development and operation of on-site and regional transportation linkages to maximize access to and between area attractions, including any possible rail linkages that could benefit tourism.
- 24) Prepare plans including cost estimates and possible funding sources for developing on-site hiking, biking, ATV and riding trails that would link the proposed site to the region's trail network.
- 25) In coordination with the Kentucky Department of Highways, provide an assessment of the advantages of, and a cost-benefit analysis of securing a direct off-ramp from the west-bound lanes of I-64 for traffic moving from Ashland/Huntington to Lexington and beyond.
- 26) Prepare a conceptual site plan for the Slade interchange of the Mountain Parkway to serve as a prominent gateway to eastern Kentucky, both in function and appearance.

**Deliverable: This Element Should be Reported with the Preliminary and Final Masterplan Reports. (10% of Project).**

**Phase III – B. Protect the Natural Environment of the Region (Months 4 and 5)**

- 27) Identify environmentally-sound land-use planning techniques for encouraging appropriate and sustainable physical and economic development within the vicinity (e.g. within a 10-mile radius of the proposed resort site).

- 28) Identify appropriate methods for protecting the relatively pristine landscapes and viewsheds surrounding the primary highway approaches to the region, namely the I-64 corridor from I-75 to the Mountain Parkway, the I-64 corridor from Ashland/Huntington to the Mountain Parkway, and the Mountain Parkway from I-64 to the Slade interchange. These corridors which provide the primary access for visitors from major metropolitan areas should be treated and protected as a critical gateway to the Red River Gorge region and more broadly, as the first impression by which countless visitors will be introduced to eastern Kentucky.
- 29) Develop plans for accentuating the Natural Bridge geological formation as the signature feature of the Red River Gorge, making it more accessible to visitors in an environmentally-sustainable way that balances increased tourism with the need to protect the geological formations from over-visitation.

**Deliverable: This Element Should be Reported with the Preliminary and Final Masterplan Reports. (10% of Project)**

#### **Phase IV. Help the Region Establish a Unique Brand Identity (Month 6)**

- 30) Conduct a branding analysis and provide a plan for a unifying brand identity for the resort and the vicinity, highlighting key features that would attract favorable attention from potential visitors who are within one-day's driving distance of Red River Gorge. Utilize existing resources including previous research on the region that is available through the Kentucky Cabinet of Tourism, Arts and Heritage.
- 31) Work with state tourism officials and the Kentucky Tourism Council to develop a plan for establishing the Red River Gorge as "the gateway to Eastern Kentucky" for visitors coming from the west and north (including for example, Ohio, Indiana, Illinois and other points west and north), including recommendations on physical features, entryways and marketing strategies.
- 32) Propose a multi-county marketing mechanism and funding alternatives for promoting the Red River Gorge region, the proposed resort and area attractions.
- 33) Provide examples of the marketing campaigns of similar destination resorts and attractions.

**Deliverable: Separate Branding Analysis. (10% of Project)**

#### **Phase V. Present Final Report: (Month 6)**

- 34) Present final report in multi-county town hall meeting, with follow-up reports to the four county Fiscal Courts.

**Deliverable: Final Reports, Maps, Models and all Intellectual Property Produced During the Study to be Delivered to RRED by the 180<sup>th</sup> Day after the Contract for a Masterplan is Awarded. (10% of Project)**

### **Application Timeline**

**Monday, July 1, 2019** RRED issues RFP through various public and industry channels.

**Wednesday, July 31, 2019** Any interested party (consultants, planning firms, development firms or partnerships of such entities) should submit a brief Statement of Interest to RRED at the address below, along with a brief description of the interested party.

**Wednesday, August 7, 2019** RRED will host a webinar for interested parties at 2:00 EDT to describe the proposed project and to answer questions from the interested parties. Webinar instructions will accompany RRED's acknowledgement of Statements of Interest.

Wednesday, August 14, 2019 RRED delivers to Interested Parties the Addendum to the July 1 RFP.

**Wednesday, September 11, 2019 Proposals** are due on or before 12:00 p.m. EDT. This includes both hard copies and electronic versions.

An original and three hard copies of the proposal must be submitted to:

Dave Adkisson  
 c/o The Kentucky Chamber Foundation  
 464 Chenault Road  
 Frankfort, KY 40601

In addition to the hard copy submission, proposals must also be emailed on or before the deadline to [redriver@kychamber.com](mailto:redriver@kychamber.com). Email attachments should be no more than 10 MB.

**Monday, September 30, 2019** RRED selects three-to-five finalists for in-person interviews.

**Week of October 7-11, 2019** RRED conducts interviews with finalists in Lexington, KY.

**Thursday, October 31, 2019** RRED awards contract for the Masterplan Project

**Friday, November 1, 2019** Project begins

**Thursday, April 30, 2020** Proposed Completion of Masterplan (subject to negotiation)

### **Criteria and Point System for Judging Proposals**

Proposals that satisfy the criteria outlined in the "Application Content" below will be eligible to be scored in accordance with the following criteria.

Firms with the highest technical scores will be selected as finalists and invited for interviews in October.

Experience Relevant to this Project:	20 points
Professional Experience of the Project Team:	20 points
Proposed Methodology and Deliverables:	30 points
Ability to Provide Prescribed Economic Analysis:	20 points
Proposed Cost:	10 points
<b>Total:</b>	<b>100 points</b>

Additional points may be added for finalists as part of the interview

## Application Content

If an application involves a multi-disciplinary team of partners, the team must identify a single firm that has primary responsibility for the project and will contract with RRED.

Narratives should not exceed 20 pages, not including organizational background materials, resumes and project examples.

Proposals should include a brief overview (300-word limit) summarizing the background, objectives, proposed strategy, expected outcomes and results of the masterplan.

Proposals should describe the step-by-step approach or methods to be used to accomplish all the elements specified in this RFP. The proposal should provide a detailed explanation of the strategies/methodologies to be used and the rationale for why the strategies/methods were selected over others. The proposal should identify the tasks and points that will require participation by the RRED staff.

Proposals should also address how the transition from the planning phase to the development phase will occur and what role, if any, the applicant would propose to take in the development phase.

The proposal should identify any difficulties that may be encountered in this project and propose practical and sound solutions to these problems

The proposal should include a project work plan and a schedule of milestones and deadlines for completing the various elements. Monthly call-ins with RRED staff are also required.

The proposal should include evidence of experience in planning resort properties and/or tourism destinations and must provide examples (via web links and/or printed materials) of up to three most similar projects undertaken by the applicant's organization and the extent to which the project's goals were achieved. Provide names, addresses and contact information of references associated with the project examples.

The proposal must describe the qualifications and experience of the personnel to be assigned to the project, including any direct experience with destination resort planning or similar developments. A staffing plan is required that describes the planned staff distribution (both in-house personnel and outside consultants/sub-contractors) to accomplish this work. The staffing plan should include a chart that clearly describes professional classification (e.g. project director, business consultant, planner, etc.), and the time commitment of each professional staff member that will be assigned to the five main project elements and required deliverables. The selected consultant will be required to furnish the services of those identified in the proposal as key personnel. Any change in key personnel is subject to approval by RRED.

Proposal should include any contract agreement requirements that the selected consultant wants included in the contract.

Cost Proposal – Proposal must contain all cost information. The cost information should include direct labor costs (consistent with staffing plan), transportation, estimated cost of any subcontracts, other

direct costs, and overhead. Cost proposals should be submitted as fixed fees per deliverable, including out-of-pocket and travel expenses. Travel expense required for additional visits, presentations and/or deliverables requested by RRED will be approved in writing by both parties prior to those expenses being incurred.

RRED reserves the right to negotiate the scope of work based on the cost proposal and has sole discretion to award the contract and the right not to award a contract. All costs to prepare a response to this RFP and Addendum are born by the applicant.

RRED retains the ability to reduce the project scope and payments in the event of any unforeseen cuts to the federal ARC funds (\$500,000) or Kentucky's multi-county coal severance funds (\$500,000) that are being applied to this project

RRED requires an initial in-person kick-off meeting in Lexington, Kentucky. This kick-off meeting will be in addition to the public meetings detailed in the RFP. The consultant should price this activity separately, assuming travel to a one-day meeting.

Proposals will be screened and scored by consultants working for RRED and will include representatives of the State Cabinet of Tourism, Arts and Heritage, the Kentucky Tourism Council and the Kentucky Chamber of Commerce. Interviews for three-to-five finalists will be scheduled in Lexington, Kentucky in early October. A final decision will be made by the nine-member board of managers of RRED.

RRED will designate a Project Manager who will determine when work has been satisfactorily completed and when payments shall be made. The Project Manager will be responsible for reporting all expenditures to the RRED board and to appropriate funding entities.

Before being invited to interview as a finalist, applicants must certify that they are not on the federal disbarment list, are not delinquent on any federal, state or local taxes (including unemployment insurance and workers compensation taxes), have no conflicts of interest with the evaluation team, the Commonwealth of Kentucky, RRED or any party related to this project and will disclose any potential conflicts of interest.

The contract with and the work of the winning firm must comply with Kentucky law (esp. KRS 45A), federal law (esp. CFR 200.320 and the "Appalachian Regional Commission – ARC- Grant Administration Manual) and other applicable laws. Any disputes between RRED and the contracting firm will be settled pursuant to KRS 45A.

For more information, go to [www.redriverky.com](http://www.redriverky.com)

Questions about this RFP should be emailed to: [redriverky@kychamber.com](mailto:redriverky@kychamber.com).