Development of a Hotel Located on Top of the North Parking Garage Attached to the George R. Brown Convention Center

Pre-Submittal Conference
Thursday, August 28, 2014
Tom Reifert

Strategic Advisory Group
Agenda

• Welcome
• Sign-In Sheet
• Purpose of RFP
• Schedule
• Hotel Site
• GRB Planned Enhancements
• Surrounding Assets
• Project Requirements
• Public Participation
• Submission and Process
• Evaluation Criteria
Purpose of RFP

• HFC seeking a developer and design team to develop, own and operate a hotel located on top of the 1,900-space parking garage
  – Seeking developer and design team members only at this time
  – Should not include hotel brand unless proposing as developer/investor
  – May include construction firms but not required
### RFP Schedule

- **Issue Date**: August 12
- **Pre-submission conference**: August 28
- **Deadline for questions**: October 8
- **Deadline for receipt of response**: October 17
- **Interviews**: October 29/30
- **Selection**: November 17
Marie Hoke

WHR Architects
Site Description

Located on top of the approximate 1,900-space parking garage that is currently under development and will be attached via skywalk to the GRB.
Site Plan

- GRB Convention Center
- Discovery Green Park
- Hotel Site
- Central Business District
Garage Plan – Level 1
Site – Building Section

HOTEL
- 15 ROOM LEVELS
- 2 AMENITY LEVELS
- INTERSTITIAL LEVEL
Hotel Site – Level 1

- 2,500 square foot lobby
- One dedicated hotel service elevator and one shared service elevator
- Up to 200 parking spaces available for hotel use
Hotel Site – Level 2

- Direct connection via skybridge to GRB Convention Center
Hotel Site – Floor Layout

- Development potential
  - Two amenity floors plus 15 room floors
  - Typical guest room floor 23 x 450 SF, totaling 10,350 square feet
  - Creates up to 345 - 15’ x 30’ room bays
  - Utilizes office column grid
- Alternate grid
  - Transfer beams could be utilized to relocate column grid
  - At developers expense
- Maximum Occupancy is based on established width of stairs: 753
- Working through current and anticipated code requirements
Hotel Site – Amenity Deck Concept

STAIR CAPACITY WITH (2) 9'-5"
STAIRS IS 753 OCCUPANTS

<table>
<thead>
<tr>
<th>OCCUPANCY TOTALS</th>
<th>OCCUPANCY</th>
<th>EGRESS WIDTH</th>
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<td>TOTAL</td>
<td>734.88</td>
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AMENITY LEVEL -
ASSUMED OCCUPANCY TYPES
Timing

- Construction Documents: Completed
- Estimated Construction Start: August 2014
- Hotel Pad Available for Construction: September 2015
- Garage construction complete: December 2015
Garage Design Documents

- Will be available to Lead Proposers only
- Must execute confidentiality and disclaimer agreement
- Available on HFC website
Light Rail
Green Link

• Houston First teamed up with BG Group and the Downtown Management District to launch and operate Greenlink, a free transportation system for downtown Houston that runs weekdays from 6:30 a.m. to 6:30 p.m.

• The Greenlink fleet runs on compressed natural gas, making them a cleaner transportation alternative. The route includes 18 stops around downtown and arrives at stops every 7-10 minutes.
Envisioning A Vibrant Shopping District

Downtown Houston
Downtown Retail Taskforce Recommendation
Downtown Retail Taskforce Recommendation

Proposed Shopping District - Plan
GRB Planned $70m Enhancements

New 84,000 SF lobby
New 84,000 SF outdoor plaza area
Avenida De Las Americas Improvements
GRB Renovation
The Campus
The Stage
The Cloud
The Gardens
Tom Reifert

Strategic Advisory Group
## Surrounding Activity

<table>
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<tr>
<th>Event</th>
<th>2013 Events</th>
<th>2013 Attendance</th>
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<tr>
<td>GRB Convention Center</td>
<td>218</td>
<td>931,400</td>
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<tr>
<td>Discovery Green</td>
<td>795</td>
<td>402,400</td>
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<tr>
<td>Minute Maid Park</td>
<td>81</td>
<td>1,651,900+</td>
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<tr>
<td>Toyota Center</td>
<td>41</td>
<td>743,100+</td>
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<td>BBVA Compass Stadium</td>
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<td>338,700+</td>
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<td><strong>Total</strong></td>
<td><strong>4,067,500+</strong></td>
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Note: Sports stadium attendance does not include other sporting, special or concert events.

Source: Houston Dynamo, NBA, MLB, GRB, Discovery Green
GRB Convention Center

- Opened 1987, expanded 2003
- Exhibit SF 862,000
- Meeting SF 123,000
- Ballroom 31,600
- 10th largest convention center
- 2013 – 212 events; 917,000 attendees; 433,700 room nights
- 2014p - 269,000 room nights
- 2015p - 273,000 room nights
Hilton Americas

- HFC developed and owns
- Opened 2003
- 1,200 rooms
- 91,000 SF of meeting space
  - 40,000 SF ballroom
  - 26,000 SF jr ballroom
  - 30 meeting rooms
- Business center
- Two restaurants
- Fitness center and spa
Marriott Marquis

- Opening mid-2016
- 1,000 rooms
- 104,000 SF of meeting space
  - 39,700 SF ballroom
  - 21,700 SF jr ballroom
- Two restaurants
- Texas-shaped lazy river
- Fitness center and spa
Project Requirements

• Developer to propose:
  – Hotel type and number of rooms
  – Hotel that would compliment the surrounding assets

• Parking can be accommodated in garage
  – Up to 200 spaces for self-park and valet
Public Participation

*HFC is seeking a privately-financed hotel and expects to enter into a site/pad lease with the hotel owner*

- Potential State Rebates
  - HFC will support the designation of the hotel as a “Qualified Hotel Project” by the City of Houston
  - Designation as a “Qualified Hotel Project” subject to City Council approval
  - If State then approves, a ten-year rebate of the State 6% Hotel Occupancy Tax and 6.25% Sales Taxes could be available
RFP Submission and Process

• Submittal requirements and format
  – Executive Summary
  – Team Organization
  – Developer Qualifications and Experience
  – Design Team Qualification and Experience
  – Hotel Program, Conceptual Design, Preliminary
    Development Budget and Development Schedule
  – Financing Plan
  – Workforce
• Acknowledgements
• Questionnaire
• Evaluation process
Finance Plan

• Equity
  – Developer versus third-party equity
  – Level of committed equity
  – Expected financing role of manager/operator

• Debt
  – Amount of debt and willingness to provide debt guarantees

• 10-year Hotel Proforma

• Pad Lease
  – 4% of Gross Revenues at a minimum
  – Base Case Scenario; assumes no public participation
  – Rebate Scenario; assumes receipt of State rebates

• Finance Plan Cash Flows
  – Summarize leveraged and unleveraged cash flows and equity returns
Workforce

• Propose good faith efforts and goals
  – Design
  – Construction
  – Operations

• Provide summary of outreach, training, apprenticeship, etc. will implement to train Houston residents in Construction Trades
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• Acknowledgements
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Evaluation Criteria

- Developer experience, qualifications, financial strength and past performance with privately financed hotels
- Designer experience and qualifications with similar hotel projects
- Recommended hotel type, number of rooms, range of brand considerations and overall program
- Diagrams and renderings communicating the vision
- Development cash flows with summary of significant assumptions demonstrating financial viability
- Terms for pad lease, including lease rate
- Diversity participation
- Agreement with room block
- Overall responsiveness
Contact Person

Strategic Advisory Group

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- Requests for additional information or requests for clarifications must be made in writing
- Deadline for questions October 8
- Addenda may be downloaded at http://www.houstonfirst.com/DoBusiness.aspx