



**REQUEST FOR PROPOSALS
FOR DEVELOPMENT SERVICES
RELATING TO A
DALLAS CONVENTION CENTER HEADQUARTERS HOTEL**

CITY OF DALLAS, TEXAS

MARCH 7, 2008

**REQUEST FOR PROPOSALS
FOR DEVELOPMENT SERVICES RELATING TO A
DALLAS CONVENTION CENTER HEADQUARTERS HOTEL**

The City of Dallas invites written proposals from six developers for development services including, but not limited to the financing, design, construction and operation of a headquarters hotel for the Dallas Convention Center in Dallas, Texas. Proposals are solicited for these services from the six qualified developers that responded on February 13, 2008 to the City's RFQ in accordance with the terms, conditions and instructions as set forth in this Request for Proposals (RFP).

Proposals must be time stamped in the Business Development & Procurement Services office at **1500 Marilla, Room 3FN; Dallas, Texas 75201** by 2 p.m. (CST) on March 31, 2008. Late proposals will not be accepted.

Responding developers must submit fifteen (15) photocopies of their proposal in addition to the original (labeled accordingly). A total of sixteen (16) paper proposals shall be submitted. Four (4) electronic copies of the proposal will also be required on compact disc (CD) media. The original proposal must be the actual document received by the City and must be clearly marked "Original." Faxed responses are not acceptable.

Proposers must submit their RFP response (original, CD and copies) in a sealed package. Any additional or alternative proposals must be submitted in separate sealed packages and labeled accordingly. The City is not responsible for submissions not properly identified.

The City of Dallas reserves the right to reject any and all proposals or to accept any proposal deemed to be in its best interest.

CONFIDENTIALITY

Due to (1) the competitive nature of the RFP evaluation, negotiation, and selection process, (2) the fact that subsequent submissions will likely be required of two or more Proposers, in order to obtain best and final offers, and (3) the fact that proposals will involve the negotiation of a real estate transaction, and contain information relating thereto and involving economic development negotiations, trade secrets, commercial and financial information, the disclosure of which would cause substantial competitive harm to the Proposers and the interests of the City, until the City completes its negotiations and contract execution with the successful Proposer, any public release of Project information from specific proposals, is prohibited. However, responders to the City's RFP are free to openly discuss any public information regarding their qualifications or experience.

Compliance by all Proposers with the City's foregoing confidentiality requirements is mandatory, and non-compliance by a Proposer may result in the immediate disqualification of that Proposer.

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1. PURPOSE

- 1.1. The City of Dallas (the “City”) solicits responses to this Request for Proposals (RFP) from the six selected qualified Developers (“Developers” or “Proposers”) interested in providing development services required for, but not limited to, the financing, design, construction and operation of a convention center headquarters hotel to be located on a City owned site adjacent to the Dallas Convention Center (the “Project”) in Dallas, Texas.
- 1.2. Through this RFP process, the City intends to select one Developer and initially enter into a memorandum of understanding and subsequent negotiated agreements as necessary to procure all of those services necessary for the development and operation of the Project. The City intends this to be an iterative process; proposals or components of the proposal may require modification by the City. Proposers are to propose a development team that includes architects, construction professionals, a hotel operator, and other parties as may be required for completion and operation of the Project. The City reserves the right to select final team members from among the proposals received by the City in response to this RFP.
- 1.3. The City expects to approve the choice of the major national lodging brand regardless of which developer is selected. The City expects the selected developer to work with the selected major national lodging brand and likewise expects the selected major national lodging brand to work with the selected developer.

2. PROJECT SCOPE

- 2.1. The City seeks the development of a convention center headquarters hotel with a target opening date of spring 2011, within 1,000 feet and linked to the expanded and renovated Dallas Convention Center (DCC), in order to attract a higher volume of conventions and tradeshows that require large quantities of hotel room bookings and stays. The City’s larger goals through the development of the Project are to provide a positive economic impact resulting in income to the City, quality jobs for the Dallas workforce, increased tax revenues, opportunities for minority- and women-owned business enterprises (M/WBE) to participate in the Project’s development and operation, and contribution to the City’s long-term economic growth objective.
- 2.2. The City’s interest in the Project is based in part on the findings of a December 2001 economic impact analysis study commissioned by the Dallas Convention & Visitor’s Bureau (DCVB) and performed by HVS Convention, Sports, & Entertainment Facilities Consulting (HVS). This study was updated in 2003 and is being updated concurrently with this RFP process. The updated HVS Study will be used by the City to evaluate proposals submitted in response to this RFP. As soon as the update is completed, it will be made available to all Proposers.

- 2.3. The HVS study recommended construction of a 1,200 room convention center headquarters hotel with a major national lodging brand with related amenities and facilities. The City desires that such amenities and facilities feature at least 70,000 square feet of multi-purpose spaces for meeting rooms and ballrooms. Additional amenities and facilities may include a restaurant, exercise facilities and other amenities typically included in hotels with 4 star ratings, various lounges, a gift shop, a business center and ease of access to communications and Internet technologies throughout the facility, linked office/retail and residential development, an outdoor swimming pool and whirlpool, and a fitness center/spa. Parking facilities sufficient for a minimum 1,000 guest rooms must conform to City zoning requirements.
- 2.4. Although the HVS study prescribes a certain scale and set of amenities for the Project, this is not intended to limit Proposers' creativity or ability to propose an alternative scale or set of features and amenities deemed to better suit the goals of the City through this Project. The City is open to proposals that offer distinctive features and amenities that go above and beyond those outlined in the HVS study and put forward a finer class of development that would set Dallas and the DCC apart from other destinations. The City reserves the right of final approval of the Project scale, features and amenities, and the national lodging brand.
- 2.5. The City seeks development proposals that create vibrant linkages and connections to existing or proposed additional development – commercial, retail, residential and recreational – that contribute to the downtown experience, as well as accessibility to public transportation.
- 2.6. The major national lodging brand selected to manage the property must have (a) a prominent national sales office network and sales force positioned to primarily pursue convention and group-meeting demand, (b) a series of convention center hotels in its portfolio in other U.S. major convention destinations, and (c) a financial commitment to the Project.
- 2.7. Proposers are to target, to the greatest extent practical, the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ standard for a silver level certification for the Project, with the goal of maximizing long-term benefits, such as operating and maintenance savings, while minimizing up-front Project cost. Proposers are to explain methodologies they will employ and estimated cost to achieve this goal.
- 2.8. The City seeks Developers willing and able to develop the Project in accordance with the objectives and goals as stated in this RFP, as well as all applicable land use regulations established by the City and the DCC Master Plan. A summary of the Dallas Convention Center Master Plan is available on the City web site at <http://www.dallascityhall.com/dallas/eng/html/dcchotel.html>.

3. OBJECTIVES

- 3.1. Through this RFP process, the City seeks to enter into a memorandum of understanding and subsequent negotiated agreements as necessary with a highly qualified, financially capable development firm for all the services needed to guarantee development and operation of the Project with pre-determined, minimal City participation.
- 3.2. Proposers are to assemble all of the necessary parties with proven track records in the development of hotels similar in scope to the Project (the “Development Team”), including but not limited to architectural and engineering firm(s) and related sub-consultant(s) (including, without limitation, mechanical, electrical, civil and structural engineers), a highly qualified and financially capable general contractor, and a hotel operator (the “Operator”) for the design, construction and operation of the Project. The City may require the Proposer to remove or add members from the Development Team as the City deems necessary.
- 3.3. Non-exclusivity: The City, in conjunction with the selected developer, expects to assemble the best combination of potential team members. With this objective in mind, all members of a responding team, with the exception of the lead developer, may be listed as members on more than one proposed team. A developer of one team may participate in a supporting role on another team, but will not be considered for multiple lead-developer submittals. For example, a lead developer on one Project team may submit as an equity investor on another team.

4. SITE

- 4.1. Texas State law, in making available financial incentives to support the financing of this Project, requires that the location of a convention center hotel be within 1,000 feet of the City’s convention facility to be eligible for those incentives. Therefore, site identification is critical to the success of this Project. The City has identified, and placed under option an approximately 8-acre parcel (at a cost of \$109.32 per square foot) located adjacent to the Dallas Convention Center known as the “Chavez” parcel.



Figure 4. Aerial View of the Dallas Convention Center and Surrounding Area

All Proposers must deliver in their response to this RFP, a full, detailed proposal for a hotel development located on the Chavez parcel, and specifying the amount of land from the Chavez parcel to be used. While the City will entertain alternatives to this site for a hotel Project, no alternatives submitted will be considered if Proposers do not follow the instructions of the base request to submit a proposal for the Chavez parcel. The City would also expect any alternatives to be either owned or under contract by the Proposer and/or not require additional acquisition by the City.

- 4.2. The final site selection will be recommended to the City Council by the City staff based on input from the Proposer.

5. FINANCING

- 5.1. It is the City's goal to minimize the level of public financial participation in the Project and to attain the most distinctive, highest-quality and marketable Project possible. Proposers are urged to consider creative development and financing structures that will accomplish these ends. Two development structures of interest include, but are not limited to: 1) private ownership and financing of the hotel that might include a component of public participation in infrastructure improvements, or 2) a public not-for-profit corporation ownership (local government corporation) with a limited public financing structure. The City encourages Proposers to be creative in the development proposal, including the room count, meeting space alternatives and amenities, as well as in financing alternatives, bearing in mind the City's goal for a positive impact on the local economy.
- 5.2. Proposers shall provide a detailed financing plan that includes structure and type of debt and equity. If the proposal includes the City's financial participation, the proposal should detail the type and level the City's exposure to additional financial risk and the City's and other participants' returns in consideration for their

participation. The City's participation for this analysis includes contribution of land, other City assets and parking, as well as cash or financing vehicles. Proposers will be allowed, under City supervision arranged by John Kohut, to have interaction with the City's financial advisor and bond counsel for the structuring and possible issuance of public debt. While the City of Dallas will have the ultimate decision on the amount and type, if any, of public participation and financing, it is interested in proposals that include methods of structuring the financing to minimize the level of subsidy as well as the risk.

- 5.3. Proposals are to include a financial analysis that is supported by an internal market study that details the assumptions used in the recommended development. In addition, a financing plan and Project schedule must be submitted. Proposers are to identify the capacity for revenue bonds and the amount of debt supported for any portion of the Project proposed to be financed in whole or in part by such bonds to be issued by the City or an entity to be formed by the City and augmented by rebates of certain taxes from the State of Texas. The statutory citations for the state funds are sections 351.102(b), 351.102 (c), and 151.429 (h), Texas Tax Code. It should be noted that citywide Hotel/Motel tax revenues are not available to support this Project.
- 5.4. If public entity financing is utilized for the Project, the City's bond counsel and financial advisers will be employed as part of the Project-related expenses.

6. ADDITIONAL INFORMATION IN PROPOSAL

- 6.1. Transmittal Letter and offer to negotiate, not to exceed one page in length, and including:
 - 6.1.1. An offer to negotiate, indicating the Proposer's understanding and agreement to comply with the terms of this RFP and all related addenda, and stipulating that the proposal set forth remains effective for a minimum period of 240 days.
 - 6.1.2. Identify the Proposer's firm, its ownership, officers, directors or partners, consultants and sub-contractors, as well as a single contact person for all correspondence and notifications and its legal counsel. Full and complete disclosure of the Proposer and its ownership and control is mandatory.
 - 6.1.3. Provide, in at least one copy, an original signature of a partner, principal or officer of the Proposer, with a statement that the signatory is authorized to submit the proposal.
 - 6.1.4. Attach a completed Good Faith Effort (GFE) Plan Affidavit, stating that the Proposer will comply with the City's M/WBE Policy as referenced in section 8.

- 6.1.5. Attach evidence of financial capability of each Team Member establishing each Team Member's ability to satisfy the objectives expressed in this RFP, and list financial references for each Team Member.
- 6.2. Recommended Development Team Qualifications
 - 6.2.1. Legal name and officers, directors or partners of each member of the Recommended Development Team, at a minimum, including the developer, architect, construction manager or general contractor, hotel operator, and all other proposed team members expected to receive financial compensation.
 - 6.2.2. A summary of qualifications, relevant experience and references for each Recommended Development Team member, specifically addressing matters related to the Project Scope and Objectives expressed in this RFP.
 - 6.2.3. A description of the type of entities that will develop and operate the Project (e.g. corporation, LLC, joint venture, etc.) and a list of other owners of interest that may provide equity to the ownership entities and the estimated percentage of ownership of each. The City expects competent, efficient management to operate and market the Project.
 - 6.2.4. Proposers must identify executive members of the recommended Development Team who have current claims or who have participated in litigation against the City of Dallas while with another firm. Firms currently in litigation with the City or whose executives are in litigation with the City may not be considered for this Project.
 - 6.2.5. It will be incumbent on those persons or firms with persons having potential conflicts of interest to identify and cure such conflict(s) prior to consideration of the Proposal. Failure to identify such conflict may remove that person or firm from further consideration.
 - 6.3. Physical Development Proposal – The City expects the Project to possess the quality and level of finishes consistent with similar headquarters hotels of high quality in other North American cities. Proposers shall provide a concept and feasibility study for the proposed development program, which should include the following minimum information:
 - 6.3.1. Total gross building area, footprint and number of stories.
 - 6.3.1.1 Breakdown of the room mix by category and the size of the rooms by category (king, double, suite, etc.).
 - 6.3.1.2 Amount (square feet) and distribution of meeting and banquet space.

- 6.3.1.3 Description of facilities for food and beverage services.
- 6.3.1.4 Description of business center services and ease of access to communications technologies and the Internet.
- 6.3.2. Links between Project elements and the Dallas Convention Center.
- 6.3.3. Proposed room rate structure.
- 6.3.4. Number of parking spaces required for the Project as well as a description of the parking facilities and any associated office/retail or real estate development.
- 6.3.5. Visual and physical relationship with the DCC, downtown Dallas and other existing or additionally proposed commercial, retail, residential and recreational developments, as well as accessibility to public transportation.
- 6.3.6. A description of any additional amenities or development, including, but not limited to, office or retail space, restaurants, office space, residential, entertainment, retail space or other shopping venues.
- 6.4. Concept Description - As part of the Project description, Proposers are to include the gross floor area of each use at all elevations and major entrances and the interrelationship of the proposed Project with the DCC. Include a narrative statement, not to exceed 1,000 words, to describe the factors taken into consideration in developing the Project program, and other information that the Proposer believes would be helpful in understanding the proposal.
- 6.5. Project Schedule - Proposers shall provide a Project schedule, from authorization to negotiate through opening of the Hotel, assuming that a memorandum of understanding is consummated with the City by August 2008 and a proposed opening date of spring 2011. If alternative hotel developments are proposed, please include development schedules for each individual proposal.
- 6.6. Project Financing - Appendix A to the RFP contains Forms A1, A2, A3 and A4 that are to be completed by Proposers and included in the response. If alternative Project scenarios and financing approaches are considered, full information for each alternative is required.
 - 6.6.1. Proposers shall provide a detailed development budget in conformance with each of the line items provided in Form A1. Escalation of costs for inflation should be included and so identified in the projections.
 - 6.6.2. Using Form A2, Proposers shall identify the competitive market set; provide details of market assumptions that underlie projected occupancy levels and

rates, as well as a five-year market history, with year-to-date data for 2007, using Smith Travel Research data.

- 6.6.3. Proposers shall provide a statement of net operating income for the proposed Project in conformance with each of the line items provided in Form A3, assuming completion of construction and opening of the Project in the appropriate year, based upon the Project schedule submitted by the Proposer.
 - 6.6.4. Proposers shall provide an analysis of the Project's cash flows on the Form A4. In this schedule, cash flows from operations, Project costs, debt service, profit requirements, any rebates in State taxes, and the residual value of the Project are used to calculate the net present value of the proposed Project.
 - 6.6.5. Proposers shall provide a plan and demonstrate ability for obtaining both equity capital and, as required, debt financing necessary to undertake the development, including the rates of return these sources are likely to require. Proposers are encouraged to present evidence of equity capital and debt financing commitments from financial institutions, partners, and other resources, as part of the response.
 - 6.6.6. Proposers shall provide evidence of the concurrence of key participants in the development concept and economics. These participants should include, in addition to the Development Team, the hotel operator, if included, and sources of debt and equity capital.
 - 6.6.7. Proposers must identify any equity support and/or subordination of fees to be made by Development Team members in support of the Project.
 - 6.6.8. Proposers must identify any experiences Development Team members have had with publicly financed hotel projects completed among the Development Team members that have experienced cash flow or other similar financial deficiencies, and identify the measures Development Team members have taken to address such deficiencies, including the decision making processes that would allow such publicly financed hotel project to go into default.
- 6.7. Information requested in the RFP shall be deemed by the Proposer to be privileged and confidential unless otherwise noted in the proposal. The City will endeavor to protect such information from disclosure to competitors or others to the extent allowable by law. Proposers are advised that responses are subject to the Texas Public Information Act (Texas Open Records Act), Chapter 552, Texas Government Code.

7. ADDENDA AND SUPPLEMENTAL INFORMATION

- 7.1. Addendum(s) to the RFP shall be provided to all Proposers who received the initial RFP should it become necessary to make revisions, request additional information, or respond to written inquiries relating to the RFP.
- 7.2. It may be necessary for the City to request supplemental information from individual Proposers after proposals have been submitted and reviewed. Such information will be requested in writing to the specific Proposer. This information will become a part of the original proposal submitted by the specific Proposer and will be used by the City in evaluating the proposal and will not be shared with other Proposers during the evaluation, negotiation and award process.

8. GOOD FAITH EFFORT PLAN

- 8.1. It is the policy of the City of Dallas to involve Minority and Women-owned Business Enterprises (M/WBE) to the greatest extent feasible. In the Proposal Statement, the Developer must provide their proposed method of compliance with the City of Dallas Good Faith Effort (GFE) Plan for the use of Minority and Women-owned Business Enterprises and agreement with Letter of Assurance A (Available online at http://dallascityhall.org/business_development/good_faith_effort_forms.html)
- 8.2. On May 14, 1997, the City Council approved the following M/WBE participation goals (Council Resolution #97-1605). These goals were adopted without consideration for ethnicity or gender.
 - Construction: 25.00%
 - Architectural & Engineering: 25.66%
 - Other Professional: 36.30%
 - Other Services: 23.80%
 - Goods: 18.00%
- 8.3. Proposers are required to make a "*good faith effort*" to meet the established participation goals and must document their good faith effort to include M/WBEs in the contract.

9. INSURANCE REQUIREMENTS

The City requires professional liability insurance for professional services firms with which it contracts. Proposers must state the amount of coverage maintained by those professional services firms that are members of the Development Team.

10. AWARD PROCEDURES

- 10.1. The City has designated a Review Advisory Panel for evaluation of all proposals received in response to this RFP. The Review Advisory Panel shall make its

recommendation based on adherence to the goals, objectives, and evaluation criteria outlined in this RFP.

- 10.2. Proposers who submit proposals may be invited to a question and answer session with the Review Advisory Panel for purposes of clarifying their proposal. The City will choose the number to be interviewed and schedule them accordingly. The final scheduling and location will be confirmed at a later date. All interviews shall be conducted in Dallas, Texas, and each Proposer will be limited to not more than five representatives at the session.
- 10.3. The Review Advisory Panel will confirm which proposals best satisfy the objectives and goals expressed by the City in this RFP. At that point or at other points in the process, the City may choose to continue forward with less than all of the submitted proposals. The City will pursue negotiations with the Proposers, with the goal of submitting a memorandum of understanding to the City Council for approval in August 2008. During the negotiation period, the City will have several interim updates to the City Council to determine various key components of the proposals, including site selection, operator selection, and financing plans. If the negotiations with a Proposer are not satisfactory to the City or do not meet the goals and objectives for the Project, the City will formally end negotiations with that Proposer. The City will continue this process until either a memorandum of understanding is executed, or until the City elects to end negotiations.
- 10.4. Upon recommendation of a Proposer by the Review Advisory Panel, the Dallas City Council will make the final decision for approval of the memorandum of understanding. In its consideration of the proposal, the City Council may request additional information and presentation(s).
- 10.5. The selected Proposer must agree to the review and guidance of the City in the preparation of plans for new construction in conformance with zoning ordinances, subdivision requirements, and other applicable codes and ordinances of the City.
- 10.6. This RFP does not commit the City to procure or award a contract for the scope of work described herein.

11. EVALUATION CRITERIA

11.1. 30% Financial capacity and participation

- Ability of the Developer to arrange private financing
- Level of commitment of equity from Developer
- Level of commitment from operator
- Demonstration of operator's strength in profitable operation of Project
- Additional capital raised and committed to associated development
- Analysis of economic impact for the Project and associated development to City of Dallas

- 11.2. 30% Public participation and exposure
- Level and type of public participation required
 - Level of return on the City’s participation
 - Level of risk throughout financing structure for the City of Dallas
 - Detailed “best case” and “worst case” scenarios for City exposure
 - Protections from future financial obligation on the part of the City, and their costs
 - Detailed plan for creation and resources required for additional incentives required, e.g. Tax Increment Finance District, Enterprise Zone designation, or other redevelopment programs

11.3. 30% Achievement of goals and objectives for Convention Center Hotel Project

- Reaction to Project from selected Convention industry groups and attendees will be included
- Location and site configuration
- Hotel program, public spaces and amenities, including associated development, mix of retail and residential
- Increasing downtown vibrancy and connectivity including linkages and connections to existing or proposed downtown Dallas commercial, retail, residential, and recreational developments, as well as accessibility to public transportation
- “Destination” creation
- Transportation and pedestrian links and impacts
- Distinctiveness and overall quality of Project
- Use of environmentally-friendly practices and materials and compliance with USGBC LEED™ standards for a “silver” rating
- Schedule of development and construction of Project

11.4. 10% Team Composition

- Local and MWBE participation
- Partnership dynamic
- Commitment to sales efforts and building business
- Willingness to assist City in goals of Project
- Responsiveness to City requests and input

12. RIGHTS RESERVED BY CITY OF DALLAS

- 12.1. The City reserves the right in its sole discretion to recommend the approval of a memorandum of understanding related to this RFP. Any memorandum of understanding to be executed by the City in connection with this RFP will be subject to final approval by the Dallas City Council.

- 12.2. The memorandum of understanding will reserve to the City the right to review and approve the plans and specifications for development with respect to their conformance with the goals and requirements of this RFP. The City will also reserve the right to refuse or approve any such drawings, plans, or specifications that are not suitable or desirable, in its opinion, for aesthetic or functional reasons. These drawings, plans and specifications may include, but are not limited to the suitability of the site plan, architectural treatment, building plans and elevations, materials and colors, construction details, access, parking, loading, landscaping, identification signs, exterior lighting, refuse collection features, and street and sidewalk designs.
- 12.3. The City reserves the right to request additional information from any and all prospective Proposers if necessary to clarify any information contained in the proposals.
- 12.4. The City reserves the right, at its sole discretion, to accept or reject any and all proposals received as a result of this RFP, to waive minor irregularities, and to conduct discussions with all responsible Proposers, in any manner necessary, to serve the best interest of the City of Dallas.
- 12.5. The City specifically reserves the right to receive a full indemnity running to both the City and any local government corporation created by the City.
- 12.6. The City reserves the right to modify and approve the members of the final development team for the Project. The City reserves the right to select final team members from among the proposals received by the City in response to this RFP.
- 12.7. The City reserves the right to keep all responses in connection with this RFP, without restriction on future use.

13. ADMINISTRATIVE INFORMATION

- 13.1. The issue date for this RFP is March 7, 2008. A schedule of events follows in section 14 of this document.
- 13.2. This RFP is issued by the Business Development and Procurement Services Department of the City.
- 13.3. All communication regarding proposal's must be directed through the City of Dallas Office of Business Development and Procurement Services. Proposers, as well as any consultant or representative that may be retained, are prohibited from discussing any or all parts of the Project with anyone except for the designated City staff. This condition is in place throughout the entire master developer selection process. Please know that contact with anyone but appropriate staff may result in the immediate disqualification a Proposer.

If a Proposer should have any questions or concerns throughout the selection process, please contact John Kohut, Senior Buyer, in the Office of Business Development and Procurement Services at john.kohut@dallascityhall.com or (214) 670-1878.

- 13.4. Proposals will not be opened publicly.
- 13.5. Development Teams acknowledge and agree that the City will not be liable for any costs, expenses, losses, damages (including damages for loss of anticipated profit) or liabilities incurred by the Development Team or any members thereof as a result of or arising out of, submitting a proposal, negotiating changes to such proposal, or due to the City's acceptance or non-acceptance of the proposal.
- 13.6. Proposals are to be valid and irrevocable for a minimum period of two hundred and forty (240) days following final date for submission of proposals. This term may be extended by written mutual agreement between the City and the selected Proposer.
- 13.7. By submitting a proposal in response to this RFP, the Proposer selected for award represents that it will comply with all Federal, State and City laws, rules, regulations and ordinances applicable to its activities and obligations under this RFP and the memorandum of understanding.

14. SCHEDULE OF EVENTS

- 14.1. RFP Release to six qualified developers: March 7, 2008
- 14.2. Proposals Due: March 31, 2008
- 14.3. Anticipated City Council Consideration: June 2008

APPENDIX A: Project Financing – Form A1
 Schedule 1: Hotel Cost Assumptions

	Gross Cost	% of Budget	Cost/Key
Site Acquisition & Improvements			
Pre-Construction Cost			
Architectural/Engineering			
Other Consultants			
Developer's Fee			
Permits/Fees			
Bonds/Insurance/Bid Risk			
Legal & Accounting			
Pre-Development Exp			
Construction Cost *			
Financing			
Construction Period Interest			
Financing Fees			
Interest Reserve			
Working Capital			
FF&E			
Marketing Expenses			
Pre-Opening Expense			
Deposit for Operating Reserves			
Contingency			
Total			

* All costs necessary to achieve the silver level certification of the LEED Green Building Rating System™ shall be separately identified. Escalation of costs for inflation shall be separately identified.

APPENDIX A: Project Financing – Form A2
 Schedule 2: Market Assumptions and Projected Occupancy

Historical Market Statistics From Smith Travel Research

	2002	2003	2004	2005	2006	2007 YTD
Market Room Supply						
Available Room Nights						
Occupied Rooms						
Occupancy Rate						
Total Room Revenue						
Average Room Rate						
RevPAR						
% Growth in Room Supply						
% Growth in Occupied Rooms						
% Growth in Average Rate						
% Growth in RevPAR						

Growth Rates Used for Market Projections

Year	Room Supply	Occupied Rooms	Average Rates	RevPAR
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				

APPENDIX A: Project Financing – Form A3
 Schedule 3: Estimated Cash Flows From Operations

	<u>Year1</u>	<u>Year2</u>	<u>Year3</u>	<u>Year4</u>	<u>Year5</u>	<u>Year6</u>	<u>Year7</u>	<u>Year8</u>	<u>Year9</u>	<u>Year10</u>
Statistical Information										
Number of Rooms										
Available Room Nights										
Occupancy Rate										
Occupied Room Nights										
Average Daily Use										
RevPAR										
Revenues										
Rooms										
Food & Beverage										
Telecommunications										
Parking										
Other Depts & Rentals										
Total Revenues										
Dept. Costs & Expenses										
Rooms										
Food & Beverage										
Telecommunications										
Parking										
Other Depts & Rentals										
Total Departmental Expenses										
Departmental Profit										
Undistributed Expenses										
Administrative & General										
Sales & Marketing										
Energy										
Property Operation/Maintenance										
Total Undistributed Expenses										
Gross Operating Profit										
Franchise Fee										
Management Fee										
Total Fees										
Income Before Fixed Charges										
Fixed Charges										
Real Estate/Property Taxes										
Insurance										
Land Lease										
Other										
Reserve for Replacement										
Asset Manager Fees/Expenses										
Total Fixed Charges										
Net Operating Income										

APPENDIX A: Project Financing – Form A4
 Schedule 4: Project Cash Flow Analysis

Total Capital Costs
 Percent Debt
 Percent Equity
 Debt Service Interest Rate
 Capitalization Rate
 Amortization Period (Yrs)

	Construction		Operations											
	Yr 1	Yr 2	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	
Net Op Cash Flow (Sch 1)														
Less Equity Investment														
Less Interest Payments														
Less Principal Payments														
Less Debt Repayment														
Less Required Return on Equity														
Plus Residual Value in Year 11														
Net Projected Cash Flows														
State Rebates														
Net Present Value														
1) Assuming 10% discount rate														
2) Assuming 15% discount rate														