

MANATEE COUNTY GOVERNMENT INTENT TO NEGOTIATE

SUBJECT	Convention Hotel	DATE POSTED	MC <u>1/12/16</u> <u>WSE</u> DS <u>1/12/16</u> <u>WSE</u> CC <u>N/A</u>
PURCHASING REPRESENTATIVE	Christine Pearson, 941-749-3037	DATE CONTRACT SHALL BE AWARDED	March 1, 2016 or later
DEPARTMENT	Convention and Visitors Bureau	CONSEQUENCES IF DEFERRED	None
SOLICITATION	ITN #15-1162CP	AUTHORIZED BY DATE	Melissa M. Wendel January 12, 2016 <u>(1/12/16)</u>

NOTICE OF INTENT TO NEGOTIATE

Notice of Intent to Negotiate with S. Goodman and Associates for a Convention Hotel adjacent to the Bradenton Area Convention Center

ENABLING/REGULATING AUTHORITY

Federal/State law(s), administrative ruling(s), Manatee County Comp Plan/Land Development Code, ordinances, resolutions, policy.

Manatee County Code of Laws

BACKGROUND/DISCUSSION

PROJECT BACKGROUND:

Manatee County solicited proposals from individuals, corporations, partnerships, and other legal entities authorized to do business in the State of Florida, to develop, own and operate a quality nationally-branded hotel property of no less than 125 rooms adjacent to or within close proximity of the Bradenton Area Convention Center as detailed in the Invitation to Negotiate. The County encouraged development teams to also consider smaller, full-service properties. The objective of the ITN is to identify the best private sector partner who will facilitate economic growth and benefit to the larger Bradenton area through attracting larger groups by way of a room block agreement. The County invited an array of ideas including proposals that included management or operational plan control of the BACC and/or its food and beverage operations and/or proposals that included other added commercial and retail development components.

SOLICITATION:

The ITN was released on the Manatee County website and DemandStar; it was also direct mailed to approximately 180 development firms and/or hotel operators throughout the United States.

Firms that submitted proposals include:

Jiten Patel	Bradenton, Florida
S. Goodman and Associates, LLC	Pleasanton, California
Hat Trick Consultants, LLC	Grapevine, Texas

EVALUATION COMMITTEE (VOTING) MEMBERS:

Melissa Wendel,	Purchasing Official, Financial Management Department
John Barnott,	Director, Building and Development Services
Elliott Falcione,	Director, Convention and Visitors Bureau

EVALUATION RESULTS:

The Evaluation Committee convened on November 25, 2015 and discussed evaluation committee responsibilities, including but not limited to the applicability of the Florida Sunshine Law and the anti-lobbying provisions of the Manatee County Code of Law. After calling for public comment, the Evaluation Committee proceeded to review each of the three (3) proposals relative to the requirements of the ITN. The Evaluation Committee concluded that the proposal received from Hat Trick Consultants did not include a hotel, which was a requirement of the ITN and agreed no further consideration would be given to this proposal. The Evaluation Committee unanimously agreed to invite Jiten Patel and S. Goodman and Associates, LLC. (SGA) to prepare oral presentations and engage in an interview with the Evaluation Committee at its next publicly noticed Evaluation Committee meeting.

On December 18, 2015, the Evaluation Committee heard an oral presentation from Jiten Patel. In addition to Mr. Patel, Robert Schmitt was also in attendance as a member of Mr. Patel's development team.

On December 21, 2015, the Evaluation Committee heard an oral presentation from SGA. In attendance were Steve Goodman and Anthony DeRusso of SGA, Peter Zingoni of Spectra Venue Management, David Teitelbaum of Teitelbaum Developers, Inc. and David Ong of Acquest Realty Advisors.

On December 21, 2015, the Evaluation Committee reconvened to briefly discuss the two oral presentations and collectively agreed to invite its consultant, Strategic Advisory Group, to present an expert summary of the written proposal and in person interview of both proposals for the benefit of the Evaluation Committee. The Evaluation Committee reviewed future dates and selected January 8 for its next subsequent meeting.

On January 8, 2016, the Evaluation Committee held its final meeting. Tony Peterman from Strategic Advisory Group attended and presented a summary analysis of both proposals and participated in collaborative discussion with the Evaluation Committee. (Strategic Advisory Group attended all previous meeting via teleconference).

The following observations were made regarding the two proposals:

S. Goodman and Associates, LLC. (SGA) – In terms of experience, SGA and its assembled team including co-developers, hotel management companies, architects, construction firms, and civic center management, demonstrated significant experience in ground-up development as well as experience with public sector projects. SGA is currently working with the City of Fort Myers Community Redevelopment Agency on a similar project which includes a \$50M full service hotel adjacent to the Harborside Event Center in Fort Myers. SGA's proposal included investing over \$1M of their equity into the project. SGA's proposed a project with a total budget of \$59.3M and a capital plan that was roughly 26% equity, 54% debt and the remaining 20% in CRA incentives. The loan-to-cost ratio is reasonable given industry standards. As to the vision of the project, SGA proposed to develop a 250 room, full-service hotel, including two parking structures. SGA included a letter of intent from Sheraton as the flag for the hotel. In addition to the hotel, SGA proposed adding a dining and entertainment complex as a later phase.

Jiten Patel – In terms of experience, Jiten Patel currently owns three hotels including the Holiday Inn Airport in Sarasota and two limited service hotels in Valdosta, Georgia. Mr. Patel did not have a full team assembled; identifying only the Webber Engineering and Land Planning Associates, Inc. as part of the lead development team. Patel proposed 25% equity with approximately \$1M of personal money to be pledged and also suggested the County issue the remaining 75% debt via bonds. When asked for the plan in the event the County does not agree to issue the bonds, Mr. Patel stated he would obtain conventional financing for the remaining 75%. In terms of the project itself, Mr. Patel proposed a select service or extended stay 130 room hotel, however, no brand or flag was specified.

In conclusion, though the Evaluation Committee felt both proposers were experienced to deliver the project outlined in their respective proposals, SGA demonstrated a more extensive background in hotel development and possessed experience with projects with the public sector. Additionally, the financial plan proposed by SGA was better defined and the project itself better aligns with the County's goal of generating greater economic impact for the Bradenton area. Therefore, the Evaluation Committee unanimously recommends the County enter into negotiations with S. Goodman and Associates, LLC.

<p>ATTACHMENTS (List in order of attached) NONE</p>	<p>FUNDING SOURCE (Acct Number & Name) <input type="checkbox"/> Funds Verified <input type="checkbox"/> Insufficient Funds</p>
<p>COST N/A</p>	<p>AMT/FREQ OF RECURRING COSTS (Attach Fiscal Impact Statement)</p>