

Status Report – Feb 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:

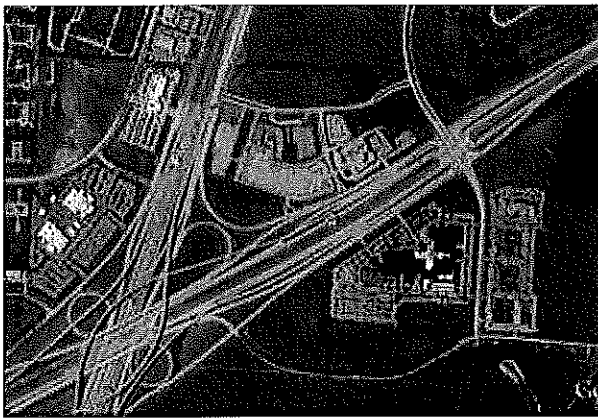
Sheraton McKinney and Conference Center program:

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

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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 (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

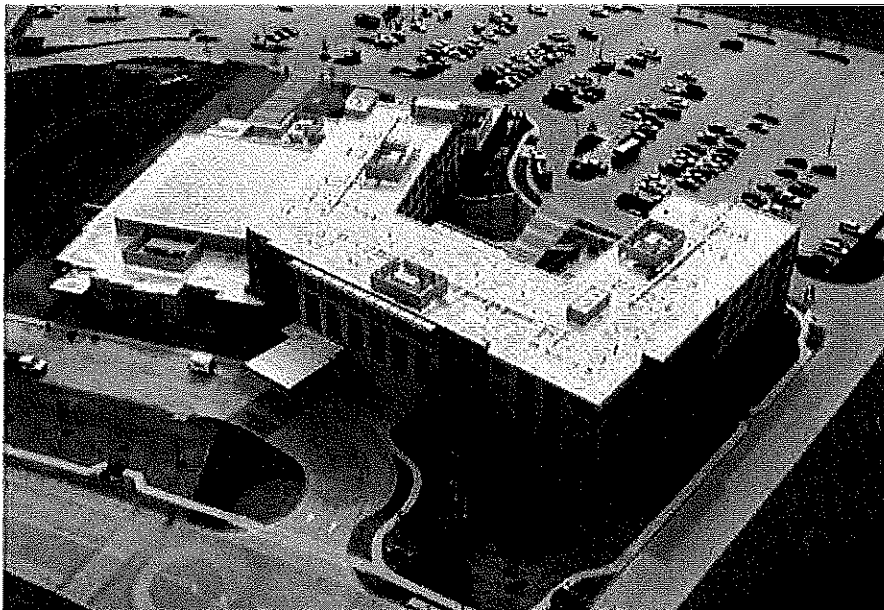
- Provide state-of-the-art full service Hotel and Conference Center which appeals to the business traveler, corporations, group functions, associations, and local users.
- Right-size the Hotel and Conference Center to the marketplace, using average daily rates and RevPar expectations that are realistic 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.

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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

Photos

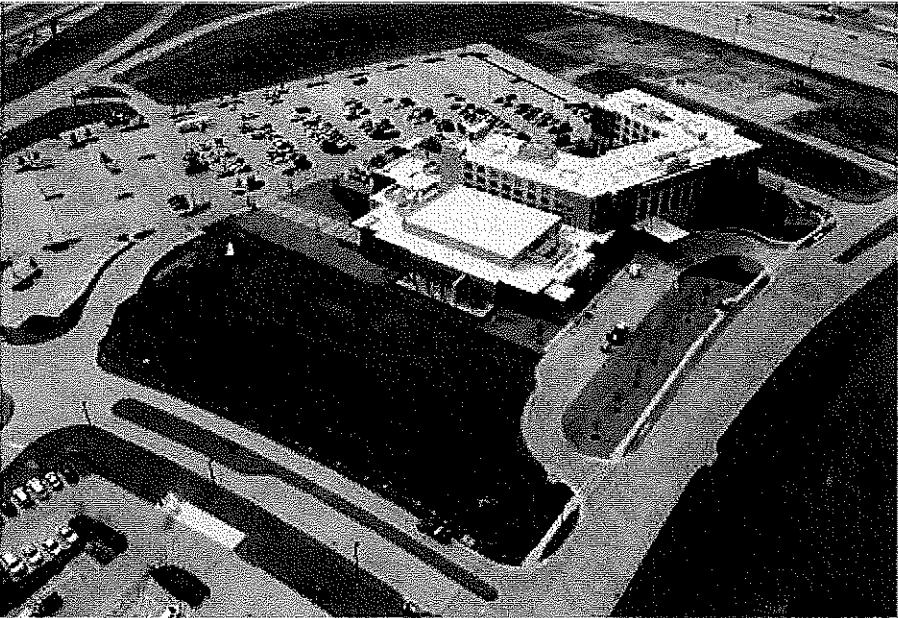


BECK

Sheraton Hotel & Event Center

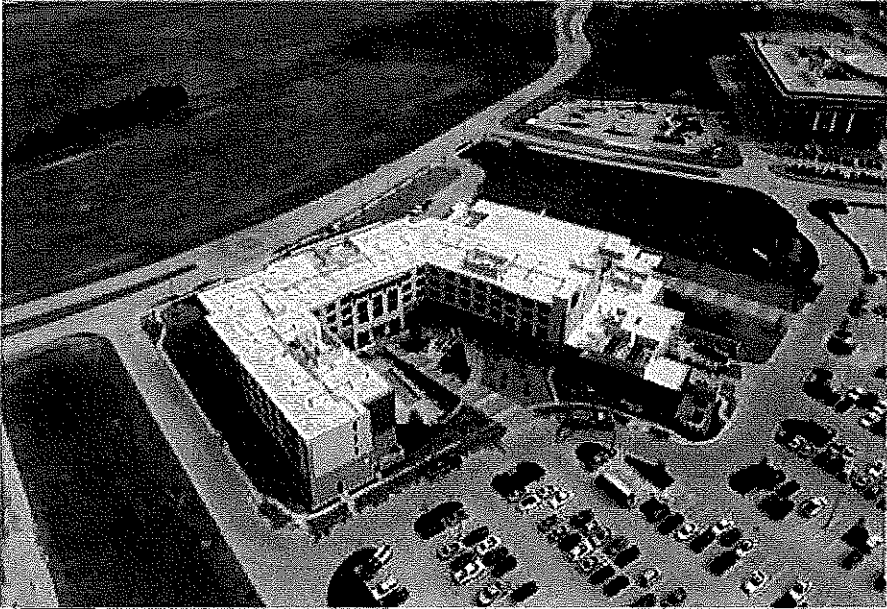
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Aerial Photography, Inc. 464 624 644

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Sheraton Hotel & Event Center

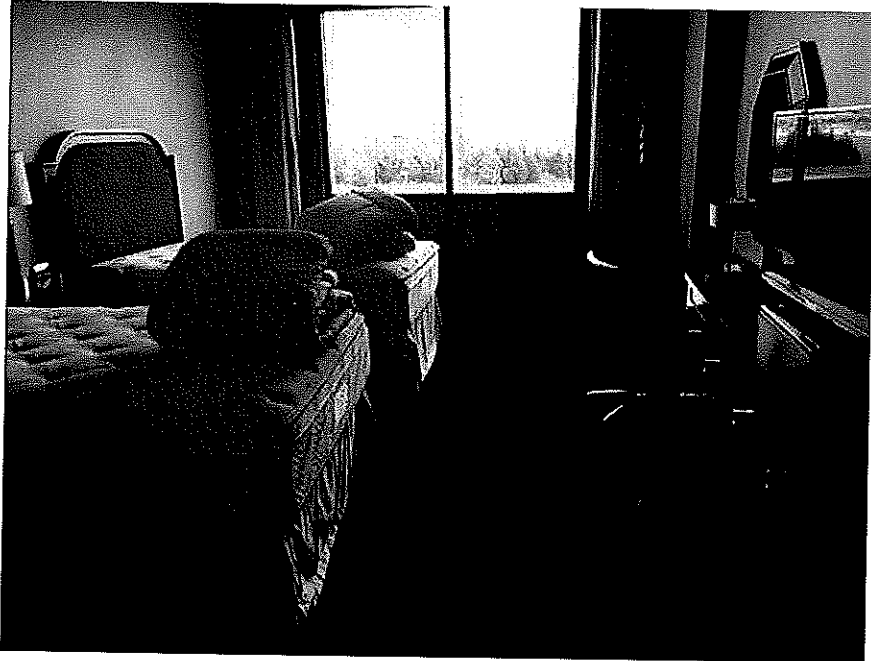
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Aerial Photography, Inc. 844.544.3441



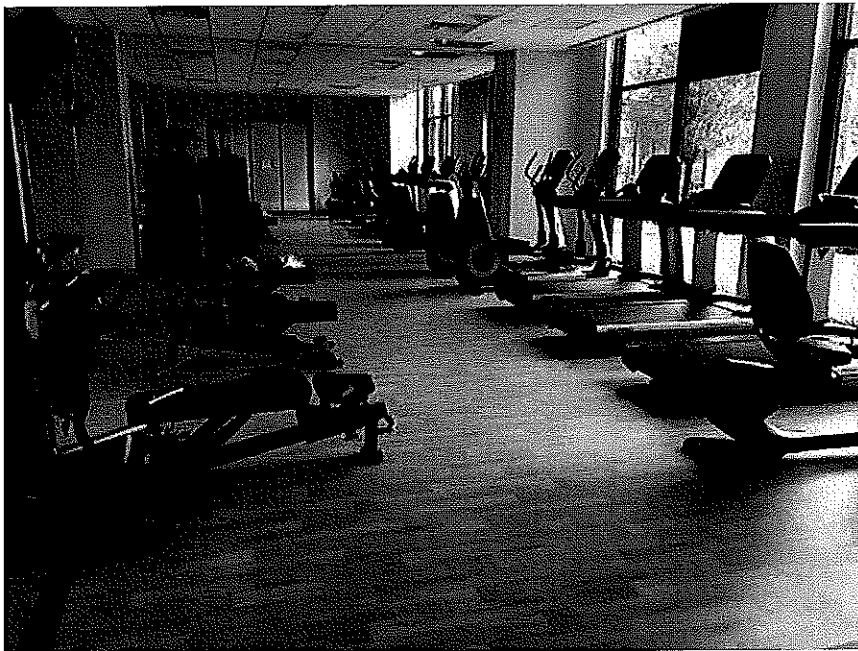
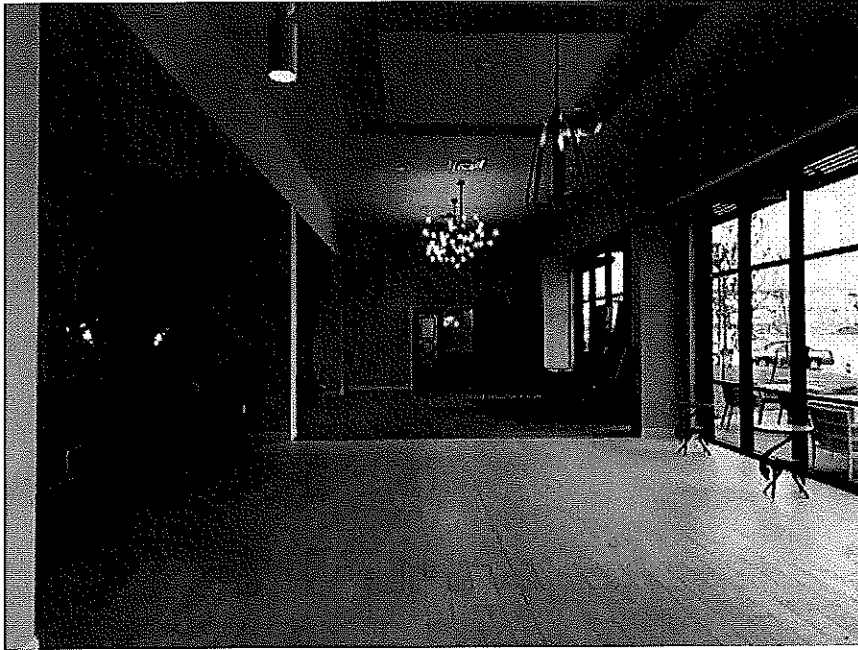
Sheraton Hotel & Event Center

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Aerial Photography, Inc. 844.544.3441

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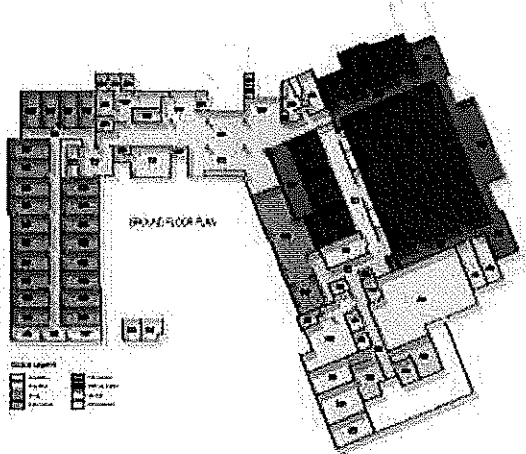


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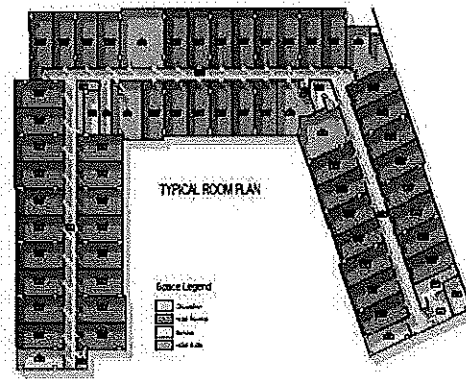
Program Breakdown

	<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

Ground Floor Plan



Typical Floors 2-4



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Project Schedule

Substantial Completion was achieved on 2/10/15. Temporary Occupancy permit was issued on 2/11/15.

Grand Opening is scheduled for February 26.

<u>A/E Services Status</u>	<u>Phase</u>	<u>% Complete</u>
	Feasibility (Concept) Design	100 %
	Design Development	100 %
	Construction Documents	100 %
	Bidding & Negotiation	100 %
	Construction Administration	95 %

Project Budget

Sheraton Hotel & Events Center		Champ Hospitality BECK		
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	\$ 6,733,652
	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		\$ 20,634,493.74	\$ 8,991,272.14	\$29,625,765.87
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
	Draw 17	\$ 2,001,076.00	\$ 1,075,108.83	\$3,076,184.83
	Total	\$ 3,940,035.73	\$ 2,124,963.14	\$6,064,998.87

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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 – Training complete

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 – Training continuing

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 is installing phones and activation TV service. IT room is complete. Racks are in place and have been wired. Security cameras about to be mounted.

Building Exterior

Masonry work for all stone and brick is complete
Soffit and trim at Porte Cochere are complete
Storefront doors installed and completed

Underground Utilities

Complete.

Site Work (Parking & Curbing)

All trees and landscaping are installed.

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Sidewalks and entry walks complete
Pool complete
Parking lot lighting complete

Guest Floors 1-4

Furnishings complete- Artwork, beds, desk. OS&E items have also been placed, including hair dryer, iron, coffee maker, etc. Linens are being washed and installed on beds.

Admin & Meeting Rooms

Furnishings installed in Admin and currently being occupied
Meeting Rooms complete. Board Room furniture has been installed.

Public Areas

Lobby/Restaurant/Fitness- Final furnishings being installed
Bar equipment is being tested

Event Center

Ballroom is complete except for signage

Back of House and Kitchen

All complete. Kitchen equipment being tested.

Data Room

IT racks installed and power is active.
WiFi system is active and working

Elevators

Service and passenger elevators are complete.

Building Systems

Emergency generator has passed inspection. Hot water system active. All mechanical systems are installed and being balanced.

Exterior Signage

All installed, except for monument sign.

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Milestones:

Certificate of Substantial Completion was issued on 2/10/15

Temporary Occupancy permit was received on 2/11/15

Aimbridge Hospitality fully occupied the building and started training classes on 2/12/15

Grand Opening scheduled for Thursday, February 26th

Project Meetings are being held weekly, on Thursdays. The last meeting will be held at 10:00 on 2/19/15 at the jobsite.

Submitted By:

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