

Raleigh Convention Center Hotel Update

City Council Meeting
July 1, 2025

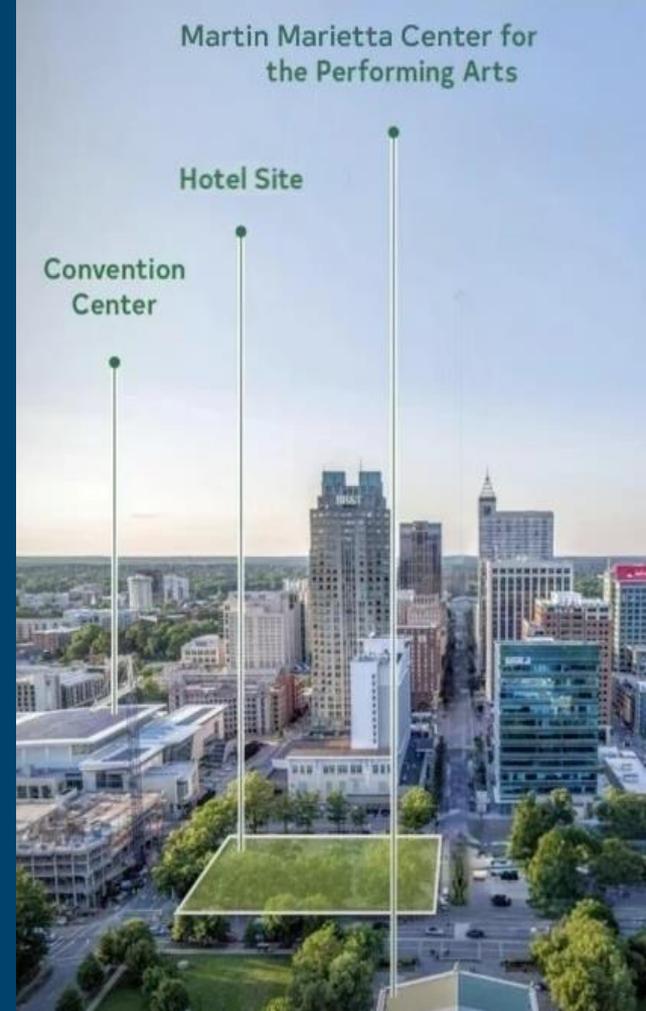


Raleigh



Agenda

- History of Convention Center Hotel Project
- Amended Deal Terms and Advantages
- Staff Recommendation



History of Convention Center Hotel Project

Summer 2022

Council authorized a Request for Interest (RFI) to construct a high-quality full service upper-scale convention hotel

September 2023

Council authorized negotiations with Omni Hotels and Resort for a convention hotel

November 2024

Council authorized necessary steps to facilitate the convention hotel development

Omni design presentation

July 2025

Staff recommendation:
Council authorize necessary steps to facilitate the hotel development including changes from the previous deal structure



Amended Deal Terms

	Original Terms	Amended Terms
Hotel Room Count	~ 550 Rooms	~ 600 Rooms
Land Terms	99-year ground lease	Fee simple sale
Project Completion Guaranty	No	Yes
Room Block Agreement	40 years	50 years

Amended Deal Terms continued

	Original Terms	Amended Terms
Developer Financing	Tax-exempt financing	Equity
City Investment	\$75M Interlocal Funds + Cost of environmental remediation (~\$5.5M)	\$75M Interlocal Funds + Credits against land proceeds to cover public infrastructure and cost of remediation (will not exceed the land proceeds)
City up-front revenue	None	Fair Market Value of land proceeds less applicable credits

Advantages

Additional hotel rooms provides increased convention center booking

Extended room block agreement ensures longer period of access to hotel rooms

Guaranty allows for legally bound completion of hotel

Equity investment by developer reduces risk associated with plan of finance for hotel

Future property tax proceeds from the land sale

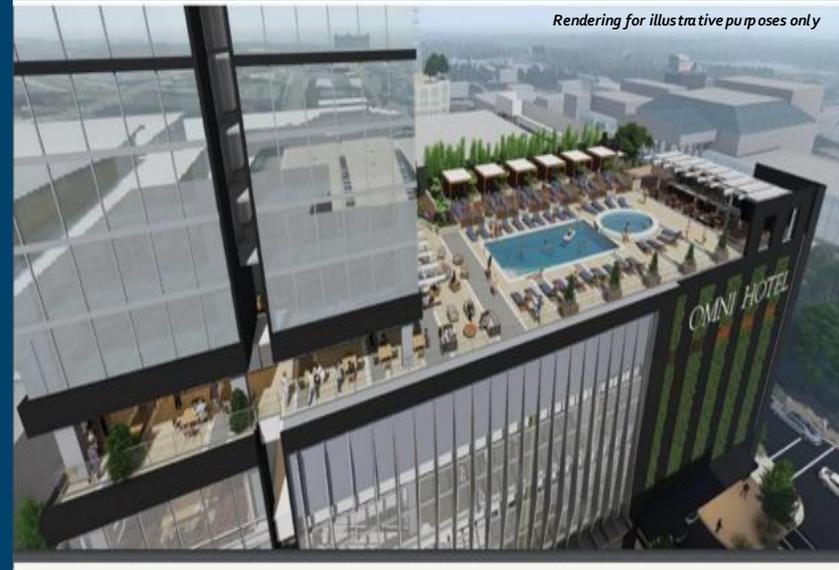
Sales tax collections from the construction of hotel

City's remediation costs are offset by land proceeds

Staff Recommendation

Adopt the resolution authorizing

1. the disposition of the property
2. the City Manager to take actions in furtherance of the project
3. the City Manager to take other actions necessary to proceed with the financing for the City's financial obligations.



Questions

