



MEMORANDUM

Not On
Agenda Item No. 7(A)(1)(A)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: July 22, 2003
SUBJECT: Request to Advertise
Request for Proposal for the MIA
Airport Hotel Redevelopment,
Operation, and Maintenance Project
at Miami International Airport

FROM: George M. Burgess
County Manager

RECOMMENDATION

It is recommended that the Board approve the attached resolution authorizing the advertisement of a Request for Proposal for the MIA Airport Hotel Redevelopment, Operation, and Maintenance project at Miami International Airport ("MIA").

BACKGROUND

The MIA Airport Hotel is owned by Miami-Dade County (the "County") and operated by H.I. Development Corporation. Built in 1959, the MIA Airport Hotel has undergone a series of refurbishments. The current MIA Airport Hotel has 259 rooms, and includes amenities such as an executive conference center, pool, health center, lounge, and restaurant. It has relatively scarce conference and business facilities and no hotel specific dedicated parking. Notwithstanding the foregoing, MIA Airport Hotel continues to demonstrate extremely strong revenue performance and leads the local market in occupancy and room rates.

However, the MIA Airport Hotel's physical condition is declining, requiring significant maintenance and upgrades. The Miami-Dade Aviation Department ("MDAD" or the "Department") desires to solicit interest from the private sector in renovating, maintaining, and operating a full-service hotel (the "Hotel Project"). Accordingly, MDAD advised the Board in November 2002, that the Department would be advertising a Solicitation of Interest ("SOI") for the redevelopment and operation of the Miami International Airport Hotel. MDAD advertised a SOI on December 12, 2002. As a result of this solicitation, MDAD received ten (10) responses, and segments of the information provided were incorporated in a Request for Proposal ("RFP"). A draft RFP and accompanying Lease and Concession Agreement (the "Agreement") was prepared and placed on MDAD's website for access by potential proposers. In addition, MDAD conducted an industry input meeting, including participation from various community organizations (i.e., Empowerment Zone and Greater Miami Convention/Visitors Bureau) and staff.

Through the RFP, the Department seeks a qualified developer to enter into the Agreement for the financing, planning, design, renovation, construction, furnishing, operation and maintenance, of a first-class, minimum three (3) star, internationally recognized brand, commercial hotel in the terminal at Miami International Airport. The Department is also making an additional area available to the developer for new construction of additional hotel rooms, amenities, related hotel accessory uses, and parking, for the Hotel Project. Hotel development projects greater than 380 rooms will be subject to the Development of Regional Impact ("DRI") process specified under

Sections 380.06 and 380.0651 of the Florida Statutes.¹ It is the responsibility of the proposer to consider this factor and the potential impacts, in its development proposal. Irrespective of any DRI requirements, the existing in-terminal MIA Hotel must be redeveloped, reopened, and be thoroughly staffed and operational within twenty-four (24) months from the execution of the Lease and Concession Agreement.

The Hotel Project involves partial demolition, construction, and extensive renovation of the existing MIA Airport Hotel. The Department intends to enter into a long-term lease for operation and maintenance of the Hotel Project for a fifty (50) year lease with two (2), five (5) year extensions at the County's option. The successful proposer will be required to plan, design, fund, operate and maintain the renovation and construction of the Hotel Project, including furniture fixtures, equipment, and other costs, as specified in the Lease and Concession Agreement *without financial assistance from the County*.

MDAD'S OBJECTIVES

MDAD's objectives for the MIA Airport Hotel project are as follows:

1. To develop a first-class, minimum three (3) star, internationally recognized brand, commercial hotel.
2. To meet the needs of the traveling public through a high level of customer service, and enhance the Airport's image.
3. To maximize MDAD's revenue stream from the Hotel Project.
4. To seek to realize a rental revenue stream that is equal to or greater than historical returns from MIA Airport Hotel operations.
5. To minimize or eliminate the need for MDAD to incur any capital or operating costs for the Hotel Project.
6. To complete the MIA Airport Hotel project development, which includes demolition, construction, renovation, and permitting, within twenty-four (24) months.

PAYMENT TO COUNTY

The successful proposer shall pay a monthly rental fee (the "Base Rent"), which is based on sales per enplanement for domestic and international passengers. Base rent shall be recalculated at the beginning of each County fiscal year and shall be based on the actual prior year enplanement figures.

¹ The Department is investigating whether the current total number of rooms in the MIA Airport Hotel is grandfathered, and therefore would not count against the 380 room ceiling for MIA.

There are also provisions in the Lease and Concession Agreement for the Developer to pay supplemental rent (calculated as a minimum fee plus additional percentages of hotel operations gross revenues), and administrative support space rent.

CONTRACT MEASURES

Consistent with the County's policy to ensure local participation, the RFP includes participation levels and provisions for the Community Business Enterprise ("CBE") program for architectural and engineering services (15%), Community Small Business Enterprise ("CSBE") program for construction services (20%), and Community Workforce Program ("CWP") for construction services local workforce hires from designated target areas (29%).

The successful proposer shall submit all contracts to the Department of Business Development ("DBD"), for review and approval in relation to CBE, CSBE and CWP contract measures, prior to commencement of construction under the specific contract or subcontract. DBD will review and provide any amendments or comments within seven (7) business days of receipt of any contract. In addition, the successful proposer shall undergo semi-annual review and audit of all contracts by DBD, and submit a report of projected and actual CBE, CSBE, and CWP participation to date, for DBD to assess the progress in achieving the contract measures under the Lease and Concession Agreement. On or after the earlier of the twenty-four (24) month anniversary of Board approval of the Lease and Concession Agreement or beneficial occupancy of the MIA Airport Hotel, DBD shall perform an audit of the successful proposer's achievement of CBE, CSBE, and CWP contract measures. If the successful proposer fails to attain any of the contract measures, Department may elect to impose contract measure penalties, on a daily basis, in addition to any other penalties permissible by law, and/or the Agreement, until said contract measures are met.

DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

Each proposer shall submit as a part of its proposal a specific measurable Disadvantaged Business Enterprise ("DBE") Participation program with methods, procedures and time frames for the utilization of DBEs for work under the Agreement in the operation of the hotel. The program is part of the Technical Proposal evaluation criteria that will be used in the scoring and ranking of the responsive proposers.

REQUEST FOR PROPOSALS PROCESS

Upon approval of this Request to Advertise, the Department will be forwarding a memorandum to the County Manager requesting appointment of an evaluation and selection committee (the "Evaluation/Selection Committee") including outside individuals with expertise in the hotel industry.

The Evaluation/Selection Committee will first review proposals on their meeting the Minimum Qualifications. Each proposal will be evaluated on the information provided in its written proposal using the evaluation criteria contained in the RFP. The Evaluation/Selection Committee intends to schedule oral presentations with responsive proposers. During these oral

presentations, the Evaluation/Selection Committee will further explore the technical and financial aspects of the responsive proposals. Proposers will have the opportunity to clarify their proposals, as well as to advise the County of any additional factors, which they deem relevant. Upon completion of the oral presentations, the Evaluation/Selection Committee will rate and rank the responsive proposals on the written documents and the oral presentation, based on the evaluation criteria contained in the RFP.

After the Evaluation/Selection Committee completes the evaluation of the Technical Proposal submittals, it will then evaluate the Financial Return Proposals. The sealed Financial Return Proposal envelopes of the responsive proposers will then be opened in the presence of the Evaluation/Selection Committee. The Financial Return Proposals will be considered separately and only after the evaluation of the Technical Proposals has been completed by the Evaluation/Selection Committee. The formula contained in the RFP will be applied to each Financial Return Proposal. Each proposal will be given points proportionately in relation to the highest financial return.

The Evaluation/Selection Committee will determine the overall ranking by adding the Financial Return Proposal evaluation score with the Technical Proposal evaluation score to determine the overall ranking. Following the evaluation and overall ranking of the Proposals, the Evaluation/Selection Committee will recommend to the County Manager that a contract be negotiated with the highest ranked responsive/responsible proposer. If the County and the selected proposer cannot negotiate a successful contract, the County may terminate said negotiations and begin negotiations with another selected proposer. This process may continue until a contract is executed, or the County may reject all proposals.

MINIMUM REQUIREMENTS

- Operating Experience

The proposer or a member of its team must be an internationally recognized hotel operator and must have five (5) consecutive years of experience operating at least two (2) full service hotels within the past fifteen (15) years, both of which must have been rated three (3) star or higher, as defined by the Rating Guide. The hotels must have consisted of a minimum of three hundred (300) rooms located in a major international airport market area.

- Design and Construction Experience

The proposer must demonstrate, through a detailed description of its development team, that it has experience with planning, design and construction of comparable hotels, resulting in the successful completion of at least two (2) full service, three (3) star hotels, each with a minimum of three hundred (300) rooms, within the past fifteen (15) years. Such experience shall be comprehensive and include expertise in all phases of planning, designing and constructing such projects.

In this context, the proposal submission must include written confirmation from each primary development team member that, that member is committed to contributing its

respective expertise and skills to the Department's Hotel Project throughout the duration of the design/construction phase.

- Financial Capability

The proposer shall demonstrate that it has the financial capacity to fund the Hotel Project cost. This may be demonstrated through submittal of funding agreements, statements of assets, credit reports, annual reports, and audited financial statements.

- State of Florida Business Authorization

Each proposer must demonstrate that it is authorized to do business in the State of Florida at the time of the proposal submission, and present evidence thereof. The proposer's general contractor(s) and subcontractor(s) must be licensed to do business in the State of Florida and possess all permits and licenses required by applicable law.

- No Conflict of Interest

The proposers must submit a written statement confirming that it has no conflict of interest that could interfere with its representation of the Department or interfere with its performance of services and completion of the Hotel Project, if awarded the same.

- Submission of the US\$ 75,000 Application Fee
- Submission of a properly executed proposers statement indicating acceptance of the terms of the RFP.
- Completeness of the submissions and compliance with the disclosure and submission requirements of the RFP as well as compliance with federal, state and local laws. The proposer must submit a written acknowledgement of the relevant federal, state and local laws. This acknowledgement, must include a statement that each member of the proposal team is capable of, and willing to, comply with these provisions, where applicable.

It is therefore recommended that the Board approve the attached resolution authorizing the request to advertise.



MEMORANDUM

(Revised)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: July 22, 2003

FROM: 
Robert A. Ginsburg
County Attorney

SUBJECT: Not On
Agenda Item No. 7(A)(1)(A)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised**
- 6 weeks required between first reading and public hearing**
- 4 weeks notification to municipal officials required prior to public hearing**
- Decreases revenues or increases expenditures without balancing budget**
- Budget required**
- Statement of fiscal impact required**
- Bid waiver requiring County Manager's written recommendation**
- Ordinance creating a new board requires detailed County Manager's report for public hearing**
- Housekeeping item (no policy decision required)**
- No committee review**

Approved _____ Mayor
Veto _____
Override _____

Not On
Agenda Item No. 7(A)(1)(A)
7-22-03

RESOLUTION NO. _____

RESOLUTION RELATING TO THE MIAMI INTERNATIONAL AIRPORT ("MIA") HOTEL AUTHORIZING THE COUNTY MANAGER TO ADVERTISE FOR REQUEST FOR PROPOSALS TO OBTAIN PROPOSALS FOR THE MIA AIRPORT HOTEL REDEVELOPMENT, OPERATION, AND MAINTENANCE PROJECT AND TO EXERCISE ANY CANCELLATION AND READVERTISEMENT PROVISIONS CONTAINED IN THE REQUEST FOR PROPOSAL

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board authorizes the County Manager to advertise for request for proposals for the MIA Airport Hotel Redevelopment, Operation, and Maintenance Project at Miami International Airport, subject to approval of the County Attorney for legal sufficiency; and to exercise any rejection, cancellation and re-advertisement provisions provided for in the request for proposal.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion a seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson
Katy Sorenson, Vice-Chairperson
Bruno A. Barreiro
Betty T. Ferguson
Joe A. Martinez
Dennis C. Moss
Natacha Seijas
Sen. Javier D. Souto
Jose "Pepe" Diaz
Sally A. Heyman
Jimmy L. Morales
Dorrin D. Rolle
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 22nd day of July, 2003. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.



Abigail Price-Williams

By: _____
Deputy Clerk