Proposed Convention Center Hotel
1,000
...additional hotel rooms are immediately needed to match the average number available to our competitor convention centers.

2,000
...hotel rooms are needed to match the ratio of rooms per exhibition space compared to other cities.
KEY DRIVERS

GRBCC PRIORITIES

1. HOTEL PACKAGE
2. DISTRICT AMENITIES
3. CONVENTION FACILITIES

CONVENTION FACILITIES

HOTEL PACKAGE

TRANSPORTATION

DISTRICT AMENITIES

SAFETY & SECURITY
KEY DRIVERS

HOTEL PACKAGE

MEETING PLANNERS:

- Consider availability and quality of hotels near the convention center when selecting a city to host their event.
- Prefer dealing with fewer hotels that are located nearby to meet their inventory needs.
- Prefer to avoid the expense of shuttle bussing from remote hotels.
- Prefer ‘attached’ convention center hotels with climate controlled connections.
HOTEL PACKAGE

Consider a second attached convention center hotel

Consider hotel development offering different products on GRBCC’s four corners
<table>
<thead>
<tr>
<th>Date</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection Committee</td>
<td>• Selection Committee comprised of:</td>
</tr>
<tr>
<td></td>
<td>o Ric Campo (HFC Board Member)</td>
</tr>
<tr>
<td></td>
<td>o David Solomon (HFC Board Member)</td>
</tr>
<tr>
<td></td>
<td>o Katy Caldwell (HFC Board Member)</td>
</tr>
<tr>
<td></td>
<td>o Deon Warner (HFC Board Member)</td>
</tr>
<tr>
<td></td>
<td>o Andy Icken (Chief Development Officer, City of Houston)</td>
</tr>
<tr>
<td>March 7, 2012</td>
<td>• Request for Qualifications issued</td>
</tr>
<tr>
<td></td>
<td>• Advertisement placed in Houston Chronicle from March 7 – March 13</td>
</tr>
<tr>
<td></td>
<td>• Advertisement placed in Houston Business Journal for March 9 and March 16</td>
</tr>
<tr>
<td></td>
<td>• Advertised and document made available online on Onvia from March 7 – April 20</td>
</tr>
<tr>
<td></td>
<td>• RFQ published on HFC website</td>
</tr>
<tr>
<td></td>
<td>• Emailed notification to over 165 developer, architect, hotel brand, investor, and construction contacts</td>
</tr>
<tr>
<td>March 27, 2012</td>
<td>• Pre-proposal meeting at the GRBCC; approximately 100 individuals attended</td>
</tr>
</tbody>
</table>
April 20, 2012

- RFQ due
- 11 responses received from the following:
  - Discovery Central
  - Hines
  - Houston Now
  - Matthews Southwest
  - Mortenson
  - Parkway Service Group
  - Product Marketing International
  - RIDA Development Corporation
  - Trammell Crow
  - TRT/Omni
  - White Lodging
Six teams were shortlisted for interviews based on:

- Relevant experience,
- Financial strength with privately financed hotels, and other commercial and residential projects,
- Designer’s relevant experience with similar projects,
- Developer’s and designer’s key personnel experience,
- Approach to financing, and
- Responsiveness to the RFQ.

The six teams included:

- Discovery Central
- Hines
- Parkway Service Group
- RIDA Development Corporation
- TRT/Omni
- White Lodging
<table>
<thead>
<tr>
<th>Date</th>
<th>Events</th>
</tr>
</thead>
</table>
| May 30-31, 2012 | - The Selection Committee conducted oral interviews with the six development teams  
|               | - The Selection Committee shortlisted two development teams – **RIDA Development Corporation and TRT/Omni.**  
|               | - The Selection Committee directed staff to enter into term sheet negotiations with the short-listed firms. |
| September 10, 2012 | - Final term sheets received from developers                              |
| September 24, 2012 | - Final interviews                                                     
|               | - Selection Committee directed HFC staff to enter into exclusive negotiations with RIDA Development Corporation |
Going Forward

• Begin negotiations with RIDA Development Corporation
  – Approximately $375 Million Investment: 825 Construction Jobs & 500 Permanent Jobs
  – Privately owned and requires substantial private investment by RIDA
  – Hotel Brand to be finalized
  – Will include a MWBE clause
  – Will include a labor neutrality clause

• Begin a process later this year regarding the proposed garage

• Work closely with PWE & METRO regarding mobility and impact of light rail around the proposed Hotel site and GRBCC.
Future City Council Action

• Plan to return to Council later this year with a detailed description of the proposed agreements.

• No Direct General Funds from the City used.
  • As with other convention projects in Houston and across the Country, tax rebates (HOT, etc.) and other incentives will likely be required.
  • Houston First may issue debt requiring Council approval.
    – Could require Council approval to release the lien on Hilton Americas-Houston.

• No financial impact on the City or the City’s debt model.