

Dallas Convention Center Debt Restructure Feasibility Study – Vendor Selection

Briefing to the Economic Development Committee

February 4, 2008



Purpose

- To provide an update on the results of the procurement process to select a vendor that will conduct the Convention Center Financial Feasibility Study

Background

- In 1957, the Dallas Memorial Auditorium opened including 70,000 square feet of exhibit space, a 1,700-seat theater and a 9,000-seat arena. The Dallas Memorial Auditorium was re-named the Dallas Convention Center and has expanded three times: 1973, 1984, and 1994. Currently, the Dallas Convention Center is one of nine major convention centers with over one million square feet of exhibition space
- In 1998, Revenue Refunding and Improvements Bonds for \$326,230,000 were issued for the restructuring of the Dallas Civic Center Convention Complex outstanding debt in order to; restructure debt service requirements, and to fund construction costs associated with renovations to the Convention Center in 2002.

Scope of Study

- Perform a Financial Feasibility Study for the proposed \$200 million restructuring of the Dallas Civic Center Convention Complex
- In addition, there will be an assessment of the ability of the Convention Complex to meet financial requirements for operations
- Based on the analysis of the debt capacity, the City's financial advisors may recommend revising the debt structure
- This study will be one of the items incorporated into a submittal to the bond rating agencies to price any new bond issuance

Procurement Activities

- October 12 & 18, 2007, Business Development and Procurement (BDPS) Staff advertised the RFP
- Notified all registered vendors by email and conducted further efforts to contact additional vendors through the procurement process and our ResourceLink Team
- October 22, 2007, BDPS conducted pre-proposal conference
- November 2, 2007, received five proposals

Procurement Activities

- BDPS established a Proposal Review and Selection Committee consisting of six members:
 - Chief Financial Officer
 - Assistant Director, Business Development and Procurement Services
 - Assistant Director, Convention and Event Services
 - Assistant Director, Aviation
 - City of Dallas Financial Advisor (2)
- Following the Selection Committee's initial evaluation, three vendors were invited to meet with the Selection Committee on January 18, 2008

Selection Criteria

- The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:
- Consultant's Experience – 45%
- Cost to the City - 30%
- Consultant's work plan and approach to the project - 25%

Analysis & Recommendation

- The proposers were ranked HVS Convention, Sports and Entertainment Facilities Consulting, receiving the highest score

Weight	45 Points	30 Points	25 Points		
Vendor Name	Experience	Cost	Work Plan & Approach	Total Cost	Average Score
HVS Convention, Sports & Entertainment Facilities Consulting	44.67	19.66	25.00	\$ *170,000.00	89.33
C.H. Johnson Consulting	30.17	30.00	20.83	\$ 111,440.00	81.00
ERA Economic Research Associates	27.83	29.85	19.17	\$ 112,000.00	76.85
Strategic Advisory Group	32.17	18.57	22.00	\$ 180,000.00	72.74
Conventions, Sports and Leisure, International	40.67	8.47	16.67	\$ 394,875.00	65.80

- *Pricing indicates best and final cost.

HVS Convention, Sports & Entertainment

- HVS Convention, Sports & Entertainment Consulting is a division of HVS Hospitality Services
- HVS Hospitality Services is a leading global hospitality consulting organization and is respected worldwide by developers, underwriters, operators and investors
- HVS has a professional staff of more than 200 industry specialist, 20 offices in 10 countries
- The specialized staff of HVS Convention, Sports, & Entertainment Consulting has completed over 300 assignments throughout the world analyzing all types of public assembly facilities since 2001
- HVS studies appear in municipal bond offering statements
- HVS Convention, Sports & Entertainment staff has extensive experience presenting their studies to rating agencies and bond insurers

Good Faith Effort

- HVS has fulfilled the Good Faith Effort requirement and proposes to use National Service Research, a M/WBE firm that has experience in market analysis, financial and economic analysis.
 - The Good Faith Effort participation is 22.52%

HVS Convention, Sports & Entertainment-Experience

- Summaries of relevant convention center and multi-purpose event center feasibility studies performed by HVS
 - Albany Convention Center Authority
 - Market and financial analysis for proposed convention center and headquarter hotel development
 - Austin Convention Center
 - Feasibility study for the expansion of the convention center
 - Wisconsin Center District
 - Financial advisory service for original construction, market and feasibility studies as well as an economic impact analysis for a expansion of the convention center
 - Chamber of Commerce of the Borough of Queens, NY
 - Market and feasibility analysis of potential conference/exhibition center and hotel development

HVS Convention, Sports & Entertainment-Experience cont.

- Raleigh (North Carolina) Convention Center Steering Committee appointed by Raleigh city council
 - Create a business plan for a proposed new convention center and hotel in downtown Raleigh
- City of Schaumburg (Illinois)
 - Feasibility analysis for a convention center and headquarters hotel
- Town of Vail, Colorado
 - Developed business plan for a new conference center

Recommendation

- The City Council February 13, 2008 Council Agenda Addendum will have an action item authorizing a professional services contract with HVS Convention, Sports & Entertainment Facilities Consulting to perform a Financial Feasibility Study for the proposed \$200 million restructuring of the Dallas Civic Center Convention Complex debt in an amount not to exceed \$170,000.

Next Step

- Consideration of contract award on the Council's February 13, 2008 agenda.



Questions