

Status Report – Dec 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 (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
Hotel Owner
Events Center Owner
Economic / Community Development
City's Representative
Design Architect
Architect of Record
CM@R / General Contractor
Structural Engineer
Mechanical Engineer
Electrical Design/ Build
Civil Engineer
Interior Design
Landscape Arch
Kitchen

Champ-Beck Development, LLC
Gateway Hotel One, Ltd.
City of McKinney
MEDC / MCDC
Aguirre Roden
three Living Architecture
Beck Architecture
HC Beck, Ltd.
Campbell & Assoc
S. Toub and Associates
Prism Electric
Kimley Horn
Michelle Meredith & Associates
TBG Partners
Ricca Newmark

Rendering

View from NW



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Photos



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Typical Guestroom



MainLobby

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Typical Bathroom



Courtyard Pool

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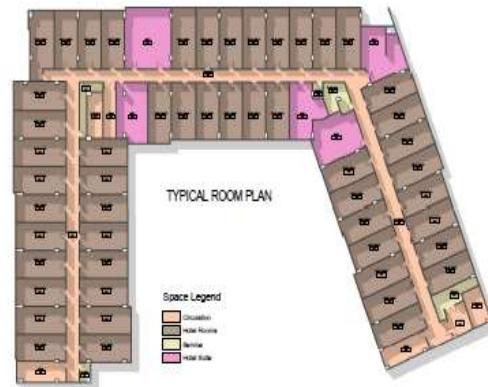
Program Breakdown

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



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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: 12

A/E Services Status	Phase	% Complete
	Feasibility (Concept) Design	100 %
	Design Development	100 %
	Construction Documents	100 %
	Bidding & Negotiation	100 %
	Construction Administration	85 %

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		\$ 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

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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 – [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- [Aimbridge Centrada to finalize phone face plates. IT room is complete. Racks are in place and being wired. 8 phone lines \(POTS\) are active.](#)

Building Exterior

Masonry work around main entry ongoing.
Framing/finishes at hotel entry is ongoing.
Stone veneer nearly complete at Event Center
Storefront door installation has started.

Underground Utilities

Complete.

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Site Work (Parking & Curbing)

Sidewalks and entry walks started this week.
Pool coping has started.
Irrigation installation ongoing.
Parking lot lighting complete.
Temporary power removed from the building.

Guest Floors

4th Floor

Guestrooms completed including carpeting .
Wood door hardware in progress.
Shower doors in progress,
Window valences in progress, complete by Thursday.
Bathroom accessories in progress, complete this week.

3rd Floor

Vinyl Wall covering will be complete this week
Guestroom carpet installation is 75% complete and base has started.
Lighting installation complete.
Shower door installation has started.

2nd Floor

Ceramic Tile 75% complete
Corridor Vinyl complete by Wednesday, then guestrooms start.
First coat of paint in rooms complete.
Lighting has started in corridors.

1st Floor

Tape and Bed of joints complete with prime coat applied.
Vinyl in corridors to start this week.
Ceramic tile has started.

Admin & Meeting Rooms

Wall prep for paint ongoing.
Meeting room (part of event center) ceiling work ongoing.

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Public Areas

Lobby/Restaurant/Fitness

Tape/bed and wall/ceiling prep complete with prime coat.

Ceramic tile has started in Sundry.

Event Center

Event Center overhead inspections completed 12/8.

Event Center sprinkler ongoing.

BOH

Lights/diffuser install complete.

Wall prep for paint/finishes ongoing.

Kitchen wall FRP install started.

Data Room

IT racks installed and power is active.

All Emergency (POTS) lines are in and active.

Elevators

Service elevator in use. Passenger elevator install complete this week 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 January.

Project Meetings are being held weekly, on Thursdays. The next meeting will be held at 10:00 on 12/18/14 at the jobsite.

Submitted By:

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