



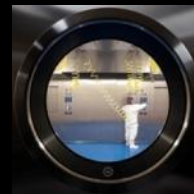
CITY OF SOUTH PADRE ISLAND , TEXAS

MAY 15, 2013

Convention Center Hotel Complex



**BROADDUS
& ASSOCIATES**



FEASIBILITY STUDY UPDATE

SPI CONVENTION CENTER

Area of Opportunity

- Increase the Competitiveness of the SPI Convention Center
- Enhance Overall economic benefits generated by the SPI Convention Center
- Incorporating many signature features without creating redundant services
- Convention success dependent on hotel “one stop center”
- Hotel could provide critical support services and amenities



FEASIBILITY STUDY UPDATE

SPI CONVENTION CENTER

Target Strategy

- 250 +/- Room hotel
- 13,000-17,000 sq ft of Ballroom/Meeting
- Support spaces
 - ✓ full service kitchen
 - ✓ parking



FEASIBILITY STUDY UPDATE

SPI CONVENTION CENTER

- **Johnson Survey of Existing Customers**
- Importance of Hotel Room Availability in choosing destination
 - 56% VERY IMPORTANT
 - 33% EXTREMELY IMPORTANT
- **Johnson Lost Business Analysis**
- #1 reason for lost business- Hotels
 - Reasons noted:
 - Rates
 - Sizes of hotels
 - Lack of full service hotels

PROCUREMENT PROCESS

HOTEL DEVELOPER

Three Step Process

- Phase 1: Developer Qualifications (RFQ).
- Phase 2: Development Proposals and Selection(RFP).
- Phase 3: Negotiation with Selected Developer.

HOTEL SOLICITATION

Preliminary Schedule

- | | |
|---|------------------|
| ■ Issuance of RFQ | June 05, 2013 |
| ■ Pre-Proposal Conference | June 19, 2013 |
| ■ Deadline for Submitting Questions | July 03, 2013 |
| ■ Deadline for Answers to Questions | July 10 , 2013 |
| ■ Submission Deadline | July 17, 2013 |
| ■ Evaluations | July 18-25, 2013 |
| ■ Phase 2 | |
| ■ Notice of Invitation for Short Listed Teams | August 07, 2013 |

HOTEL SOLICITATION

Criteria for Selection

- Ability to meet the City's objectives (20 percent)
- Development team experience in similar projects(20 percent).
- Qualifications and ability of team members to perform their respective roles (20 percent).
- Ability to maximize private participation in the project (20 percent).
- The financial capabilities of the development team (20 percent).

HOTEL SOLICITATION

Hotel Requirements

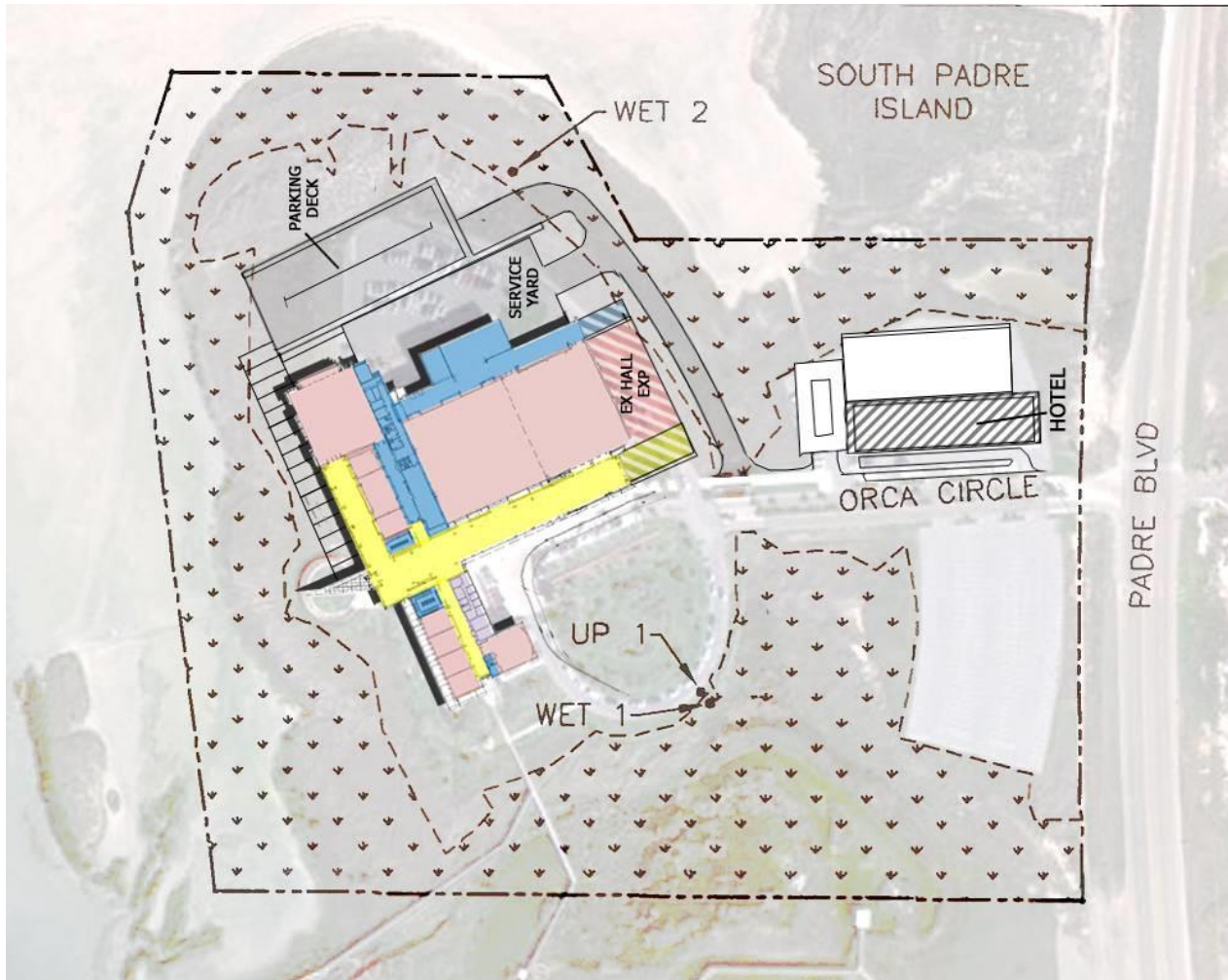
- Rooms: 250 Keyed rooms Minimum
- Parking: Minimum 400 parking
- Restaurant and Bar on site preferred
- Function space: 15,000sq ft of Meeting/banquet /suite space
- Full service kitchen to service banquet hall and convention center events
- Public infrastructure- Hotel developer s responsible for prorated share of public infrastructure such as sidewalks etc
- Utilities: sewer, water, electrical , natural gas, telephone will be provided to the site

NEXT STEPS

- SPI City Council Authorizes Hotel RFQ Solicitation
- Presentation to Cameron County Commissioners Court
- Establish Cameron County Expectations
- Extend Ground Lease Terms
- Form Evaluation Committee



QUESTIONS?



ORIGINAL BUDGET

| | |
|-------------------------------|---------------------|
| ■ Priority 2 Renovations | \$ 9,938,000 |
| ■ Priority 3 New Construction | \$ 9,750,000 |
| ■ Parking Garage Allowance | \$ 5,000,000 |
| ■ <u>Site work Allowance</u> | <u>\$ 1,000,000</u> |
| ■ Total CCL | \$25,688,000 |
| ■ <u>Soft costs</u> | <u>\$ 4,312,000</u> |
| ■ <u>Total Project Costs</u> | <u>\$30,000,000</u> |

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| ■ Total CCL | \$25,688,000 |
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| ■ <i>Total Project Costs</i> | <i>\$30,000,000</i> |

OPTION A

| | |
|-------------------------------------|----------------------------|
| ■ Priority 2 Renovations | \$10,810,900 |
| ■ Priority 3 New Construction | \$ 6,615,200 |
| ■ Parking Garage Allowance | \$ 5,000,000 |
| ■ <u>Site work Allowance</u> | <u>\$ 1,000,000</u> |
| ■ Total CCL | \$23,426,550 |
| ■ <u>Soft costs</u> | <u>\$ 3,949,313</u> |
| ■ <i>Total Project Costs</i> | <i>\$27,375,863</i> |

OPTION B

| | |
|-------------------------------------|----------------------------|
| ■ Priority 2 Renovations | \$10,935,100 |
| ■ Priority 3 New Construction | \$ 8,816,100 |
| ■ Parking Garage Allowance | \$ 5,000,000 |
| ■ <u>Site work Allowance</u> | <u>\$ 1,000,000</u> |
| ■ Total CCL | \$25,751,200 |
| ■ <u>Soft costs</u> | <u>\$ 4,248,800</u> |
| ■ <i>Total Project Costs</i> | <i>\$30,000,000</i> |

| | |
|-----------------------------------|--------------------|
| <u>Bayfront Terrace Alternate</u> | <u>\$1,440,000</u> |
|-----------------------------------|--------------------|

OPTION C

| | |
|-------------------------------------|----------------------------|
| ■ Priority 2 Renovations | \$ 10,859,100 |
| ■ Priority 3 New Construction | \$ 13,641,400 |
| ■ Parking Garage Allowance | \$ 0 |
| ■ <u>Site work Allowance</u> | <u>\$ 1,000,000</u> |
| ■ Total CCL | \$25,500,500 |
| ■ <u>Soft costs</u> | <u>\$ 4,499,500</u> |
| ■ <i>Total Project Costs</i> | <i>\$30,000,000</i> |

| | |
|-----------------------------------|--------------------|
| <u>Bayfront Terrace Alternate</u> | <u>\$1,071,000</u> |
|-----------------------------------|--------------------|