

AIRPORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 14-0158

**AUTHORIZATION TO ACCEPT PROPOSALS FOR A BRANDED HOTEL OPERATOR  
AND TO NEGOTIATE A HOTEL MANAGEMENT AGREEMENT AND RELATED  
AGREEMENTS**

WHEREAS, the Airport Commission adopted Resolution No. 14-0095 on May 19, 2014, making certain findings under the California Environmental Quality Act related to a proposed on-Airport hotel and AirTrain station project as provided in the Airport's approved FY2014/15 five-year capital plan, and authorizing the Airport Director to proceed with the implementation of the project; and,

WHEREAS, the Commission adopted Resolution No. 14-0096 on May 19, 2014, authorizing the issuance of a Request for Proposals ("RFP") for a Branded Hotel Operator to manage an on-airport hotel; and,

WHEREAS, the RFP was issued on May 20, 2014, and a pre-proposal informational conference was held on June 3, 2014, during which interested parties provided questions and comments on the RFP; and,

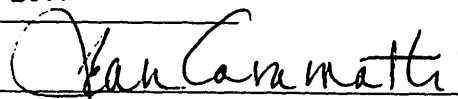
WHEREAS, Airport staff has reviewed and responded to the questions and comments submitted by interested parties and does not recommend that any changes be made to the RFP requirements; and,

WHEREAS, proposals responding to the RFP are due August 8, 2014; now, therefore be it

RESOLVED, that the Airport Commission authorizes the Airport Director to accept proposals responding to the RFP for a Branded Hotel Operator, and to negotiate a Hotel Management Agreement (and related documents and agreements) with the highest ranked proposer, or if such negotiations are unsuccessful, with each successively ranked proposer, until agreement is reached.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of*

**AUG 05 2014**

  
Secretary



San Francisco International Airport

MEMORANDUM

August 5, 2014

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

14-0158
AUG 05 2014

FROM: Airport Director

SUBJECT: Authorization to Accept Proposals for a Branded Hotel Operator and to Negotiate a Hotel Management Agreement and Related Agreements

DIRECTOR'S RECOMMENDATION: ADOPT RESOLUTION AUTHORIZING THE ACCEPTANCE OF PROPOSALS AND CONTRACT NEGOTIATIONS FOR A BRANDED HOTEL OPERATOR.

Executive Summary

On May 20, 2014, the Airport issued a Request for Proposals ("RFP") to select a Branded Hotel Operator for an on-Airport hotel. On June 3, 2014, the Airport hosted a pre-proposal conference for interested parties to ask questions and to comment on the RFP. Airport staff reviewed and responded to the questions and comments from the interested parties and determined that no changes to the RFP were necessary. Staff is now requesting authorization to accept proposals for a Branded Hotel Operator and to negotiate a Hotel Management Agreement (and related documents and agreements) with the highest ranked proposer, or if such negotiations are unsuccessful, with each successively ranked proposer, until agreement is reached.

Background

On May 19, 2014, the Airport Commission adopted Resolutions No. 14-0095 and No. 14-0096, which approved the implementation of the on-Airport hotel project and the issuance of a Request for Proposals for a Branded Hotel Operator to manage the on-Airport hotel.

Pre-Proposal Conference

The RFP for a Branded Hotel Operator was issued on May 20, 2014, following which the Airport hosted a pre-proposal informational conference on June 3, 2014. The attendees included representatives from 12 hotel companies, in addition to representatives from nine non-hotel companies, as listed in Attachment A. During the conference, staff solicited questions and comments from those in attendance regarding the RFP and the hotel project.

THIS PRINT COVERS CALENDAR ITEM NO. 2

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE MAYOR LARRY MAZZOLA PRESIDENT LINDA S. CRAYTON VICE PRESIDENT ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN JOHN L. MARTIN AIRPORT DIRECTOR

Over 62 questions were received in response to which the Airport issued answers on July 10, 2014. The majority of the questions were seeking clarifications about the Airport's Capital Plan, the City's contracting requirements, and the RFP process. Further, there were questions about the financing of the hotel project, the operations of the hotel, and the hotel's management fees. In summary, the questions did not necessitate any changes to the RFP requirements.

With your approval, proposals will be due on August 8, 2014.

**Recommendation**

I recommend that the Commission approve the attached resolution authorizing staff to accept proposals for a Branded Hotel Operator and to negotiate a Hotel Management Agreement. If negotiations are successful, I will return to the Commission to award the Hotel Management Agreement to the selected Branded Hotel Operator, and to approve the bonds and transaction documents for the hotel project.



John L. Martin  
Airport Director

Prepared by: Leo Fermin  
Chief Business and Finance Officer

Attachments

## ATTACHMENT A

### PRE-PROPOSAL CONFERENCE ATTENDEES

#### **Hotel Companies:**

1. Accor
2. Carlson Rezidor Hotel Group
3. Fairmont Raffles Hotels International
4. Hilton Worldwide
5. Hyatt Hotels
6. InterContinental Hotels Group
7. Kimpton Hotels & Restaurants
8. Marriott International
9. Omni Hotels & Resorts
10. Starwood Hotels & Resorts
11. Wyndham Hotel Group
12. YOTEL

#### **Non-Hotel Companies:**

1. Clark Construction
2. Comcast
3. Hornberger + Worstell
4. Starwood Capital Group
5. Structus
6. Thornton Tomasetti
7. UNITE HERE Local 2
8. Webcor Builders
9. Woods Bagot