

MINUTES
GWCCA DEVELOPMENT COMMITTEE MEETING
December 1, 2015
10:30 a.m.
Building B, Meeting Room B401

The following were in attendance:

Committee Members Present:

David Allman
Stan Conway
Anne Hennessy
Glenn Hicks
Lee Hunter, Chair
Tim Lowe, Ex-Officio
Doug Tollett

Committee Members Absent:

David Werner, State Advisor
Rep. Jan Jones, Legislative Advisor

GWCCA Staff:

Carl Adkins
Dale Aiken
Kevin Duvall
Frank Poe
Steve Potts, Levy
Pargen Robertson
Richard Sawyer
Sherrie Spinks
Adam Straight
Mark Zimmerman

Guests:

Frank Smith, State Properties Commission
Mark Woodworth, PKF

Press:

Amy Wenk, Atlanta Business Chronicle

Chair Hunter called the meeting to order at 10:42 a.m. and asked for a motion to approve the April 22, 2015 Development Committee meeting minutes.

A motion to approve the April 22, 2015 GWCCA Development Committee meeting minutes was made by Doug Tollett, seconded by Lee Hunter, and unanimously approved.

HOTEL RFP PROCESS UPDATE

GWCCA staff has been studying the feasibility of developing a hotel on the GWCCA campus for a number of months and has recently completed the RFP process for procuring a developer. The purpose of today's meeting is for staff to provide the Committee with an update on the procurement process.

On January 16, 2015, the Authority advertised a Request for Qualifications (RFQ)/Request for Proposals (RFP) solicitation on the GRP and real-estate/hotel developer industry sites. Eighty-six (86) firms in the hotel development industry were directly solicited. PKF helped develop the list. On January 26, 2015, the Authority provided clarifications and addenda to a few potentially interested firms. February 16, 2015 was the original date for submissions. That date was extended two times, once on February 27, 2015 and again on March 30, 2015. The extensions were due to the high level of hotel development market activity nationwide.

The RFQ process was consistent with the Georgia Statewide Construction Manual, communicated project goals, requested Statements of Qualifications, and intended to short-list developers for further consideration.

Request for Qualifications

RFQ evaluation criteria requested:

- Proof of stability and resources;
- Relevant experience and qualifications;
- Proof of suitability for the project; and
- Relevant past performance.

The following firms responded to the RFQ:

- Arcadd, Inc. (Newton, MA)
- Capella Hotel Group (Atlanta, GA)
- Drew Company (Boston, MA)
- Garfield Public-Private (Dallas, TX)
- Hines (Houston, TX)
- Legacy/Stormont Hospitality (Atlanta, GA)
- Matthews Southwest (Lewisville, TX)

The Selection Committee was comprised of the following people:

- Kevin Duvall, GWCCA
- Jennifer LeMaster, GWCCA
- Gregory Pierce, ACVB
- Steve Potts, Levy (RFQ phase only)
- Frank Smith, State Properties Commission
- Sherrie Spinks, GWCCA

Selection Advisors included the following people:

- Falcons representatives (RFQ phase only);
- GWCCA Senior Staff;
- Frank Poe, GWCCA; and
- Mark Woodworth, PKF

All seven submitting firms were invited to make developer qualifications presentations on May 14, 2015 and May 15, 2015. Six of the firms accepted. Hines declined. Based on the RFQ evaluation criteria, the following five of the six remaining firms were selected as Finalists on May 29, 2015.

- Capella Hotel Group (Atlanta, GA)
- Drew Company (Boston, MA)
- Garfield Public-Private (Dallas, TX)
- Legacy/Stormont Hospitality (Atlanta, GA)
- Matthews Southwest (Lewisville, TX)

Request for Proposals

The Authority developed “Pre-Proposal” project information and issued the information to the five Finalists on June 25, 2015. Finalists submitted Pre-Proposal responses on July 10, 2015. The RFP was issued on August 7, 2015. The intention was to select one or more developers for negotiation of a Development Agreement. The RFP contained updated GWCCA goals/program information and provided process instructions and required detailed proposal deliverables to include the following.

- An Executive Summary with vision and strategy;
- Detailed team organization;
- Program management plan; and
- Financial analysis and financing plan

Proposal Evaluation

Proposals were received on October 1, 2015 from four of the five finalist. Garfield declined. Proposal criteria and weighting was broken down as follows.

- Executive vision and strategy – 25%;
- Detailed team organization – 15%;
- Program management plan – 25%; and
- Financial analysis/Financing plan – 35%

Finalists were interviewed on October 28, 2015 by the Selection Committee and Advisors. Multiple evaluation meetings have taken place with active participation by all scoring members. The Selection Committee individually scored all proposals and unanimously selected Drew Company as the highest ranking firm and approved the overall summary ranking on November 23, 2015. A few highlights from each proposal were reviewed. Finalists have been notified of the “Apparent Award”.

Next Steps

PKF recommended the following next steps:

- Hold earnest and efficient negotiations with top-ranked firm to clarify what actual deal would be, but reserve the right to discuss with next lowest ranked firm(s), as needed, in descending order;
- Document obstacles and desirable aspects;
- Continue discussions with top-ranked firm if there are no significant obstacles;
- Even if overall deal appears satisfactory, Authority may test it through exploratory discussions with next lowest ranked firm(s); and
- If such discussions are held, consideration should be given to affording top-ranked firms the opportunity for final discussion, in ascending order.

GWCCA Next Steps:

- Appointment of Special Assistant Attorney General (SAAG);
- Engagement of other consultants as necessary; and
- Negotiations - term sheet/MOU update.

Questions from the Committee follow.

- How does the GAP get funded?
- What is the percentage weight for the Finance portion of the proposal?
- What are the Authority’s risks and have they been discussed?
- Who is the backup firm is the first place firm backs out?
- Is the apparent awardee a clear winner from scoring aspect?
- What is the timeline?
- Has staff management/project manager been considered?

The Committee suggested a Sub-Committee of the Development Committee be formed to act as an advisor during the next step process. Staff agreed that this was a good idea. David Allman, Stan Conway, and Glenn Hicks will make up the Sub-Committee.

Staff will meet with the Sub-Committee during the Next Steps process. Staff will report back to the Development Committee regarding progress.

There being no further business to discuss, the meeting adjourned at 11:24 a.m.

Respectfully submitted:

Approved:

Dale Aiken, Assistant Secretary

Tim Lowe, Chair