



Auburn University

Request for Information (RFI)
for the Development of a
Resort Hotel
at

Gulf State Park

Issued February 4, 2005
Responses Requested by:
Thursday, March 31, 2005
4:45 PM CST

Submit to:

Jon G. Waggoner, Esq.
Special Counsel to the President
101 Samford Hall
Auburn University, AL 36849
334.844.7100
waggojg@auburn.edu

Direct all questions to the address above

Visit www.auburn.edu/gulfstatepark
For the Latest Project Details

Auburn University is an equal opportunity Alabama land-grant institution.

Auburn University (AU) seeks information from hotel developers and other similar developers to determine interest in and gather feedback concerning the hotel development opportunity outlined herein (the “Project”).

Auburn University is a pre-eminent land-grant and comprehensive research institution with nearly 23,000 students and 6,500 faculty and staff. Ranked among the nation’s top 50 public universities, Auburn is Alabama’s largest educational institution, offering more than 230 undergraduate, graduate, and doctoral degree programs. Among those programs is a highly respected Hotel and Restaurant Management Program. Working with the West Paces Hotel Group, the Hotel and Restaurant Management Program has set a precedent for public/private academic partnerships in the hospitality field by using hospitality properties such as The Hotel at Auburn University as learning laboratories where students receive exceptional training in service excellence.

Description of Project and RFI Submission Requirements/ Purpose of Request for Information (RFI)

Background

The State of Alabama, acting through the Alabama Department of Conservation and Natural Resources (the “State”), presently owns approximately 41 acres of land located in Gulf Shores, Alabama and more particularly described below (the “Land”). It is contemplated that the State will enter into a “Ground Lease” under which the Land will be leased on a long term basis to Auburn University (the “University”), and then the University will enter into a “Sublease” with a to-be-selected third party development company (the “Developer”) under which the Land will be subleased to that Developer. The Developer will secure financing and oversee design and construction of improvements on the Land. Once construction is complete, the Developer will own the Project; this is not a lease-back.

It is contemplated that the improvements will consist of a 350 room hotel with amenities as described in this RFI. The hotel will be on or near the existing Gulf State Park hotel site. The hotel will be operated by The West Paces Hotel Group (“WPHG”), acting through an affiliate, under an “Operating Agreement” between WPHG, or an affiliate, and Developer. The Sublease and the Operating Agreement will provide that the hotel will support and participate in various educational initiatives of the University. The Sublease and Operating Agreement will also govern the ongoing relationship between the University and the hotel.

Location Description:

- Located in Gulf Shores, Alabama at the 6,150 acre Gulf State Park overlooking the pristine waters of the Gulf of Mexico.

- On the site of the existing Gulf State Park Resort near the intersection of Highway 182 and Park Road /Highway 135.
- Site boundaries are as follows: Frontage on Highway 182 to the north, beaches and the Gulf of Mexico to the south, the fishing pier to the west and a series of dunes to the east.

Auburn University's Role in the Development Process

The University, in support of its mission of instruction, outreach, and research, is committed to creating a high quality resort facility for a variety of visitors. Guests of the hotel will enjoy a variety of educational and recreational activities. Efficient marketing and service to the customer base will greatly enhance the University's educational programs, the Gulf region's economic growth, as well as the continued success of the state park. AU is deeply committed to the success of this Project.

AU expects this facility to contribute significantly to its education, research, and outreach mission for the State of Alabama and the surrounding area. Many academic units may benefit from the University's involvement with the site. Areas of study that could utilize the Hotel and its surrounding area include hotel and restaurant management, fisheries and marine biology, forestry and wildlife sciences, horticulture and landscape architecture, nutrition and exercise science, recreation and leisure, retailing and merchandising, and child and family programming. These are but a few of the possible academic users of this facility.

Development Opportunity

Respect for the environment is important to the Project. The property should blend well with the surrounding natural elements to enhance the aesthetics and character of the site.

Alabama's Gulf of Mexico beaches are among the State's greatest economic and environmental assets. The tourist economy in south Baldwin County provides over 40,000 jobs and over \$1 billion in revenue annually. The designated property is particularly attractive to developers because it consists of approximately 2 miles of largely undeveloped beachfront area and is located within a state park.

Hotel: The hotel will have approximately 350 rooms and will total approximately 380,000 square feet. Included in the hotel will be amenities customarily associated with a four star beach resort. The current hotel program calls for an approximately 17,000 square foot fitness center/spa.

Exhibit Hall: An exhibit hall consisting of approximately 44,000 total square feet is proposed for the property. This facility will contain about 20,000 square feet of exhibit space.

Lease Terms: The term of the ground lease to Auburn is expected to be 70 years. The sublease from Auburn to the Developer for the ground floor space is expected to be 50 years. Alternative financing scenarios will be considered.

Market Overview

For more information about living and working in Gulf Shores and to see a community profile, log on to the following websites:

- Gulf Coast Convention and Visitors Bureau at www.gulfshores.com
- Alabama Gulf Coast Chamber of Commerce at www.alagulfcoastchamber.com
- City of Gulf Shores at www.ci.gulf-shores.al.us

The Site Environs

The adjacent area of the site includes Lake Shelby, one of Gulf Shores' most popular fresh water recreation areas, and an 18-hole golf course (soon-to-be 27-hole). Thousands of joggers, birders, hikers, rowers, dog walkers, cyclists, and families use the park year-round for exercise, recreation and outdoor pleasure. Camping is a great added benefit as well. The Project is one aspect of the Department of Conservation's master development plan for improvements to the Park.

RFI Submission Requirements

Interested developers should submit a signed original and 10 copies of its letter of interest, containing the following information:

1. Development Entity

- Identify the development entity that would enter into negotiations and contract with the University, including all intended joint venture and limited partners, to the extent known at this time. Also, indicate the percentage interests of each of these partners. Please indicate complete listing of names, titles, addresses, and phone numbers. Please provide resumes of the key individuals working on the Project.

- State the intended role of each development partner in the conceptualization, design, financing and construction of the Project. Please also state the responsible project manager / entity for ongoing management of the construction work, if known at this time.
- Name of the principal in charge.

2. Examples of Comparable Projects Completed or Underway

- List projects currently under planning and development, particularly hotel properties and public/private projects of a comparable nature. Explain the size and development cost and the market served.
- List up to five comparable projects undertaken during the last 10 years, including photographs and the following information:
 - * Location
 - * Size, number of rooms, amenities attached, including information about the percentage of local contractors recruited for the project
 - * Current financial and occupancy status
 - * Development timeline
 - * Development cost and a brief explanation of the approach used to finance the project, naming sources and amount of debt and equity (to the extent possible)
 - * Description of developer's role in implementation
 - * Involvement of the public sector with financing, construction, participation, etc.
 - * Five references, two of which must be bank or financial references including name, title, company, address, and telephone numbers

3. Financial Capacity

- Please submit any publicly available financial documentation, such as annual reports, that describe the company's financial strength and capability.
- Generally discuss your initial thoughts regarding financing options for the Project.

4. Competitive Advantages

- State the reasons that you feel that you offer a competitive advantage for a project such as this.
- Why does involvement in the Project appeal to your organization?

RFI Submission Instructions and Deadline/Proposed Site Visit

Letters of interest are requested to be received by mail or hand delivered **on or before the close of business on Thursday, March 31, 2005** to: Jon G. Waggoner, Special Counsel to the President, 101 Samford Hall, Auburn University, AL 36849.

IMPORTANT:

On the front of your mailing envelope, please write "AU Gulf Shores RFI".

A site visit to the Park is proposed for March 15.

Go to www.auburn.edu/gulfstatepark for the latest details on the Project.

