

# HOTEL DEVELOPER - REQUEST FOR PROPOSALS

## Montana State University – On-Campus Hotel





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## A Unique Opportunity to Develop a High-Quality, On-Campus Hotel

- Montana State University (MSU) is pleased to invite written proposals from qualified hotel developers to design, finance, construct, and operate a full-service hotel on the campus of MSU. Through this request for proposals, MSU seeks to engage a highly-qualified, financially-capable development team to enter into a long-term ground lease with MSU and perform the necessary services to develop and operate a full-service hotel.
- Montana State University may construct a new academic building adjacent to the hotel site that will house the growing Hospitality Management and Culinary Arts (HMCA) program. Therefore, respondents to this RFP are strongly encouraged to recommend and design a hotel that not only meets the sleeping room, meeting space, and food and beverage demands of the University and local Bozeman community, but also provides for academic and programmatic collaboration with the HMCA program to help facilitate the development of the next generation of hospitality professionals.
- Following a review of proposals submitted by interested development teams, stakeholders at MSU plan to interview those respondents it determines are best-suited to successfully develop and operate the hotel project. Montana State University anticipates entering into an Exclusive Negotiating Agreement/Letter of Intent (“ENA” or “LOI”) with the selected development team, and then executing a Hotel Development Agreement (“HDA”) and ground lease for the hotel project.

## Montana State University – Bozeman, MT

- Montana State University (MSU) was founded in 1893 and is a public land grant university located in the heart of Bozeman. It is the state's largest university and offers baccalaureate degrees in 60 fields, master's degrees in 68 fields, and doctoral degrees in 35 fields through its nine colleges.
- For the fall 2021 semester, enrollment was 16,841, the second highest on record in the 127-year history of MSU and only 61 fewer than the record 16,902 set in 2018.
- Montana State University is the largest research and development entity of any kind in the state of Montana, with research expenditures of nearly \$200M annually.
- MSU sponsors thirteen athletic teams including men's and women's basketball, cross country, skiing, tennis, and track and field, women's-only golf and volleyball, and men's football.



### Montana State University- List of Colleges

College of Agriculture

College of Engineering

College of Arts & Architecture

College of Letters and Science

College of Business

College of Nursing

Gallatin College

Honors College

College of Education, Health & Human Development

## Hospitality Management and Culinary Arts Programs

- In the Fall of 2017, MSU launched an interdisciplinary bachelor's degree in Hospitality Management and an associates of applied science degree in Culinary Arts.
- The four-year bachelor's degree program, offered in MSU's college of Education, Health, and Human Development, combines coursework from this college as well as the Colleges of Agriculture, Business, and Gallatin College. There are three bachelor's degree options:
  - *Restaurant Management – Farm to Table*
  - *Lodging and Facilities Management*
  - *Food Enterprise*
- For the 2021/22 school year, there are approximately 60 students enrolled in the Hospitality Management bachelor's degree program with a goal of 100-150 students over the next several years.
- The two-year associate of applied Science in Culinary Arts is offered by Gallatin College, sharing MSU on-campus facilities. For the 2021/22 school year, there are approximately 30 students enrolled in the associates degree program with a goal of 50 students over the next several years.







# Site Description & Maps











# Site Description & Maps



Bridger Mountains

Historic Main Street

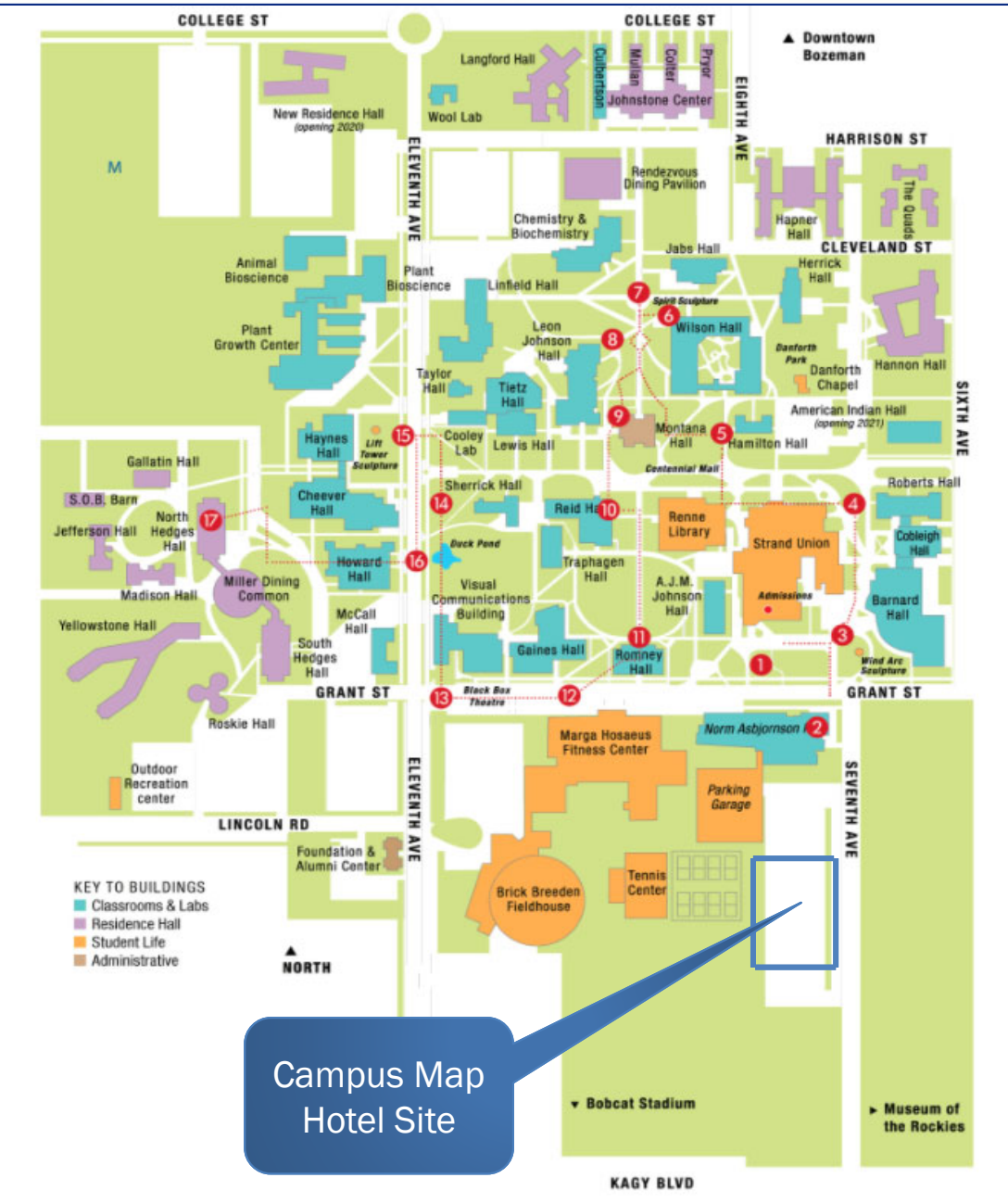
Hotel Site (Looking NE)





Hotel Site  
(Looking North)





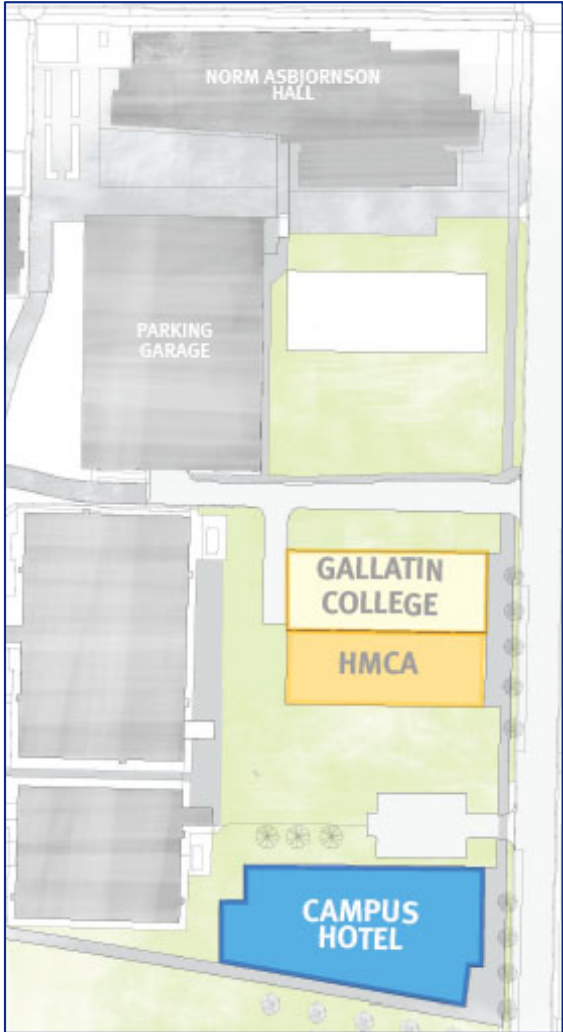
Hotel Site Information	
Site Location:	West side of South 7th Avenue between West Grant Street and West Kagy Boulevard.
Site Size:	Approximately 1.5 to 2.0 acres.
Site Ownership:	Montana State University
Site Subdivision:	Once site dimensions and size have been determined, a legal description will be created and inserted into the ground lease agreement. The developer is to pay for site surveying costs.
Access:	Driveway off South 7th Avenue
Traffic Study Requirements:	Primary access from West Kagy Boulevard will require a traffic study, to be paid for by the developer.

➤ **Site Analysis:** MSU commissioned Hennebery Eddy Architects, a local Bozeman-based firm, to complete a detailed analysis of potential on-campus hotel sites that could incorporate a full-service hotel and a new Hospitality Management and Culinary Arts academic building. The final site options are presented on the following two pages and portions of this report will be made available upon request.



# Site Option 1

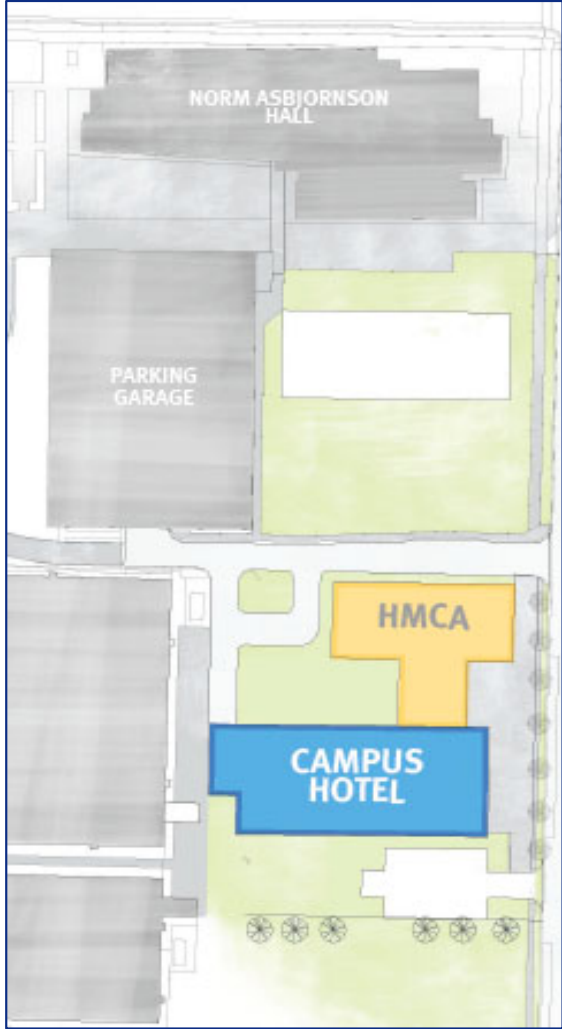
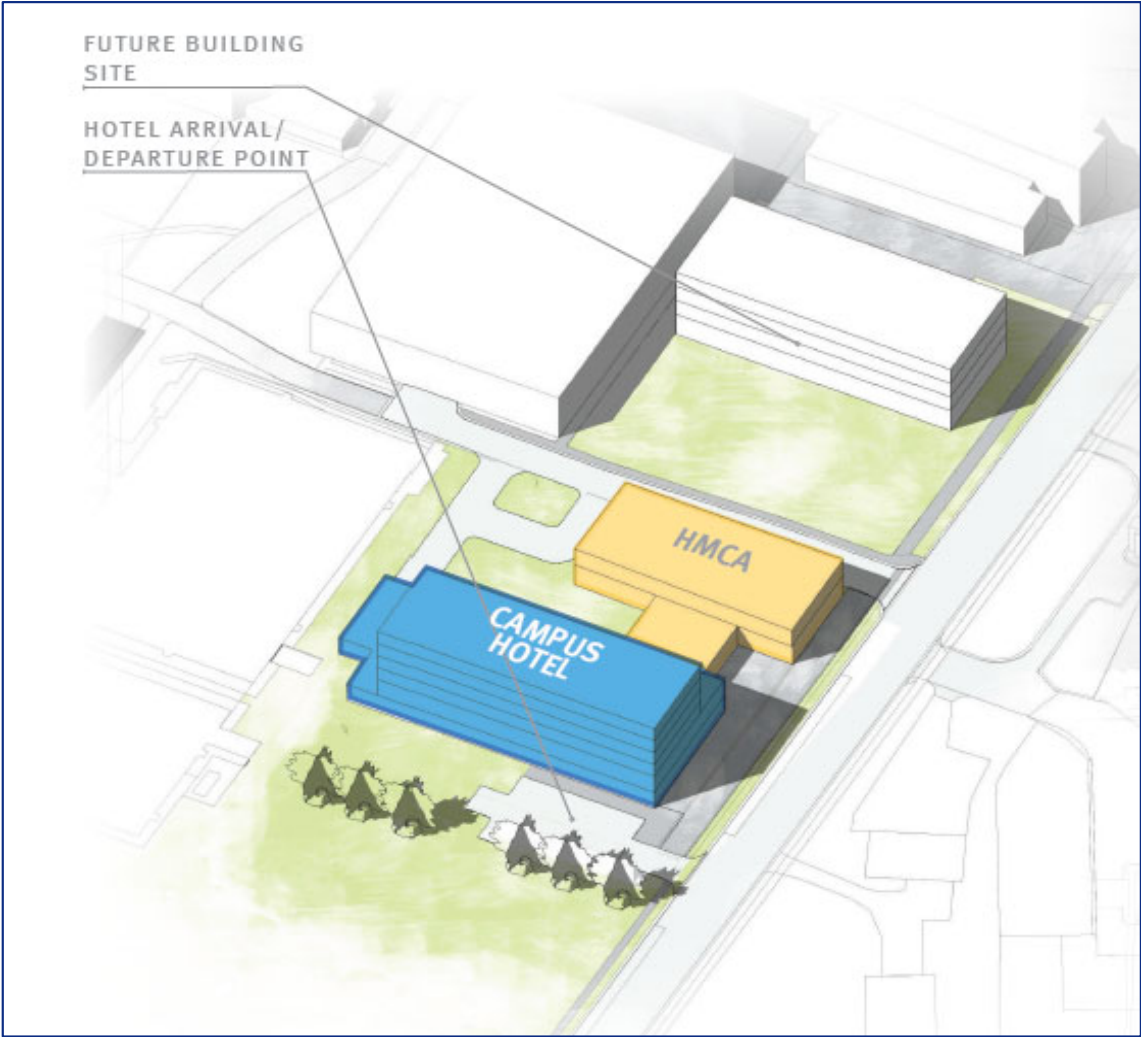
## Stand-Alone Hotel Adjacent to Future HMCA Building





# Site Option 2

## Campus Hotel *Connected* to Future HMCA Building







# Design Information



## Zoning and Design Review Summary

Zoning Designation:	PLI (Public Lands and Institutions District) falls under MSU design guidelines.
Building Code / Inspections / Occupancy:	City of Bozeman
Zoning:	MSU Campus Planning, Design, & Construction Director will review for site and exterior including University Facilities Planning Board review and approval. <b>No community development review required with the City of Bozeman.</b>
Design:	Developer should adhere to relevant sections of MSU design guidelines and site planning documents to ensure the project is cohesive with, and considerate of, the surrounding campus including references to massing, exterior finishes, landscaping, site access, etc. Site design and building placement on site will be coordinated with MSU.
Building Height:	Solar study will be required to avoid negative impacts on passive and active solar on adjacent campus buildings. The building must comply with building codes. No height limit for PLI zoning designation.
Setbacks:	Setbacks from South 7th Avenue and parking garage driveway require coordination with MSU.
Parking:	Appropriate on-site ADA spaces should be provided along with loading and drop-off. Guest and employee parking needs to be coordinated with MSU and may include existing surface lots and/or the top floor of the adjacent parking garage. The number of off-site spaces are TBD and the use of these spaces will be subject to a parking lease agreement with MSU.
Landscaping:	Design will be reviewed by MSU for consistency and context with adjacent areas to reduce water usage.
Fire:	City of Bozeman Fire Marshal
Design Review:	<b>MSU will complete a review at each of the following phases (site layout, conceptual design, schematic design, design development, and construction documents). Each review will require approval by the University Architect, Engineering &amp; Utilities Director, and the Campus Planning, Design, &amp; Construction Director. The University Facilities and Planning Board will review and approve at the end of each design phase. MSU design reviews will focus on the site requirements, exterior architecture and lighting, and programming adjacencies to planned academic functions near the site.</b>



## Off Site Costs & Utilities

Electricity & Gas Provider:	Northwestern Energy. Efforts should be made to incorporate renewable energy sources including solar and geothermal energy.
Water/Sewer Provider:	City of Bozeman. Possible downstream impact fees paid by developer.
Storm Water:	Stormwater design should minimize site runoff with a focus of retention on site.
Data/Fiber/Phone:	MSU will extend infrastructure to the site, but will not be the service provider.
Irrigation:	The project should minimize the need for irrigation and focus on drought tolerant species.
Waste Management:	Services provided by contract with a local vendor.
Sustainability:	MSU has a goal of carbon neutrality by 2040 and the hotel should be designed in accordance with that goal. All new MSU buildings are built to achieve a LEED Gold standard, or higher.
Locates:	Developer will need to pot-hole and physically locate all MSU utilities on site at developer's expense in coordination with the MSU locating firm.

## Hospitality Management and Culinary Arts Program Integration with Hotel

HMCA Building:	MSU is planning for a new Hospitality Management and Culinary Arts building to be constructed adjacent or physically connected to (the north of) the hotel. The timing for delivery is still to be determined but consideration must be given for adjacency between structures.
HMCA Student & Faculty Coordination:	<b>MSU desires HMCA student and faculty access of the hotel facility as part of the curriculum. To this end, MSU seeks input and suggestions from qualified developers of best practices for an academic partnership.</b>
HMCA Internships:	MSU seeks guidance on proposed internship opportunities for HMCA students.
MSU Hotel Needs:	MSU will require conference and food and beverage facilities to be open and available for MSU events with business terms to be negotiated.



## Hotel Facility Guidance

On-Campus Hotel:	MSU retained the hospitality advisor to evaluate and review comparable on-campus hotel facilities and amenities, and identify collaboration efforts for those on-campus hotels where a specific academic degree in hospitality management was offered.
MSU Based Hotel Demand:	The hospitality advisor conducted interviews at MSU with representatives of all nine colleges, the Alumni Foundation, and Auxiliary Services to gather information on sleeping room demand, meeting and event needs, and food and beverage requirements for university-related and community events currently accommodated on the MSU campus.
Hotel Type:	MSU stakeholders, working with the hospitality advisor's recommendations, desire a full-service hotel with ample sleeping rooms, meeting and event facilities, food and beverage services, and other best in class amenities tailored for an on-campus hotel with a growing hospitality management program.
Long-Term Stay Units:	MSU requests that respondents to the RFP contemplate the inclusion of long-term stay rooms into the design of the hotel, as dictated by market demand.
Respondent Requirements:	All respondents are required to conduct their own research and analysis of the Bozeman market in general and MSU in particular, and ultimately propose the optimal type of hotel best suited to meet university and overall market demand, while also collaborating with MSU and the HMCA program.



## Ground Lease Basic Terms & Considerations

Term:	Developer to provide term recommendation, which will ultimately be negotiated with MSU.
Rent:	Specific revenue sharing and lease rates to be negotiated with the selected developer. <b>MSU prefers a revenue sharing rent model. The rent structure is to be proposed by the hotel developer in the proposal submission.</b>
Facility Use:	MSU desires priority access for reserving conference facilities.
Operating Agreement:	An operating agreement between MSU and the selected developer will be required to define operating responsibilities of the premises.
Liquor License:	Developer may source and procure an All Beverage liquor license for the proposed hotel, at the developer's expense. Gambling licenses will not be permitted, nor will private smoking rooms.



## Development Terms

Developer Responsibility:	The developer is responsible for all design, construction, operations, and maintenance costs, including, but not limited to: surveying, city plan review, permits, impact fees, utility improvements, traffic studies and planning, travel to the site and stakeholder presentations, design, demolition, special inspections and materials testing, hazardous materials testing and abatement, staging and laydown yard use, construction, provisions for maintaining utility infrastructure throughout project, commissioning, operations, and maintenance.
MSU Fees Required:	MSU will assess a 2% fee of the total project cost up to \$300,000 to support University costs incurred in the course of coordinating the project including design review from the facilities and project management team.
Other:	<ol style="list-style-type: none"> <li>1) Developer must appoint or hire an on-site representative to be the single point of contact for MSU coordination.</li> <li>2) Anyone parking on campus is required to purchase a parking permit from the Parking Services department.</li> <li>3) MSU is an alcohol, tobacco, and drug-free campus and will not tolerate use of these substances on the project site or surrounding project areas during construction.</li> <li>4) The site must be maintained in a secure fashion throughout construction. The developer is wholly responsible for the site.</li> <li>5) Construction logistics and operations affecting the surrounding campus will be closely coordinated with MSU.</li> <li>6) Impacts resulting from the project's construction to the areas surrounding the site that are not part of the project boundary will be remediated to the previously existing condition at the completion of construction.</li> </ol>
Bonding/Finances:	Developer's contractor must be fully insured, meet State of Montana bonding requirements, and pay prevailing wages for all work completed.





# Bozeman Area Highlights



- Bozeman represents Montana's fastest growing city and the economic hub of the state, and has been recognized as the fastest growing micropolitan city in U.S. in each of last four years (2021, 2020, 2019, 2018). The tremendous growth of the region is attributed to the modern and popular Bozeman Yellowstone International Airport, historic Main Street in downtown Bozeman, Montana State University, Big Sky Resort and surrounding private clubs, Yellowstone National Park, and the immense wide-open spaces, mountains, and rivers.





## ➤ Other Notable Bozeman Facts and Attractions:

- Bozeman's population is estimated at approximately 52,800, up from 40,000 just 7 years ago.
- Bozeman is the county seat for Gallatin County. The county's population is estimated at 115,000.
- The Bozeman Yellowstone International Airport (BZN) has been one of the primary catalysts for growth to the region. As the busiest airport in the state, it served nearly 1,950,000 passengers in 2021, a 23% increase over 2019 and the 10<sup>th</sup> year (out of the last 11) of record-breaking traffic.
- Big Sky Ski Resort (one hour drive) is a year-round destination providing 5,850 acres of ski terrain and 38 ski lifts making it one of the biggest and most active mountain resorts in the country.
- Yellowstone National Park (1.5-hour drive) accommodated a record of nearly 5 million visitors in 2021 and serves as a year-round driver of leisure demand.
- Bridger Bowl ski area is located 16 miles from historic Main Street and is generally regarded as a "locals" ski mountain, offering over 2,000 acres of terrain and a 2,600 vertical rise. Record season pass sales have been recorded in each of the last 5 years.
- The Yellowstone River in the Paradise Valley and the Madison River in the Madison Valley both within a one-hour drive, offer world class fishing, camping, and rafting.
- The Museum of the Rockies is a popular museum located on the south side of Bozeman. The museum is known for its paleontological collections and offers rotating exhibits.
- Downtown Bozeman hosts numerous parades, live music festivals, and events year-round bringing thousands of people onto blocked off streets to socialize and patronize local shops and restaurants. The Sweet Pea festival and Music On Main are two of the biggest multi-day events of the year.



- Bozeman Yellowstone International Airport (BZN) is served by eight airlines and will provide direct service to approximately 23 different destinations (some seasonal) in 2022. The 2021 addition of Southwest Airlines is expected to catapult the airport to additional direct flights over the next several years.
- In November 2020, the airport unveiled the completion of a \$26.5 million expansion. The project added nearly 70,000 square feet to the terminal, four new gates, a third food & beverage location, additional retail options, and included space for future expanded outbound baggage handling. This expansion followed the 2019 completion of a four-story, 1,000 stall parking garage for rental car companies and passengers (cost of \$30 million).







Total Airport Passenger Traffic Bozeman Yellowstone International Airport				
Year	Enplanements	Deplanements	Total	% Chg.
2010	365,210	362,828	728,038	-
2011	397,822	398,288	796,110	9.4%
2012	433,829	433,288	867,117	8.9%
2013	442,540	442,150	884,690	2.0%
2014	483,132	483,832	966,964	9.3%
2015	511,723	509,432	1,021,155	5.6%
2016	554,034	553,134	1,107,168	8.4%
2017	600,361	599,176	1,199,537	8.3%
2018	670,923	671,367	1,342,290	11.9%
2019	785,706	788,154	1,573,860	17.3%
2020	446,309	443,466	889,775	-43.5%
2021	973,699	966,492	1,940,191	118.1%
Mar 2021 YTD	161,989	157,405	319,394	-
Mar 2022 YTD	274,487	269,868	544,355	70.4%

Source: Bozeman Yellowstone International Airport

- Through March 2022, total passenger traffic is up 70% over March 2021 YTD, suggesting 2022 will represent another record year of traffic passing through BZN.

- Yellowstone National Park (YNP) represents one of the largest attractions for visitors to the region. The west entrance to YNP is located approximately 90 miles south of Bozeman in West Yellowstone, MT. This is the busiest entrance into YNP and thus Bozeman is a common stopping point for visitors to the Park. The north entrance in Gardiner is also a popular year-round entrance for visitors and is located 80 miles southeast of Bozeman.
- Park visitation reached nearly 5 million visitors in 2021 representing a record year. The prior record was approximately 4.3 million visitors, set in 2016.





An aerial photograph of downtown Bozeman, Montana, taken at dusk. The city is illuminated by streetlights and building lights, with a prominent neon sign for 'HOTEL BAXTER' in the center. The background shows rolling hills under a dark blue sky. A semi-transparent blue banner with white text is overlaid on the upper right portion of the image.

# Bozeman Lodging Overview

WELLS FARGO



- Bozeman is the primary economic hub of Gallatin County and the city's lodging market has grown considerably over the last 13 years. In total, the Bozeman lodging market consists of 31 hotels representing approximately 2,600 rooms. Of this total, there are 24 properties affiliated with a regional or national hotel brand and seven properties that operate as independent hotels. The largest hotel is the 177-room Holiday Inn (just recently de-flagged), and the newest hotel is the 143-room AC by Marriott.

Primary Bozeman Lodging Market				
Property	Chain Scale	Rooms	Year Open	Affiliation
AC by Marriott Downtown	Upscale	143	April 2022	Marriott
Residence Inn Downtown	Upscale	104	Jul 2021	Marriott
Kimpton Armory Hotel	Upper Upscale	122	Aug 2020	IHG
SpringHill Suites	Upscale	90	May 2017	Marriott
element	Upscale	104	Sep 2015	Marriott
The Lark	Upscale	67	Apr 2015	Independent
Country Inn & Suites	Upper Midscale	79	Aug 2014	Radisson
Comfort Suites	Upper Midscale	80	Jul 2013	Choice
La Quinta Inn & Suites	Upper Midscale	56	Jun 2010	Wyndham
Homewood Suites	Upscale	102	Mar 2010	Hilton
Residence Inn	Upscale	112	Oct 2007	Marriott
Hilton Garden Inn	Upscale	123	Nov 2005	Hilton
Holiday Inn Express & Suites	Upper Midscale	86	Apr 1999	IHG
Hampton Inn	Upper Midscale	70	Apr 1998	Hilton
Comfort Inn	Upper Midscale	121	May 1992	Choice
Quality Inn & Suites	Midscale	56	Apr 1992	Choice
Days Inn & Suites	Economy	113	Jun 1978	Wyndham
Best Western Grantree Inn	Upper Midscale	120	May 1974	Best Western
3 Rivers (Formerly the Holiday Inn)	Upper Midscale	177	Mar 1969	Independent
<b>Total</b>	-	<b>1,925</b>	-	



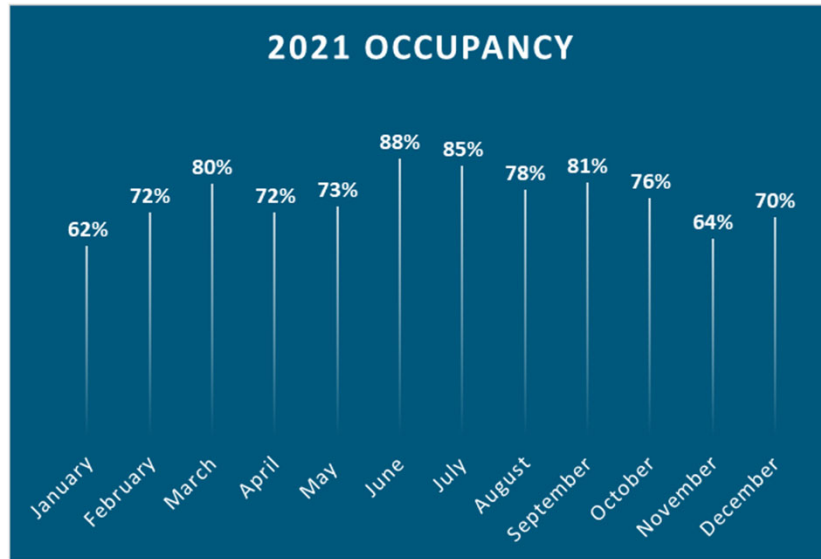
# Bozeman Lodging Overview

- The Bozeman market has grown consistently over the last decade as nearly all metrics of the local economy and all segments of lodging demand have soared to record levels. Given the popularity of the region during Covid, the performance of the local market grew materially in 2021, representing one of the strongest markets in the nation for its size.
- Over the last five years, there has been a surge in the development of new, high-quality, nationally-affiliated hotels in the historic downtown core of Bozeman, and these hotels have subsequently achieved the highest performance levels of any hotels in the Bozeman market.

Historical Performance of the Primary Bozeman Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2009	359,160	-	217,651	-	60.6%	\$89.21	-	\$54.06	-
2010	480,800	33.9%	249,777	14.8%	52.0%	\$91.36	2.4%	\$47.46	-12.2%
2011	416,465	-13.4%	266,538	6.7%	64.0%	\$92.07	0.8%	\$58.92	24.2%
2012	416,465	0.0%	284,446	6.7%	68.3%	\$94.86	3.0%	\$64.79	10.0%
2013	431,065	3.5%	294,417	3.5%	68.3%	\$101.83	7.3%	\$69.55	7.3%
2014	457,710	6.2%	313,074	6.3%	68.4%	\$105.50	3.6%	\$72.16	3.8%
2015	497,130	8.6%	345,505	10.4%	69.5%	\$112.08	6.2%	\$77.90	7.9%
2016	525,965	5.8%	381,851	10.5%	72.6%	\$117.29	4.6%	\$85.15	9.3%
2017	547,865	4.2%	396,654	3.9%	72.4%	\$122.67	4.6%	\$88.81	4.3%
2018	563,195	2.8%	417,327	5.2%	74.1%	\$124.95	1.9%	\$92.59	4.3%
2019	568,305	0.9%	428,502	2.7%	75.4%	\$132.30	5.9%	\$99.75	7.7%
2020	583,270	2.6%	344,713	-19.6%	59.1%	\$118.05	-10.8%	\$69.77	-30.1%
2021	631,450	8.3%	473,588	37.4%	75.0%	\$170.30	44.3%	\$127.73	83.1%
<b>CAGR '09-'21</b>	<b>4.8%</b>	<b>-</b>	<b>6.7%</b>	<b>-</b>	<b>-</b>	<b>5.5%</b>	<b>-</b>	<b>7.4%</b>	<b>-</b>

Source: STR

- Historically, the seasonality fluctuations were significant, but over the last several years, strong leisure demand in the summer has been complimented with growing individual business travel and group demand during the shoulder months. In addition, the “summer season” now typically extends from May through October.





# Submittal Requirements





This section summarizes the basic requirements for all submittals and provides an overall schedule for the preparation, review, and selection process. All responses to this RFP must be submitted on or before **5:00 P.M. Mountain Time on June 17, 2022** to MSU's hospitality advisor at the following address:

**Chris Kraus**  
**Principal**  
**Saddle Peak Hotel Advisors, LLC**  
**Email: ckraus@spha-mt.com**

MSU requests one electronic PDF copy via e-mail and late or incomplete proposals may be rejected.

As soon as it is known, but no later than **5:00 PM Mountain Time on May 6, 2022**, all proposers shall submit a statement of their intent to submit a proposal to MSU. This notice of intent shall include the respondent's company name, address, primary contact, and primary contact's email address and telephone number. This notice of intent shall be emailed to Chris Kraus at the address listed above.

To maintain an open process, we request that all questions related to this project and RFP be directed via e-mail on or before **May 20, 2022**, to Chris Kraus. MSU will respond to all questions as an addendum to this RFP. In addition, MSU may host a conference call to address questions that have been submitted regarding the hotel development opportunity. No information other than that flowing through these channels will be provided once the RFP has been released.



Action / Event	Schedule / Deadline
Montana State University (through Advisor) Releases RFP	April 27, 2022
Deadline for Notice of Intent to Submit Proposal	May 6, 2022
Deadline for Submission of Questions Related to RFP	May 20, 2022
Respondent's Conference Call	June 1, 2022
Deadline for Submission to RFP	June 17, 2022
Interviews with Selected Team(s)	TBD
Montana State University Final Developer Selection	TBD

Note: MSU reserves the right to extend the deadline for submissions.

- **Respondent's Conference Call:** On June 1, 2022, MSU may host a respondent's conference call via Microsoft Teams to answer any questions related to this RFP. Individuals interested in the project may request in writing via email to Saddle Peak Hotel Advisors to be put on a list and will then be provided with a call-in number to participate in the call.
- **Content and Organization of Submittals:** Respondents to this RFP are requested to supply all the information described herein, in a complete yet concise format not to exceed 35 pages. MSU expects submittals to provide enough information to allow staff and other advisors to evaluate and rank qualifications of the development teams. The submittals must follow the order and reference each of the numbered categories listed and described on the following pages.

## 1. Cover Letter

Provide a cover letter introducing the development team and identifying the basic submittal contents and the primary contacts or representatives. The cover letter must be executed by an officer or other authorized representative of the development team.

The cover letter shall identify and explain any significant conditions, limitations, special requirements, reservations or conditions that the development team will require before signing an ENA or HDA. If none, please state “none.” For example, if certain agreements or assurances must first be in place before work can commence or third-party approvals are required to receive necessary funding, identify these. In addition, identify any current or recent commitments or contracts that might be perceived as a conflict with the subject project. Development teams with clearly stated requirements that are reasonable and limited in number will receive preference.

The cover letter shall also contain statements confirming that the undersigned represents and warrants the following:

- a. It has read the RFP and agrees to abide by the contents and terms of the RFP;
- b. All factual statements contained in its submittal are true and correct; and,
- c. Development team will not add, remove or substitute any equity member or key individuals without the written consent of MSU.



## 2. Overview of the Development Team

This section should provide an overview of the development team, including a summary of legal status, organizational structure, and roles and responsibilities of key team members and individuals. Specifically, the following items should be covered:

- a. **Team Contact Information, Organization, and Capacity:** Identify the development team and describe its organizational status including company name(s), legal status, address, the anticipated equity ownership structure, and any contractual or other joint-ownership arrangements which bind the development team. Identify any ownership or organizational changes anticipated during the development and operation of the proposed hotel (e.g. when construction is complete). Also summarize/confirm the team's capacity (especially human capital) to take on a project of this depth, complexity, and lengthy duration, identifying any current commitments to other projects.
- b. **Team Roles and Responsibilities:** Identify the role of each member of the development team in the implementation of the development. Where more than one development team is being proposed (a multi-team proposal), be very specific as to the qualifications of each partner/member and what they will be contributing financially and organizationally. The proposer should also clearly identify each individual or entity that will own or hold an equity ownership interest in the developer team entity or the project. Include organizational chart(s) showing the internal organization of the development team including the respective relationships between team members and the reporting relationships of team members. Multiple charts may be provided, especially if changes are anticipated after the development and construction of the project.
- c. **Key Individuals:** In addition to information about the development teams, MSU is soliciting detailed information concerning each individual or entity which will own any equity interest in the project ("Equity Member(s)"), as well as certain individuals that are critical to the success of the proposed hotel ("Key Individuals"). By identifying key individuals in the submittal, the proposer is warranting to MSU that such individuals will be available for, and will be assigned to work on, the project. Identify and distinguish principals from both equity and non-equity team members that will be responsible for providing oversight, supervision or management service to the project, and reference their resume/CV (to be provided in an Appendix).
- d. **Design team:** The development team will provide a list of the primary consultants that will support the project development including the architect and their sub-consultants, hotel company, and hotel management company.

## 3. Qualifications and Experience

This section should document the qualifications and professional expertise of the development team and its individual members. It should also include an overview of your specific familiarity and knowledge of Bozeman, as well as Montana State University and/or the HMCA program.

In addition, the proposer should provide the relevant experience of the development team with respect to similar on-campus hotels, partnerships with academic institutions with a hospitality management or culinary arts program, and/or college town hotel projects. A focus on the background of the individuals assigned to this effort is suggested (include references to resumes/CV added as an Appendix). Please provide a minimum of three (3) relevant, recent projects with construction value in excess of \$25 million. For each project identified, provide the following information:

- a. **Project Description:** Include name, location, and date completed and describe the project in terms of its size, market orientation, ownership structure, and current status. Provide appropriate graphics as available (interior and exterior), but no more than two per project.
- b. **Development Cost and Financing:** Provide an estimate of the total project development cost and the financing mechanisms/resources utilized, including role of public entities, if any.
- c. **Development Schedule and Performance:** Planned and actual development timeline (from development team selection/site control to completion of construction, indicating any phasing if relevant) with an explanation of material variances, as well as a summary of its economic or market performance (if applicable).
- d. **Role or Scope of Work of the Respective Members of the Development Team:** Indicate the role of the team members assigned to this effort for the referenced projects.
- e. **Project Reference:** At least one reference is required for each project listed. Include the reference's name, title, address, email, and telephone number.



## 4. Financial Capacity

Provide financial information necessary to demonstrate that the development team will have the necessary financial standing, capacity, experience, and resources to undertake, finance, and deliver the project. The development team and each equity member must submit:

- a. **Current Real Estate Portfolio:** Composition of current real estate portfolio including product types owned, ownership structure of the assets, etc.
- b. **Project Pipeline:** Provide a description of all material projects (including the estimated cost) that any equity member has committed, or is contractually obligated, to deliver within the next five years including status, development schedule and financial commitment required (e.g. financing methods, sources, and amounts).
- c. **Litigations or Adverse Actions:** Indicate whether any funding sources or financial institutions have taken any adverse action against the development team or joint venture partner, such as terminating or restricting the use of funds anytime during the past five years. Also indicate any litigation in which the members of the development team are involved or settled litigation over the last five years, if any.

## 5. Project Concept and Financial Profile Proposal

MSU is requesting the proposers to describe their concept and vision for the overall project with as much specificity as possible. This should include, but not necessarily be limited to, project size and configuration (e.g., number of rooms, floors, and total square feet), brand if applicable, food and beverage offerings, meeting space recommendations, other guest amenities, and parking requirements. And most importantly, please provide your recommendations for collaboration with MSU's HMCA program in terms of academic and programmatic space utilization for faculty and students.

Submittals should include some form of visual/conceptual/architectural renderings. Architectural design quality is a high priority for the project. MSU requests that a lodging facility compliment the architectural and artistic styling of its campus. The proposer should seek to demonstrate knowledge and a full understanding of the project's exceptional potentials as well as unique challenges. The development team may also use this section to describe its specific reasons, motivations, and goals for undertaking the project. MSU reserves the right to participate in final approval of the project scale, features and amenities, and the globally recognized lodging brand (if applicable).

The development team is to provide their expectations for a ground lease agreement. This may include, but should not be limited to, a reasonable expectation for length of the term, ground rent structure, and any special stipulations that will be deemed necessary in order to enter into an agreement with MSU.

MSU requests a preliminary 5-year pro-forma for the hotel (in a format generally accepted for the hospitality industry) and the developer's estimate of the total construction costs for the project.

Proposers shall also provide a recommended financing plan that includes the structure and type of debt and equity required for the development. The proposal should detail the basis and form for any requested public participation and the type and level of MSU's exposure to additional financial risk. If the development team has a minimum IRR hurdle rate requirement for its invested capital, or the need to obtain second or third-party approvals to proceed or receive funding, please clearly state these.



# Selection Process & Criteria



This RFP is the first step in considering the selection of a qualified development team to develop a new on-campus hotel at MSU. Subsequent to receiving proposal submissions from interested parties, MSU stakeholders and their advisors will review and screen the list of candidate development teams down to selected finalists. The finalists will be asked to participate in an on-campus interview. Based on the submittal materials, the interview, and the application of the criteria described below, MSU will select a team.

The selected development team will be awarded an exclusive right to negotiate the terms of the ground lease agreement. Although the exact terms and conditions for ENA will be determined subsequent to selection of a preferred development team, this agreement is likely to span three months and include a number of benchmarks and milestones against which commitment and performance will be judged. Substantial deviations from the terms outlined by the proposer in response to this RFP will be grounds for disqualification.

MSU does not warrant or promise to select a finalist development team and reserves the right to determine its best course of actions. MSU also reserves the right to select a preferred development team based on the response to this RFP, foregoing the interview process, if it is determined at its sole discretion that it is advantageous to do so. Further, MSU reserves the right to modify the terms and conditions of this or subsequent offerings, and to alter the selection process, criteria, and timetable as circumstances require, including making no selection at all.

**Contract Negotiation:** MSU reserves the right to negotiate a contract upon the selection of a developer/firm. MSU intends to enter into an LOI with the selected firm within 30 days of notice of award. If an agreement cannot be reached, negotiations will be terminated, and MSU may enter into negotiations with a remaining firm that responded to the RFP.

A responding firm shall protect, defend, and save MSU, its elected and appointed officials, agents, agencies, and employees, while acting within the scope of their duties as such, harmless from and against all claims, liabilities, demands, causes of action, and judgments whatsoever (including the cost of defense and reasonable attorney fees) arising in favor of or asserted by third parties on account of damage to property, personal injury, or death which injury, death, or damage, arises out of services performed or omissions of services or in any way results from the negligent acts or omissions of the firm, its agents, or sub-consultants.



Each proposal will be evaluated in its entirety with all of the submittal requirements described above being considered as appropriate. In conjunction with the evaluation of each submittal for responsiveness and conformance to the RFP, MSU will evaluate each submittal based upon the following primary criteria:

- 1. Team Qualifications and Experience:** MSU and their advisors will carefully evaluate the qualifications of the development team, and the specific personnel assigned to this project, in terms of their experience developing comparable on-campus or university town hotel projects. Specifically, the group is looking for demonstrated success with hotel projects having high-quality design features and components, attention to detail, excellence in land planning, sustainability, innovative, memorable features, and collaboration with academic institutions.
- 2. Financial Capacity and Acumen:** MSU will evaluate the development team's demonstration of a credible ability to provide adequate funds to develop a large-scale real estate project of this nature. The financial and organizational capacity of the proposed development entity that will be signing the ENA/DA will be of critical importance. The proposal shall include the disclosure of current uncommitted equity capital on hand, lines of credit available, and estimates of how much debt and equity could be made available for this project. Selection will be significantly weighted in favor of those responses that include strong equity capacities backed by quantified information.
- 3. Project Concept / Business Model:** It is MSU's goal to attain the most distinctive, highest-quality, and most marketable project possible. Most importantly, the project should be synergistic to the overall MSU campus and should seek to represent one of the most distinctive on-campus hotels in partnership with a hospitality program in the U.S. The project should be a good fit given the specific characteristics of the market and the campus of MSU and should describe the target market and the marketing strategy in sufficient detail.
- 4. Financial Proposal:** Relative strength of the financial proposal as it addresses the value of real property, construction costs and common-area services. This section should also provide a proposed set of ground lease terms.

Any material clarifications or modifications to the RFP or the selection process will be made in writing and provided to all registered proposers. It is the responsibility of the development team, before submitting a response to the RFP, to ascertain if any notices, clarifications, addenda, or other communications to responders have been issued by MSU. Oral explanations or instructions from MSU staff or consultants shall not be considered binding. Development teams' responsiveness to all items in this RFP will be taken as evidence of the development team's interest and commitment to the project. A failure to respond completely will be interpreted as a lack of full interest and commitment or a deficiency on the development team's part. MSU reserves the right to:

- Modify or cancel the selection process or schedule at any time.
- Waive minor irregularities.
- Reject any and all responses to this RFP and to seek new submissions when it is in the best interest of MSU to do so.
- Seek clarification or additional information or evidence from individual respondents, including but not limited to evidence of the development team's financial status.
- Judge the development team's written or oral representations as to their veracity, substance and relevance to development of the site, including seeking and evaluating independent information on any development team.
- Incorporate this RFP and the selected team's response to this RFP as a part of any formal agreement between MSU and the development team.
- Modify the development opportunity available to potential development teams.

All expenses related to any development team's response to this RFP, or other expenses incurred during the period of time the selection process is underway, are the sole obligation and responsibility of that development team. MSU will not, directly or indirectly, assume responsibility for these costs. The proposer shall not offer any gratuities, favors, or anything of monetary value to any official, employee, or outside consultant associated with the development of the site for purposes of influencing consideration of a response to this RFP.

MSU makes no representations about the conditions of the site, including utilities, soils, or other surface or subsurface conditions. The respondent shall make their own conclusions concerning such conditions. Information provided in this RFP, as well as in related reports by MSU staff or consultants, is provided for the convenience of the responders only and is not intended to be exhaustive. The accuracy or completeness of this information is not guaranteed by MSU.





**MONTANA STATE**  
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