

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
PARKS AND RECREATION DEPARTMENT**

**TO:** Mayor and City Council

**FROM:** Malcolm Matthews, Director, Parks and Recreation Department

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Melissa B. Vossmer; Finance; Department of Asset Management; Office of Management and Budget; Legal; File

**SUBJECT:** Ordinance Accepting Proposal for Restaurant and Visitor Facility Consultant Services at the City's Tower of the Americas

**DATE:** June 26, 2003

**SUMMARY AND RECOMMENDATIONS**

This ordinance accepts the proposal of Fessel International Hospitality Consultants to provide restaurant and visitor facility consultant services for the City's Tower of the Americas, authorizes the City Manager to enter into an agreement with this firm for these services in an amount not to exceed \$111,200.00 and establishes \$5,000.00 for consultant contingency expenses.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

The restaurant operation at the Tower of the Americas has been operated by Tower Foods, Inc. since the opening in 1968. The most recent contract with Tower Foods, Inc., approved in 1986, expires on January 1, 2004. In anticipation of the pending contract expiration, staff developed a process and timeline to select a Tower restaurant/visitor facilities operator and this was presented at a City Council B Session briefing on March 13, 2003. Staff proposed to select a consultant with broad experience in special revenue venues through a Request for Qualifications (RFQ) process. The selected consultant would identify project opportunities, assist in preparation of a Request for Proposal (RFP) and evaluate potential contractors. Also, staff proposed to extend the current Tower Foods, Inc. contract for a period of approximately nine months to avoid construction downtime during heavy revenue producing months. City Council concurred with the proposed plan and directed staff to find a Tower operator that will offer services of the highest quality.

An open, public Request for Qualifications (RFQ) for restaurant and visitor facility consultant services for the Tower of the Americas at HemisFair Park was reviewed by City Council in B Session on March 13, 2003 and subsequently released on March 21, 2003. The purpose of this

RFQ was to solicit qualification statements from interested firms to assist City staff in the development and release of a RFP, public hearing and negotiation services for the dining and visitor facility operations at the Tower of the Americas. The consultant will evaluate current trends in the restaurant, visitor and entertainment industry and will establish a best practices benchmark for these operations as they pertain to the Tower of the Americas hours of operation, menus, organizational structure, marketing materials, etc. A market feasibility study will determine strategic opportunities that can be included in the RFP. Highest and best use of the Tower of the Americas will be determined. Finally, a financial forecast of potential revenues and expenditures will be developed. In addition to evaluation and research, the consultant will work with staff to write the RFP and will hold meetings and public forums to discuss the process. Finally, the consultant will help to review and evaluate the RFPs that are received.

The RFQ was initially advertised in the Express-News on March 23, 2003, with an addendum on April 20, 2003 to add one week to the deadline for submissions. In addition, City staff mailed four (4) packets and emailed nineteen (19) RFQ's to regional and national restaurant and entertainment consultants. The RFQ was also submitted to the San Antonio Restaurant Association, Texas Restaurant Association and the San Antonio Tourism Council for distribution to their general memberships and advertised on the City's website.

A tour of the Tower for potential proposers was held on April 4, 2003 and one (1) of the potential proposers attended the tour. On April 28, 2003, the date that the RFQ's were due, two (2) firms submitted proposals for consideration. These were Designs in Dining, a San Antonio consulting group headed by Mr. Dan Ward; and Fessel International Hospitality Consultants, a Costa Mesa, California restaurant and hospitality group in partnership with Mr. Cappy Lawton of San Antonio.

City staff established an evaluation committee to review the qualification statements submitted in response to this RFQ. Members of this evaluation committee included representatives from the following City departments and related agencies:

- Parks and Recreation Department - Ron Smudy, Assistant Director
- Finance Department - Gary Johnson, Tax Assessor
- Department of Asset Management - Mark Webb, Assistant Director
- Convention and Visitors Bureau - John Solis, Sales and Marketing Administrator
- Convention Facilities - Joyce Odom, Assistant Director
- Economic Development Department - Manuel Longoria, Jr., Assistant Director
- The Downtown Alliance - Ben Brewer, III, President
- The San Antonio Area Tourism Council - Marco Barros, Executive Director

The evaluation committee evaluated the proposals based on criteria established in the RFQ. The evaluation criteria, and the points allocated to each item, are outlined below:

Criteria	Points
Experience in providing restaurant and visitor facility consultant services	40
Proposed Fee	25
Responsiveness to the Request for Qualifications and Respondent's responsiveness to proposed schedule	15
Local Business Enterprise Participation	10
Disadvantage Business Enterprise	5
SBEDA Compliance	5
Total	100

The evaluation committee met on May 2, 2003 to review the two proposals submitted and conducted interviews on May 20, 2003. Based on the above criteria, numerical scores for the two (2) proposals received for consideration were as follows (see attached scoring matrix, Exhibit 2, for more detail):

<u>Proposer</u>	<u>Score</u>
Designs in Dining	52
Fessel International	66

Fessel International has a higher fee at \$111,200.00 than does Designs in Dining which submitted a fee of \$37,500.00. Fessel International has significant national and international consulting experience with high-profile restaurant, entertainment, and tourist venues/facilities and has a greater depth of expertise to devote to this project. Projects completed by Fessel International include work done for the MGM Grand, Disneyland and Windows on the World (World Trade Center). Based on their prior work history, the Fessel team has experience in providing all of the services requested in the RFQ and the elements desired by the City Council. The evaluation committee's review in the difference in the experience and qualifications between the two firms provided sufficient criteria consideration for Fessel International to rank higher in points irrespective of the fee difference.

Phase I, situational analysis, will include a benchmarking study and then a market analysis. Phase II, Repositioning Study/Recommendations, will include market feasibility and highest/best use of the facility. Phase III, Repositioning Feasibility Study, will include financial feasibility and projections.

Based on the above criteria, and the evaluation committee's recommendations, the City staff recommends the acceptance of the proposal submitted by Fessel International for restaurant and visitor facility consultant services to assist in establishing criteria, preparing an RFP document and selecting a qualified operator for the Tower of the Americas. The consultant will begin work immediately and will continue for about six months until the new concessionaire is approved. Also, as part of the City Council B Session on March 13, 2003, an extension to the current contract was discussed as an integral part of the RFP process and maximization of the

current operation's service to visitors and revenue to the City, which will be brought to Council in September, 2003. It is anticipated that a recommendation for a new concessionaire will come before Council in January 2004.

### **POLICY ANALYSIS**

The issuance of the RFQ for consultant services for the City's Tower of the Americas was recommended to City Council at a B Session meeting held March 13, 2003 and is consistent with the City's current practice for the selection of consultants. This RFQ was developed and issued by City staff following all the standard City criteria for such actions.

### **FISCAL IMPACT**

Under the proposal submitted by Fessel International, the City will negotiate a contract in an amount not to exceed \$111,200.00. Additional funds of \$5,000.00 will be established for contingency expenses. Funding for this action is available from the Hotel Motel Tax, Convention Facilities Renewal and Improvement Fund.

### **COORDINATION**

This RFQ was coordinated with the City Attorney's Office, the Economic Development Department, Department of Asset Management and Finance Department. The RFP document, once prepared, will include review by the City Council Governance Committee, expected in August 2003.

### **SUPPLEMENTARY COMMENTS**

A copy of the Ethics Ordinance Disclosure Statement from the Fessel International Team is attached.

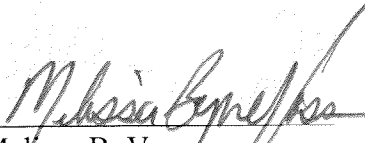
**ATTACHMENTS**

Exhibit 1 – Respondent Information

Exhibit 2 – Rating Criteria Summary



Malcolm Matthews,  
Director of Parks and Recreation



Melissa B. Vossmer,  
Assistant City Manager

Approved:



for Terry M. Brechtel  
City Manager

ITEM 5.

CITY OF SAN ANTONIO ETHICS ORDINANCE  
DISCLOSURE STATEMENT

**Disclosure of Parties, Owners, and Closely Related Persons**

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a qualifications statement for a discretionary contract:

- (1) the identity of any individual who would be a party to the discretionary contract;

N/A

- (2) the identity of any business entity<sup>1</sup> that would be a party to the discretionary contract:  
Fessel International, Inc.  
and the name of:

- (A) any individual or business entity that would be a *subcontractor* on the discretionary contract;

Mr. Cappy Lawton

- (B) any individual or business entity that is known to be a *partner*, or a *parent* or *subsidiary* business entity, of any individual or business entity who would be a party to the discretionary contract;

N/A

- (3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

N/A

<sup>1</sup> A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.



**ITEM 5. CONTINUED**

**CITY OF SAN ANTONIO ETHICS ORDINANCE**  
**DISCLOSURE STATEMENT**

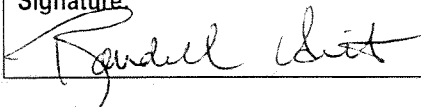
**Political Contributions**

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a qualifications statement for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
N/A		

**Disclosures in Qualifications**

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question<sup>2</sup> as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

N/A		
Signature: 	Title: <i>President</i> Company: <i>Fessel International</i>	Date: <i>4/22/03</i>

<sup>2</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.



## **SCOPE OF WORK**

### **PHASE ONE -SITUATION ANALYSIS**

#### **I Benchmarking Study**

1. Evaluate best practices of regional restaurant and national visitor facilities, operations, and benchmark to these operations. Identify areas of opportunity. Materials reviewed will include, but not be limited to, current services, guest research related to Food and Beverage and special venue visitation, future industry trends that may impact Food and Beverage and visitor revenues, operating agreements, marketing materials and related data.
2. Conduct specific interviews with key stakeholders\* and specifically ascertain the goals of the TOA and determined community expectations.
3. Define major user patterns, levels of satisfaction, preferences, concerns and issues.

\* Stakeholders include visitor industry, downtown interests, restaurant associations, etc.



4. Review current lease arrangement, review how the City manages this agreement, and recommend ways to improve this oversight as necessary.
5. Conduct a review of the Food and Beverage and Visitor facilities, as to:
  - Sales Volume
  - Hours of Operation
  - Menu Offering
  - Pricing
  - Guest Experiential Elements
  - Décor and Imagery
  - Kitchen Support
  - General Physical Conditions
  - Space Allocation, Flows and Function
6. Evaluate TOA's population and traffic patterns as to physical location, needs and daypart concentration.

7. Evaluate and review, using current industry standards, Food and Beverage financial performance, specifically address comparative:

- Revenue Trends and Facility Based Revenue Analysis (per seat, per square foot, per cover)
- Expenses per Category
- Profitability
- Guest Count Trends

8. Note key trends in the fine dining/hotel dining/landmark Restaurant segments.

9. Develop a SWOT evaluation of current concepts, operations and facilities. Note areas of opportunity relative to:

- Sales Building
- Style of Service
- Menu Mix
- Pricing Strategies
- Product Quality, Consistency, Variety and Merchandising
- Products Purchased
- Hours of Operation
- Graphic Communication
- Decor/Imagery
- Points of Uniqueness

## **II Market Analysis**

1. Review current available Marketing Research relative to the property and its Food and Beverage operations. Recommend whether additional Research is required as an additional scope to this project.
2. Evaluate the positioning of your current Food and Beverage operations in the San Antonio marketplace.
3. Develop a comparative matrix showing your property in relation to other key San Antonio restaurants and key nationally known restaurants in the areas of:
  - Recognition
  - Ratings
  - Food
  - Service
  - Décor
  - Marketing Outreach
  - Physical Characteristics
4. Note key factors that are unique to the TOA's location that enhance or detract from its potential as a Food and Beverage location.
5. Review the TOA Banquet market opportunities, and recommend how the operator(s) can best capture this market.

**PHASE TWO - REPOSITIONING STUDY/RECOMMENDATIONS**

**III Market Feasibility**

1. Define several Strategic Options for the restage of the Food and Beverage operations at the TOA. Provide supporting data for the specifics of these targets.
2. Review these Strategic Options relative to the market support they will have to derive in order to achieve success, and the potential of meeting these goals.
3. Define the key physical changes that will have to occur in order to implement each option.

**IV Highest and Best Use**

1. Rate the above Strategic Options in order of:
  - a. Projected Consumer Appeal
  - b. Capital Expenditure Level
  - c. Human Resource Demands
2. Recommend the optimum Strategic Option for the space in terms of profitability.

3. Detail the program for the new facility in terms of:
  - a. Cuisine, including Key Menu Items
  - b. Style of Service
  - c. Check Average
  - d. Points of Uniqueness
  - e. Key Décor Items
  - f. Skills Required
  - g. Target Market Support
  - h. Key Facility Program Elements
4. Specifically recommend target operator(s) for the space.
5. Develop a timeline for conversion to the new plan.

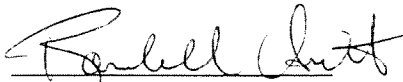
**PHASE THREE - REPOSITIONING FEASIBILITY STUDY**

**V Financial Feasibility/Projections**

Based on the decision to move forward with this project, develop a 10-year financial projection, including:

1. Revenue forecast by outlet, daypart and check average.
2. Expense forecast, projecting tenant sales and expenses.
3. Develop alternative fee structures regarding Management of the operations, and make a recommendation.
4. Delineate the viability of the proposed operations in relation to:
  - a. Physical Plant
    - Size
    - Seat Count
    - Functional Attributes
  - b. Target Market
  - c. Concept Acceptance
  - d. Operating Hours
  - e. Competition
  - f. Labor Market
5. Detail the impact of the proposed changes on the TOA operation.

The above information is true and correct to the best of my knowledge.

BY:   
Randall Hiatt

TITLE: President

FOR: Fessel International, Inc.  
(Name of Firm submitting Qualifications Statement)

DATE: April 22, 2003

**FESSEL**  
**INTERNATIONAL**  
HOSPITALITY CONSULTANTS

May 22, 2003

Mr. Gilbert A. Hernandez  
Manager  
San Antonio Parks and Recreation Department  
Contract Services & Special Facilities  
115 Plaza de Armas, Suite 240  
San Antonio, TX 78283

**Reference: Revised Tower of the Americas Proposal**

Dear Gilbert:

It was a pleasure meeting with you, Ron and your team to further discuss the Restaurant and Visitor Facility Consultant Services that you require for Tower of the Americas. Based on our discussions, we suggest the following modifications to the original Scope of Services:

- 1) Reduce the meetings and presentations by half, as follows:
  - a. Provide a list of Stakeholders with whom we can meet during our initial on-site review. We will work with you to determine if we should meet separately with these key groups/individuals or hold a more general forum.
  - b. Pre-proposal bidder conference - change to walk-throughs hosted by the City and a submission of questions in writing, to which we will respond with your assistance.
  - c. One City Council Presentation.
  - d. One City Management Team Presentation.
  - e. Additional meetings will be billed in addition at our normal rates, and expenses will be billed at our cost. We will not incur such expenses without your prior approval.

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**West Coast**

RANDALL HIATT  
3505 Cadillac Avenue, F-1  
Costa Mesa, CA 92626-1431  
714/432-8300  
714/432-8509 FAX  
mail@fessel.com  
www.fessel.com

**East Coast**

JOSEPH AMENDOLA  
JAMES ARMSTRONG  
7575 Dr. Phillips Blvd., #140  
Orlando, FL 32819-7225  
407/352-2344  
407/352-2306 FAX  
amen1019@aol.com

**Japan**

HIROO CHIKARAISHI  
Thomas & Chikaraishi Inc.  
Akasaka T.O. Building 6th Floor  
4-9-19, Akasaka  
Minato-ku, Tokyo, 107-0052 Japan  
011-81-3-3403-9495  
011-81-3-3403-9351 FAX

Mr. Gilbert A. Hernandez  
May 22, 2003  
Page 2

- 2) We will reduce our team from six to four, keeping Cappy Lawton, Randall Hiatt, Dave Schmidt and one other consultant from our Fessel International staff.

Based on your acceptance of these changes, we offer the following new Costs in our financial proposal for this project:

Evaluation and Research	\$51,750
RFP	\$24,000
Meetings and Forums	\$18,250
Travel/Expenses	<u>\$17,200</u>
	\$111,200

As discussed, to the degree that we can reduce expenses – such as hotel charges, we will work with you to reduce costs accordingly. We would also be willing to look at billing the RFP related expenses in F/Y 2004, which we understand begins October 1.

If the City team is agreeable to these changes, we would be pleased to contract for this work based on the original Scope of Services, with these adjustments.

Gilbert, we are looking forward to working with you and the City of San Antonio to make Tower of the Americas the best facility it can be and to professionally carrying out this project. I will call you to follow-up on any questions you may have on the above adjustments.

Sincerely,

FESSEL INTERNATIONAL



Randall Hiatt  
President



Exhibit 2  
Rating Criteria Summary

<b>Project:</b> Restaurant & Visitor Facility Consultant Services for the Tower of the Americas			
<b>Date Responses Rec'd:</b> April 21, 2003			
	<b>Maximum Points</b>	Fessel International 3505 Cadillac Ave., Suite F-1 Cosa Mesa, CA 92626	Designs in Dining P.O. Box 90421 San Antonio, TX 78209
<b>Experience</b>	<b>40</b>	40	9
<b>Price</b>	<b>25</b>	6	25
<b>Responsiveness to RFP</b>	<b>15</b>	15	5
<b>Local Business Enterprise</b>	<b>10</b>	3	10
<b>Disadvantaged Business Enterprise</b>	<b>5</b>	0	0
<b>Compliance with SBEDA Policy</b>	<b>5</b>	2	3
<b>Total</b>	<b>100</b>	<b>66</b>	<b>52</b>

5/20/03

**ITEM 2.**

**QUALIFICATION AND EXPERIENCE STATEMENT**

**PRIMARY**

FIRM: Fessel International  
ADDRESS: 3505 Cadillac Avenue, F-1  
Costa Mesa, CA 92626-1431  
TELEPHONE: 714 432-8300  
FAX: 714-432-8509  
E-MAIL: mail@fessel.com

**LOCAL RESTAURATEUR/SUBCONTRACTOR**

FIRM: Cappy Lawton  
ADDRESS: 402 Harrison Avenue, San Antonio, TX 78209  
TELEPHONE: 210 822-5138, FAX: 210 832-9834  
E-MAIL: cappylawton@yahoo.com

Prime-subcontractor relationship:

**Fessel International**

- Proportion of work: 75%
- Leadership and involvement in each aspect of the project

**Mr. Cappy Lawton**

- Proportion of work: 25%
- Local restaurant expertise, benchmarking and conceptual team involvement

**1. Number of years engaged in restaurant visitor consulting:**

15 Years

**2. Fully describe company and experiences as it relates to:**

*2.1 History of past relations with municipal governments:*

Fessel International has had the opportunity to work with a number of municipal governmental agencies; among them are the Port Authorities of New York and New Jersey on the Windows of the World project at the World Trade Center and the Harbor Department, County of Ventura, CA.

The project that we have performed that most closely mirrors the Tower the of Americas project is:

**Windows on the World Project**

We all feel great sadness for the employees of this Restaurant and the World Trade Center in New York. We had the pleasure of spending extensive time in those buildings and its signature Restaurant in 1994 and 1995.

Our Scope of Work at Windows on the World and its outcomes are detailed below:

- Perform an Operational Analysis
- Develop Industry Benchmarking
- Conduct Marketing Research among Building Tenants, Hotel Guests and Trade Area Fine Dining Users
- Prepare for Interim Management of the Restaurants
- Research Pertinent Issues regarding New Construction, (ADA, asbestos removal, elevator issues, exhaust restrictions, gas availability, etc.)
- Recruit and Chair a Peer Review Team to assist in Operator Selection
- Develop a Select List of Operators to Bid for the Lease/ Operational Contract and make a Capital Contribution to the restage of Windows on the World
- Recommend the Physical and Conceptual changes required to optimize the Windows on the World space
- Develop an RFP document to facilitate bidding for the new Lease

- Coordinate Bidder Presentations, Peer Review Input, Port Authority voting and final selection of Lessee/Operator
- Work with the Port Authority through Final Negotiations of the Lease
- Review and make Recommendations on the Final Plans for the Restaged Restaurant

Specifically, this Restaurant was operated by Hilton International for 18 years prior to our engagement. It had sales of \$11 million annually and had paid no rent to the Port Authority for the last several years (rent was based on a profit split and there were no profits).

We prepared a Management team to take over the Restaurant at the end of the Hilton International lease, but this team was not put into place. The initial bombing of the World Trade Center occurred and we encouraged Management to use this timing to close the Restaurant.

Planning proceeded and two years later (after extensive asbestos removal in the ceiling of the restaurant and the elevator shafts) the Restaurant reopened to the public.

Among the goals accomplished were:

1. The Restaurant regained prominence as the signature element of this massive complex.
2. The Restaurant added value to the buildings and to the satisfaction levels of the tenants.
3. Sales increased to \$37 million in 2000. The Port Authority had a minimum rent guarantee against a percentage and collected over \$5 million in rent in that year.
4. The Restaurant was very profitable for the tenant, with the largest growth in sales being from the highly profitable banquet and bar spaces.
5. Windows on the World regained its place on the highly competitive dining map of New York City, consistently being placed among the 50 top Restaurants in the City listed in Zagat's Top Restaurants in America each year.

In short, this was a restage that worked for all parties prior to the great tragedy of September 11.

*2.2 History of restaurant and visitor consulting projects and implemented recommendations:*

Sampling of five (5) relevant Fessel International projects:

▪ ***Windows on the World***

Jules Roinnel  
Director of Windows on the World (former)  
631-592-5992 ext. 234

Windows on the World  
World Trade Department  
The Port Authority of NY & NJ  
One World Trade Center  
New York, NY 10048

“RFP Process Management, New Master Plan and Audit”

Approximate fees: \$235,000.

▪ ***Disneyland***

Klaus Mager  
Director Creative Development – Food  
1313 Harbor Blvd.  
Anaheim, CA 92803  
714-781-0219, ext. 1145

Performed Benchmarking Analysis, Guest Research, and developed a full Master Plan for redoing the 40-year-old Food and Beverage operations of this Park. Developed innovative facility reuse to create the highest volume, best rated and highest profit Restaurant

in the Park. Added 40% sales and profit to the Cart business. Set the direction and oversaw implementation of all new Restaurants on Main Street (four). Developed concepts for other areas of the Park that are targeted in their current capital plan. Approximate fees: \$630,000.

▪ ***Universal CityWalk, Orlando and Los Angeles***

Don Bredberg  
Universal Studios Recreation Group  
1000 Universal Center Drive #300  
Universal City, CA 91608

Chief Executive Officer (current position)  
Adventure Studios Inc.  
818-954-9521, Ext. 108

Developed the extensive expansion of the California CityWalk, and a Restaurant demand model and supporting analysis for the new project in Orlando, and initial planning for a similar project in Singapore. Initiated a targeted Restaurant tenant list for each project, all of which are very successful.

**City Walk Hollywood**

"Food Service Capacity Diagnostic Analysis" - \$34,750

"Venue Development" - \$59,550

**Universal Studios – Florida**

"Food and Beverage Overview" - \$8,750

**Universal Studios - Singapore**

"Theme Park Food and Beverage Planning" - \$60,500



▪ ***La Mansión Del Rio, San Antonio, Texas***

Pat Kennedy - Owner  
Henry Feldman - President  
La Mansión del Rio Hotel  
112 College Street  
San Antonio, TX 78205  
210-518-1000

Conducted a Market Analysis, followed by Guest Research in the Hotel, on the Riverwalk and among locals. Developed a new Restaurant concept for their new sister hotel across the Riverwalk (Watermark Hotel and Spa - Opening 2004) and facilitated restaging direction of their existing Restaurant, which is now in final planning. Approximate fees: \$43,000.

▪ ***Ameristar Casinos***

Craig Neilsen - Chairman  
3773 Howard Hughes Parkway #490S  
Las Vegas, NV 89109  
702-567-7000

We have been Food and Beverage Consultants to this public Casino Corporation for the past two years. Projects have included:

□ Food and Beverage Master Plans for four Casinos:

- Ameristar Casino, Council Bluffs, Iowa
- Ameristar Casino, Vicksburg, Mississippi
- Ameristar Casino, St. Charles, Missouri

Food and Beverage Master Plans for four Casinos (cont.)

- Ameristar Casino, Kansas City, Missouri
- Recruitment of a Director of Food and Beverage
- Menu Development
- Operational Analysis
- Market Research
- CEO level interface on broader strategic Food and Beverage issues
- Real Estate Consulting

Approximate fees: \$640,000 over six years

A selected list of our other clients includes:

## FESSEL INTERNATIONAL SELECTED PROJECTS

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### UNITED STATES

<b>MALL OF AMERICA</b>	Minneapolis, Minnesota	<i>Restaurant Master Plan for the Largest Mall in America, including a Custom Tenant Mix</i>
<b>DISNEYLAND</b>	Anaheim, California	<i>New Food Service Master Plan, Guest Research and Development Projects California Adventure – Food Master Planning Advisory</i>
<b>MGM GRAND</b>	Las Vegas, Nevada	<i>Food Concepts and Menus for 5,100 Room Hotel and Theme Park</i>
<b>HARVARD UNIVERSITY</b>	Cambridge, Massachusetts	<i>Food Service Research, Retail Market Analysis</i>
<b>CHEVYS MEXICAN RESTAURANTS</b>	Emeryville, California	<i>Concept and Operational Review, Strategic Planning</i>
<b>BILTMORE ESTATE</b>	Asheville, North Carolina	<i>Food Service Master Plan</i>
<b>TISHMAN HOTELS</b>	Orlando, Florida	<i>Research and Concept Development for Revision of Restaurants for 803 Room Hilton</i>
<b>PARAMOUNT STUDIOS</b>	Hollywood, California	<i>Strategic Restaurant Planning</i>
<b>NESTLÉ FOOD SERVICE</b>	Glendale, California	<i>Conceptual Development of Toll House Café and Casa Ortega, Project Management</i>
<b>DESTINATION HOTELS</b>	Englewood, Colorado	<i>Food and Beverage Strategy - Hotel del Coronado, San Diego; Vail Cascade, Vail Colorado; Royal Palms, Phoenix; Argent, San Francisco; and Other Properties</i>
<b>IL FORNAIO</b>	San Francisco, California	<i>Baseline Marketing Research, Customer Behavior Research</i>

## FESSEL INTERNATIONAL SELECTED PROJECTS (CONT.)

<b>CEDARS-SINAI HOSPITAL</b>	Los Angeles, California	<i>Food Service Master Plan, Staff Research</i>
<b>SILVERTON CASINO</b>	Las Vegas, Nevada	<i>Food Service Master Plan and Design for Western Mine-Themed Casino</i>
<b>SANTA ANITA RACE TRACK</b>	Arcadia, California	<i>Restaurant Master Planning</i>
<b>FARMERS' MARKET</b>	Los Angeles, California	<i>Operational and Logistics Analysis</i>
<b>IRVINE COMPANY</b>	Irvine, California	<i>Restaurant Feasibility Projections for Irvine Entertainment Center</i>
<b>CATERAIR</b>	Bethesda, Maryland	<i>Labor Analysis of Domestic and International Flight Kitchens</i>
<b>PARADISE BAKERY</b>	Costa Mesa, California	<i>Strategic Positioning, Customer Research</i>
<b>WHITTIER COLLEGE</b>	Whittier, California	<i>Interim Management</i>
<b>COMMUNITY OF JOY</b>	Glendale, Arizona	<i>Food Service Master Plan</i>
<b>AMERICAN GIRL PLACE</b>	Chicago, Illinois	<i>Conceptual Development, Operations and Training</i>
<b>UNIVERSITY OF NOTRE DAME</b>	Southbend, Indiana	<i>Food Service Master Plan</i>
<b>RDV SPORTSPLEX</b>	Orlando, Florida	<i>Restaurant Master Plan</i>
<b>POMONA VALLEY HOSPITAL</b>	Pomona, California	<i>Retail Food Master Plan, Tenant Negotiations</i>
<b>AMERICAN MUSEUM OF NATURAL HISTORY</b>	New York, New York	<i>Restaurant Planning, RFP Process</i>

## FESSEL INTERNATIONAL SELECTED PROJECTS (CONT.)

<b>KNOTT'S BERRY FARM</b>	Buena Park, California	<i>Restaurant Strategy Development and Operational Audit</i>
<b>CHINA INN</b>	Torrance, California	<i>Market Assessment, Concept Development and Business Plan</i>
<b>LA MANSIÓN DEL RIO</b>	San Antonio, Texas	<i>Guest Research, Restaurant Planning</i>
<b>VIEJAS CASINO &amp; TURF CLUB</b>	Alpine, California	<i>Food and Beverage Master Plan</i>
<b>GENERAL MILLS</b>	Orlando, Florida	<i>Evaluate Supervisory Structure and Compensation for Red Lobster and Olive Garden vs. the Industry</i>
<b>LOS ANGELES COMMUNITY COLLEGE DISTRICT</b>	Los Angeles, California	<i>Strategic Operating Plans for Nine Campuses</i>
<b>CALIFORNIA CAFÉ</b>	Corte Madera, California	<i>Concept Review</i>
<b>UNIVERSITY OF CALIFORNIA LOS ANGELES</b>	Los Angeles, California	<i>Market Research, Retail Market Assessment and Branding Analysis</i>
<b>CENTURY THEATRES</b>	Evanston, Illinois	<i>Bar and Food Development</i>
<b>UNIVERSAL STUDIOS</b>	Hollywood, California	<i>CityWalk Food Service Renewal Plan, Proprietary Restaurant Development</i>
<b>UNIVERSAL STUDIOS</b>	Orlando, Florida	<i>Food Service Master Plan for New Entertainment Center</i>
<b>KENTUCKY FRIED CHICKEN</b>	Louisville, Kentucky	<i>Evaluate "Flagship" Location Opportunities Study of Food Courts and their Attributes</i>
<b>FATBURGER</b>	Santa Monica, California	<i>Business Planning, Franchise Manuals, Strategic Assistance</i>

## FESSEL INTERNATIONAL SELECTED PROJECTS (CONT.)

<b>STANFORD UNIVERSITY</b>	Palo Alto, California	<i>Resident Meal Plan Analysis and Strategy</i>
<b>LEGOLAND</b>	Carlsbad, California	<i>Food Service Master Plan</i>
<b>TURTLE BAY COUNTRY CLUB</b>	Oahu, Hawaii	<i>Restaurant Concepts for New Club</i>
<b>ST. MORITZ HOTEL</b>	New York, New York	<i>Food and Beverage Master Planning Study</i>
<b>SANDERS</b>	Detroit, Michigan	<i>Operational Analysis and Consumer Research on 18 Retail Bakeries</i>
<b>LOUISIANA STATE UNIVERSITY</b>	Baton Rouge, Louisiana	<i>Business Analysis of Retail and Residential Operations</i>
<b>SCOTT'S RESTAURANTS</b>	San Francisco, California	<i>Concept Analysis</i>
<b>FRITO-LAY</b>	Plano, Texas	<i>Theme Park Entry Analysis</i>
<b>SBARRO</b>	Commack, New York	<i>College and University Strategic Planning, Operations Manuals</i>
<b>LAZARUS DEPARTMENT STORES</b>	Cincinnati, Ohio	<i>Restaurant Concepts for New Downtown Cincinnati Store</i>
<b>TEXAS STATE FAIR</b>	Dallas, Texas	<i>Evaluation of Food Service Potential</i>
<b>SEMOLINA</b>	New Orleans, Louisiana	<i>Concept Analysis</i>
<b>ALOHA RESTAURANTS</b>	San Diego, California	<i>Buster's Beach House Development</i>

## FESSEL INTERNATIONAL SELECTED PROJECTS (CONT.)

<b>AMERISTAR CASINOS</b>	Las Vegas, Nevada	<i>Restaurant Master Planning - Henderson, Nevada; Council Bluffs, Iowa; Vicksburg, Mississippi; St. Charles, Missouri; and Kansas City, Kansas</i>
<b>WESTIN RIO MAR</b>	San Juan, Puerto Rico	<i>Food and Beverage Master Plan for a 600 Room Resort</i>
<b>SPARTAN SHOPS, INC. SAN JOSE STATE UNIVERSITY</b>	San Jose, California	<i>Food Service Master Plan</i>
<b>REGENCY PLAZA HOTEL</b>	San Mateo, California	<i>Conceptual Development</i>
<b>CROWNE PLAZA HOTEL</b>	Garden Grove, California	<i>Design and Conceptual Development</i>
<b>AQUARIUM OF THE PACIFIC</b>	Long Beach, California	<i>Reconceptualization</i>
<b><u>INTERNATIONAL</u></b>		
<b>BADIS</b>	Rabat, Morocco	<i>Food Service Master Plan, Implementation</i>
<b>NANDO'S</b>	Craighall, South Africa	<i>U.S. Market Entry Analysis</i>
<b>LEGOLAND</b>	Windsor, England	<i>Food Service Evaluation</i>
<b>LEGOLAND</b>	Germany	<i>Food Service Master Plan Food Facility Design</i>
<b>PLAZA FLAMINGO</b>	Cancun, Mexico	<i>Restaurant Planning</i>

## FESSEL INTERNATIONAL SELECTED PROJECTS (CONT.)

<b>TAKAKI BAKERY</b>	Tokyo and Hiroshima, Japan	<i>Redesign and Remerchandise Retail Stores for 350 Bakeries</i>
<b>KORAKEUN STADIUM</b>	Tokyo, Japan	<i>Food Service Concept for a New Urban Leisure Land in Downtown Tokyo</i>
<b>WAKAYAMA MARINA CITY</b>	Wakayama, Japan	<i>Food Service Master Plan and Design for an Entertainment Center</i>
<b>PARQUE DE LA COSTA</b>	Buenos Aires, Argentina	<i>Food Service Master Plan</i>



### **3. Proposed Project Management Staffing**

The staff of Fessel International comprises a team whose individual experiences and areas of functional expertise represent the full array of specialized skills necessary to complete the required analysis of restaurant, information and entertainment opportunities at the Tower of the Americas.

Many of our projects entail sophisticated information gathering and/or strategic research. We are experienced users of all restaurant industry data sources, and maintain extensive industry, category and specific segment information bases. We have the experience to know which facts and information will be important to your business.

We differ from many of the consulting companies in the composition of key staff, and in the manner in which we have chosen to specialize. We are all Food Service professionals. We have operated and performed diverse staff functions for major Food Service companies. Because of this collective experience base, we are able to provide a full range of consulting service functions targeted to the Food and Beverage Industry that we know thoroughly from very practical perspectives.

The following Fessel International team members will be directly engaged in completing your project, including on-site work and interfacing with your team.

**RANDALL HIATT**

**President**

*Project Leader*

Mr. Hiatt has been involved in all aspects of the Food and Beverage industry for over twenty years. After early training with a Marriott affiliate, he was with the Walt Disney Company for twelve years in restaurant operations, financial analysis and project development. Among his duties there were the complete restaurant development for EPCOT Center and restaurant logistics for Tokyo Disneyland.

Randall spent six years as Vice President of Food and Beverage for the diverse Grace Restaurant Company and Vice President of Operations for its successor, Restaurant Enterprises.

Mr. Hiatt has been President of Fessel International since its inception in the United States in 1988 and has overseen over 300 Food and Beverage projects for the Company.

Local Restaurant Expertise (Subcontractor)

**CAPPY LAWTON**  
**Local Restaurateur/Consultant**

Mr. Cappy Lawton is one of the most highly regarded and influential restaurateurs in San Antonio. Currently, Cappy is President and C.E.O. of Cappy's Inc. and La Fonda Inc. His restaurants include Cappy's, Cappycchino's and La Fonda On Main. He is also a consultant to the restaurant industry.

Cappy is the former C.E.O. and Founder of Cheers, Inc. where he developed the EZ's restaurant concept and opened nine EZ's restaurants in San Antonio, Austin, Corpus Christi and Dallas. Previously, Cappy was C.E.O. and co-founder of 1776, Inc. where he designed, built and operated twelve Mama's and Mama's Café Restaurants in San Antonio, Austin, and Houston.

Mr. Lawton was born and raised in San Antonio. After completing High School and Junior College in the San Antonio area, he attended the University of Texas, Austin, majoring in business and engineering. Throughout his school years and for three years after, he worked as an auto mechanic and a design draftsman/design engineer of corporate aircrafts for Swearingen Aircraft and Page Gulfstream in San Antonio. In 1973, he entered the Restaurant business.

Currently, Cappy is Chairman of the Mind-Science Foundation, a Board Member of the Witte Museum and, since 1996, a member of the World Presidents Organization, a successor organization to Young Presidents Organization (YPO).

He is a former Board Member of Colonial Frost Bank and Security National Bank. He was also an Advisory Board Member for Cullen Frost Bank and a member of the Greater San Antonio Chamber of Commerce Executive Board, Chairman of Leadership of San Antonio and an Advisory Board Member of the University of Texas at San Antonio.

#### **4. Proposed Project Staffing**

The following Fessel International team members will be directly engaged in completing your project, including on-site work and interfacing with your team.

##### **ROD DOWNEY**

##### **Senior Consultant**

Mr. Downey has been a Senior Restaurant executive for over 20 years, after his start in Marketing for packaged goods at Pillsbury. He has developed specialization in Marketing, Concept Development and Process management.

Rod is Dallas-based and most recently was Senior Vice President of Metromedia Restaurant Group, owners of Steak and Ale, Bennigan's and Ponderosa. He was with this company for a total of 15 years, first in their initial growth years of the early 1980's, and then again in the late 1990's as they repositioned their concepts for new dining trends.

Rod has also been a Senior Executive for Anderson Foods, Southland Corporation, Golden Corral and Grace Restaurant Company. He has worked with Fessel International clients such as Il Fornaio, an upscale Italian chain, and Chevy's Mexican Restaurants on strategic issues.

**RICHARD WHEELER**

**Vice President**

Mr. Wheeler is Vice President of Fessel International. Rich has been with Fessel International for eight years, with key responsibilities in the areas of Marketing Research, Master Planning of Restaurants and Operational Analysis. Immediately prior to joining Fessel International, Rich was Director, Food and Beverage at UCLA. During his almost 19 years with ASUCLA, he directed the largest retail Food and Beverage system on a University campus.

Rich's diverse background includes project management, operations, marketing and concept development with McDonald's Corporation, A&W International and Bullock's Department Stores. He recently led our Research project at La Mansión del Rio and has worked on a variety of chain and specialty Restaurant projects.

**SCOTT KAMALSKI**

**Senior Consultant**

Mr. Kamalski joined Fessel International after more than 20 years in all aspects of the hotel and restaurant industry. Scott has a diverse background and came to Fessel after being an active consultant specializing in the repositioning of resort operations, conceptual development and human resource training in California and Mexico.

Scott is a seasoned hospitality professional with a creative vision tempered by a solid business background, and a strong culinary foundation. Having grown up in the food business, his early training years were spent in the culinary arts and culminated with independent food styling work for television programming.

Scott has held operational management positions in high-end environments with first class restaurants and hotel groups such as L'Ermitage and Regent International Hotels.

Recent years include Food and Beverage work for Fessel International clients in Casinos, Hotels, Entertainment Centers, Nightclubs and Cities.

## **5. Company Expertise**

### **CORPORATE OVERVIEW**

Charles Fessel founded Fessel International in Europe in 1978. Our US offices in Costa Mesa, California and Orlando, Florida were opened in 1988 under the guidance of President and Principal, Randall Hiatt.

Fessel International is a consulting company specifically dedicated to the restaurant industry, and to the companies and individuals for whom excellent Food and Beverage is a critical element of their success. We have continuously focused our attention directly on the Food and Beverage industry for the entire thirteen years the firm has been in existence. Fessel International offers a Full Service consulting and design firm specializing in Food and Beverage.

Our involvement includes:

- ☐ Master Planning for Major Projects
- ☐ Marketing Research
- ☐ Operational Analysis
- ☐ Concept Development or Refinement
- ☐ Request for Proposal Preparation, Analysis and Negotiation
- ☐ Food Facility Design
- ☐ Strategic Business Analysis Planning
- ☐ Menu Engineering



We work in all segments of the Restaurant business, from Fine Dining to Fast Food. We also work with Food and Beverage in a wide variety of settings, including but not limited to:

- ☐ Hotels
- ☐ Shopping Centers
- ☐ Office Buildings
- ☐ Theme Parks
- ☐ Urban Entertainment Centers
- ☐ Colleges and Universities
- ☐ Freestanding Locations
- ☐ Casinos

Our sole focus is on optimizing Food and Beverage opportunities, wherever they may exist. Having done work in a wide variety of venues, we are sensitive to the demands of each type of environment and its customer base. With this knowledge and a deep understanding of the dynamics of the Restaurant business and its customer needs, we are able to consistently develop innovative solutions to complex property issues such as yours.

Fessel International is a private, debt free California Corporation with ownership equally divided among three principals.

**RELEVANT EXPERIENCE**

Fessel International's specific experience relevant to the Scope of Work for the Tower of the Americas includes:

- ☐ Extensive first hand background in Food and Beverage analysis and development:

- Feasibility Analysis
- Market Assessment
- Operations Analysis
- Market Research
- Master Planning of Food and Beverage
- Organizational Planning
- Financial Proformas

- ☐ Fessel International's consultants have over one hundred years of hands-on senior management experience in the Restaurant Industry. We are recognized as leaders in operations planning, analysis and marketing research. We can provide you with the skills and understanding necessary to assist you in attaining your goals.

- ☐ Fessel International's experience in business planning, analysis, development criteria and negotiation in all major industry segments provides our clients with thorough and creative solutions for leased premises.

- ❑ Fessel International has extensive experience in designing and conducting market research projects for the Restaurant Industry. These studies allow us to be on the pulse of what the consumers are looking for in their dining experiences. Intensive studies include Research projects with Ameristar Casinos, La Mansión Hotel, Disneyland, Hilton Hotels, Baja Fresh, Chi-Chi's Mexican Restaurants, Service America, Dr. Pepper/7-up and Il Fornaio Italian Restaurants.
- ❑ In the noncommercial sector, we have conducted significant research projects at UCLA, San Jose State University and Harvard University, and 15 other Colleges and Universities.

#### **6. Claims for Contractual Performance**

Neither Fessel International nor any of our staff or subcontractors have been involved in any claims, litigation, audits or reviews related to contractual performance during the past ten (10) years.

**7. Project Staff Indicted or Convictions**

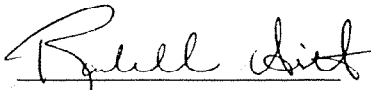
Neither Fessel International nor any of our staff or subcontractors have been indicted or convicted of any of the following during the past ten (10) years:

Any Class of Felony	None
Class "A" Misdemeanor	None
Class "B" Misdemeanor	None

**8. Completion of Project within Proposed Time Schedule**

Fessel International will be able to complete the identified scope of services within the time schedule.

The above information is true and correct to the best of my knowledge.

BY:   
Randall Hiatt

TITLE: President

FOR: Fessel International, Inc.  
(Name of Firm submitting Qualifications Statement)

DATE: April 22, 2003

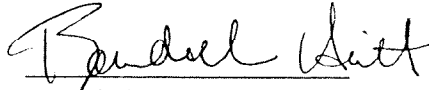
**ITEM 2. (CONT.)**

**QUALIFICATION AND EXPERIENCE STATEMENT**

Contact person whom the City can call regarding qualification statement  
or for setting dates for meetings:

Name: Randall Hiatt  
Address: 3505 Cadillac Avenue, F-1  
Costa Mesa, CA 92626  
Telephone: 714-432-8300  
Fax: 714-432-8509  
Email: randy@fessel.com

The above information is true and correct to the best of my knowledge.

BY:   
Randall Hiatt

TITLE: President

FOR: Fessel International, Inc.  
(Name of Firm submitting Qualifications Statement)

DATE: April 22, 2003

**ITEM 3.**  
**PROPOSED FEES**

<b><u>Scope of Services</u></b>	<b><u>Proposed Fees</u></b>
Evaluation and Research Services	\$ 58,750
Public Input Coordination Services	\$ 8,500
Preparation of RFP and other documents for TOA restaurant, entertainment and operations concession	\$ 24,000
Negotiation Services	\$ 9,500 <sup>1</sup>
Required Presentations	\$ 15,000 <sup>2</sup>
Other fees and/or charges not included in Scope of Services	\$ 29,600 <sup>3</sup>
<b><i>Total</i></b>	<b><u>\$145,350</u></b>

<sup>1</sup> Cost based on eight (8) days; additional days will be billed at typical hourly rate.

<sup>2</sup> Cost based on six (6) presentations; additional presentations will be billed at typical hourly rate.

<sup>3</sup> Additional meeting trips beyond those called out in the RFQ will be billed at our cost.

**PAYMENT TERMS**

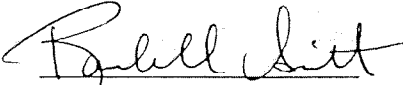
We can begin this project with an initial payment of 50% of the fee for the Evaluation and Research Phase of the Scope of Work, with the balance due upon completion of this Phase. Each subsequent Phase of work will be initiated with a 50% payment of the fee for that Phase, with the balance of the fee for each Phase of the project being due upon completion of each Phase of Work.

Fessel International is willing to discuss a full flat fee basis for the scope of services.

**LIABILITY**

Fessel International's activities hereunder shall be limited to the diligent performance of the above-mentioned work, and nothing contained herein shall be construed to impose any further liability on Fessel International.

The above information is true and correct to the best of my knowledge.

BY:   
Randall Hiatt

TITLE: President

FOR: Fessel International, Inc.  
(Name of Firm submitting Qualifications Statement)

DATE: April 22, 2003

**WRITTEN NARRATIVE**

**APPROACH TO PROJECT ANALYSIS**

Fessel International's approach to Project Analysis is guided by the following values:

***Sound Findings***

We develop a clear understanding of your operations, the needs they are serving, the market's perceptions, expectations and capacity for growth in sales and profits.

***Benchmarking***

We draw from a wide data resource base for competitive data and expert analysis relative to surfacing opportunities.

***Innovative Thinking***

We utilize our experience across all segments of the Hospitality industry to add value to your operations.

***Industry Knowledge***

We are very current with industry trends and the development plans of key players. We will be able to surface the optimum list of potential tenant(s) for your operations.



## APPROACH TO PROJECT ANALYSIS (cont.)

### ***Achieving Goals***

We integrate our experience and your opportunities to meet your goals for customer satisfaction and financial performance.

### ***Actionable Planning***

We develop solid Strategies that are based on your property's needs and capabilities.

### ***Enabling Strategies***

We recommend not only what you can do to meet your goals, but also identify how you can best realize them.