

The staff from Metro State presented their plan to seek an RFP to the CDC in December 2008. Following this meeting questions and concerns were raised by the CDC and DHE staff. These concerns were forwarded to Metro State staff for review. Metro State staff responded to the concerns with the following additional comments and information.

- A. Has a hotel management company been selected? What was or will be the criteria/selection process?

No, a hotel management company has not been selected. That will be part of the two-step RFP process. An RFQ [see Appendix A] was released in December 2008 and submittals are due March 27, 2009. The first RFP, according to Bruce Burgess (AHEC) and Larry Friedberg (OSA), is an RFP that asks for the team's qualifications and experience in projects like these-public/private partnership, ground lease, hotel learning center. The second RFP, to be released April 2009, would be sent to the selected teams judged to meet the desired qualifications and it would ask for more detail as it relates to the management and financial possibilities.

A team of faculty and staff visited three other programs in 2007 to learn more about the relationship of hotels on college campuses and how the academic program can be intertwined within the hotel. Since the discussion of this program first began two years ago, there has been no shortage of interest from developers, hotels, management companies, architects, and contractors.

- B. When did Metro's board approve the program plan? Was approval received from the AHEC Board as well?

Approval was received by both Metro's Board and the AHEC Board. The Metro Board of Trustees approved the program plan June 4th and the Auraria Board of Directors approved the program plan and site location on September 17th.

- C. How is AHEC involved in this project since it ultimately impacts the campus?

The program plan has been presented to the Board as well as the Auraria Board's Master Plan Subcommittee which is tri-institutional. AHEC's subcommittee has been involved through the entire process. In addition, there are regularly scheduled meetings once every two weeks with the Hospitality, Tourism & Events (HTE) department, Dean of Professional Studies, Development Office, and Jill Jennings (the Auraria Campus Planner), and Bruce Burgess (AHEC). Service utilities and site development related to egress and parking will have to be coordinated through AHEC and all parties are aware of this and willing to work together to address issues. Also, Bruce Burgess has been involved throughout this process in regards to the feasibility study, the program plan, and the writing of the two RFPs.

D. Has there been a determination made on how the ground lease will be determined?

Metro State and the Auraria Higher Education Center are working with the Metro State Foundation and the State of Colorado to explore the best options for a ground lease. Many of these questions will be addressed in the release of the second Request for Proposal as ownership can affect bonding, zoning, and building codes.

To assist with this process, the College has hired a financial advisor and is pursuing the services of bond counsel. Metro State wishes to explore all options and looks to the teams to offer proposals in their submittals. The selection committee has agreed to add a section to the existing RFP asking teams to provide their professional opinions on different ownership options. This addendum to the RFP will be added under "Section II Submittal Requirements", subheading "D. Project Approach". Due to this addendum to the RFP, the submittal due date has changed from February 20th, 2009 to March 27th, 2009 at 1pm. The addendum to "Project Approach" will be added to the RFP no later than 5pm MST on February 16th, 2009.

E. How does this plan relate to the master plan and the adoption of "neighborhoods"?

The physical plan that supports Metro State is articulated by the Auraria Higher Education Center master plan which was updated in 2007. One of the goals of the master plan was to find ways to provide outside funding sources for the campus to benefit capital construction. The master plan had two key components to address this issue. The first idea was the "Neighborhood" concept which outlined three areas of the campus that would be designated neighborhoods for UCD, CCD, and Metro State. The allegiance of the students and alumni will be enhanced through campus growth that strengthens the identity of the individual to institutions relative to campus. In turn this is expected to generate greater success in alumni financial support and a greater sense of pride in the larger campus.

All three schools have embraced the updated master plan and have begun planning the development of their neighborhoods and future institutional projects. Both Metro State and UCD have developed micro-master plans for their neighborhoods which include phasing and development over the next twenty years.

F. What will be the term of the ground lease?

The terms of the ground lease are to be negotiated between the developer and the state. It is the desire of the College that a lease option can be found that will make the project viable for Metro State, the Auraria Higher Education Center, and the developer.

G. What about utilities?

The hotel operator/developer will be responsible for both moving any utilities and providing connections to necessary utilities (in coordination with the Auraria Higher Education Center). These costs were also mentioned in question #15. The site does not currently have "ready to go" utilities in the site location for the hotel. In past construction projects on the Auraria Campus, every project incurred the cost of providing utilities to the site.

H. Is the HLC meant as a public or a private venture?

A key component of the Auraria master plan is the development of a public/private neighborhood. Commercial development offers a means for the institutions to monetize assets (land) and use these resources to invest in core academic programs. The master plan analyzed how Auraria may team with the private sector to bring vibrancy to the campus, support the academic missions, and create additional financial resources for the three institutions.

I. Does the academic department need this space?

Metro State's Hospitality, Tourism & Events department has had significant growth between 1998 and 2007, including a 237% increase in student headcount enrollment. The department, which has been in existence since 1974, is primarily located in the Plaza Building within the Auraria Campus. By moving from their existing location to the new Hotel Learning Center, their current space will benefit other academic programs.

The department currently utilizes general purpose classrooms controlled by AHEC. During the Fall 2007 semester the department offered 32 course enrollments averaging 25 students per section for both classroom and laboratory based courses. By moving to a new space valuable classroom space in the Plaza Building could be made available.

J. Are the meeting areas needed on the campus?

The hotel and learning center will provide much needed meeting space to the campus community and our neighbors in Lower Downtown. The program plan shows over 16,000 square feet of meeting space including a ballroom that can seat up to 500 people. The Auraria Campus has a large deficit of meeting space. The conference room space will be available for use to the entire campus community it will also allow all three schools to host regional or national events. This currently is not an option for any of the schools due to the lack of space.

K. How is the financing split between Metro and the hotel company set up? What assurances does Metro have that the company will fund their share of the project?

The financing split between Metro and the hotel company has not been established at this time, but different scenarios are being reviewed. Metro has hired a financial advisor to assist us through this process. The objective is to have the hotel company pay the hotel expense with Metro's fundraising paying for the learning center expense. There is a hope that the hotel company will also contribute to the learning center's fundraising.

The financing split will be established during the RFP process and may have an impact on the company that is chosen as the hotel flag/developer/management team. The assurance that the chosen company will fund their share of the project will have to be written into the contract.

- L. How is the fundraising effort to raise Metro's share of the cash funding progressing? What options does the school have if the fundraising is not successful?

Metro's fund raising efforts have begun and the outlook is very optimistic. There has been a great deal of interest from the business community into this project as it would be the first of its kind for the state. The current belief is that an approved program plan would assist in the fund raising efforts.

To further assist in the fundraising effort, the division of Institutional Advancement is working with the Hospitality, Tourism & Events department on a fundraising and communicant strategy. The Request for Proposal seeks funding options for the Hotel and the Learning Center as well. Until the bidding process begins, it cannot be determined how much assistance HLC will receive for the academic portion of the project from the developer and hotel flag team. As previously stated, the objective is to have the hotel company pay the hotel expense and Metro's fundraising will pay for the learning center expense. There is a hope that the hotel company will also contribute to the academic learning center's fundraising.

If the fund raising effort is not successful, there are a few options that have been explored. The program plan for the Hotel Learning Center could be scaled back to meet the budget. Some space could be shelled and then finished when money has become available. Leaving the academic department in its current location and not having it included in the hotel is not a viable option. The Hotel Learning Center must be integrated into the hotel so that our students can gain real life experience. The most cost effective alternative would be to make sure that the Hotel Learning Center is financed and can be completed at the same time as the hotel and so that will be the college's goal.

- M. Please provide a copy of the feasibility study conducted for this project.

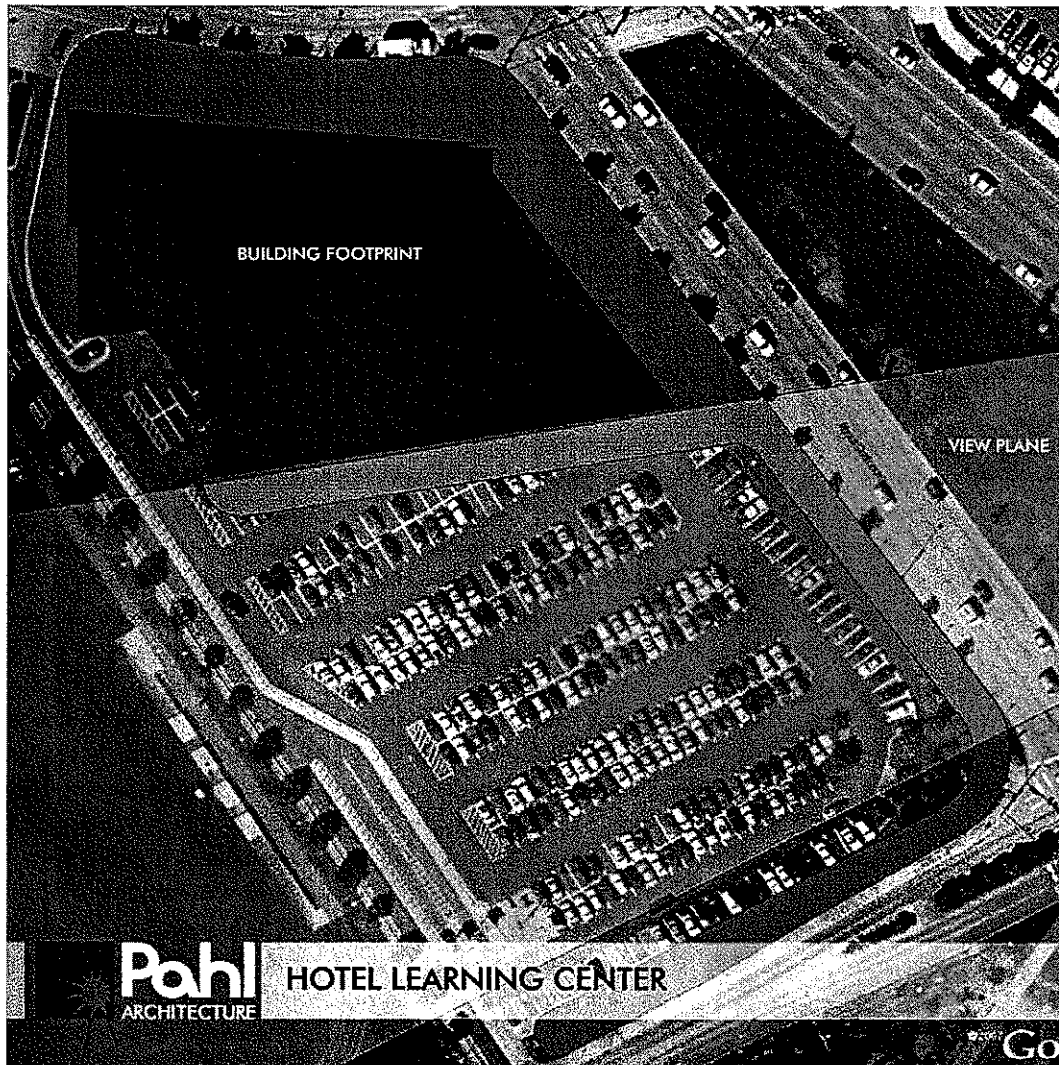
http://www.mscd.edu/hmt/assets/documents/Metro_State_2007_Feasibility_Study_Final.pdf

- N. Do you have an idea of how many teams you will short list?

There is not set a limit to the number of teams that will be short listed, but in fairness to applicants it is anticipated that the list may not be longer than ten teams. For the first Request for Proposals, it is important that teams have experience in building hotels, however public/private partnership experience will also be evaluated.

- O. Are plans and contingencies underway on how to address how this project will impact the current available and future needs for parking?

The HLC is proposing to locate in the north corner of Parking Lot R and the corner of Auraria Parkway and Speer Boulevard as shown in the image below. The proposed site occupies about one third of the parking lot. The footprint shown below is based on the program plan, and further design of the building will refine the location and building layout.



In order to help determine how parking could be provided for the Hotel Learning Center on the Auraria Campus, the following options were put together to determine possibilities. Exact determinations on the amount of parking to be provided, as well as exact location, will be determined during the schematic and design development phase for the Hotel Learning Center.

Metropolitan State College of Denver
Hotel Learning Center

Denver zoning code requires 1 parking space per 600 gross square feet for a hotel use. The planned hotel is a total of 133,276 GSF. Using this formula, the hotel would need 222 parking spaces. More parking could be provided, but this formula is what has been used to build other hotels in Denver. This includes parking for both the rooms and conference/meeting space since it looks at the entire square footage in the hotel, not just the number of rooms.

Parking spaces typically require between 300 and 325 square feet each. A total of 222 spaces would require between 66,600 sq ft and 72,150 sq ft.

Site renderings from Pahl Architecture show the possibility of putting 54 parking spaces on a floor for the hotel (see exhibit 'Possible Parking Layout 1'). If two floors of parking behind the hotel lobby are assumed, this would accommodate 108 parking spaces – this would push the hotel to 14 stories tall. This would require another 81 to 114 parking spaces to be provided in a shared parking structure either with other private or academic development.



If it is assumed that most hotels do not allow check in before 3pm or 4pm and check out is generally by 12pm, this could accommodate some shared parking. With an academic parking facility, there would be some conflicts during the week but not over the weekends. Valet parking could also occur in the existing TAPS (has 819 parking spaces), but once Lot R is lost to other campus development, it is unlikely that the structure will have space available for non-academic uses. The hotel would then need to participate in a new joint parking structure either with other public/private uses developed in the existing fields or with other academic buildings. This would require moving to providing most of the parking via valet.

Given the typical cost of valet parking at other hotels in downtown Denver, the Metro HLC would be able to charge \$26/day (as of 2008). This would require at least \$6 to be paid to AHEC for the cost of parking in the structure with the remaining \$20 or less going to the hotel operator.

Valet parking rates as of July 2008 in a selection of hotels in downtown Denver:

- 1. Hyatt Regency - \$16 daily valet rate; \$25 overnight valet; \$21 overnight self parking*
- 2. Marriott Denver City Center – valet parking \$26/day*
- 3. Magnolia Hotel – valet parking only \$25/day*
- 4. Hotel Teatro – 24 hour valet fee of \$26; daily parking is \$12*

As the Metro State Hotel Learning Center moves in to the design phase for the project in the north corner of existing Parking Lot R, there are a number of considerations that must be addressed.

- Access to the site will be via the existing access point off of Auraria Parkway. The design team will need to work with AHEC as well as City of Denver Public Works on this issue. Additionally any access to the hotel site via Larimer Street will need to be planned and worked out with AHEC staff.*
- Provide necessary utilities to the site and the appropriate amount of storm water detention as required by code.*
- Placement of the hotel in relation to what happens with the proposed Blake Street view corridor – the design team will need to work with AHEC on this issue.*
- Parking for the hotel must be provided by the hotel operator – it shall not use any existing academic parking unless an agreed upon financial arrangement is approved through the Auraria Board of Directors.*

- P. Since a developer will build the hotel and this will have shared space within it, will the building be condominiumized so the hotel has control over its piece?

Condominiumizing the building is one option currently under consideration, but it has not been determined that will be the only option. There are many scenarios we are willing to consider that serve the best interest of the developer and the College. These will be further determined through the RFP process.

- Q. Who will control the meeting space within the hotel?

It is Metro State's intent to have lead control over the learning center facilities, and that the hotel has lead control over the hotel facilities. It is our hope that although the hotel may control the conference facilities, Metro State can work in collaboration with the hotel in the scheduling. Metro State is in need of more conference space and sees a great opportunity to partner with the hotel for hosting regional and national academic conferences.