

Status Report – Jan 2015



Project Program

The City of McKinney and the McKinney Community Development Corporation (MCDC) have entered into a development agreement with Champ Hospitality and The Beck Group (Champ/Beck) to develop a new Sheraton Hotel and Event Center at the former site of the partially completed Westin McKinney Hotel and CC.

The revised program consists of a four-story (187 key) Hotel and a 20,000 SF Conference Center. The proposed Sheraton hotel will contain a three-meal full service restaurant and a lobby/bar, Link® business lounge, and a Sheraton Club® executive traveler's lounge on the 4th floor.

The Hotel will utilize existing infrastructure and structural framing that was partially constructed in 2008 by the previous developer of a Westin Hotel. That project was only partially completed and was foreclosed upon in 2009. The new Sheraton program consists of one less floor of hotel structure and a smaller conference center as noted below:

Sheraton McKinney and Conference Center program:

Ground Floor- Hotel, Lobby, Restaurant and BOH	33,615 SF
Ground Floor- Conference Center	20,640
Hotel Floors 2-4 @ 29,075 SF / Floor	<u>87,225</u>
Total Program	141,480

Status Report – Jan 2015

Project Site

The hotel is strategically located at the intersection of Central Expressway (US 75) and the Sam Rayburn Toll Road (Hwy 5) with an estimated 250,000 vehicles passing daily. The placement of the development at the crossroads of two major highways in North Texas makes for excellent visibility and accessibility from many areas of the Dallas / Fort Worth Metroplex.



Infrastructure

Infrastructure improvements are largely in place from the previous construction, and includes substantial underground retention of storm water utilizing over-sized 10' corrugated steel pipe. This feature frees up the site utilization for maximum flexibility and increased site utilization efficiency. Existing surface parking of 366 spaces exceeds the building code requirement of 320 spaces. The City has re-platted the property, with the Hotel and Events Center occupying a 6.3 acre site (Lot 3R).

Development Agreement

Between April, 2012 and December, 2012, Champ/Beck negotiated a Development Agreement with McKinney and MCDC defining the obligations of Champ/Beck, City of McKinney and MCDC in the development of the Hotel and Conference Center. This Agreement has been executed, along with lease and incentive agreements.

Design Goals

- Provide state-of-the-art full service Hotel and Conference Center which appeals to the business traveler, corporations, group functions, associations, and local users.
- Right-size the Hotel and Conference Center to the marketplace, using average daily rates and RevPar expectations that are realistic within today's market condition.
- Create a significant "gateway" to the City of McKinney with iconic architecture that is highly visible from the surrounding highways and integrates with future Gateway Boulevard developments.

Status Report – Jan 2015

Project Team

Developer	Champ-Beck Development, LLC
Hotel Owner	Gateway Hotel One, Ltd.
Events Center Owner	City of McKinney
Economic / Community Development	MEDC / MCDC
City's Representative	Aguirre Roden
Design Architect	three Living Architecture
Architect of Record	Beck Architecture
CM@R / General Contractor	HC Beck, Ltd.
Structural Engineer	Campbell & Assoc
Mechanical Engineer	S. Toub and Associates
Electrical Design/ Build	Prism Electric
Civil Engineer	Kimley Horn
Interior Design	Michelle Meredith & Associates
Landscape Arch	TBG Partners
Kitchen	Ricca Newmark

Photos



Status Report – Jan 2015



BECK

Sheraton Hotel & Event Center

Print #150114790

Date: 01/14/15

Lat/Lon: 33.162402 -96.641040

Order No. 53708

Aerial Photography, Inc. 954-589-9484



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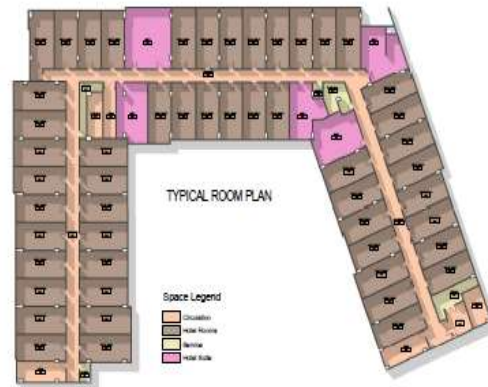
Program Breakdown

Lobby and Public Areas	GSF 2,446
Food and Beverage Outlets	3,906
Events Center – Ballrooms/Meeting	20,640
Indoor Fitness	829
Administration	2,460
Food Production	3,192
Receiving / Laundry/ Maint	3,012
<u>MEP / Fire Room / Misc.</u>	<u>2,085</u>
Total – Public Areas:	38,812
Guestrooms (Floors 1-4)	102,668
Total Hotel and Events Center	141,480 GSF

Ground Floor Plan



Typical Floors 2-4



Status Report – Jan 2015

Project Schedule

See separate attachment for Project Schedule. Note: Developer reports that the project remains on schedule for Substantial Completion by 2/10/15. **Grand Opening is scheduled for February 26.**

Weather days documented to date: 12

A/E Services Status	Phase	% Complete
	Feasibility (Concept) Design	100 %
	Design Development	100 %
	Construction Documents	100 %
	Bidding & Negotiation	100 %
	Construction Administration	90 %

Project Budget

Sheraton Hotel & Events Center		Project Budget Summary		
6.5.14				
Rooms	187	Exterior		
Total SF	141,480	Enhancements		
		GMP Budget	C.O. #1	Revised Budget
		4.10.14	5.12.14	6.5.14
Construction Hard Cost (see GMP)		26,062,224	\$ 268,267	26,330,491
Franchise Fees		85,000		85,000
Design & Predevelopment		270,000		270,000
A& E		776,722	52,500	829,222
FF&E Guest Rooms & Corridors		1,185,527		1,185,527
FF&E meeting space, Lobby, rest		1,100,000		1,100,000
OS&E-Hotel & Conference center		1,803,909		1,803,909
Food & Beverage Supplies		756,653		756,653
F & B Equipment		649,858		649,858
Laundry		191,042		191,042
Technology		943,497		943,497
Preopening		849,069		849,069
Finance/Legal/Appraisal/Tax/Reserves/Fees		2,152,201	\$ (10,000)	2,142,201
Development Fee		1,386,872		1,386,872
Project Total		38,212,574	\$ 310,767	38,523,341

**Change orders to date: 1
Construction Budget**

Status Report – Jan 2015

5000 - Construction		
5000.000 - Construction Sub-Total		
	5000.00 - Preconstruction	\$ 194,706
	5001.00 - General Conditions	\$ 1,366,831
	5001.10 - General Requirements	\$ 695,479
	5002.41 - Demolition	\$ 122,468
	5003.01 - Substructure Concrete	\$ 489,220
	5003.02 - Superstructure Concrete	\$ 1,086,334
	5003.03 - Post Tensioning Repair	\$ 149,055
	5004.00 - Masonry	\$ 679,146
	5005.00 - Metals	\$ 1,451,357
	5005.70 - Ornamental Metals	\$ 135,596
	5006.00 - Carpentry	\$ 700,000
	5007.00 - Waterproofing	\$ 314,150
	5007.42 - Metal Panels	\$ 60,870
	5007.50 - Roofing	\$ 641,478
	5007.81 - Spray Fireproofing	\$ 42,650
	5008.00 - Doors and Windows	\$ 717,495
	5008.40 - Glass	\$ 828,918
	5009.10 - Framing & Drywall Systems	\$ 2,036,298
	5009.23 - Plastering	\$ 288,207
	5009.50 - Tile and Flooring	\$ 754,507
	5009.60 - Flooring	\$ 199,552
	5009.90 - Painting	\$ 399,272
	5010.14 - Signage	\$ 40,000
	5010.20 - Partitions & Accessories	\$ 185,006
	5010.24 - Operable Partitions	\$ 103,350
	5010.50 - Lockers	\$ 6,508
	5010.75 - Flagpoles	\$ 9,800
	5013.00 - Swimming Pool	\$ 80,000
	5014.00 - Elevators	\$ 391,835
	5014.91 - Chute Systems	\$ 17,156
	5021.00 - Fire Protection Systems	\$ 297,300
	5024.00 - Mechanical	\$ 5,733,652
	5026.00 - Electrical	\$ 3,096,268
	5031.00 - Earthwork	\$ 226,491
	5031.31 - Termite Treatment	\$ 1,548
	5032.13 - Site Concrete	\$ 156,970
	5032.17 - Striping & Signing	\$ 12,308
	5032.39 - Site Specialties	\$ 153,618
	5032.80 - Landscaping	\$ 179,989
	5033.00 - Site Utilities	\$ 60,585
	Total 501.000 - Construction Sub-Total	\$ 24,105,973
	5090.00 - Construction Contingency	\$ 566,115
	5096.00 - Insurance & Bonds	\$ 860,428
	5099.00 - Contractor's Fee (Profit)	\$ 797,975
	5100 - Construction - Change Orders	
	Subtotal	\$ 26,330,491
	Retainage	
	Total 5010 - Construction Amount less Retainage	\$ 26,330,491

Project Expenditures to Date

Status Report – Jan 2015

SUMMARY		Hotel	EC	Total
Total Draws to Date		\$ 16,694,458.01	\$ 6,866,309.00	\$24,127,430.41
Total Paid by City	Pre-Development (Oct 2012)	\$ 229,499.63	\$ 40,499.94	\$269,999.57
	Draw 1 (Closing Costs)	\$ 315,534.95	\$55,682.64	\$371,217.59
	Draw 2	\$ 328,926.42	\$58,045.84	\$386,972.26
	Draw 3	\$ 396,215.49	\$ 68,306.14	\$464,521.63
	Draw 4	\$ 193,325.18	\$ 38,356.25	\$231,681.43
	Draw 5	\$ 141,577.45	\$ 27,222.70	\$168,800.15
	Draw 6	\$ 564,664.37	\$ 140,302.98	\$704,967.35
	Draw 7	\$ 581,493.65	\$ 76,763.58	\$658,257.23
	Draw 8	\$ 617,205.48	\$ 53,518.53	\$670,724.01
	Draw 9	\$ 855,691.19	\$ 67,923.35	\$923,614.54
	Draw 10	\$ 1,043,288.17	\$ 318,534.77	\$1,361,822.95
	Draw 11	\$ 935,232.52	\$ 1,227,231.50	\$2,162,464.02
	Draw 12	\$ 1,523,349.38	\$ 928,137.84	\$2,451,487.22
	Draw 13	\$ 2,561,459.67	\$ 741,121.44	\$3,302,581.12
	Draw 14	\$ 2,971,081.06	\$ 1,051,746.29	\$4,022,827.35
	Draw 15	\$ 1,302,222.38	\$ 1,106,606.21	\$2,408,828.59
	Total	\$14,560,767.00	\$6,000,000.00	\$20,560,767.00
Total Paid by Developer's Equity	Franchise Fee	\$ 72,250.00	\$ 12,750.00	\$85,000.00
	Draw 1	\$ -	\$ -	\$0.00
	Draw 2	\$ 73,410.16	\$ 12,954.74	\$86,364.90
	Draw 3	\$ 66,035.91	\$ 11,384.36	\$77,420.27
	Draw 4	\$ 32,220.86	\$ 6,392.71	\$38,613.57
	Draw 5	\$ 23,596.24	\$ 4,537.12	\$28,133.36
	Draw 6	\$ 94,110.73	\$ 23,383.83	\$117,494.56
	Draw 7	\$ 96,915.61	\$ 12,793.93	\$109,709.54
	Draw 8	\$ 102,867.59	\$ 8,919.75	\$111,787.34
	Draw 9	\$ 142,615.20	\$ 11,320.56	\$153,935.76
	Draw 10	\$ 73,686.35	\$ 24,325.12	\$98,011.45
	Draw 11	\$ 136,458.80	\$ 179,064.06	\$315,522.86
	Draw 12	\$ 222,270.31	\$ 135,423.62	\$357,693.93
	Draw 13	\$ 373,739.90	\$ 108,136.25	\$481,876.15
	Draw 14	\$ 433,507.33	\$ 153,459.20	\$586,966.53
	Draw 15	\$ 190,006.02	\$ 161,463.75	\$351,469.77
	Total	\$ 2,133,691.00	\$ 866,309.00	\$3,000,000.00
Total Paid by Bank	Closing Costs (Draw 1)	\$ 857.14	\$ 142.86	\$1,000.00
	Draw 15	\$ 350,679.92	\$ 215,983.50	\$566,663.42
	Draw 16	\$ 1,587,422.67	\$ 833,727.95	\$2,421,150.62
	Total	\$ 1,938,959.73	\$ 1,049,854.31	\$2,988,814.04

Status Report – Jan 2015

Project Update / Action Items

Sales:

Report on Group Sales, Sales Collateral, Lanyon, Status of RFP / RTB, Catering management system, Opening Promotions, Grand Opening/Ribbon Cutting – [Setting up ISAC training late January.](#)

F&B: OS&E, FF&E

Product, Third Party status, No outstanding issues on any of the branded programs, Status of outlet and banquet menus, Status on Critical Path, Credit Aps/Vendor Status, On-Boarding of associates, TIPS Training/Food Handling Training (ServeSafe), Knowledge of Health inspection and beverage license. [No Issues to report.](#)

Operations

OS&E status, Collateral status, On-Boarding of associates, Load in of OS&E/Room Set-up – [No Issues to report](#)

Training

Master Schedule, SPG, Galaxy, Service Culture Training – [Setting up ISAC training late January.](#)

IT

Status of technology – IT: Galaxy Status , PBX, Key system, Guestroom Phones and faceplates, On Hold Messaging / music, DMX, RAD / Circuit Order, Brand programs, Point of Sale, Interfaces- [Centrada has finalized phone face plates. IT room is complete. Racks are in place and being wired. 8 phone lines \(POTS\) are active.](#)

Building Exterior

Masonry work for all stone and brick is complete
Soffit and trim at Porte Cochere in progress
Storefront doors installed but need glazing

Underground Utilities

Complete.

Site Work (Parking & Curbing)

Trees being installed
Sidewalks and entry walks 60% complete

Status Report – Jan 2015

Pool coping installed. Deck about to be poured.
Irrigation installation nearing completion
Parking lot lighting complete

Guest Floors

4th Floor

Guestrooms completed including carpeting
Furnishings being installed- Artwork, beds, desk

3rd Floor

Vinyl Wall covering complete
Guestroom carpet installation is complete
Lighting installation complete.
Shower doors installed

2nd Floor

Ceramic Tile complete
Corridor Vinyl complete
Lighting has been installed in corridors

1st Floor

First coat of paint in rooms complete.
Vinyl in corridors 60% complete
Ceramic tile has been installed

Admin & Meeting Rooms

Furnishings being installed at Admin
Wallcovering and carpet has been installed at the west Meeting Rooms

Public Areas

Lobby/Restaurant/Fitness
Tape/bed and wall/ceiling prep complete with prime coat.
Ceramic tile has been completed at all Lobby areas

Event Center

Event Center overhead complete, except for Ballroom fixtures
Event Center sprinkler complete.
Ballroom carpet is at warehouse and about to be installed

Status Report – Jan 2015

BOH

Lights/diffuser install complete.
Wall prep for paint/finishes ongoing.
Kitchen wall FRP complete

Data Room

IT racks installed and power is active.
All Emergency (POTS) lines are in and active.

Elevators

Service elevator in use. Passenger elevators installed and complete pending final trim/accessories.

Building Systems

Event Center hydro test planned for 12/15.
Generator inspections and load test to be complete next week.

Exterior Signage

In fabrication, expected on site early February

Project Meetings are being held weekly, on Thursdays. The next meeting will be held at 10:00 on 1/22/15 at the jobsite.

Submitted By:

Bob Kuykendall, AIA, MCR, LEED AP
Sr. Development Officer
Champ-Beck Development, LLC