



Request for Proposals For the Development of a Hotel Located on Top of the North Parking Garage Attached to the George R. Brown Convention Center

Addendum 1

October 3, 2014

1. RFP language modifications:

Modification 1:

RFP Section 1, paragraph two, last sentence will be modified as follows: “Upon receipt and review of the submittals, HFC ~~intends to enter into negotiations with the top teams that provide the most benefit to HFC~~ **will decide if they intend to interview firms and will notify those firms that will receive an interview. In addition, should HFC interview firms, HFC will decide if they will select a firm and if so, will notify the firm that has been selected to enter into negotiations.**”

2. The following questions, and HFC’s response thereto, are forwarded for your information:

Question 1: Can we get a complete set of drawings for the parking garage, office and hotel?

Answer: Yes. Developers can receive drawings once a confidentiality agreement is signed and returned to Tom Reifert. The confidentiality agreement can be downloaded on the HFC website.

Question 2: While reviewing the RFP for the Houston First hotel development opportunity, the question came up as to which firm did the concept work for what was released in the RFP?

Answer: WHR Architects.

Question 3: How will the 200 parking spaces for hotel guests be dispersed? Does the hotel have to pay for the 200 spaces even if they do not use them? How will the 200 spaces be “guaranteed” for hotel guests?

Answer: The hotel will work with the parking operator to insure 200 parking spaces are available for hotel guests. In general, there will not be 200 specifically-designated spaces allocated to the hotel, however if there is a non-hotel event occurring where the parking deck could be full, there may be a need to designate 200 specific spaces. The hotel will not be required to pay for spaces that are not used. However, if a valet operation requires a certain number of spaces to be reserved, the hotel will be required to pay for such spaces regardless of use. Such issues will be resolved during the term sheet negotiations.

Question 4: How will the parking rates for the garage be set? Our concern is that this hotel garage could be priced higher than the surrounding garages, such as the Hilton garage. This could deter guests from using the new hotel.

Answer: Both the existing garage adjacent to the Hilton Americas-Houston and the one being developed as part of this project are owned by HFC and hourly and daily prices will be based on the market. Prices will be set by HFC at prevailing rates.

Question 5: Will there be a Common Area Maintenance Fee that would need to be deducted from hotel cash flows?

Answer: There will likely be a Common Area Maintenance fee to provide for the cost of shared areas such as the shared service elevators, and shared back of house areas, exterior façade maintenance, and any other shared common area costs. Such issues will be resolved during the term sheet negotiations.

Question 6: The RFP mentioned chilled water is available. Is hot water available as well?

Answer: Hot water is not available for purchase from HFC.

Question 7: Do you have an idea on the fees for the chilled water?

Answer: Since the hotel will not be operational for a few years, HFC cannot provide chilled water rate cost quotes given to the unknown fluctuations in electricity costs.

Question 8: Are there any specifics on the Diversity Program?

Answer: At this time, the requirements are presented in Section 12.8.1.

Question 9: Regarding Ad Valorem taxes, please confirm that the parking garage on which the hotel will be built rests on land which will be owned municipally (Houston First, or other?) and hence there would be no Ad Valorem taxes to deal with.

Answer: The leasehold improvements owned by the private sector will be subject to ad valorem taxes.