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Proximity Hotel

Greensboro, North Carolina

Project Type: **Hotel**

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PROJECT TYPE

Located in Greensboro, North Carolina, the sustainably designed Proximity Hotel features 147 guest rooms and suites, a full-service restaurant, and 5,000 square feet (465 sq m) of meeting and event space. The first hotel in the nation to be LEED Platinum certified by the U.S. Green Building Council (USGBC), it uses a wide array of energy-efficient materials, systems, and construction techniques to reduce energy consumption by 36.5 percent and water usage by 30 percent as compared to a conventional hotel. Room rates at the Proximity Hotel average \$155 per night—the highest rate for nonresort hotels in the Greensboro area—and the hotel has become an event destination for environmentally focused organizations.

LOCATION

Inner Suburban

SITE SIZE

5.24 acres/2.12 hectares

LAND USES

Luxury Hotel, Restaurant, Event Facility

KEYWORDS/SPECIAL FEATURES

- Sustainable Development
- Green Building

WEB SITE

www.proximityhotel.com

PROJECT ADDRESS

704 Green Valley Road
Greensboro, North Carolina



DEVELOPER

Quaintance-Weaver Restaurants & Hotels
Greensboro, North Carolina
336-370-0966
www.qwrh.com

ARCHITECT

Centrepoint Architecture, LLP
Raleigh, North Carolina
919-838-9977
www.centrepointppa.com



LANDSCAPE ARCHITECT

Callaway & Associates
Greensboro, North Carolina
336-274-8325
www.chipcallaway.com

GENERAL DESCRIPTION

The Proximity Hotel, a 147-room hotel that includes a restaurant—the Print Works Bistro—and 5,000 square feet (465 sq m) of conference, meeting, and event facilities, was developed by Greensboro-based Quaintance-Weaver Restaurants & Hotels (QWRH). Incorporating numerous energy-efficient features, the hotel has become a hospitality market leader with respect to green building, obtaining Leadership in Energy and Environmental Design (LEED) Platinum certification from the USGBC—the first such designation for a hotel in the United States.

The developer's intention was to build an environmentally friendly hotel while being sincere yet practical with regard to sustainability. Dennis Quaintance, the founder of QWRH, likes to say he "went deep," investing additional time to research appropriate sustainable concepts and materials while maintaining the integrity, feel, and look of a luxury hotel. He also likes to say that "it isn't sustainable to go broke," emphasizing that the development team adopted sustainable practices only if they made sense to the bottom line in the long term.

Dennis Quaintance has been in the hospitality industry in Greensboro since the late 1970s, when he helped open a restaurant there. In addition to the Proximity Hotel and Print Works Bistro, QWRH has developed, owns, and manages another hotel and three other restaurants in the area.

DEVELOPMENT BACKGROUND, APPROVALS, AND FINANCING

Relying on more than 30 years of experience in Greensboro's hospitality industry—including the development of a nearby hotel, the O.Henry—QWRH felt the local market could support another luxury hotel. A suitable 5.24-acre (2.12-ha) site was found in an office park—roughly midway between the Piedmont Triad International Airport and downtown Greensboro—located near major roadways and close to college campuses, an upscale shopping area, and country clubs.

The approvals process was very straightforward, as the site was zoned for commercial development, including office or hotel use. The site—part of a larger corporate park—was already graded for office development; in fact, a portion of it was paved during the 1980s and used as overflow parking for adjacent office uses. The developer

even managed to save the concrete curb from the original parking area, and it remains the edge of the existing lot.

Since the project area was previously graded for a planned office building, very little site work was required for the development of the hotel. One major site improvement executed by the developer, however, was the restoration of a creek that flows along the western edge of the property. Approximately 700 linear feet (213 m) of the stream was restored: the developer removed debris and rebuilt the stream banks; planted local, adaptable plant species to reduce erosion; and used 376 tons (341 metric tons) of boulders and 18 logs to maintain grade control of the streambed. The result was an improved waterway that serves as an amenity for the project, yet is still able to handle the stormwater runoff from the office park. The creek restoration conforms to the North Carolina Department of Water Quality's most stringent standards; as such, the developer will likely be able to sell mitigation credits.

The project was financed using a 20-year permanent loan from BB&T, the nation's 14th-largest bank, which is headquartered in nearby Winston-Salem. The developer contributed 45 percent equity to the project, leveraging the land value in the deal. QWRH's philosophy is to employ more equity than is typical because Quaintance believes doing so provides flexibility and advantages beyond the costs, such as more favorable terms.

DEVELOPMENT, CONSTRUCTION, AND DESIGN

The Proximity Hotel consists of two structures: the eight-story hotel and an adjacent, two-level edifice that contains the aforementioned restaurant and event space. Although both buildings are newly constructed, the design of the hotel—with high ceilings, floor-to-ceiling windows, and a concrete, industrial exterior—is reminiscent of an old warehouse or factory, whereas the smaller, brick restaurant evokes the form of a shipping/receiving building.

The main entry to the hotel is on the east side and includes a covered motor entrance that is staffed by bellhops. The main parking lot lies on this side of the building, although a portion wraps around the structure's south side. Inside are the main lobby and reception desk, which overlooks an expansive lounge.

Due to the grade of the site, the front of the hotel is 14 feet (4.2 m) higher than the back side; therefore, both the main entrance and the lower-level lounge are at ground level. The second building—on grade with the lounge—stands directly behind the hotel. Between the lounge and restaurant is a landscaped outdoor patio that can be used for receptions.

The main lobby level also has direct access to the second story of the restaurant building, and the event and meeting space is spread out on this level through both structures. The lower level of the hotel includes a fitness center and an outdoor pool, and floors two through eight contain the 147 guest rooms and suites.

A majority of the guest rooms (90) are standard king suites, which average approximately 400 square feet (37 sq m). They include a king-sized bed, sofa, table, desk, flat-screen television, CD player with MP3 player plug-in, and spacious bathroom. The remainder of the rooms have two beds, are larger—up to 950 square feet (88 sq m)—or feature luxury amenities.

The Print Works Bistro, the restaurant located on the ground floor of the second building, has a separate entrance from the parking lot on the south side of the complex. It was important for the developer to incorporate a high-quality dining establishment that stood out as a destination unique to the hotel. The eatery includes both a bar and dining room, and has an expansive, wrap-around terrace that overlooks the restored creek.

Parking is provided in a surface lot that wraps around the east and south sides of the complex, and serves the main entrance on the east and the Print Works Bistro entrance on the south. The parking area contains 138 spaces, but another lot immediately to the east of the site comprises an additional 44 spaces. The developer also has a permanent cross-party agreement with the adjacent office building to use its parking lot, if necessary.

GREEN FEATURES

The Proximity Hotel uses 41 percent less energy than ASHRAE 90.1 standards—an industry standard that sets an efficiency baseline for heating, cooling, water, and electrical systems in buildings—and 36.5 percent less energy and 30 percent less water than a traditional hotel. The developer points out that besides solar panels on the roof, it is not obvious that the project is green. It was important, first and foremost, that the Proximity Hotel had the appearance of, and was managed like, a luxury hotel.

All members of the development team—including the developer, the architect, the contractor, the landscape architect, and other consultants—worked in concert to maximize efficiencies throughout the hotel. This multidisciplinary, collaborative approach, known as integrated design, addresses the building as a whole rather than treating each element separately. For example, at the Proximity Hotel, the practice of integrated design reduced air-conditioning needs by 35 percent, which in turn has cut total energy demand at the project by 11 percent.

Approximately 100 solar panels cover the 4,000 square feet (372 sq m) of rooftop, providing 60 percent of the hotel's and restaurant's hot water needs. Water is cycled through the solar panels and heated, then stored in tanks, enabling, for example, a guest to shower with hot water heated by the sun on the previous day.

Reducing water use is perhaps the biggest challenge facing the hotel and lodging industry. The Proximity Hotel uses low-flow shower heads (2.0 gallons [7.6 liters] per minute versus the standard of 2.5 gallons [9.5 liters]), low-flush toilets (1.28 gallons [4.84 liters] per flush), and low-flow sink faucets. The developer contacted the CEO of Kohler directly when considering the use of low-flush toilets, ultimately selecting a toilet that utilizes less water per flush but has additional water stored in the tank, using simple gravity to increase the pressure of the flush to increase its effectiveness. According to the developer, the implementation of water conservation measures has reduced demand by over 30 percent compared to water usage at other luxury hotels, and the Proximity has saved 2 million gallons (7.57 million liters) of water in its first year—a \$13,000 annual savings, compared to the \$7,000 one-time cost for water-efficient fixtures.

The two main guest elevators at the Proximity Hotel utilize regenerative drives, which create energy when braking during descent. The energy captured is then applied to the ascent, and as a result, the elevators can regenerate 30 percent of their total electricity demand. The greater energy efficiency of these lifts allows them ultimately to generate 50 percent energy savings compared with conventional elevators.

Many of the building's materials—including mattresses, furniture, artwork, and others—were manufactured locally. The developer estimates that 40 percent of the total is sourced from local suppliers, whereas that figure typically is 5 percent for conventional buildings. Also, over 75 percent of construction waste was recycled, diverting it from landfills.

Roughly 20 percent of the cost of the building went toward recycled materials, including 700,000 pounds (317,520 kg) of fly ash incorporated into the concrete. Carpeting and paints have low levels of volatile organic compounds (VOCs), and the bathroom tiles are composed of 42 percent recycled material. The core of most of the woodwork contains wheat straw.

For all aspects of development, the development team considered whether materials could be obtained from local sources or recycled, or if a particular material was even needed. One example of this is the exposed interior concrete walls, which have a bronze or sepia look that makes them appear decoratively aged. This was achieved by using paint mixed with water and covered with a clear coat. The result was good enough that most rooms in the hotel contain a portion of exposed concrete wall, which reduced the need for other finishing materials, including Sheetrock.

One instance where the developer opted not to use what might be commonly considered a green product was the flooring in the main lobby and lower-level lounge. In this case, the developer priced a recycled material at \$18 per square foot (\$193.76 per sq m), but settled on limestone tiles for \$7 per square foot (\$75.35 per sq m). The developer reasoned that limestone would last a long time, whereas the extra cost for an unproven material was

not deemed worth the risk. The rationalization for this decision is what is commonly called a “life-cycle assessment.”

The commercial kitchen in the Print Works Bistro utilizes a geothermal cooling system, which reduces air-conditioning needs by 20 percent. The developer is also testing plots for a green roof on the second building, which would reduce the heat island effect and insulate the structure from extreme conditions.

The developer placed two acres (0.8 ha) of the site—including the creek on the west side of the property—into a permanent conservation easement. The developer also extensively restored the creek itself, which creates an amenity for the hotel, restaurant, and terrace. In addition, the restored creek bed attracts wildlife, and hotel and restaurant guests and staff have reported spotting ducks, a great blue heron, a red-tailed hawk, and a fox in the vicinity.

Furthermore, the developer paid for a weir to be built in the stormwater detention pond that collects runoff from the entire 22-acre (8.9-ha) office park. This weir controls runoff into the creek, thereby improving its value as both an amenity and a wildlife habitat.

In the fall of 2008, the Proximity Hotel was granted a LEED Platinum rating from the USGBC. Despite achieving this rating, the developer claims that it was not chasing LEED points. The development team’s goal was to ensure that the building and materials met the budget and were durable, attractive, and, if possible, sustainable.

MARKETING

The Proximity Hotel was completed in October 2007 and opened in January 2008. It has had a 70 percent occupancy rate after being open for less than one year, a level that typically takes one to two years to achieve. Room rates average \$155 per night, which is the highest rate for nonresort hotels in the Greensboro area.

The Proximity has also garnered attention from the media because of its sustainable features. It has been chosen as a location to host events sponsored by groups with a green focus simply because it is to date one of the few existing sustainable hotels in the country. In fact, the hotel expects to finish 2008 with \$400,000 in revenue for events that took place there because it is a green hotel.

Marketing efforts include a Web site and, because hotel revenue is based mostly on business travel, cultivation of relationships with the key businesses in the area that generate a significant number of room nights. In addition, the Proximity Hotel does print advertising primarily for the wedding market, as well as marketing in various North Carolina tourism magazines.

EXPERIENCE GAINED

Working with the development team, the developer says he went to great lengths to ensure that sustainable features at the hotel made both environmental and economic sense, and that guests of the hotel and restaurant would never be inconvenienced by a “sustainable practice.” In order to prove that the solar panels were indeed worthwhile, the developer arranged for the manufacturer to meet with solar energy experts from North Carolina Agricultural & Technical State University, a local institution. The developer also consulted with high-ranking officials at Otis and Kohler to settle on appropriate energy-saving elevators and water-conserving toilets, respectively.

The developer wasn’t specifically chasing LEED points, either, as evidenced by the decision to use limestone flooring in the lobby area, which was significantly less costly and more attractive than an eco-friendly alternative whose quality was unknown. He feels confident that the limestone will be in place for decades because it is a neutral color and will not wear out. Rather than blindly following a checklist of sustainable features, Quaintance carefully considered each one to ensure that it made economic sense for the project.

The developer points out that a key factor in sustainable development is whether a developer plans to hold or flip the property. He notes the difference between “first cost” and “operating cost,” and believes that developers with a

long-term plan to develop, own, and manage a property have an easier time making decisions that may cost more upfront (first cost) but that may generate significant savings down the line (operating cost). A developer who completes a project and quickly sells it will not realize those savings and may be more hesitant, for financial reasons, to spend extra money to make a project sustainable. Indeed, this is a significant issue across the industry, and affects development decisions from a variety of perspectives, including the lender's.

However, it should be noted that the increased costs for various green measures came to only half of what the developer had budgeted upfront. Furthermore, he believes the Proximity Hotel will recover all of the extra cost within five years through a variety of measures—including utility cost savings—tax credits (state and federal), tax deductions, below-market loans from North Carolina's State Energy Office, and by the sale of renewable energy credits from the solar installation.

PROJECT DATA	
LAND USE INFORMATION	
Site area (acres/hectares): 5.24/2.12 Net building area (square feet/square meters): 118,000/10,963 Floors above grade: 7 Number of parking spaces: 182	
BUILDING USE INFORMATION	
Use	Net Area (Square Feet/Square Meters)
Lobby/reception area	7,000/650
Retail	1,000/93
Guest rooms	63,000/5,853
Restaurants/lounges	8,500/790
Health/fitness	4,000/372
Administrative offices	1,500/139
Back-of-house (services)	8,000/743
Circulation	8,000/743
Public areas	12,000/1,115
Other (hotel event space)	5,000/465
Total	118,000/10,963
GUEST ROOM INFORMATION	
Number of rooms: 147 Standard room size (square feet/square meters): 400/37 Executive/hospitality suite size (square feet/square meters): 950/88 Occupancy rate (percentage): 70 Average room rate per night (as of October 2008): \$155	
DEVELOPMENT COST INFORMATION	
Site Acquisition Cost: \$1,900,000	
Site Improvement Cost: \$1,400,000	
Construction Costs: \$18,600,000	
Superstructure: \$5,500,000	
HVAC: \$2,700,000	
Electrical: \$2,100,000	
Plumbing: \$1,500,000	
Elevators: \$400,000	
Fees/general conditions: \$2,200,000	
Finishes: \$3,000,000	
Graphics/specialties: \$1,000,000	

Fire protection: \$200,000

Furniture, Furnishings, and Equipment (FF&E): \$2,100,000

Soft Costs: \$2,000,000

Total Development Cost: \$26,000,000

DEVELOPMENT SCHEDULE

Site purchased: January 2006
Construction started: January 2006
Project completed: October 2007

DRIVING DIRECTIONS

From Piedmont Triad International Airport: Turn right onto Bryan Boulevard as you exit the airport. Go nine miles (14.5 km); Bryan Boulevard will become Benjamin Parkway after eight miles (12.9 km). Turn left onto Green Valley Road (at a stoplight). The Proximity Hotel will be ahead, approximately 600 feet (183 m) on the right.

Driving time: 20 minutes in nonpeak traffic.

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