# Request for Information (RFI) for the

# Development and Operation of an Airport Hotel

# **Washington Dulles International Airport**

Issue Date: May 21, 2015

Due Date/Time for Submissions: June 16, 2015; 3:00 p.m. EDT

RFI Reference: "Development & Operation of an Airport Hotel RFI"

Issued by: Metropolitan Washington Airports Authority

http://www.mwaa.com

### 1. INTRODUCTION AND DESCRIPTION OF THE OPPORTUNITY

The Metropolitan Washington Airports Authority (Airports Authority) was created by an interstate compact between the Commonwealth of Virginia and the District of Columbia for the purpose of operating, maintaining and improving Washington Dulles International Airport (Dulles Airport) and Ronald Reagan Washington National Airport. These two airports have been conveyed to the Airports Authority through a lease with the United States Government which expires in June 2067 unless extended. The Airports Authority cannot sell the land related to the potential hotel sites that are the subject of this Request for Information but is able to enter ground leases to accommodate the leasehold improvement.

Dulles Airport is one of three commercial airports serving the Metropolitan Washington area. In 2014 it captured approximately one-third of passenger trips through these airports and, over the last decade, has been the most active in terms of commercial passengers. Dulles Airport is the region's dominant airport in terms of international service capturing 85% of the international travel in the region in 2014, or approximately 7.1 million passengers. Dulles is the metropolitan area's growth airport and a major East Coast gateway airport with the expansion capability to handle three times the current levels of demand. Dulles Airport is located approximately 26 miles west of the District of Columbia in Virginia on the border of Fairfax and Loudoun Counties (Exhibit 1).

The Airports Authority is seeking industry comment regarding site and building characteristics, hotel quality, price point and hotel programming including number of rooms, meeting/convention capacity and restaurant facilities, among other items.

The information that follows also includes preliminary information on three potential development sites, one of which is an "at terminal" site. The Airports Authority would like industry comment on the relative merits of each site and the extent and type of development each would support.



**Exhibit 1 -- Location of Washington Dulles International Airport** 

## 2. BACKGROUND

The customers of Dulles Airport are served by one on-airport hotel, a Marriott hotel located on Aviation Boulevard adjacent to the major entrance to Dulles Airport (Exhibit 2). This is a 368 room hotel that has been in operation since 1970. This location is near the western terminus of the Dulles International Airport Access Highway (Access Highway) and is minutes by automobile from the Arrival/Departure areas at Dulles Airport.

Built in 1970, this 3 and 4 story structure reflects the low-rise architecture typical of that time although the hotel has been upgraded and expanded. The Marriott hotel website reports 13,500 SF of total event space in 11 rooms.

The hotel is subject to a ground lease with the Airports Authority that expires in September 2027. The ground lease calls for payments calculated on the percentage of gross revenue generated from sleeping accommodations, food and beverage sales and all other revenue sources.

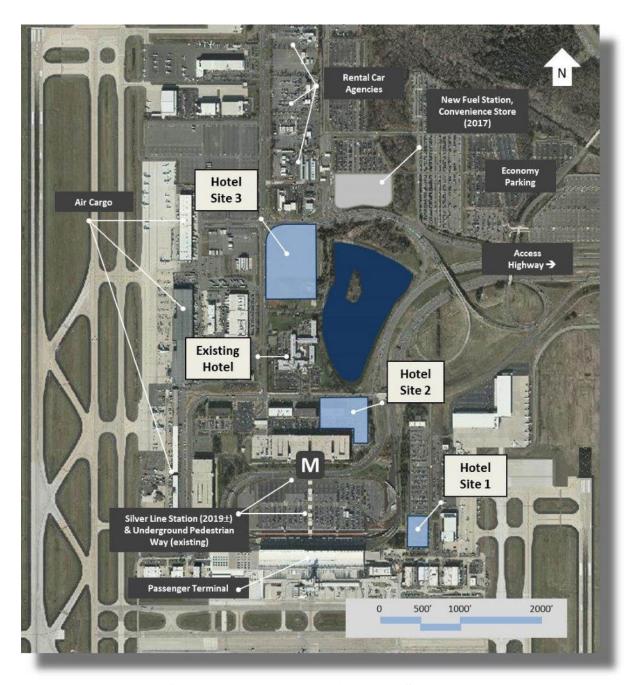


Exhibit 2- Location of Existing Hotel and the Alternate Sites

# 3. REQUEST FOR INFORMATION TOPICS FOR COMMENT

The Authority would greatly appreciate the perspectives of the hospitality industry so that it will be better informed on various issues as it structures a formal RFP. We seek your observations and comments on the following topics as they would apply to the alternate sites:

# **Site Characteristics**

- Minimum dimensions
- Minimum acreage

- Maximum distance from Terminal
- Transportation to the Terminal

# **Building Characteristics**

- Minimum footprint dimensions
- Minimum height
- Elevation relative to ground level
- Parking under/near the building
- Number of floors
- Architectural style

### **Programming**

- Number and size of rooms
- Number and size of restaurants
- Size of meeting and convention space
- Size and location of the back of the house
- Other amenities and requirements

#### Franchise Information

- Likely chain scale level
- Likely brand

- Preferred management company
- Airline partners/affiliations

#### Marketing

- Market Segmentation
- Domestic and international traveler mix
- Period of stay
- Cross-selling opportunities with Dulles Airport

## **Underwriting Standards**

- Key demand drivers
- Average Daily Rate and Occupancy
- Cost per room

- Minimum term of ground lease
- Ground lease structure (Base rent, percentage rent, etc.)

# <u>Timeline</u>

- Site and improvement design period
- Construction period

- Pre-opening timeframe
- Time to reach stabilization

# 4. <u>ALTERNATE SITES</u>

Site No.	Acreage	Location	Distance to Terminal
	(approx.)		(approx.)
1 (Exh. 3)	2.6	At-terminal; East end of terminal	200 yards
2 (Exh. 4)	5.6	Parking lot and building located at 45045 Aviation Drive	2 minutes by car/shuttle
3 (Exh. 5)	13.7	SEC Autopilot and Rudder Road; north of Marriott site; Lakeside	5 minutes by car/shuttle

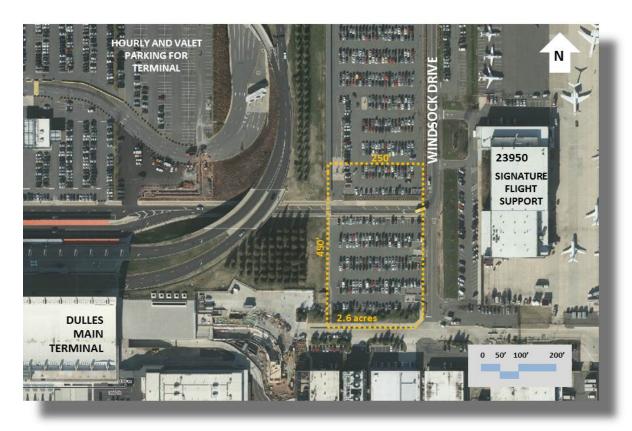


Exhibit 3 – Site 1

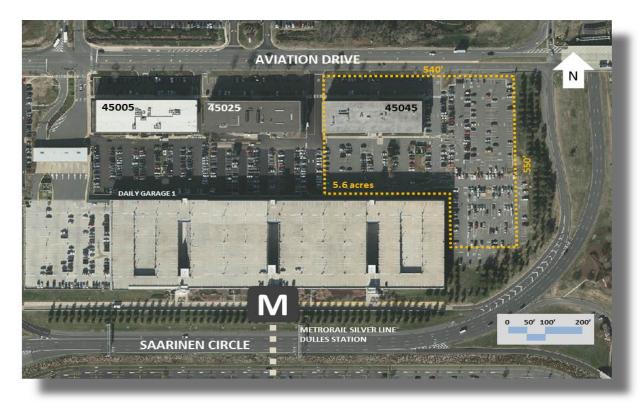


Exhibit 4– Site 2



Exhibit 5– Site 3

## 5. EQUAL OPPORTUNITY CONSIDERATIONS

No person or firm shall be discriminated against because of race, color, national origin, or sex in the award of Airport Authority contracts. Further, a Contractor or Concessionaire shall not discriminate on the basis of race, color, national origin, or sex in the performance of an Airports Authority contract.

The Airports Authority's concessions policy seeks participation by small, minority and women-owned firms in its contracting opportunities. The Airports Authority has two programs for achieving this policy objective in connection with concessions; these are its Local Disadvantaged Business Enterprise (LDBE) program and the federal Airport Concession Disadvantaged Business Enterprise (ACDBE) program. At this time no LDBE requirements or ACDBE goals have been set for this upcoming solicitation but the RFP will include such.

The Airports Authority will provide technical assistance to promote the participation of MBEs and WBEs in this contract, including the identification of LDBEs, MBEs and WBEs. To obtain assistance, interested parties are encouraged to contact the Airports Authority's Office of Equal Opportunity Programs at (703) 417-8625, or at the following address: Metropolitan Washington Airports Authority, Equal Opportunity Programs, 1 Aviation Circle, Washington, DC 20001-6000.

The Airports Authority also has adopted a policy to encourage reasonable efforts whenever possible to offer employment to qualified veterans, including the disabled, by the Authority, its contractors and subcontractors

# 6. RFI RESPONSES

Responses and formats are at your discretion as a Respondent. The Airports Authority greatly appreciates any and all input. In addition to comments and feedback on the topics outlined above, if you would like to receive notice of the issuance of the RFP, you are encouraged to include contact information. The Respondent's contact information should include company name, principal contact name and title, mailing address, phone number and an email address of Respondent's principal contact. Contact information for any of your anticipated team members is also welcome; they will also be included in the notice of the issuance of the RFP.

The preferred form of response to the RFI is as an email attachment in Adobe Acrobat PDF format addressed to **Contracting@mwaa.com**, with "Response to Airport Hotel RFI" in the subject line. U.S. mail, express parcel services and hand deliveries will also be accepted; submissions should be addressed to the Metropolitan Washington Airports Authority, 1 Aviation Circle, Suite 154, Washington, DC 20001-6000, Attn: Response to Airport Hotel RFI. No facsimile submissions will be accepted.

Please submit RFI responses by **3:00 PM, Tuesday, June 16, 2015**. The subject line of the e-mail message should read "Response to Airport Hotel RFI". Failure to do so may result in delay or no delivery of your response.

If a Respondent wishes to provide supplemental information, the Respondent, at its option, may provide additional information on a CD ROM to be received by the Airports Authority no later than the specified due date of this RFI.

In the event any substantive issues require clarification or change during the process, an addendum to this RFI will be issued and posted on the RFI webpage. Respondents who have registered as a Planholder for the RFI will be automatically notified by email that an addendum or revision has been issued. Registering as a Planholder can be done on-line according to directions associated with this RFI on the MWAA.com website under "Business Information; Current Opportunities; Concessions" (http://www.mwaa.com/378.htm). No mailing of updates, question responses or addendums will be performed by the Airports Authority for this RFI.

All costs directly or indirectly related to preparation of a response to this RFI, including any meetings or oral presentations requested by the Airports Authority, shall be the sole responsibility of, and shall be borne by, the Respondent.

## 7. QUESTIONS AND INQUIRIES

Questions and inquiries regarding this RFI can be submitted via the Airports Authority website at: http://www.mwaa.com/7967.htm by June 8, 2015 at 3:00 PM.

# 8. USE OF RESPONSES BY THE AIRPORT AUTHORITY

By providing information as a response to this RFI, Respondents are consenting to its use and consideration by the Airports Authority. The responses to this RFI will be used to assist the Airports Authority in making decisions regarding future development of one or more of the sites.

Responses will not be used to pre-qualify and limit the pool of Respondents to a future RFP. Those who do not wish to comment will be permitted to respond to the future RFP provided they are otherwise qualified to do so. However, without the benefit of a proposer's thoughts, attractive aspects for the concession may fail to be identified, considered, and offered with the RFP.

## 9. RESTRICTION ON DISCLOSURE AND USE OF DATA

The Airports Authority maintains a Freedom of Information Policy (FOIP) which applies to this RFI. All records of the Airports Authority are available to the public upon reasonable request, except those

identified as "not required to be disclosed" in this Policy, which can be viewed on the Airports Authority's website, www.mwaa.com, under 'News and Publications', select 'Publications', then select 'Authority Policy Publications'.

Respondents who include in their submittals data that they do not want disclosed to the public for any purpose or use by the Airports Authority, except for review purposes, are required to mark their RFI submission with a legend that states:

"This response includes data that shall not be disclosed outside the Airports Authority without the permission of [insert firm's name] and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this response. This restriction does not limit the Airport Authority's right to use information contained in this data if it can be obtained from another source without restriction. The data subject to this restriction are contained in pages [insert numbers or other identification of pages];"

Mark only those pages containing restricted data with the following legend:

"Use or disclosure of data contained on this page is subject to the restriction on the title page of this Response to Request for Information."

A blanket restriction applicable to the entire RFI is not acceptable. Moreover, the inclusion of this provision regarding the restriction on disclosure and use of data should not be construed to protect against the Airport Authority's use of generic concepts.

# 10. DISCLAIMER

No warranties or representations of any kind are made by the Airport Authority, including a representation or warranty as to the suitability of the sites for any particular purpose, except that the Airports Authority has sufficient legal title to grant a leasehold interest for a term of years in the sites. This RFI contains photographs, charts or drawings which may not accurately depict the sites or the information that is available about the sites and Respondents are cautioned that they are expected to undertake their own due diligence with respect to each of the sites. The Airports Authority does not intend to award a contract on the basis of this RFI or to pay for the expressions of interest solicited.

Submission of a response will in no way effect eligibility to respond to future solicitations for the potential development of sites or other lands of the Airports Authority or for any other design, construction, finance, maintenance or operations opportunities offered by the Airports Authority. The Airports Authority reserves the right to cancel this RFI at any time with or without notice to proposers and without liability.

\*\*\*\*\*