



FEZ Continued Advisory & Developer Solicitation Services

To: Barbara Harb, Economic Development Manager
City of Manteca
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From: Rob Hunden, CEO, Hunden Partners
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The City of Manteca (Client) is engaging Hunden Partners (Hunden) to provide continued advisory services related to financial and development planning for the future destination development within the Family Entertainment Zone (FEZ or Project) in Manteca, California. Hunden will provide a phased scope of work that will guide the Client through the recommended next steps in the development planning and execution stages. Hunden will continue to work with Convergence Design (CD) to provide refinements to the development concept plan.

Phase I: Case Study Trips and Development Advisory Services

Case Study Trips. Hunden will plan and facilitate up to three (3) case study trips to be attended by members of the Hunden team and Client team. These site visits will provide context for the FEZ and how it fits into the larger development landscape and provide valuable benchmarking metrics for the future development of the Project. Hunden will schedule a debrief meeting with the Client to summarize takeaways and implications for the FEZ once all site visits have been completed.

Development Advisory Services. As relevant and requested, Hunden will provide ongoing advisory services necessary to transition the project from research phase to development phase. These tasks will ensure a strong developer solicitation and selection process by providing the most up-to-date and accurate Project details.

Hunden's services may include:

- Participate in and lead virtual and in-person (as necessary) meetings and workshops with the Client and other Key Stakeholders,
- Provide guidance and input in creating a refined plan for the FEZ,
- Refine the development concept plan based upon discussions with Client following the Case Study Trips,
- Update financial projections as necessary,
- In collaboration with the Client's Financial Advisor/Finance Team, advise on funding options and finance plan for the Project,

- Advise on an implementation strategy and recommended next steps for the development of the Project,
- Advise on the most appropriate process for Client to engage a developer or other parties to provide for the design, construction, financing, and operation of the Project and its components. *This excludes the work related to the RFQ and RFP process necessary to select a master developer for the Project, which is provided in Hunden's Phase II scope of work, and*
- Assist with any other related economic development advisory work or analysis as requested by Client.

Note that the implementation strategy may include more than securing a master developer for the Project as outlined in Phase II. Hunden will prepare a separate proposal to assist Client with other work that may be necessary to deliver the entire Project.

Phase II: Master Developer Solicitation and Selection Process

- Task 1 - Process Kickoff and Orientation
- Task 2 - Promotion of Mixed-Use Development Opportunity
- Task 3 - Creation of RFQ Document
- Task 4 - Management of Solicitation Process
- Task 5 - Review of the RFQ Submittals
- Task 6 - Creation of RFP
- Task 7 - Evaluations, In-Person Interviews and Rankings
- Task 8 - Term Sheet, Negotiations and Ongoing Advisory (billed hourly)

Task 1: Process Kickoff and Orientation

Hunden Partners professionals will meet with the Client to confirm the goals of the process and other contextual issues related to the Project. Hunden will perform the following orientation and due-diligence-oriented tasks:

- Obtain information and data from the Client and the City of Manteca, as well as any other appropriate governmental agencies and stakeholders.
- Review the previously completed feasibility study and master plan update, and determine which elements of previous reports (or other materials) should be utilized (and updated as necessary) in the RFQ document, as appropriate.
- Review Hunden's similar efforts, discuss their attributes, implementation, and approach to determine lessons learned and implications.
- Discuss the marketing approach to the RFQ/P effort. Media/press releases can be very beneficial in aiding the promotion of the bidding process, if managed appropriately.
- Review Client-specific criteria that will need to be addressed in the RFQ/P process.

Hunden will also begin compiling a database of potential developers for marketing the Project opportunity in addition to our existing database of developers and development partner firms (architects, engineers, etc.) as appropriate.

Task 2: Promotion of Mixed-Use Development Opportunity

Hunden will informally contact and create interest from top developers by promoting the project plan and opportunity, which will include meeting (virtually or in person) with interested parties to further educate, market, and encourage participation in the Request for Qualifications and Proposals process to attract the most qualified mixed-use development teams. The goal is to build national interest for the Project and advertise the upcoming bid solicitation process. Information gathered in these discussions may shape the nature of the specific development opportunity to be included in the solicitations to be issued later.

Task 3: Creation of RFQ Document

Hunden will draft an RFQ document, to be reviewed and accepted by Client representatives. The RFQ document will include the following components:

- An overview of the development opportunity,
- Client Objectives, Project Scope, and Timeline,
- RFQ/P Process overview,
- Submission Requirements,
- Evaluation Criteria,
- Market information,
- Selected excerpts of Hunden's feasibility study
- Other conditions and disclosures as applicable.

Hunden will create a concise, sharp, professional RFQ document that will present the development opportunity in the best possible light. The RFQ is intended to promote the Project and to generate interest from a wide audience.

Task 4: Management of Solicitation Process

Building upon the informal promotion of the opportunity in Task 2, Hunden will target relevant contacts in the development industry from our developer database that will be important for the RFQ distribution. Hunden will research the local/regional/national marketplace to identify additional developers who have worked on this type of project previously that should be made aware of the opportunity.

Hunden will then execute the following tasks to publish the opportunity:

- Post the RFQ document package for download on Hunden's website at www.hunden.com/downloads. This process includes creation of a registration form that enables Hunden to track downloads and create a record of interested parties.

- Send the RFQ document package to the list of appropriate developer contacts in Hunden's database via email/PDF attachment.
- Promote the opportunity, including issuing a press release announcing the opportunity to maximize exposure regionally and nationally. Hunden will develop a targeted media list that identifies leading industry-specific websites for distribution, as well as issue via PR Newswire. Hunden will send *individual* emails to our database of dozens of developers and hundreds of related entities.

Reliable and **consistent communication** is important to ensure interested parties remain interested and follow through with RFQ submissions. As these requests are time-consuming, it is easy for many potential developers to not respond and focus on other less time-consuming opportunities. Hunden will act as the communication lead on behalf of the Client to ensure a strong response to the RFQ. Hunden will discuss the proposal process with potential respondents and represent the Client's best interests when doing so. In consultation with the Client, Hunden will set a deadline for submitting written questions or requests for clarification and will assist in responding to these written inquiries.

A **tour of the site** and surrounding area in Manteca will be conducted by Hunden and Client representatives for the benefit of the proposers. This will give the proposers a chance to ask questions, understand current and future conditions, and generally involve themselves more deeply in the process. Hunden will record all questions and answers during the tour and any related meetings. After the tour and the **Question & Answer Period**, Hunden will send an RFQ Amendment to the interested groups with answers to all questions posed to date.

Task 5: Review of the RFQ Submittals

Hunden will review the RFQ submittals and compare them in a matrix memo summarizing the qualifications of the groups for each opportunity. Amongst other requested items, Hunden will assess:

- Firm/Team experience and qualifications,
- Firm/Team financial capability, stability, and resources,
- References for similar projects, and
- Others as appropriate.

Hunden will conduct reference checks and undertake procedures to verify information contained in the submittals.

Hunden suggests conducting Zoom interviews with certain proposers that are under consideration for the shortlist to meet and engage with those proposers prior to shortlisting for the RFP process. These interviews will allow for an informal and informational discussion about the proposer's perspective on the RFQ submittal and opportunity, which will help lead to the establishment of a more informed shortlist.

Task 6: Creation of RFP

Hunden will create the RFP document based on the criteria determined with the Client.

Hunden will have been working on the RFP document during the prior tasks. The RFP should be ready prior to establishing the shortlist, which means the shortlisted groups would receive the RFP upon notification that they have been shortlisted. Hunden recommends that the shortlisted developers have approximately eight weeks to respond with their full proposals. Hunden will be available to communicate with the shortlisted groups to ensure complete proposals in response to the RFP.

Task 7: Evaluations, In-Person Interviews and Rankings

Hunden will then collect the responses to the RFP and develop a summary document that puts the proposals and responses in a side-by-side comparison matrix. Each category of response will be evaluated, and conclusions drawn. Proposal contents may include the following elements:

- Complete development team,
- Physical development proposal,
- Proposed concept,
- Operations and management team,
- Project budget and financing plan and requested incentives, and
- Other information as may be requested.

Hunden will formulate a list of clarifications that may be requested for all or some of the proposers to clarify their RFP responses.

Based on the evaluations, Hunden and the Client may elect to interview all or some of the proposers based on a variety of factors. Hunden will advise the Client on best practices.

Interviews. Prior to determination of a final ranking, interviews and presentations should be conducted with the top-ranked respondents. While much knowledge can be gained from responses on paper, the Client will make its most well-informed decision after combining response information with presentation and question-and-answer clarifications with the top-ranked respondents via interviews of approximately 90 minutes each.

Hunden will plan and coordinate the finalist interviews with the Client and will communicate with teams about the expectations, logistics and other factors to prepare all parties for a thorough and efficient process.

After the interviews, Hunden suggests ranking the proposals with the objective of beginning negotiation with the highest-ranked proposer. In order for the Client to retain flexibility in negotiations, the respondents must know that if discussions with the first group are not successful, then the Client has the option to proceed to the second-ranked Developer. There may also be follow-up questions that Hunden asks the Developers after the interviews if a determination about a top-ranked group cannot be made.

Task 8: Term Sheet, Negotiations and Ongoing Advisory (Billed Hourly)

Hunden will provide advice and consultation to the Client during negotiations with the selected company on a Term Sheet, followed by a definitive Development Agreement(s). This will be completed on an hourly basis.

Hunden will be your constant resource during this task and make recommendations regarding the negotiations. In addition, as requested, Hunden will serve as the Client's representative in meetings and discussions with the proposer, Client, attorneys, and other parties.

Compensation

Phase I: Case Study Trips and Development Advisory Services. Hunden will plan, facilitate, and participate in the case study trips and provide ongoing development advisory services on an hourly basis for an amount not to exceed ~~\$75,000~~ ^{↑ \$95,000}. If, upon reaching the not-to-exceed fee, Hunden and the Client identify a need for further advisory services, Hunden will request an amendment. Hunden will bill the Client monthly for services provided until the not-to-exceed fee is reached, or until the agreement is amended or the services are superseded by another agreement.

CD will provide design refinements to the development concept plan which work will be provided on either a lump sum or hourly rate basis in an amount not to exceed \$10,000. Hunden will bill for this work as a reimbursable expense without markup.

Hunden will bill at our hourly rates for all time associated with the work. *Any travel or related research expenses will be billed at cost without markup and are outside the not-to-exceed fee set forth above.*

Hunden has established an allowance for travel expense in the amount of **\$10,000**. If the actual cost of travel exceeds \$10,000, Hunden may reduce its not-to-exceed fee cap to allow for reimbursement within the overall not-to-exceed fee and reimbursable expense total of **95,000**.

Expenses will be billed separately on a monthly basis.

For any Phase I services provided, Hunden will bill the Client according to the following hourly rates:

▪ Rob Hunden, President & CEO:	\$475
▪ Executive Vice President Project Executive:	\$425
▪ Senior Project Manager:	\$395
▪ Project Manager Analytics Manager:	\$375
▪ Research Director:	\$350
▪ Senior Analyst Quality Control:	\$325
▪ Analyst:	\$275
▪ Administrative Staff:	\$150

Hourly rates are fixed through December 31, 2024, and subject to a three percent (3%) annual increase thereafter.

To authorize Phase I, sign here: _____

Phase II: Master Developer Solicitation and Selection Process, Tasks 1-7. Hunden proposes to complete Tasks 1-7 in the Phase II scope of work for a lump sum fee of **\$150,000**, inclusive of Hunden's research expenses and its time for services for two trips to Manteca for the developer site tour, the developer interviews and developer award discussions. The fees for additional trips will be billed at the hourly rates set forth above. ***Any travel expenses will be billed at cost without markup and are in addition to the lump sum fee set forth above.*** Expenses will be billed separately on a monthly basis.

For the Phase II services provided, Hunden will bill the Client according to the following payment schedule, broken out by milestone deliverables:

▪ Kickoff to Initiate Process:	\$37,500
▪ RFQ Document Issued:	\$37,500
▪ RFP Document Issued:	\$37,500
▪ Completion of Task 7:	\$37,500

Task 8. Any work completed during the Phase II negotiations task will be billed at the hourly rates identified above.

To authorize Phase II, sign here: _____

Contractual Conditions

The following conditions apply to this engagement with you.

CLIENT ACKNOWLEDGEMENTS.

1. The Client acknowledges their critical role in providing Hunden with project background and other requested and necessary/pertinent data items that only the Client has the capability of sharing in order to start the formal study timeline. Any delay in providing critical project or site data will delay Hunden's process/deliverable.

Client Initial: _____

2. The Client acknowledges that these project types are often not commercially viable and typically require public funding upfront and/or annually to be sustained.

Client Initial: _____

SCOPE LIMITATIONS. Hunden's services do not include the following: any assistance with a bond marketing strategy; any assistance with the preparation or distribution of any official statement; or any advice on the municipal bond market. Hunden does not provide advice with respect to municipal financial

products or the issuance of municipal securities, including services with respect to the structure, timing, terms and other similar matters concerning such financial products or issues.

Hunden is not a municipal advisor and Hunden is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Registration and Regulation of Brokers and Dealers Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financing product or issuance of municipal securities. The Client is advised that any actual issuance of debt must be done under the advice of its bond counsel and financial advisors. Your financial advisor should provide any advice concerning the specific structure, timing, expected interest cost, and risk associated with any government loan or bond issue. Potential advisors should not rely on representations made in this report with respect to the issuance of municipal debt.

The findings and recommendations of Hunden's research will reflect an analysis of primary and secondary sources of information. Estimates and analyses presented in our work product will be based on data that are subject to variation. Hunden will use sources that it deems reliable, but will not guarantee their accuracy. Recommendations will be made from information provided by the analyses, internal databases, and from information provided by external sources.

The Client is entitled to receive the work product(s) prepared by Hunden pursuant to this Agreement. The Client has no right to access or deliverance of any underlying statistics, models, or any other information developed by Hunden in preparing the Report to which this Agreement pertains.

REVISIONS. Hunden will complete a maximum of two drafts of the report. The Client is expected to provide comments and edits on the draft report and those will be addressed by Hunden. Hunden's results may not always agree with the desires of the Client. Hunden will use its independent perspective and research to drive our results. Any revisions, questions, conversations, zooms or travel requested after two drafts (initial draft report, then final draft), will be billed at Hunden's hourly rates as outlined in this document. Payment on the final milestone will be required and an advance of \$2,500 on the hourly work that would be required by the Client or its designees, such as lenders and others.

UPDATES. Hunden has no responsibility to update its work product(s) for events and circumstances occurring after the date presented to the Client. Delayed invoice payments will result in the delay of deliverables for the next portion of work. If edits and comments are not received from the Client related to any prior deliverable within thirty (30) days of the delivery of the deliverable, the work product will be considered final, and the current billing will be sent and become due.

TIMING OF DELIVERABLES. The timeline for the study begins when the following have occurred: 1) receipt of first payment, 2) signing of this contract and 3) receipt of any Client materials related to the Project requested by Hunden.

VIRTUAL PRESENTATIONS. This contract is limited to up to three (3) virtual presentations of findings at the conclusion of the study. Fees for additional virtual presentations will be negotiated separately.

BILLING. Any past invoices must be paid prior to the delivery of the next Milestone Deliverable. If an invoice remains unpaid 30 days after it was emailed to the client, Hunden may without further obligation, cease the assignment and terminate the Agreement. All previous invoices will remain due. Any invoice unpaid after 30 days will accrue a 3% per month late fee. Any invoice unpaid after 90 days will result in legal action by Hunden to collect such invoice(s).

Failure by Hunden to assess late fees does not preclude Hunden from assessing late fees in the future.

TRAVEL. In the event that the Client chooses to alter, adjust or change dates/times of any Client-related trip after Hunden has booked and purchased travel arrangements, it shall be the responsibility of the Client to reimburse Hunden for any fees and fare/price differences associated with cancellation/change of travel arrangements.

USE OF DELIVERABLE. The Work Product is copyrighted and cannot be manipulated in any way beyond the format that it was provided to the Client.

TERMINATION. Notwithstanding the Billing language above, Hunden reserves the right to terminate this Agreement on fifteen (15) days written notice to Client should Client fail to satisfactorily perform its obligations under this Agreement. In the event Hunden terminates this Agreement, Client is obligated to pay Hunden for all services rendered under this Agreement prior to termination, including work through the next unbilled milestone. Nothing contained herein shall constitute a waiver of Hunden's right to bring suit for damages or to enforce specific performance of this Agreement. In the event of termination of this Agreement by the Client, Client is obligated to pay Hunden for all services rendered under this Agreement prior to termination, including work through the next unbilled milestone. Hunden further reserves the right to take any legal action necessary to enforce its rights under this Agreement. In the event Hunden is required to commence suit to collect any unpaid amounts due to it from Client, Client agrees to reimburse Hunden for its costs and attorneys' fees in bringing such suit.

It is agreed that the liability of Hunden to the Client is limited to the amount of the fees paid by client to Hunden.

Hunden limits its responsibility to the Client and any use of the study produced pursuant to this Agreement by third parties shall be at the risk of the Client and/or said third parties. By the execution of this Agreement, Client acknowledges that he/she/it has read and agrees to the terms and conditions of this Agreement and agrees to the inclusion of a standard set of General Assumptions and Limiting Conditions in the report. Additional conditions prompted by the discovery of extraordinary or unusual circumstances uncovered during the course of investigation may be added to the study assignment, if necessary.

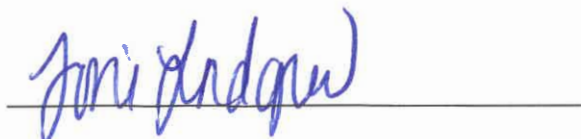
DISPUTES. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, other than non-payment of amounts due hereunder, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial [or other applicable] Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

If this document meets with Client's approval, Client may accept this letter and authorize Hunden to proceed by signing below.

Authorization

Accepted By:

Signature

A handwritten signature in blue ink, appearing to read "Joni Hodgson", is written over a horizontal line.

Attachment 2



Printed Name Toni Lundgren
Title City Manager
Company City of Manteca
Date: 8/26/2024