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RFP QUESTIONS and ANSWERS (Q&A) #1

REQUEST FOR PROPOSAL

Hotel Development Opportunity at Westgate Site

Solicitation: #3115-17B

From the Pre-Proposal Meeting on July 25, 2016 the following questions were asked and answers were provided. In addition, the presented PowerPoint presentation may be accessed on the Appendix page of the Hotel Development Opportunity at Westgate Site RFQ.

Q1 What did the previous market study recommend?

A1 The two year old study identified three different focus areas in need of a hotel: the core area, Hwy 26, and near Hwy 217 and Canyon Road. The recommendations for the core area included a hotel with 100+ rooms.

It was clarified that the market study was a generalized study and not based on a specific site. It was completed prior to current development opportunities occurring on and around the Westgate site. Developers are encouraged to conduct their own updated market study.

Q2 Have you determined the potential room rates?

A2 The city will leave that determination up to the developer.

Q3 Will this be a prevailing wage project?

A3 It depends on what is agreed to between the city and the developer. If the project has public investment in excess of \$750,000, BOLI requires the project to include prevailing wages. If the public investment is less than \$750,000, prevailing wages would not be required. The \$750,000 prevailing wage trigger is per project. The city considers the Rembold's two mixed-use buildings as one project and the hotel as a separate project. Any public investment in the hotel project is dependent upon an identified gap in the construction pro forma.

Q4 Will the city provide the appendices that were included in the original RFQ?

A4 Yes. The original Westgate RFQ is one of the Exhibits to the current Hotel RFQ. You can access all supplemental material by registering for the RFQ on the city's bid webpage. You will then be invited to download the Hotel RFQ, which includes a link to the Exhibits. From there you can download the original Westgate RFQ, inside of which is a link to all of the original appendices.

In addition, we will also upload the pre-bid conference presentation, as well as a narrative of the questions and answers as an addenda to the RFQ.

- Q5 Parking seems to be a challenge. Is there discussion on the parking?
- A5 Yes and discussion of parking needs will continue. Depending on how the hotel project is designed, there will likely be some on-site parking as well as opportunities for shared parking.
- Q6 What is the schedule for the Rembold mixed use project?
- A6 Land use is scheduled to start this summer and the project team is hoping to break ground beginning second quarter of 2017.
- Q7 Can you define the Metro co-owned property of Westgate and explain Metro's Transit Oriented Development (TOD) program?
- A7 Metro co-owns the Westgate property with the city. The city owns a 5/9 share of the property, while Metro owns 4/9. We have been working hand in hand with Metro to determine how to best develop the Westgate site. Both parties want to go as dense as possible, with great urban design, and active streetscapes. The city will buy out Metro's interest in the entire site when the Rembold development is ready to close.
- If you are anticipating using Metro TOD (Transit-Oriented Development Program) funds for the project, contact Megan Gibb at Metro soon to learn more about the program guidelines.
- Q8 Is the city willing to look at different ownership scenarios for the site?
- A8 We are open for negotiation. The city is keeping an open mind to make a deal happen.
- Q9 What is the vacancy rate here at The Round?
- A9 All commercial is basically full; there is a 10,000 square foot space looking to sub-let in The Watson Building, and there may be another 3,000 square foot space available in that building as well. Commercial on the bottom floor of the mixed-use Crescent Building is full. The third floor of the Beaverton Building (which includes City Hall) contains short term office space called the Beaverton Executive Suites, which are 90-95% full. The city also leases out the second floor of the Beaverton Building to private tenants, which is also fully occupied. The residential condominiums at The Round are all market rate condos, and we are unsure if there is vacancy.
- Q10 Can you describe The Falls Event space and timeline?
- A10 The Falls Event space is the bottom floor of the current parking garage and includes about 14,000 square feet. The main entrance into the space will be from the South Plaza. As you enter, the ballroom/large conference room will be on the right hand side, with the lobby coming in from the South Plaza. There will also be bride and groom rooms, a theater, and an activity area. They are likely to obtain permits for their Tenant Improvements in about a month.
- Q11 Has there been a study done for the new parking garage?
- A11 To date, a feasibility study, a schematic design, and cost estimates have been completed by McKenzie. They were completed at same time as the Beaverton Center for the Arts (BCA) studies since the projects go together. The parking garage will be 5-6 stories and immediately adjacent to a 2 story BCA. In addition, the two projects will include separate funding, with

the parking garage including urban renewal funds, and BCA a combination of other funding. They therefore need to be kept separate but designed simultaneously.

Q12 Is the Westgate property owned by the city or private?

A12 Westgate is owned by both the city and Metro (Metro owns 4/9 and the city owns 5/9).

Q13 How late does Max run?

A13 Not sure. Probably until around 2 am, starting again at 4 or 5 am.

Q14 What is the large vault seen on the property near where we are standing?

A14 Not sure. It looks as though it is related to the MAX crossing arm mechanism.

Q15 Does the city plan to sell the property to the hotel developer?

A15 The city is open to sale or long term ground lease. The Rembolds are purchasing their portion of the Westgate site under the Disposition and Development Agreement with the city.

Q16 Can the hotel developer condominiumize or lease the restaurant space?

A16 Yes.