

LB
03/25/04
Item #38

AN ORDINANCE **99012**

AUTHORIZING THE NEGOTIATION AND EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH HVS INTERNATIONAL FOR AN AMOUNT NOT TO EXCEED \$60,000.00 TO CONDUCT A MARKET AND FINANCIAL FEASIBILITY REPORT AND OTHER HOTEL CONSULTANT SUPPORT SERVICES IN SUPPORT OF THE CONVENTION CENTER HOTEL PROJECT; AND PROVIDING FOR PAYMENT.

* * * * *

WHEREAS, currently, the City is pursuing the development of a 1,000-room convention headquarters hotel adjacent to the Henry B. Gonzalez Convention Center (the "Project") and as part of the process, in 2002, the City issued a Request for Qualifications ("RFQ") to a broad list of nationally recognized development companies, to which five developers initially responded, with one developer subsequently requesting to be removed from further consideration; and

WHEREAS, in February 2003, the City Council established the Convention Center Hotel Advisory Board ("CCHAB"), which is composed of seven local representatives from Finance/Banking, Real Estate/Corporate, and Hotel/Tourism business sectors, as well as a community representative and over the last year, the CCHAB has become familiar with the Project and financing issues and is expected to make recommendations to the City Council pertaining to the financing structure for the hotel, as well as the degree of municipal support required to ensure completion of the Project; and

WHEREAS, in January 2004, the City issued an RFQ for a Hotel Consultant to assist the CCHAB in formulating its recommendation to City Council and in February 2004, five nationally recognized firms submitted responses to the RFQ; and

WHEREAS, an Evaluation Panel ("Panel") was convened to review the responses consisting of City staff from the City Manager's Office, Economic Development, Convention & Visitors Bureau, Convention Facilities and Finance Departments and a representative from the CCHAB; and

WHEREAS, each of the five firms was evaluated by the Panel on a 100-point scale and HVS International ("HVS") scored higher than the four other firms in each evaluation

factor and achieved a total score of 76.1 points and therefore staff recommends HVS be selected as the City's Hotel Consultant for the Convention Center Hotel Project; and

WHEREAS, upon the passage of this Ordinance and the execution of a professional services agreement, HVS is expected to immediately conduct an investment feasibility study and provide advisory services on an as-needed basis until the City enters into a contract(s) with a preferred hotel developer and the local accounting and professional services firm of Garza/Gonzalez and Associates will assist HVS with up to 30% of the feasibility analysis; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designated representative is hereby authorized to negotiate and execute a professional services agreement in an amount not to exceed \$60,000 with HVS International to conduct a market and financial feasibility report and other hotel consultant services in support of the Convention Center Hotel Project.

SECTION 2. Funds in the amount of \$60,000.00 are authorized to be encumbered in Fund 29-005005 (Miscellaneous Special Revenue Fund) in Index Code 282384 entitled "Fee's to Professional Contractors" and are made payable to HVS International.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance of the City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific index codes and fund numbers as necessary to carry out the purposes of this Ordinance.

SECTION 4. This Ordinance shall be effective on and after the tenth day after passage hereof.

PASSED AND APPROVED this 25th day of March, 2004.


M A Y O R
EDWARD D. GARZA

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney