

Status Report – Sept 2014



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 (186 key) Hotel and a 20,000 SF Event 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 constructed in 2008 by the previous developer for 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 events center as noted below:

Sheraton McKinney and Conference Center program:

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

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Project Site

The hotel is strategically located at the intersection of Central Expressway (US 75) and the Sam Rayburn Toll Road 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 6.5 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. As of June 2013, both parties have finalized certain exhibits to these documents, including the Condominium Declaration.

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.

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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

Rendering

View from NW



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Photos



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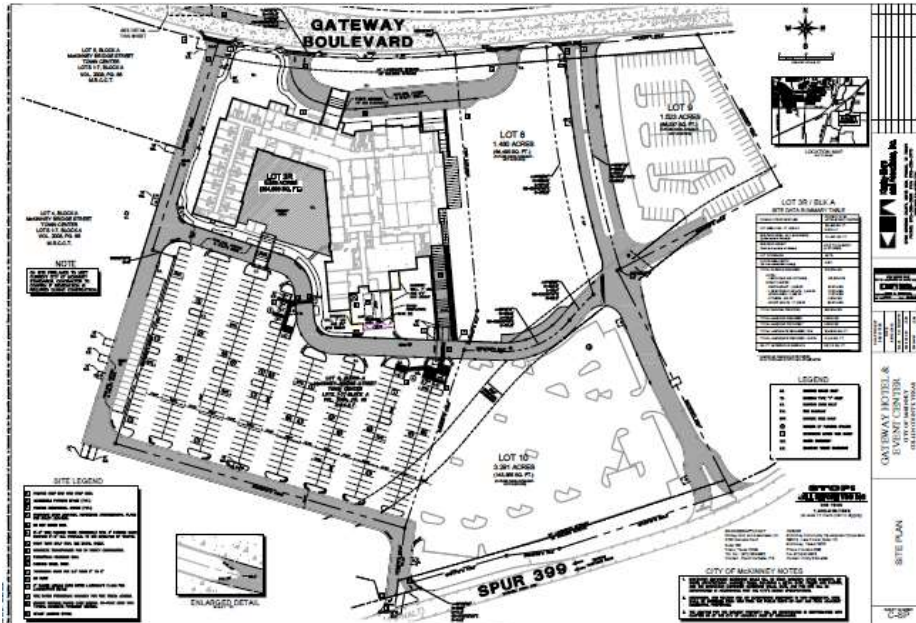
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<u>Program Breakdown</u>	<u>GSF</u>
Lobby and Public Areas	2,446
Food and Beverage Outlets	3,906
Events Center – Ballrooms/Meeting	20,640
Indoor Fitness	829
Administration	2,460
Food Production	3,192
Receiving / Laundry/ Maint	3,012
<u>MEP / Fire Room / 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

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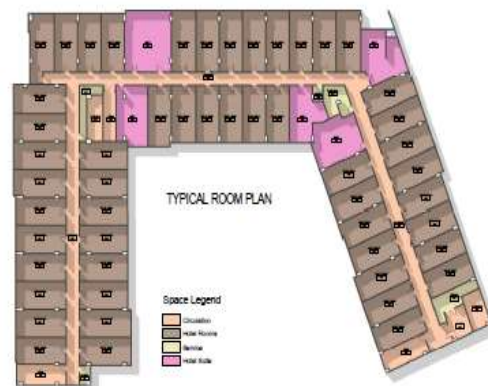
Site Plan



Ground Floor Plan



Typical Floors 2-4



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Project Schedule

See separate attachment for Project Schedule. Note: Developer reports that the project remains on schedule for Substantial Completion by 2/10/15.

Weather days documented to date: 10

A/E Services Status	Phase	% Complete
	Feasibility (Concept) Design	100 %
	Design Development	100 %
	Construction Documents	100 %
	Bidding & Negotiation	100 %
	Construction Administration	55 %

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

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Construction Budget

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

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Project Expenditures to Date

SUMMARY		Hotel	EC	Total	
Total Draws to Date		\$ 11,662,645.71	\$ 4,275,398.79	\$15,938,044.48	
Total Paid by City	Pre-Development (Oct 2012)	\$ 229,499.63	\$ 40,499.94	\$269,999.57	
	Draw 1	\$ 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	\$ 2,443,653.19	\$ 638,465.15	\$3,082,118.34	
	Total	\$ 10,169,657.08	\$ 3,738,991.21	\$13,908,648.28	87.2670%
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	\$ 356,550.88	\$ 93,157.78	\$449,708.66	
	Total	\$ 1,492,988.63	\$ 536,407.58	\$2,029,396.21	12.7330%

Project Update / Action Items

1. Starwood Hotels conducted its mid-construction inspection of the facility on August 28th. Overall, the project is proceeding well, and Starwood is pleased with the design and construction efforts to date.
2. Exterior signage has been approved by Starwood and will be submitted to the City during the week of August 15th for variance.
3. A mockup of the exterior skin materials has been constructed next to the trailer. Detail and color for awning is being revised.

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4. Onsite activities expected in the next three weeks include:
 - TPO roofing is complete on the Hotel and is being installed over the Event Center and Back of House areas.
 - Continue drywall framing of floors 1-4 along with exterior sheathing.
 - Final plaster finish is being installed, and is complete on the east elevation.
 - Brick veneer has been placed on the east elevation and south back of house areas.
 - Service and passenger elevators have arrived on site.
 - Rooftop air-handling units have been set in place. Heating boilers are in place in the mechanical room.
 - Windows are 80% complete.
 - Drywall framing is substantially complete on level 4.

5. Project Meetings are being held weekly, on Thursdays. The next meeting will be held at 10:00 on 9/17/14 at the jobsite.

Submitted By:

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