## AIRPORT COMMISSION

city and county of san francisco resolution no. 14-0096

## AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR A BRANDED HOTEL OPERATOR TO MANAGE AN ON-AIRPORT HOTEL

- WHEREAS, following the demolition of the Airport Hilton in 1998, the Airport undertook several initiatives to develop a new on-Airport hotel, which were delayed due to external events that adversely impacted the Airport's passenger traffic and the local economy, including the terrorist attacks of September 11, 2001 and the 2008 financial crisis; and,
- WHEREAS, the Airport has undertaken several preliminary studies since 2006 to determine the feasibility of developing a replacement on-Airport hotel; and,
- WHEREAS, a recent market demand and feasibility study commissioned by the Airport determined that a hotel is financially feasible; and,
- WHEREAS, the preferred approach is for the Airport to develop, build and own a four-star/four diamond hotel on Plot 2 with up to 403 guestrooms, that would be financed by the Airport with tax-exempt bonds, and managed and maintained by an internationally recognized branded hotel operator (the "Operator"); and,
- WHEREAS, the Project would have an anticipated completion in January 2018, at the earliest; and,
- WHEREAS, the Commission and the Operator would enter into (1) a Hotel Management Agreement ("HMA") for the ongoing operation of the hotel, and (2) other related agreements for pre-opening services necessary to design and build the hotel to the Operator's brand standards, such as technical assistance services, the purchase and installation of furniture, fixtures, and equipment ("FF&E") and operating supplies and equipment ("OS&E"), and other pre-opening services; and,
- WHEREAS, the Operator would be selected to provide such services through a competitive selection process with a Request for Proposals ("RFP"); now, therefore be it,
- RESOLVED, this Airport Commission authorizes the preparation and issuance of a Request for Proposals to select a Branded Hotel Operator to provide pre-opening services during the design and construction phase of the hotel, and to operate and manage the hotel following completion of construction; and be it further
- RESOLVED, that staff shall return to this Airport Commission for authorization to receive proposals.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

MAY 1 9 2014 at its meeting of\_\_\_\_\_ Kan Carnath. Secretary