## Agenda Item No: PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

5A-1

## AGENDA ITEM SUMMARY

Meeting Date:	March 9, 2010	[]	Consent Public Heari	[X]	Regular
Department:	Administration			19	
Submitted By:	Administration				

**Motion and Title: Staff recommends a motion to:** A) approve the Selection Committee's ranking of the Respondent's for the Development and Operation of the Palm Beach County Convention Center Hotel as follows; No.1: The Related Companies; No.2: FRI Investors, Inc. /National Investment Company; No.3: Shiraz, Inc. and No.4: Acquest Realty Advisors; and B) direct Staff to begin discussions with The Related Companies regarding the financing for the project.

**Summary:** Beginning on May 24, 2009, Staff advertised a Request for Qualification (RFQ) for the development of the Convention Center Hotel which established a submittal deadline of August 2, 2009. A Pre-Submittal meeting was held on June 12, 2009 with over 70 people in attendance. Over 135 individuals obtained a copy of the RFQ. The RFQ required each Respondent to identify the Hotel Development/Operations Team consisting of: the Lead Developer, Hotel Operator/Hotel Brand, Architect, Financial Consultant/Advisor and the Construction Manager.

A total of five (5) Respondents submitted qualification packages including Acquest Realty Advisors, FRI Investors, Inc./National Investment Company, Grove Street Partners, The Related Companies and Shiraz, Inc. Ultimately, all Respondents, except Grove Street Partners, were deemed responsive to the RFQ and forwarded to the Selection Committee. On February 12, 2010, the Selection Committee observed presentations from the four (4) responsive Respondents and ranked them according to the Selection Criteria contained in the RFQ. The Related Companies received a unanimous No. 1 ranking from all seven (7) Selection Committee members. Their team members include: the Hilton Hotel, Coastal Construction/Catalfumo Development, Architects Nichols Brosch Wurst Wolfe & Associates, Inc. and Financial Consultants Piper Jaffray & Company. Some of the key factors relating to their unanimous ranking include the financial strength of the company, their demonstrated successful experience executing high profile public/private projects, their team's qualifications, their local investment in City Place, an excellent relationship with the City of West Palm Beach, a site plan that builds off of the approved Level III Site Plan for the hotel site and the potential for an expansion of the hotel.

Over the next four (4) to six (6) months it is envisioned that three (3) separate Agenda Items will be presented to the Board of County Commissioners (BCC) relative to moving this project forward. The first Agenda Item is this item. The second Agenda Item will seek approval/rejection/direction regarding the financing of the hotel and direction to Staff to begin contract negotiations. The third Agenda Item will seek approval/rejection/direction regarding the contract agreements. It is estimated that this project will create over 360 construction jobs for approximately two (2) years and 300 permanent full-time jobs once the facility is operational. <u>Countywide</u> (JM) (HJF)

**Background and Policy Issues:** In January 2004, the County issued a Request for Proposal to develop a first class hotel containing a minimum of 350 rooms to serve the Palm Beach County Convention Center. (Continued on Page Three)

### Attachments:

- 1. Selection Committee Ranking Summary Sheet
- 2. Request for Qualifications Selection Criteria

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Recommended	by: <u>Adama (</u> Department Director	3-2-10	
	Department Director	Date	
Approved By:			
	Assistant County Administrator	Date	

# II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Capital Expenditures Operating Costs External Revenues Program Income (County) In-Kind Match (County) NET FISCAL IMPACT		  			
No. ADDITIONAL FTE POSITIONS (Cumulative)					
Is Item Included In Current	Budget?	Yes	No	, androgen	
Budget Account No.:	Fund	_ Departmer	nt	Unit	Object
Reporting Category:	************				
B. Recommended Sou	rces of Funds	s/Summary of	Fiscal Impa	ct:	

C. Departmental Fiscal Review:

## III. <u>REVIEW COMMENTS</u>

A. OFMB Fiscal and/or Contract Dev. and Control Comments: KTSCCL I WPART IS Undeferminable at this flow

26110 OFMB Contract Dev./and Con

B. Legal Sufficiency:

10 Assistant County Attorney

C. Other Department Review:

Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

On April 10, 2007, the BCC approved a Development Agreement (2007-0579), a Hotel Lease (R2007-0580), a Residential Land Lease (2007-0581) and a Hotel Room Block Agreement (R2007-0582) with Ocean Properties to develop a 400 room Westin Convention Center hotel and 104 Condominiums. On October 7, 2008 (R2008-1808) the BCC Terminated its Agreements with Ocean by approving a Mutual Release and Termination of the Agreements.

Convention Center Hotel Selction Committee Summary Sheet

Committee Member	Acquest Ranking	FRI Investors Ranking	Related Ranking	Shiraz, Inc. Ranking
Roger Amidon	3	2	/	4
Dave Andersen	4	3	/	2
Laura Beebee	4	2	[/	3
Liz Bloeser	4	3	/	2
Todd Bonlarron	4	2	/	3
Brian Shields	4	3	/	2
Robert Weisman	3	2	/	4
			=	
TOTAL (Lowest Overall Score the Best)	26	17		20
Ranking (1-4)	4	2		3
SHANNON R. LAROCQUE Shann Round				
Staff Name: Shannon R. LaRocque, Assnt. County Adminstrator PATTY Hadie				
Staff Name: Patty Hindle, Agenda Coordinator Signature				

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Attachment 1

#### SECTION III

# A. SUBMITTAL SELECTION AND EVALUATION

#### Selection Committee

A Selection Committee will be designate for evaluation of all Submittals received in response to this RFQ. The Selection Committee shall make its recommendations based on adherence to the goals, objectives and evaluation criteria outlined in this RFQ. The County reserves the right to appoint non County employee(s) to the Selection Committee.

#### Evaluation Criteria

The following criteria will be used as a guideline in evaluating Submittals, and is not intended to identify all items within each category to be considered.

# • Lead Developer's Qualifications – 25%

- Quality of information submitted in response to RFQ
- Qualifications of Lead Developer's key personnel
- Qualifications of Lead Developer to manage the project
- Qualifications of Lead Developer to finance the project, including current relationships with major lenders
- Demonstrated ability to fund large hotel projects and projects of similar scope and magnitude
- Lead Developer's experience in successful public/private partnerships on projects of similar scope and magnitude

## Hotel Quality/Hotel Operator Qualifications – 25%

- Demonstration of a prominent national sales office network and sales force positioned to primarily pursue convention and group meetings
- History of hotel projects of similar scope and magnitude with emphasis on convention center hotels in its portfolio in other U.S. major convention destinations
- Quality of Hotel brand
- Number of Hotels Rooms

#### Project Team's Qualifications – 20%

o Qualifications of proposed Team to successfully develop and

operate a convention center hotel project

- Personnel and Team references
- o Personnel and development team resumes
- Project Team's Past History 20%
  - Demonstrated experience in developing, implementing and successfully completing projects of similar size in a timely manner
  - Demonstrated experience in the development of hotel projects of similar scope and magnitude.
  - Demonstrated experience in the development and management of convention center hotels
  - o Demonstrated experience in working with public agencies
  - o Demonstrated experience in public financing models
  - Demonstrated history of delivering projects on time and a committment to bear risk of project delays
  - Demonstrated experience in assembling and managing a development team
  - Demonstrated experience of the Architect on hotel projects of similar scope and magnitude
  - o Past litigation history

## Respondents Development Plan – 10%

- Proposed schedule
- Conceptual site plan
- o Non-hotel uses plan