

# ***Results of Convention Center Hotel RFQ Process***

Briefing to the Economic  
Development Committee  
March 3, 2008



# Purpose

- To update the Economic Development Committee on the results of the recent procurement process associated with the Convention Center Hotel project
- Provide estimated time-line for upcoming procurement activities
- Review Request for Proposal evaluation criteria and process
- Gain feedback from the committee on the evaluation criteria and next steps

# Background

- Economic Development Committee briefing on October 23, 2007 focusing on the project scope and developer selection process
- Economic Development Committee briefing on November 19, 2007 requesting approval to proceed with project time-line

# Procurement Activities

- A Request for Qualifications was advertised, in the Dallas Morning News, for Convention Center Hotel Master Developer on December 27, 2008 & January 3, 2008
- 36 interested parties attended the pre-submittal conference on January 11, 2008
- Six developers submitted their qualifications on February 13, 2008

# Master Developers

- **Faulkner USA** who has chosen not to team with any other firms at this point but have submitted a list of operators, financiers and architects whom they have worked with in the past
- **Jones Lang LaSalle:**
  - Grand Reunion Dallas, LLC, Westmount Yucaipa, LP , Senate Hospitality Group, Hnedak Bobo Group, Leisure and Recreation Concepts, Inc and Balfour Beatty Construction
- **Hines/Garfield Traub:**
  - HOK Architects, Balfour Beatty Construction, and Starwood's Westin. They have also indicated they are willing to work with the City to negotiate and form a new team if need be
- **Woodbine Development Corp.:**
  - HKS Architects, Austin Commercial, L.P., and Marriott International
- **Matthews Southwest:**
  - Foster & Partners, AEG, JPI, Corinth Properties, Pegasus Construction, and Lopez Garcia
- **Beck/Hamilton Properties Corp.:**
  - Regent Partners and Headington Realty & Capital, The Beck Group, TVS&A, and Piper Jaffray

## Procurement Activities (cont'd)

- All six master developers were requested to present their qualifications to the City evaluation team on February 26, 2008
- Evaluation team submitted final scoring to Business Development and Procurement Services (BDPS) on February 28, 2008
- BDPS compiled scoring and determined, based on committee evaluation, that all six master developers met the minimum qualifications necessary to submit proposals

# Request for Proposal

- All six candidates will be given the Convention Center Hotel Request for Proposals
- Proposal process will be interactive with developers refining ideas and determining which approaches offer most value to the City
- Staff will regularly report progress of negotiations to the Economic Development Committee
- City will give a value for each proposer on the cooperation and teamwork during the process in the final evaluation

# Evaluation Criteria

- 30% Financial capacity and participation
  - Ability of the Developer to Arrange Private Financing
  - Level of commitment of equity from developer/operator
- 30% Public participation and exposure
  - Amount and form of public participation
  - What protection provided from further City financial input



## Evaluation Criteria (cont'd)

- 30% Achievement of goals for Convention Center Hotel Project
  - Reaction to project from Convention industry groups and attendees will be included
  - Hotel design and program, public spaces and amenities, including associated development, mix of retail and residential
  - Increasing downtown vibrancy and connectivity
  - “Destination” creation

## Evaluation Criteria (cont'd)

- 10% Team composition
  - Local and MWBE participation
  - Partnership dynamic
  - Schedule of development and construction of project
  - Commitment to sales efforts and building business
  - Willingness to assist City in goals of project
  - Responsiveness to City requests and input

# Site Selection

- In addition to City controlled site, evaluation process will review additional site proposals
- Proposers will be allowed to identify alternate sites, however City will need to analyze additional sites
- Results of this analysis will be brought forward to Economic Development Committee

# Operator Selection

- City retains rights to determine operator
- Top-tier operators not already managing Dallas Hotels are limited
- Operator recommendation is critical as hotel sales force is an important part of booking occupants
- Economic Development Committee will be briefed on selected operator(s)

## Additional Input

- HVS Convention Center Hotel market update study to be presented to Economic Development Committee
- Results will be shared with proposers for inclusion in proposals
- Underwriter selection to be finalized and designated

# Next Steps

- March 4, 2008 - Request for Proposal issued to master developers
- March 21, 2008- Receive proposals from master developers
- March 24-25, 2008 - Proposal presentations
- March 14, 2008 - Receive first draft of HVS study
- March 26, 2008 - Designate underwriting team
- April 8, 2008 - Economic Development Committee briefing on site selection and operator(s)
- April 21, 2008 - Economic Development Committee briefing on financing scenarios

## Next Steps

- May 5, 2008 – Economic Development Committee briefing on selection process
- May 19, 2008 - Economic Development Committee briefing on final selection
- June 4, 2008 Council Briefing on final selection