

**City of Port Aransas  
Conference Center  
& Hotel  
Request for Proposal (RFP)**

**City of Port Aransas  
&  
Port Aransas  
Chamber of Commerce**



**CITY OF PORT ARANSAS, TEXAS**  
**REQUEST FOR PROPOSAL (RFP)**  
**CHAMBER OF COMMERCE**  
**HOTEL CONFERENCE CENTER**

**NOTICE TO BIDDERS**

**NOTICE** is hereby given that the Port Aransas Chamber of Commerce and City of Port Aransas, Texas, is seeking proposals from a private sector partner to develop an upper-upscale hotel and conference center.

Sealed proposals must be clearly marked “**SEALED BID – CHAMBER OF COMMERCE HOTEL CONFERENCE CENTER**” to the City of Port Aransas City Secretary’s office, 710 W. Avenue A, Port Aransas, Texas prior to Friday, August 17, 2018 at 4:00 pm, at which time they will be publicly opened and acknowledged in the City Hall Council Chamber. Late, incomplete documentation, facsimile or email bids will not be considered. The City reserves the right to reject any or all proposals.

Request for Proposal (RFP) is available on-line on the Chamber of Commerce website [www.portaransas.org](http://www.portaransas.org) and the City of Port Aransas website at [www.cityofportaransas.org](http://www.cityofportaransas.org) or at City Hall, 710 W. Avenue A, Port Aransas, Texas 78373. Questions regarding the RFP must be submitted in writing to the Chamber by Monday, August 6, 2018. Answers to questions submitted will be provided to all respondents by the close of Friday, August 10, 2018. Any requests for information relating to this Request for Proposal may be directed to Chamber CEO Jeffrey Hentz at [jhentz@portaransas.org](mailto:jhentz@portaransas.org) or via telephone at (361) 749-5919.

**POSTED** this **2<sup>nd</sup>** day of **AUGUST, 2018** on the bulletin board at Port Aransas City Hall, 710 W Avenue A, Port Aransas, Texas and on the webpage [www.cityofportaransas.org](http://www.cityofportaransas.org). **TIME: 5:00 p.m.**  
**PUBLISHED** in *The South Jetty*, in the Thursday, August 2<sup>nd</sup> & August 9<sup>th</sup>, 2018 editions.

**CITY OF PORT ARANSAS, TEXAS**

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Francisca Nixon, Interim City Secretary

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## INTRODUCTION

The City of Port Aransas, Texas (Port Aransas) is a resort and fishing community on Mustang Island which is located twenty four (24) miles northeast of Corpus Christi, Texas. The city seeks written proposals for the planning, development; financing, design, construction and operation of a full-service upper- upscale Hotel Conference Center in the City. The City may determine that more than one Hotel project is desirable for selection. The subject project or projects should complement the City of Port Aransas and be integrated in the environment of the community.

It is the intent of the City through this Request for Proposals to identify the best private sector partner to develop an upper- upscale hotel and conference center that will allow the City to attract new meeting and group business to the City of Port Aransas, stimulate economic development and growth within the city. The project will be a public-private partnership between the city and the selected proposer. The City intends for the project to be completed and open by July 1, 2020.

Proposals are solicited in accordance with the terms, conditions and instructions contained in this Request for Proposals (RFP)

PROPOSALS SUBMITTED MUST BE MARKED:

### **SEALED BID- CHAMBER OF COMMERCE HOTEL CONFERENCE CENTER**

The deadline for submitting proposals for the RFP is:

**FRIDAY, AUGUST 17, 2018 4:00pm,**

Proposals must be received by the City by this date and time and may be sent to:

CITY OF PORT ARANSAS CITY SECRETARY'S OFFICE  
710 WEST AVENUE A  
PORT ARANSAS, TEXAS

Questions about the RFP must be submitted in writing to Port Aransas Chamber of Commerce by **MONDAY, AUGUST 6, 2018**. Questions must be submitted to:

Attention Jeffrey Hentz – [Jhentz@portaransas.org](mailto:Jhentz@portaransas.org)

Late proposals will not be accepted. Faxed or emailed proposals will not be accepted.

Respondents to this RFP must submit and one (1) original copy and **ten (10)** copies of their proposal.

The City reserves the right to reject all proposals or to accept any proposal deemed to be in the best interest of the City. The City will not be obligated to enter into any contract with any respondent on any terms or conditions.

## **PROCUREMENT SCHEDULE**

**RFP ISSUED: August 2, 2018**

**QUESTIONS RECEIVED BY: AUGUST 6, 2018**

**QUESTIONS ANSWERED BY: AUGUST 10, 2018**

**RFP RESPONSES DUE: AUGUST 17, 2018**

**INTERVIEWS WITH SELECTED FINALISTS: SEPTEMBER 5-13, 2018**

**NOTICE OF AWARD TO SELECTED PROPOSER: SEPTEMBER 20-27, 2018**

## **PROJECT BACKGROUND AND SCOPE**

### **Purpose and Overview**

The City of Port Aransas seeks a qualified development partner to plan, develop, construct, equip and operate and a full service, upper-upscale Hotel Conference Center. Tourism is a key component of the vibrancy and sustainability of Port Aransas. The purpose of this project is to allow the city to attract conference and group business to the City and generate positive economic impact in the City and the Corpus Christie Gulf Coast region.

The City understands that for this to be a successful project, public financing will be required to assist the development partner in this project. Therefore, the City will designate this project as a “Qualified Hotel Project” under provision of Chapter 351.102 of the Texas Tax Code. As a qualified hotel project, the city will be allowed to pledge state and local hotel and sales tax revenue that will be generated from this project to fund the construction of the hotel conference center, related infrastructure, meeting space, restaurants, shops, and parking facilities that are located within 1000 feet of the conference center. If the City determines that more than one hotel project is in the best interest of the City, the City will designate both projects as “qualified projects” under applicable state law. The private development partner will also need to provide some level of financial investment to this project.

In 2017, the City of Port Aransas engaged HVS Consulting and Valuation to study the feasibility of a proposed Hotel and Conference Center. The HVS study, which can be found at [www.portaransas.org/hvsstudy](http://www.portaransas.org/hvsstudy), included a market area analysis, a lodging industry supply and demand analysis, a description of the proposed hotel conference center improvements, a projection of hotel occupancy and average rates, projection of income and expenses, and description of available sites for the hotel conference center. The study concluded that the Port Aransas/ Mustang Island area has the ability to positively absorb a full-service hotel conference center facility affiliated with an upper-upscale brand. Proposers are advised to reach the HVS study carefully to more fully understand the project being considered.

Proposals received will vary in range, scope, and scale, however, the Selection Committee will compare all proposals according to the criteria set out in this RFP.

The City seeks a proposal from a qualified and financially capable development partner for the planning, design, financing, construction, and operation of the Hotel Conference Center which will contain the following elements:

- a minimum of 200 hotel guest rooms
- a minimum of 21,150 usable meeting & conference space w/breakout capability
- a full service restaurant & full service food/beverage services for the facility
- a lobby lounge
- a business center

- a gift shop or retail boutique
- an outdoor swimming pool and pool bar
- On-site parking with sufficient parking spaces
- Necessary back-of-the-house space and storage

The City will consider and encourages development of a project that would be part of a larger mixed-use development with complimentary land uses. However, a mixed use development is not a requirement of this RFP.

The development team for proposals submitted should include an architect, a builder, and financial partners/equity investors. Development partner teams should recommend Hotel brands and operators, but the final selection of a hotel brand and hotel conference center operator will occur after the selection of the development partner.

### **Site Considerations**

Available sites for consideration for the hotel conference center project are identified in the HVS Market Study. The study identified five (5) sites as suitable locations for the successful operation of a hotel conference center facility. All of those sites are located within the City of Port Aransas. Other sites/locations will also be accepted as part of the bid response

## **PROPOSAL REQUIREMENTS**

All submitted proposals should be bound and single sided letter size pages. Any proposals larger than letter size should be folded to fit in a letter size format. The proposals should include the information set out below. Failure to include any part of the information listed below may result in the disqualification of a submission.

Respondents must provide the following information to the greatest extent possible:

### **Table of Contents**

Include a clear identification of the information provided by section and page number

### **Introductory Transmittal Letter**

A letter on corporate letterhead that provides a brief description of the development team, overview of the team's proposal, and a statement on how the development team intends to deliver the project on budget and on time, and an overview of the financing plans/equity component of the project.

### **Team Qualifications**

Respondents must propose a development partner team and identify each member or firm on the development team. The team must include an owner/developer, general contractor, architect and/or engineer. Other team members like hotel brands and operators may be identified but are not required to be listed. The respondent should describe the composition, legal form, and organizational structure of the development team. Describe the organization and management approach and identify the role of key personnel who will be involved in implementation of the project.

### **Team Personnel**

For each key person, please provide a summary of the person's qualification and include:

- a team organizational chart that includes the development entity, management company (if any), architectural firm, construction company, financial partners, and others
- a resume of past relevant development experience, specifically identifying hotel conference center projects with project start dates, completion dates, and adherence to project schedules
- location of key personnel
- the role and responsibility that each person will play in the project along with contact information that includes email addresses and telephone numbers
- for each architect and/or engineer on the project, certify that the person was selected based on demonstrated competence and qualifications, in the manner provided by TEX. GOV'T CODE 2252.004



## **Project References**

- list any public/private partnership experience. Specifically include any contact information for municipal references
- submit information on three (3) projects of similar scope and complexity that the team has completed within the last ten (10) years. This information should include summary descriptions of the convention center hotel projects the team's lead developer has led, the contractor has constructed, and the architect has designed
- for similar projects listed, please provide a comparison of the original proposed budget for the project versus the actual final cost at project completion. **Please show land costs separately**
- list names, locations, number of rooms, hotel brand of any hotels currently owned or managed by the development team
- provide the name, title, address, and telephone number for three (3) references with first-hand knowledge of the development team's performance on the projects listed above. Each reference should relate to a different project.

## **Development Sites**

- identify a proposed development site or sites (see HVS study sites or identify additional sites)

## **Proposed Timeline for Development**

- **provide a projected timeline for your team's completion of the project**

## **Preliminary Project Concept Plan**

- submit a conceptual diagram of the Hotel Conference Center, parking, and related development and amenities. Summarize the proposed building and include: proposed sites, location and dimensions(see sites identified in the HVS Study or propose other sites); the number of hotel rooms; floor areas and function spaces; description of food and beverage facilities; onsite parking facilities; and other amenities or related development that may be included in your plan
- discuss prior experience in branding or franchising hotels. Discuss hotel brands that may be appropriate for this proposed project
- discuss the visual and physical relationship with the surrounding neighborhood, and other developments
- provide transportation access to and within the site area
- provide any other information that is related to and helpful to explain your project
- artistic renderings are optional

## **Approach to Financing and Ownership Experience**

- discuss your proposed approach to the ownership and operations of the project. Provide descriptions of successful approaches to financing and ownership your team has utilized for past projects. Include discussions of ownership, land, debt, equity, and public incentives that comprised the financing plans for past projects. Describe any potential equity investors
- **NOTE:** the selected proposer will be required to demonstrate in-depth financial capability during negotiations
- describe the ownership entity for the hotel

## **FINALIST SUBMISSIONS**

Finalists for the project will be asked to provide a detailed business plan for the Hotel Conference Center development. A detailed concept plan that includes a site plan, building plans and sections may be necessary to fully describe the project.

### **Development Schedule**

- a project schedule beginning with authorization to negotiate through opening of the project

### **Budget/Project Cost Estimates**

- a comprehensive project budget including all land costs, construction costs broken down by building component, FF&E costs, pre-opening costs, permit and approval fees, legal costs, development fees, and other costs. Escalation costs for inflation should be identified in the projections.

### **Proforma Statement of Operations**

- a five-year pro forma operation statement for the proposed hotel conference center

### **Financing and Ownership Plan**

- the amounts of proposed debt financing and the estimated cost of debt
- the amounts of proposed equity investment and anticipated return on equity
- other sources of funding if any
- the anticipated amount of public participation in the project and the proposed forms of public participation
- a narrative description of the proposed approach to funding the proposed project that details any proposed financial responsibilities of the development partner and/or operator
- plans for ownership and operation of the proposed hotel conference center including potential brands, franchise arrangements, and hotel conference center operator

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## **SELECTION PROCESS**

The selection process will involve a review of all proposals timely submitted and received. The Selection Committee will review and rank each proposal submitted. The top three (3) ranked proposals will then be recommended as Finalists to the City. The finalists will be asked to submit additional information for review. The Selection Committee will review the additional information and rank the proposals for the City. The City will then begin negotiations with the top ranked development partner. If an agreement cannot be reached with the top ranked team, the City will begin negotiations with the second ranked team.

During the selection and negotiation process the City may request additional information from the teams as may be necessary to select a winning team or teams and negotiate an agreement

### **Selection Criteria**

All proposals will be evaluated based upon the Proposal Requirements provided in the RFP and the following criteria which give favorable consideration to the development partners who have significant experience in the development of similar projects. The criteria listed below involves determining which development proposal presents the best qualified team with the financial capability to develop the project on budget and on time with a plan that demonstrates an efficient and innovative use of the eligible development sites. The selection criteria include;

- ability to secure project financing and make the necessary investments
- cost of the project
- depth of experience directly with comparable projects
- demonstrated experience and availability to meet the stated schedule for project completion
- the quality of the proposed building project, ownership structure, and operating plan
- extent to which the proposal meets the requirements and objectives of the RFP
- consideration of additional development and complimentary land uses in the development
- demonstrated benefits to the city (including financial ) of the proposed ownership and operating structure
- overall responsiveness to the RFP
- interviews with the Finalists

The City will select the development team that submits the proposal that is the best value to the City on the basis of the selection criteria listed above.

### **ADDITIONAL CONSIDERATIONS**

All responses submitted to this RFP remain in effect for 120 days after the date of submission.

The City reserves the right to contact any reference listed in a proposal to assist in the evaluation of the proposal, to verify information contained in a proposal, and to discuss the proposer's qualifications. The City reserves the right to obtain and consider information from other sources concerning the proposer, such as the proposer's capability and performance under other contracts. The contents of the proposal submitted are subject to verification. Misleading or inaccurate responses shall result in disqualification

This RFP does not commit the City to award a contract for the scope of work described in this RFP. The City reserves the right to reject any and all proposals. The City reserves the right to waive any irregularities or non-conformance with the terms of the RFP.

All costs associated with preparing the RFP response shall be borne by the development team. The City shall not be responsible for any costs associated with responding to this RFP.

Acceptance of this RFP will be in the form of a contract. The contents of this RFP shall become a part of the contract.

Information, documentation, and other materials submitted to the City for this RFP or any resulting contracts may be subject to public disclosure pursuant to Chapter 552 of the Texas Government Code (Texas Public Information Act). Any proprietary or confidential information submitted in a proposal should be marked as such. The city will make efforts to protect the confidentiality of this information to the extent allowed by law.

Respondents agree to maintain at all times during the life of the project applicable insurance. The successful responder will be required to provide a Certificate of Insurance coverage, limits and endorsements as required by the City.

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