



Corpus Christi Proposal for Future Phases of Work

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Understanding

The City of Corpus Christi (City or Client) is seeking a proposal from Hunden Strategic Partners (Hunden) to complete a study process related to the future expansion of and development of new real estate assets at the American Bank Center (ABC or Center) in Corpus Christi, Texas. The City is looking to first study the market and financial feasibility for two primary opportunities: the expansion and/or renovation of the ABC and a new convention headquarter hotel development. Hunden has separated that scope of work out and presented it as its own primary phase/contract.

Once the expansion and headquarter hotel study phase is complete, Hunden can provide the City with future phases of work to address a variety of overall placemaking and project delivery questions. This document outlines these possible future services.

One of the future phases is related to advancing the headquarters hotel development from concept to reality. The first step is to provide an overview of potential funding options for the recommended Project. Hunden can then represent the City's best interests and manage the developer solicitation and selection process. Additionally, there is the potential for a study to explore the opportunity for mixed-use development and destination placemaking for the parcels adjacent/surrounding the ABC known as the SEA District (sports, arts and entertainment). This will include completing a destination district study to examine retail, restaurant and other commercial uses designed to provide the ABC area with a sense of place and critical mass of options for visitors and locals.

Hunden is uniquely qualified and prepared to provide the following future services:

- Financing Options Overview - \$28,000

- (optional) Mixed-Use Convention District Market Study - \$48,000
- (optional) Mixed-Use District Financial and Impact Study - \$32,000
- Developer RFQ Solicitation and Selection Process - \$48,000
- Shortlisted Developer RFP Selection Process - \$48,000
- Negotiation of Development Agreements – Billed hourly up to \$48,000

The pages that follow outline scopes of work for each proposed future study phase, including tasks and methodology, deliverables, timing and estimated fees. We remain flexible in our approach and open to adjustments. Each phase can be authorized individually, or all at once, depending on the Client’s preference.

Financing Options Overview for Convention Center and HQ Hotel

Hunden will work with City finance representatives to provide an overview of potential funding options for the convention center renovation/expansion and the headquarters hotel. These will be based on existing tools for funding, as well as those used by other cities in Texas. Some of the tools may not be readily available, but could be activated by participating in specific legislation. Hunden will review the options with Corpus Christi, its financial advisory firm, as well as other cities like Fort Worth, Dallas and others that have accessed a variety of tools.

Hunden expects this process to take approximately one month. It can be folded into the prior studies if desired.

To the extent that historical revenues or projected revenues can be estimates, Hunden will make initial projections of potential revenue streams from the various tools, such as new or existing HOT taxes (city or state), property taxes, sales taxes, and any others that are material and relevant.

Fees

Hunden proposes to complete this overview for a professional fee of \$28,000.

Hunden proposes to bill according to the following payment schedule, broken out by deliverable milestone:

- Kickoff: \$14,000
- Conclusion: \$14,000

Destination District Study

Hunden recommends completing a mixed-use district study to complement the development of any convention center expansion and headquarters hotel. Only when visitors feel like they are in a destination

and not isolated in an event facility will a location be truly desirable for most group events. Visitors want to feel like they have walkable options right outside their hotel or event center door, for restaurants, entertainment and shopping. In addition, visitors want to be where locals spend time. If residential and office development can occur in the convention district, it will help create an 18-hour per day buzz of economic activity. All elements need to be present to make this a reality: daytime office, nighttime visitor and resident activity throughout. Hunden can complete a market analysis that consists of the following:

- Retail,
- Restaurant,
- Entertainment,
- Residential, and
- Office.

Hunden will then make recommendations for the optimal mix of uses to be developed in the walkable area. This approach is helping a number of cities become event destinations, including in Texas.

In addition, the development of walkable districts can create additional taxes that can be used to fund projects.

Hunden can provide a full scope of work for these elements as desired.

Timing and Fees

The proposed timing to complete both phases of analysis, the market phase and the financial/impact phase, is approximately 10 weeks.

The cost for the market analysis portion is \$48,000 plus an expense budget up to \$1,900. The cost for the financial/impact analysis is \$32,000.

Developer RFQ Solicitation and Selection Process

Hunden's scope of work is proposed as follows:

- Task 1 – RFQ Process Kickoff and Orientation
- Task 2 – Creation of RFQ Documents
- Task 3 – Management of Solicitation Process; Promoting the Opportunity; Site Visit; Q&A
- Task 4 – Review of RFQ Submittals; Zoom Interviews

Task 1: Project Kickoff and Orientation

Hunden Strategic Partners professionals will meet with the City of Corpus Christi (City or Client) to confirm the goals of the selection process and other contextual issues related to the Project. Hunden will perform the following orientation and due diligence oriented tasks:

- Obtain information and data from the Client and any other appropriate governmental agencies.
- Review Hunden's prior work for the City and determine which elements of previous reports (or other materials) should be utilized in the RFQ/P documents, as appropriate.
- Review Hunden's similar efforts, discuss their attributes, implementation and approach to determine lessons learned and implications.
- Discuss the marketing approach to the RFQ/P effort. Media can be very beneficial in aiding the promotion of the bidding process, if managed.

Hunden will also begin compiling lists of potential Developers for the Project.

Task 2: Creation of RFQ Documents

The RFQ process is recommended first. The benefit of an RFQ process first is it is less time an effort for potential vendors, and they can test the waters without spending as much time, money, and effort on a contract they fear they may not win. RFQ processes will increase the number of potential bidders. One of the challenges is convincing bidders that it is worth their time and effort to submit and an RFQ process makes it easy for them to do so. In addition, the RFQ stage is very helping in filtering the teams. The process ensures that only qualified bidders will move onto the next round. Hunden has had a number of experiences where connected, but non-qualified groups submit proposals. This allows for the qualifications and scoring to sort the short list out and not prior relationships.

Hunden will draft an RFQ document package, to be reviewed and accepted by Client representatives. This will include:

- RFQ Document,
- Marketing Materials (Images),
- Market Data/Tourism Data, and
- Deal Parameters, if determined.

Once approved, Hunden will send the document to a list of developers identified, as well as post to Hunden's website (to enable Hunden to track the downloads). Hunden has a list of developers and groups that will be contacted about the opportunity. Hunden will also work with the City to issue a press release regarding the opportunities to maximize exposure locally and nationally.

Task 3: Management of Solicitation Process; Promoting the Opportunity; Site Visit; Q&A

Hunden will discuss the proposal process with potential respondents and represent the City's best interests when doing so. In consultation with the City, Hunden will set a deadline for submitting written questions or requests for clarification and will assist in responding to these written inquiries.

An important part of the process is continuous contact with potential respondents to ensure that a number of highly qualified groups respond. As these requests are time-consuming, it is easy for many potential vendors to not respond and focus on other less time-consuming opportunities. Hunden will continually work these contacts to ensure a strong response to both the RFQ and the RFP process.

A site tour of the site and surrounding area will be conducted by the City and Hunden for the benefit of the bidders. This will give the bidders a chance to ask questions, understand current and future conditions, and generally involve themselves more deeply in the process. Hunden will record all questions and answers during the tour and any related meetings. After the tour and the Question & Answer Period, Hunden will send an RFQ Amendment to the interested groups with answers to all questions posed to date. Typically, the date to submit final questions is approximately two to three weeks prior to the RFQ submittal deadline.

The time period to respond to the RFQ would be approximately five to six weeks, which gives Hunden time to be in contact with all vendors and promote submittals.

Task 4: Review of the RFQ Submittals; Zoom Interviews

Hunden will review the RFQ submittals and compare them in a matrix memo summarizing the qualifications of the groups for each opportunity. Hunden suggests conducting Zoom interviews with those under consideration for the short list to get a better sense of the bidders prior to shortlisting for the RFP process. It will allow for an informal and informational discussion that would put personalities and perspectives with the RFQ submittal, which will help lead to a more informed short-listing.

Items considered will be experience in other similar situations, pricing/value, team components and others as determined. From there, the City can shortlist immediately, and finalists will be invited to submit proposals.

The time period for this review and the brief interviews can be one to two weeks, depending on scheduling.

Timing and Fees

Timing. This phase of work typically lasts four to five months. That timing is an estimate based on previous solicitation and selection processes and is dependent upon many factors.

Fees. Hunden proposes to complete this scope process for a professional fee of \$48,000, plus a travel and expense budget up to \$1,900.

Hunden proposes to bill according to the following payment schedule, broken out by deliverable milestone:

- Kickoff: \$16,000
- Release of RFQ Document: \$16,000
- Review of RFQ Submittals: \$16,000, plus accrued expenses

Hunden remains flexible and open to the needs of the Client.

Shortlisted Developer RFP Solicitation and Selection Process

Hunden's scope of work is proposed as follows:

- Task 1 – Creation of RFP; Shortlisted Developers Receive RFP
- Task 2 – Evaluations, Interviews and Rankings

Task 1: Creation of RFP; Shortlisted Developers Receive RFP

Hunden will create the RFP document based on the criteria determined with the City. A scoring matrix will be included.

Once the shortlist has been determined, the Hunden will be sent out. Hunden will have been working on the RFP document during the prior tasks. Hunden will work behind the scenes with the shortlisted groups to ensure full compliance with the request and answer any questions in order to generate the highest quality responses.

The RFP should be ready prior to the shortlist, which means the shortlisted groups would receive the RFP immediately after the zoom interviews and short list is determined. Hunden recommends that the shortlisted developers have approximately 5 to 6 weeks to respond with their full proposals. In-person interviews (or Zoom if preferred) can be set in advance so the process can move quickly once proposals are received.

Task 2: Evaluations, Interviews and Rankings

Hunden will then collect the responses to the RFP and develop a summary document that puts the proposals and responses in a side-by-side comparison. Each category of response will be evaluated, and a conclusion drawn. Hunden will also conduct reference checks and undertake procedures to verify information contained in the submittals. Hunden will formulate a list of recommended questions that the City will ask of the potential candidates to clarify the RFP responses.

Hunden suggests ranking and not designating a one-and-only respondent, based on the scoring matrix. In order for the community to retain flexibility in negotiations, the respondents must know that if

discussions with the first group are not successful, then the City has the option to proceed to the second-ranked firm.

Prior to final determination of a final ranking, it is Hunden's experience that interviews and presentations should be conducted with the top-ranked respondents. While much knowledge can be gained from responses on paper, the City will make its most well informed decision after combining response information with presentation and question-and-answer clarifications with the top-ranked respondents via interviews of approximately 90 minutes each. It is then that the character of each organization (or team) can be more accurately observed. After this step, the City may wish to begin negotiations with the top group.

Timing and Fees

Timing. This scope of work typically lasts three to four months. That timing is an estimate based on previous solicitation and selection processes and is dependent upon many factors.

Fees. Hunden proposes to complete this process for a professional fee of \$48,000, plus a travel and expense budget up to \$1,900.

Hunden proposes to bill according to the following payment schedule, broken out by deliverable milestone:

- Kickoff: \$16,000
- Release of RFP Document: \$16,000
- Completion of Interviews: \$16,000, plus accrued expenses

Hunden remains flexible and open to the needs of the Client.

Negotiation of Development Agreement and Ongoing Advisory

Hunden's scope of work is proposed as follows:

- Task 1 – Term Sheet (Billed Hourly)
- Task 2 – Negotiations with Top-Ranked Developer/Agreement (Billed Hourly)

Task 1: Term Sheet Negotiation (Billed Hourly)

Hunden will work to create and negotiate a simple term sheet (non-binding) that will set the general terms for the ultimate development agreement.

Task 2: Negotiations with Top-Ranked Developer(s)/Agreement (Billed Hourly)

Hunden will provide advice and consultation to the City during negotiations with the selected developer or development team on a final Agreement. Hunden will provide a national perspective and be able to provide best practices learned in other similar projects around North America to ensure that the final Agreement achieves the Client's goals for success.

There are base documents and best practices that have emerged from deals completed across the U.S. and Hunden will incorporate these into the agreements. Hunden will continually be the City's resource for this task and make recommendations regarding the negotiations. In addition, as requested, Hunden will serve as the City's representative, organizing conference calls, meetings and moderating discussions between the Developer, Client, attorneys and other parties. Hunden is not an attorney, and the City will want to utilize an experience redevelopment attorney for the technical drafts. Hunden will advise throughout as appropriate.

Hunden's role is to work with you through the process to ensure that it is efficient, thorough, retains complete integrity, and results in a Project that provides the benefits sought by the City.

Fees

Hunden works hourly during the development negotiation phase and will work up to a limit of \$48,000 plus expenses up to \$1,900. Any work completed during this phase will be billed hourly at the following rates:

- CEO Rob Hunden: \$375
- Process Manager: \$225
- Analyst: \$195