



# Hotel Development Opportunity

Request for Qualifications  
May 1, 2018

**Alameda County Agricultural Fair Association**  
4501 Pleasanton Avenue  
Pleasanton, California 94566

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## **HOTEL DEVELOPMENT OPPORTUNITY**

The Alameda County Agricultural Fair Association (Association) as agent for the County of Alameda (County) is seeking a Developer to develop and operate an Upper-Upscale branded hotel on a five to seven acre parcel of land on the Fairgrounds. The Association expects the selected Developer to have the primary responsibility for pre-development design, financing, entitlement, construction, operation and maintenance of the hotel.

The RFQ is the first step in a three-phased process described below:

1. The Association will evaluate the responses to the RFQ, and will select a short list of no more than five development teams. The selection will be based on the team's qualifications and a written narrative of the team's vision for the development site.
2. The short-listed development teams will be asked to respond to a Request for Proposal (RFP). At the RFP stage, the short-listed teams will be required to identify a hotel operator and a flag, submit preliminary design drawings, provide pro forma analysis, and describe the proposed ground-lease terms.
3. At the completion of the RFP evaluation process, the Association will enter into an Exclusive Negotiating Agreement (ENA) with the selected development team for the purpose of negotiating the terms of a long-term ground lease.

## **HISTORICAL OVERVIEW AND BACKGROUND**

In 1859 Don Bernal opened a one mile horse racing track on his Rancho del Valle de San Jose, a 52,000 acre land grant from the Spanish government. In 1904 the race track hosted the Pleasanton Fair and Races. In 1912 the Alameda County Fair Association was formed and leased the track to conduct the first County Fair. By 1939 the Fair Association had restructured itself into 82 Board Members, each of whom posted "promissory notes", ranging from \$1,000 to \$100,000, to lease the racetrack and conduct an annual Fair and Race Meet. Any losses from this venture were assessed against Board Members proportionately and profits were used to initiate the next year's Fair.

In 1941 the Fair Association purchased the race track and the surrounding 100 acres for \$40,410. The Fair Association deeded the property to the County of Alameda to forever protect it as a Fairground. Throughout the 1940s, 50s and 60s the annual Fair and Race Meet was operated by the Fair Association with oversight by the County Board of Supervisors. During this time the Fair Association continued to expand the Fairgrounds to almost 300 acres, all of which was deeded to the County. As land was needed for public roads and related improvements, the Fairgrounds was eventually reduced to its current 268 acres.

The Alameda County Fair Agricultural Association is a private, non-profit 501c3 Corporation governed by a 21 person volunteer Board of Directors and a professional staff of approximately 100 full-time employees. The Association is contracted as an agent of the County of Alameda to operate and maintain the Fairgrounds, produce the annual summer Fair & horse racing meet, and other year-round events. It

also maintains several other related businesses on the property such as an off-track betting facility, RV storage, RV campgrounds, nine-hole golf course & driving range and racehorse training facility.

In 2014 the Association adopted a Strategic Plan Project. The project studied the facilities, revenue streams and the economic impact of the fairgrounds. It concluded that the facilities need modernization in order to continue fulfilling the Association's mission and to serve the community. The plan identifies and describes ten planning area concepts for future consideration as the Association makes improvement to the Fairgrounds. Planning area #10 establishes a new development zone with uses that are compatible with both existing and planned interim/annual Fair events. Uses included a potential hotel complex in association with potentially repurposing part of the Off Track Betting facility. (See attachment 1, Alameda County Fair Board, Strategic Plan Project, October 7, 2014)

## **ECONOMIC CONTRIBUTIONS**

Today, the Fair Association provides a local economic benefit in excess of \$300 million annually, based upon an Economic Impact Study completed by KPMG in 2003. The Association's Annual Operating Budget is roughly \$25 million. More than 260 events take place at the Fairgrounds each year, with combined attendance in excess of 3 million patrons. Annual wagering on horse racing surpasses the \$24 million a year mark. The large RV and boat shows report annual sales at the Fairgrounds of roughly \$80 million. Each year, thousands of "room nights" are booked in local hotels as a result of events at the Fairgrounds. For more information related to the annual summer Fair, concerts and event activity, view the web site at [alamedacountyfair.com](http://alamedacountyfair.com).

The Fair Association receives no financial support from the County of Alameda or the City of Pleasanton. All "revenues in excess of expenditures" are reinvested into the Fairgrounds.

## **MISSION STATEMENT**

The mission of the Alameda County Agricultural Fair Association is to ensure the long-term viability of the Alameda County Fairgrounds, present an exceptional annual Fair which celebrates the heritage and diversity of Alameda County and provide year-round opportunities for facility usage.

## **DEVELOPMENT SITE INFORMATION**

The Fairgrounds is located in Pleasanton, California and conveniently situated near the intersection of Interstates 580 & 680. The development site is approximately five to seven acres, depending on the needs of the Developer, and is bound by Valley Avenue to the west, Gate 8 entry road to the south, the Off Track Betting facility to the north and an open parking lot to the east. The proposed site is considered ideal for development as it is located on the west edge of the Fairgrounds (near I-680 via Bernal Avenue) and offers easy street access, away from the main event zone of the property.

The site is also located directly across from the Koll Center Business Park to the west, Bernal Sports Park to the south, Pleasanton Gateway shopping center to the southwest and is within walking distance to shops & restaurants in historic downtown Pleasanton.

Directly to the north of the site is the 25,000-square-foot Off Track Betting facility, built in the 1980s. The building currently operates as a satellite horse racing wagering facility and also hosts Winners Bingo at night. The use and refurbishment of part or all of the building could be included in the development as meeting and/or event space in conjunction to a hotel, if desired.

Although there is parking located adjacent to the proposed site, all required parking for the hotel must be provided by the Developer within the project development boundaries.

There is a stand of elm trees to the south of the site along the Gate 8 roadway that must be maintained and cannot be adversely affected by the development.

In November 2016 the Association commissioned ALH Urban & Regional Economics to conduct a Hotel Market Study. The study concluded that the site is suitable for an Upper-Upscale hotel with approximately 150 plus rooms and up to 4,700 square feet of meeting space. (See attachment 2, Alameda County Fair Hotel Market Study, March 2018)

The land is controlled by the Alameda County Agricultural Fair Association who operates the Fairgrounds under agreement as agent of the County of Alameda. The land is vacant and currently only used for overflow parking and outdoor events. The Association intends to grant a long-term ground lease of the property. Said lease will require County's approval before execution.

# Alameda County Agricultural Fair Association

Request for Qualifications- Hotel Development Opportunity

Issuance Date: March 30, 2018

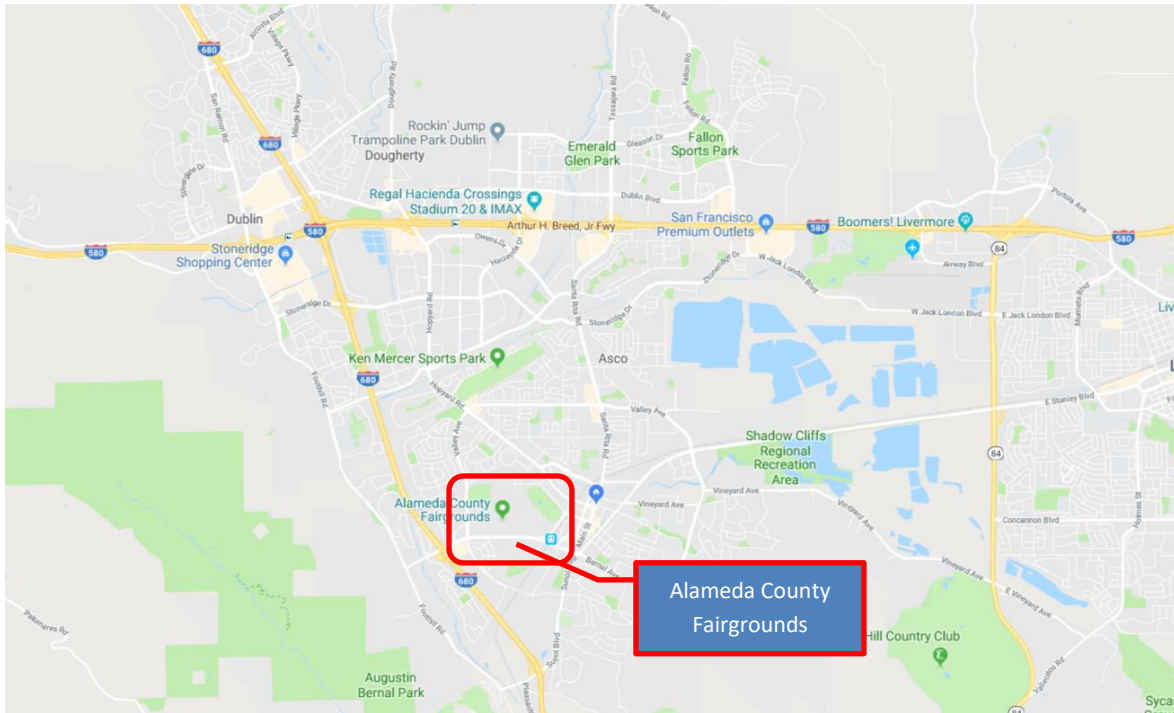


Figure 1. Regional Street Map

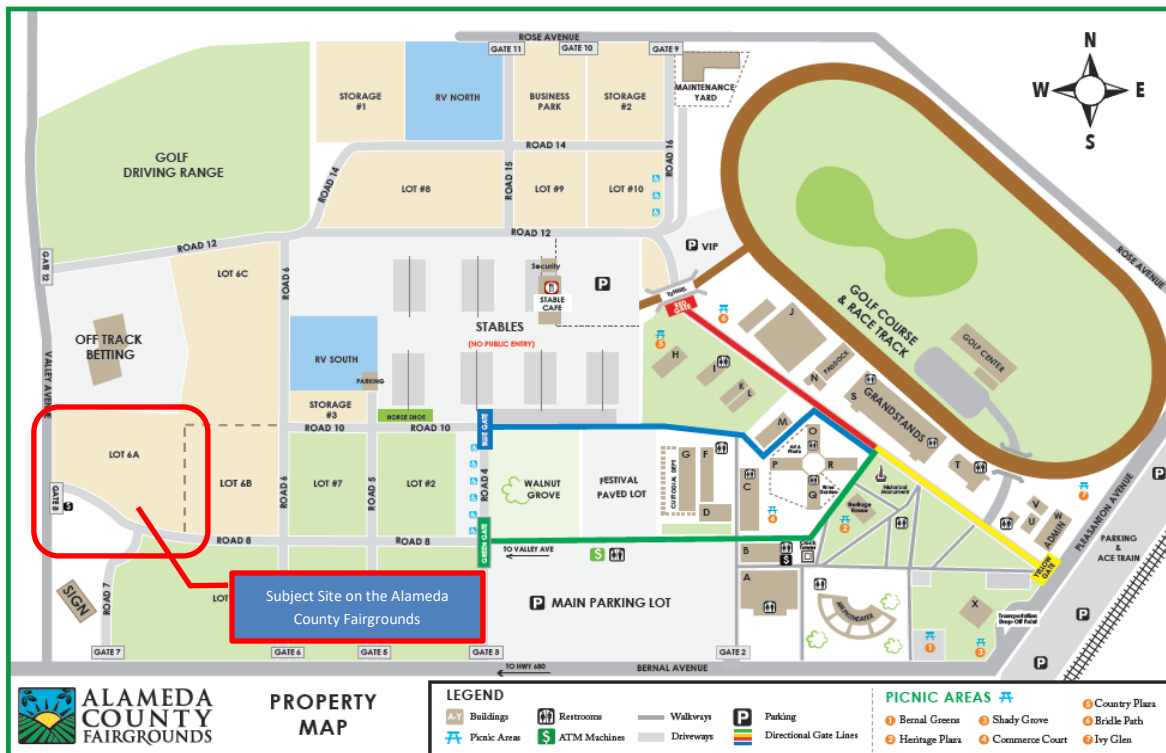


Figure 2. Property Map

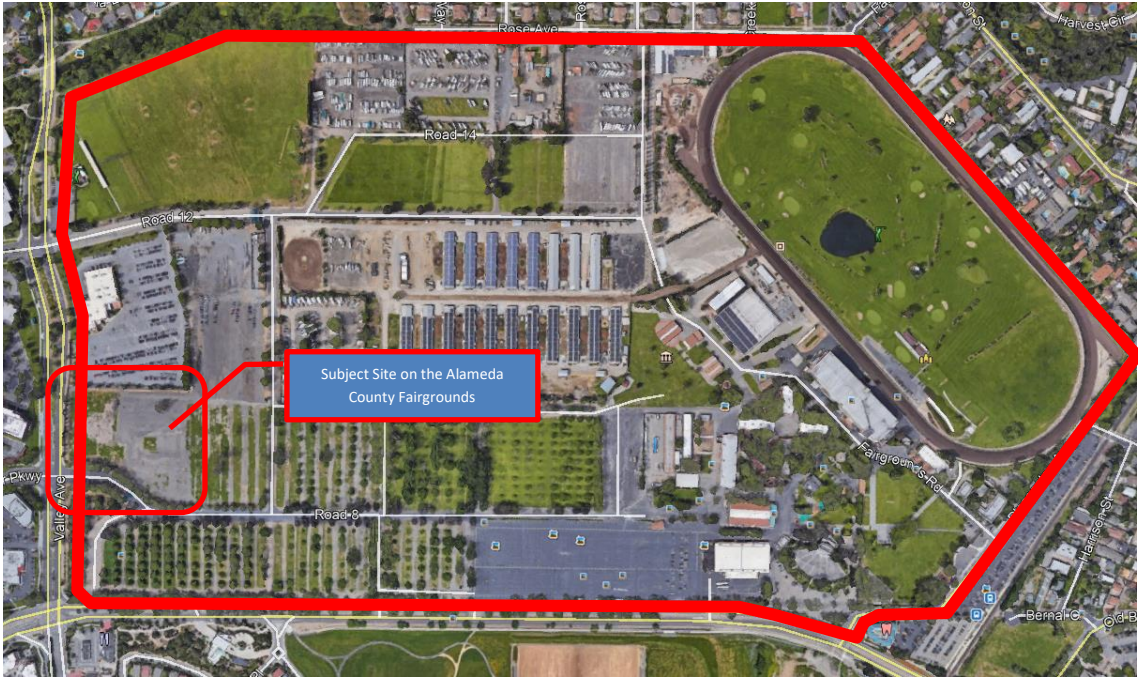


Figure 3. Alameda County Fairgrounds Aerial View

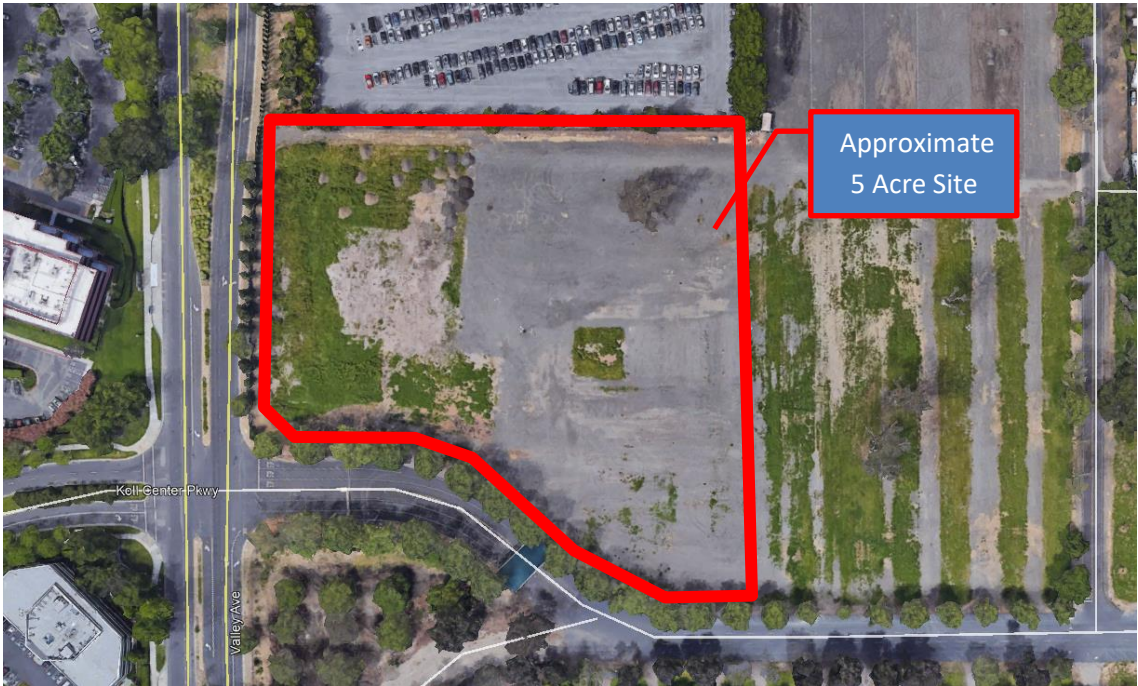


Figure 4. Proposed Hotel Development Site Aerial View



Figure 4. Site view looking north



Figure 5. Site view looking northwest



Figure 6. Site View looking west



Figure 7. Site view looking southeast

### **ENTITLEMENT PROCESS**

A hotel project will follow the development procedures, processes and requirements of the City of Pleasanton, including its General Plan and zoning & related ordinances. The Fairgrounds site is designated by the City of Pleasanton General Plan to be for Public and Institutional Uses.

Since hotels are not consistent with this land use, the General Plan would need to be amended to a different designation (such as Retail, Highway/Service, Commercial, Business or Professional Offices,) then rezoned from the current Public zoning district, to one that allows hotels.

The City expects that this district would be a Planned Unit Development District (PUD,) a flexible district that would accommodate a unique proposal for the Fairgrounds, as certain development standards can be tailored to an individual project when appropriate. Review of development in the PUD district requires approval of a PUD development plan, which includes design review (architecture, landscaping & site plan.)

The General Plan amendment, rezoning, and PUD development plan application would all require review and a recommendation by the Planning Commission, first at a workshop, then a formal public hearing and a final review by the City Council.

In considering an application for a PUD, the City will evaluate the plan on the following criteria:

- Must be in the best interest of the public health, safety & general welfare and consistent with the City's General Plan
- Must be compatible with surrounding development and the natural and topographic features of the site
- Must be compatible with the natural terrain and landscape
- Must minimize grading impacts on environmental characteristics of the site
- Must meet expectations regarding public safety
- Must be in compliance with the purposes of the Planned Unit Development District

City staff will also consider the specific siting and architectural design of the hotel to be important issues. The text of the Planned Unit Development District requirements is provided. (See attachment 3, Pleasanton Municipal Code, 11/30/2017).

The Developer will provide a draft CEQA (California Environmental Quality Act) document to be reviewed by the City. The City is designated as the CEQA lead agency and will be responsible for certifying the adequacy of the CEQA document. We would anticipate that the CEQA document would cover traffic, drainage and water quality impacts, and visual impacts as its primary focus.

The City anticipates that the review process would take 4-6 months after submittal of a complete application, including an acceptable CEQA document.

## **BUSINESS TERMS**

Respondents to the RFQ are required to affirmatively agree to the following:

1. The Association and the City has a preference for an Upper Upscale hotel. Provision of a restaurant and bar/lounge space and small meeting components are also desired.
2. The Association will agree to an initial long-term ground lease. Length of term and extension options will be the subject of negotiation during the ENA period.
3. The County's fee interest in the site represents the senior lien on the property. The County will not subordinate its fee interest in the site.
4. Ground Rent Payments:
  - a. The Association is seeking a guaranteed base rent that will be subject to annual escalation.
  - b. The Association is also seeking rent as a percentage of Gross Revenue produced by room sales, food and beverage sales, and other revenue streams generated by the hotel.

- c. The Association will have reasonable right to approve any assignment of the ground lease, as well as and changes in the hotel flag or operator.
- d. The project will be subject to possessory interest tax obligation.
- e. The Association will not pay commissions to real estate brokers in the RFQ phase of the transaction.

## STATEMENT OF QUALIFICATIONS

The Association requests a Statement of Qualifications that expresses your entity's interest, vision and capability to develop and operate an Upper-Upscale hotel with meeting facilities and restaurant.

Respondents shall provide responses to the following request. Responses should be organized in a similar format and order as listed below.

1. **Cover Letter:** Provide a cover letter introducing the Development Team and identifying the basic submittal contents and the primary contacts or representatives. The cover letter must be signed by an officer or other authorized representative of the development team.
2. **Overview of the Development Team:** Provide an overview of the development team/firms' association with "branded hotels," history of developing and operating hotels, successful hotel projects, successful partnerships, and/or other relevant information that highlights the qualifications of the Developer Team.
  - a. Include a summary of legal status, organizational structure, and roles and responsibilities of key team members and individuals, and associated firms if applicable.
  - b. Provide a narrative that details the Developer's history developing or developing/operating hotels with meeting facilities and restaurants. Please identify the areas of specialization.
    - i. If teams are proposed that would separately undertake the development, construction, and operating responsibilities, please provide information for each firm. For separate firms (developer, builder, and/or operator) identify past projects each has worked on which relate to the proposed project; highlight all projects where the proposed team previously partnered together.
3. **Team Qualifications and Experience:** This section should document the qualifications and professional expertise of the development team and its individual members.
  - a. Include an overview of your specific familiarity and knowledge of the East Bay area market and its real estate parameters, especially those related to hospitality and the local community, as well as knowledge of CEQA, traffic, off-site improvements and fees, the CEQA entitlement process, land-leases, and working with government entities.

Knowledge and experience in Alameda County, the Tri-Valley and the City of Pleasanton is highly desirable in the selection process.

4. **Development Experience:** The proposer should provide the relevant experience of the Development Team with respect to similar hotel projects where the developer developed the project, held a financial interest, and successfully completed the project.
  - a. Please provide relevant, recent hotel projects. For each project identified, provide the following information (preferably no more than the 4 most applicable or recent projects):
    - i. Project name, location, and date completed.
    - ii. Project Description: describe the project in terms of its size, market orientation, ownership structure, financing, and current status. Provide appropriate graphics as available (interior and exterior).
    - iii. Development Cost and Financing: provide a detailed description of the total project development cost and the financing mechanisms/resources utilized, as well as a summary of its economic or market performance.
    - iv. Development Schedule and Performance: provide the planned and actual development timeline (from developer selection/site control, entitlement, to completion of construction, indicating any phasing if relevant) with an explanation of material variances.
    - v. Role or Scope of Work of the Respective Members of the Development Team: indicate the role of each team member assigned to the CSUN Hotel development effort for the referenced projects.
    - vi. Project Reference: at least one reference is required for each project listed. Include the reference's name, title and role in the referenced project, address, email, and telephone number.
  
5. **Operator Experience:** The proposer should provide the relevant experience of the operator team with respect to similar hotel projects.
  - a. Describe total number and type of hotel properties currently under contract with the proposed Operator team.
  - b. Provide location, hotel brand, size of the hotel, number of rooms, years of operating service, total number of employees, food and beverage service, conference services, and any other additional relevant data.
  - c. Demonstrate the operator capability to operate and manage an Upper-Up-scale hotel
  - d. Describe overview of the operator's operations model, business plan, operating structure, etc. to thoroughly describe the qualifications of the Operator.
  - e. Describe tailored approaches to general operations, repairs, maintenance, sustainability, customer service sales, marketing, and any other key management service elements.
  - f. Describe any/all pre-approved brands the operator currently has with branded hotel franchises.

- g. Describe the brand or brands of hotels that your team would consider proposing in an RFP.
  - h. Describe pre-opening service plan, performance support, information technology, recruitment, training, etc. to best describe the Operator's breadth and depth of service commitment.
  - i. Describe the operator's conference service experience.
  - j. Describe restaurant experience in any of the hotel properties and/or stand-alone ventures.
  - k. Owner References: At least four references for current hotels under operating agreements. Include the reference's name, title, address, email, and telephone number.
6. **Financial Capacity:** Provide financial information to demonstrate that the development team will have the necessary financial standing, capacity, experience, and resources to undertake, finance, and deliver the project. Identify the firm's or team's capacity to secure the equity and financing required to implement the proposed development program. Disclose if your firm has ever defaulted on its financial obligations, has had developments that were foreclosed upon, or if a bankruptcy has ever been filed by your firm or any associated firms proposed for this project.
- a. The Developer must submit:
    - i. Copies of audited financial statements, annual reports and auditor's opinion letters, or other similar information, for each of the last two years for which such information is available, with a narrative describing any material events that may affect the entities' financial standing since the last audited or interim financial statements.
    - ii. Credit rating, if available.
    - iii. Current Real Estate Portfolio: composition of current real estate portfolio including product types in development or owned, amount of square footage, ownership structure of the assets, etc.
    - iv. Total assets available to secure or pledge towards financing.
    - v. Project Pipeline: provide a description of all future planned projects (including the estimated cost) that any equity member has committed or is contractually obligated, to deliver within the next five years including status, development schedule, and financial commitment required (e.g. financing methods, sources, and amounts).
    - vi. Litigations or Adverse Actions: Indicate whether any funding sources or financial institutions have taken any adverse action against the developer or joint venture partner, such as terminating or restricting the use of funds at any time during the past five years. Also indicate any litigation in which the members of the development team are involved or settled litigation over the last five years, if applicable.

- vii. A copy of the annual report; Form 10-K must be provided if the team, or any other entity for which financial information is submitted, files reports with the Securities and Exchange Commission.
7. **Entitlement Experience:** Provide an overview of the Development Team and how the team typically handles the CEQA entitlement process, and other relevant information that highlights the Developer team's CEQA entitlement experience. Knowledge and experience in Alameda County, the Tri-Valley and the City of Pleasanton is highly desirable in the selection process.
8. **Construction Experience:** Provide an overview of how the Developer Team designed and built each of the projects listed in Section 4. Indicate Architect, Sub-consultants, Contractor, method of delivery, cost, construction duration, and any other pertinent information.

**SELECTION CRITERIA**

The Review Committee will meet and collectively rank all respondent submittals to determine the top 3 to 5 highest ranking submissions. Interviews with the development teams may be required following the initial review of the proposal to help determine final ranking. The criteria, as indicated on the following page, will be used to evaluate the Statement of Qualification submittals. The Review Committee member’s scores will not be made available for review. The top 3-5 Respondents only (the number of short-listed firms is at the discretion of the Association) will be invited to submit detailed proposals based on the Association’s Request for Proposal (RFP), which is anticipated to be released in the summer of 2018. The RFP will require concept design drawings, financial projections/model, proposed financial terms for the lease of the land, structure of the operating agreement, the brand identification, amenities of the development, etc.

The Following criteria will be used to evaluate the Statement of Qualifications submittals:

<b>Scoring Criteria:</b>	<b>Maximum Points</b>
<b>Development Team Experience (Developer and Operator):</b> The development team’s association with “branded hotels,” history of development and operating hotels, successful hotel projects, successful partnership, breadth and depth of experience.	300
<b>Development Experience:</b> Relevant experience of the development team with respect to similar hotel projects where the developer developed the project, held a financial interest and successfully completed the project.	250
<b>Financial Capacity:</b> Development team’s financial stranding, capacity, experience and resources to undertake, finance, and deliver the project. Identify the team’s capacity to secure the equity and financing required to implement the proposed development.	250
<b>Entitlement Experience:</b> Development team’s experience and capacity to successfully entitle projects from the concept stage and through construction and post-construction mitigations.	100
<b>Contraction Experience:</b> Demonstration of the successful construction of completed hotels and/or contractor experience constructing hotels.	100
<b>Total Points Possible</b>	1000

**EVALUATION PROCESS**

The Association reserves the right to reject any or all submittals at its sole and absolute discretion. The Association will designate a Review Committee (“Committee”) to evaluate all submittals received in response to this RFQ. Within 30 days of the submittal deadline, the Committee will assess Respondent qualifications based on the evaluation criteria. Committee members will score each proposal in their own preferred order. The scores assigned by each Committee member will be based on the individual member’s reasonable judgment as to the degree to which the proposal complies with the criteria and intent of the RFQ process. Members of the Committee and other Association staff may contact references and industry sources, investigate previous projects, current commitments, etc. as part of the evaluation process. The Association reserves the right to reject any or all responses to this RFQ, to re-solicit or not, and/or to waive informalities as deemed in the best interest of the Association.

**ESTIMATED SCHEDULE**

Release of RFQ by the Association	May 1, 2018
Electronic and print advertisement of the RFQ	May 1, 2018
Deadline for Notification of Intent to Respond	June 20, 2018
Deadline for Submission of Responses to the RFQ	August 1, 2018
Evaluation of Submissions	August 5, 2018
Team Interviews as Needed	August 5-10, 2018
Notification of Top Teams	August 11, 2018
Release of RFP	August 11, 2018

## **INQUIRIES**

Questions related to this RFQ will only be accepted from the respondent's prime contact in writing or by e-mail to Jerome Hoban, CEO at [jhoban@alamedacountyfair.com](mailto:jhoban@alamedacountyfair.com). The Association will determine what questions, or inquiries warrant a response to all participating respondents.

## **SUBMITTAL REQUIREMENTS**

Responses should be organized in a similar format and order as listed in the Statement of Qualification section. Late submissions may be disqualified at the discretion of the Association. Submissions must be provided in a sealed package labeled "Hotel Development RFQ" and with the prime contact and address clearly noted on the front of the package. Please submit seven (7) complete, bound hard copies and one complete digital copy on flash drive of the proposal. PDF digital file format are preferred. All costs related to preparing the submission to the RFQ and future RFP shall be borne by the responding Development Teams and will not be reimbursed by the Association.

**Notification of Intent to Respond:** A letter on the company's letterhead shall be sent via US Postal Service to the Association stating the company's intent to respond to the RFQ. The letter should clearly state the contact name, address and telephone number of the prime contact person regarding the team's proposal. The letter should be received no later than June 10, 2018. Early delivery of, "Intent to Respond" letters are preferred.

Alameda County Agricultural Fair Association  
Attn: Jerome Hoban, CEO  
4501 Pleasanton Ave.  
Pleasanton, CA 94566

**Responses to the RFQ:** Responses to the RFQ shall be submitted by 4:00 pm, August 1, 2018 to the attention of:

Alameda County Agricultural Fair Association  
Hotel Development RFQ/SOQ  
Attn: Jerome Hoban, CEO  
4501 Pleasanton Ave.  
Pleasanton, CA 94566