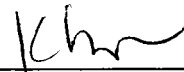


ATTACHMENT D

Manteca Redevelopment Agency Meeting
June 5, 2006
Staff Report

Reviewed by:



Executive Director

Date: May 26, 2006

TO: Chairman and Members of the Commission

VIA: Kyle Kollar, Community Development Director

FROM: Dave Harzoff, Economic Development Manager

SUBJECT: Analysis and Presentation of Conceptual Proposals to Acquire City-Owned Property at Daniels Street and Milo Candini Way

Recommendation

1. Receive a summary of the staff analysis of the two conceptual development and acquisition proposals;
2. Consider the presentations of the two development teams; and
3. Select a preferred development team for staff to exclusively negotiate with for the disposition of the property.

Background

The City of Manteca is the owner of 13.7± acres north of Daniels Street and west of Milo Candini Drive (see location map). The site is in close proximity to the Big League Dreams sports complex and the Stadium Center retail project at Daniels and Airport Way. There has been a long-term desire to develop one or more hotels and quality restaurants with dining room seating in the area. Two qualified development teams have proposed to purchase the property and develop those types of uses together with other complimentary uses.

It is anticipated that the City will transfer or sell the property to the RDA which will handle the negotiations. This process will have to comply with the requirements of the California Redevelopment Law. Proposals to appraise the market value of the property have been received and a selection and contract will be completed shortly.

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*Chairman and Commission
City Daniels Street Property Development Proposals
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Discussion

Both teams are qualified to develop the project. The attached matrix compares the proposals and the actual proposal materials are provided for review. Both teams were asked to provide information about their qualifications, their development concept and proposed land uses and the ownership and management of the hotel(s). The teams were also asked to propose a set of conceptual business terms to purchase the property, provide a description of how they anticipate financing the project and a proposed development time line. It was recognized that the selected team will need to study the project and market further to determine the actual final aspects of the project, so the proposals are only preliminary and conceptual at this stage. The project will be further developed as more analysis is completed and negotiations over the property transaction and interaction with development review staff takes place.

It should be noted that staff communications with Marriott International, Inc. and Hilton Hotels Corporation have indicated that both companies are interested in the Manteca market. Both development teams have made contact with the two hotel companies and both companies have said they would work with either development team.

Terracommercial/Intermountain Proposal

Terracommercial, Inc. is a commercial development, ownership, and property management firm with 30 years of experience in commercial real estate. They are partnered with Kelly Heil who has 21 years of commercial real estate experience and Intermountain Management, LLC. Intermountain Management owns or manages 38 hotel properties in 20 states and is in the process of developing and/or taking over management of another 31 hotel properties.

This team's preliminary development concepts include one or more hotels, a central memorial park/detention basin, retail and restaurant uses, and office condominiums. The hotel brand would be either Hilton or Marriott. This proposal includes the adjacent 2.8 acre "North Phase" property that Kitchell Development is buying from the RDA. Conceptual business terms for this team would be proposed after additional market analysis and further discussions with City and RDA staff. The team proposes to move forward as soon as possible.

The Koehler Organization/Swahn Group Proposal

The Koehler Organization has been involved in the development of over 75 hotel properties and currently owns or manages 48 hotel properties. The Koehler Organization would develop, own and manage the two proposed hotels. They are

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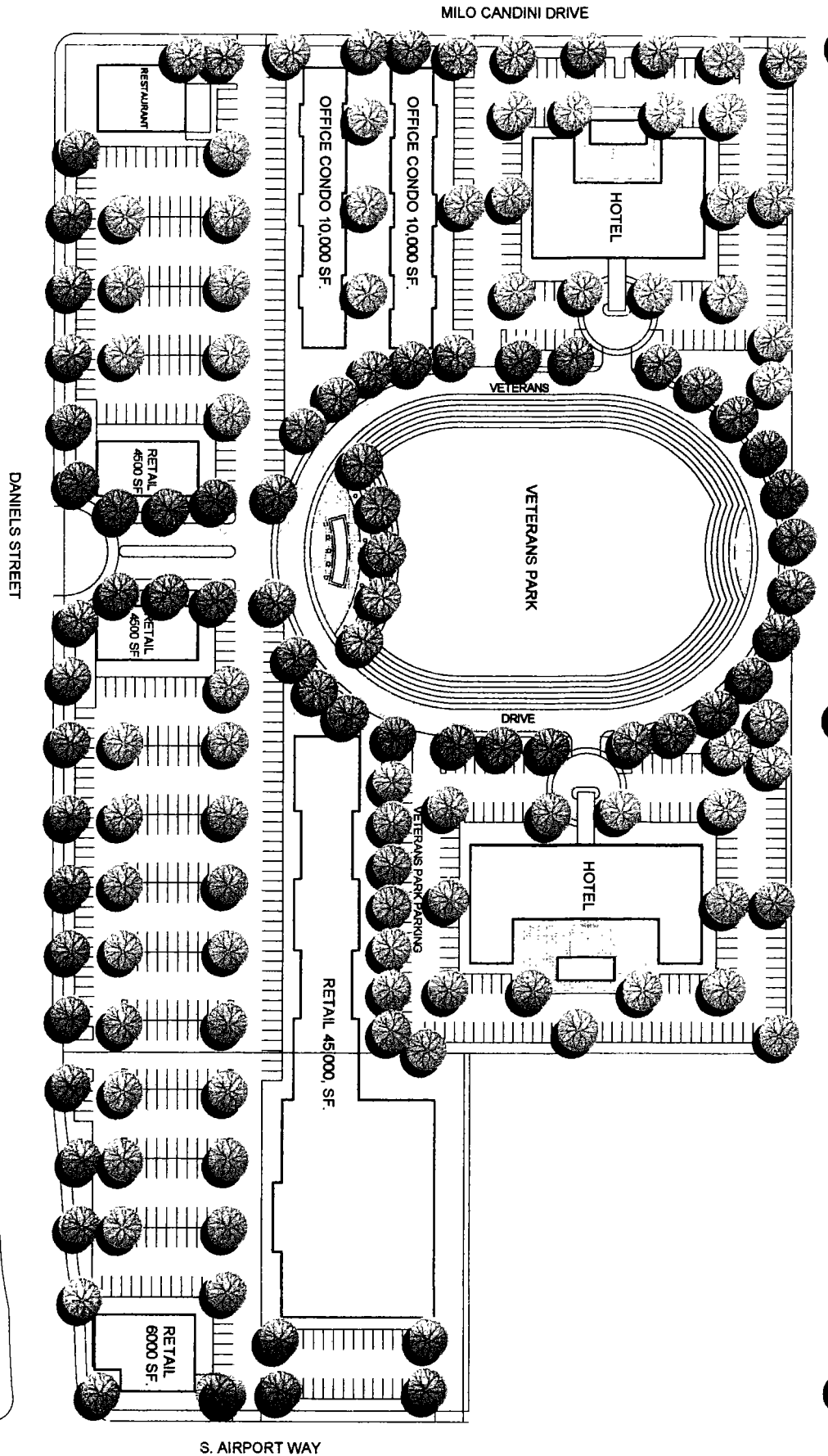
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partnered with a hotel development consultant, the Swahn Group. The principal of the Swahn Group has been involved in the hotel development business for 18 years and has completed the site selection and financing for over 100 hotel projects. For the last 10 years, the Swahn Group has been involved in developing 20 hotels in mostly Northern California. GC Wallace, an engineering and site planning firm with 37 years of experience, and Trainor Robertson, as legal counsel, are also identified as members of the development team.

This team proposes 2 hotels, a central park/picnic area/detention basin, and retail and restaurant uses with outdoor seating. The team proposes to incorporate the 2.8-acre Kitchell "North Phase" property if it is available. The first hotel would be a Courtyard by Marriott and the second would be either a Marriott Residence Inn or a Hilton Garden Inn depending on the experience with the first hotel. This team proposes to build the first hotel as soon as entitlements can be granted. The fairly detailed proposed business terms would have the team acquiring the first hotel site immediately and the phased acquisition of the remainder of the site over no longer than a four-year period and sooner if market conditions support it. They are proposing to pay estimated market value for the property.

Attachments: Evaluation matrix
 Site location map
 Terracommercial/Intermountain Proposal
 The Koehler Organization/Swahn Group Proposal

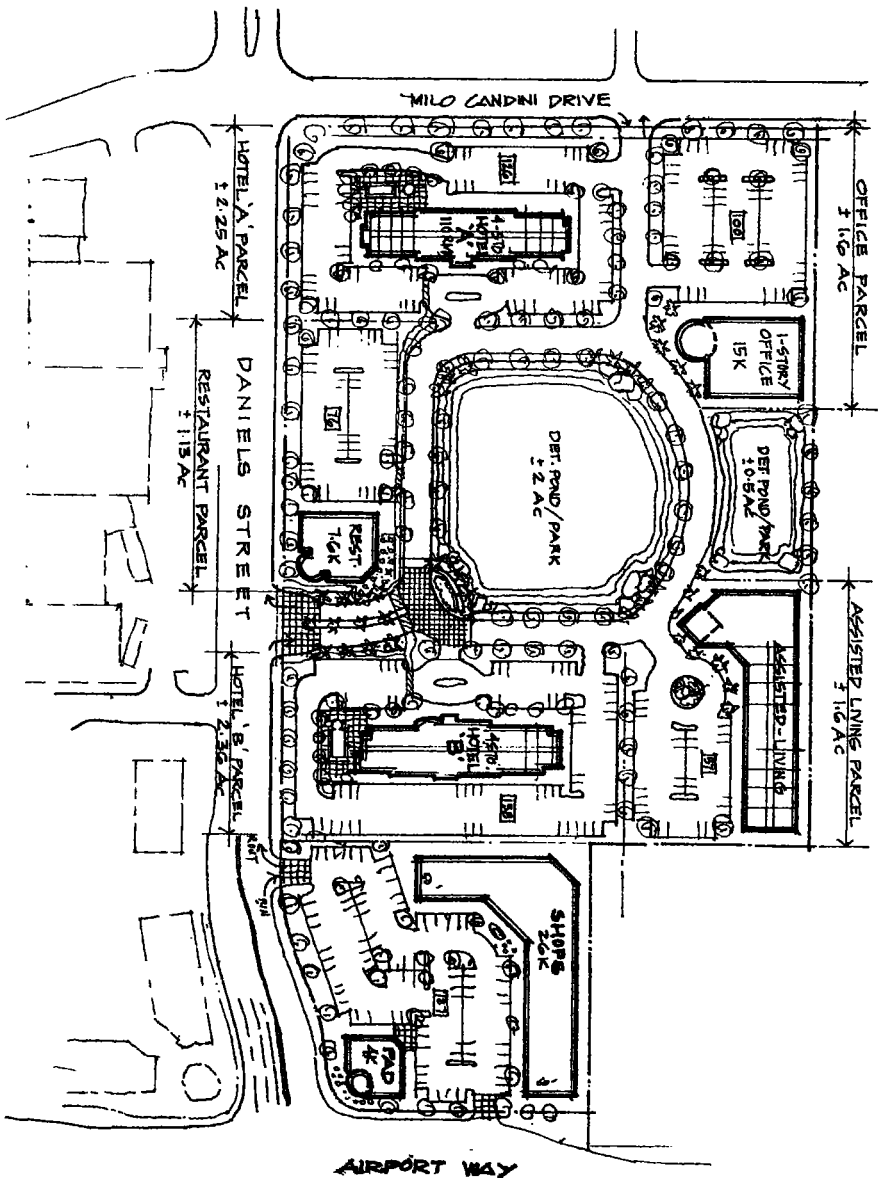
ATTACHMENT D



MANTECCA DEVELOPMENT

MANTECCA, CALIFORNIA

The
Hagman
Group



SUMMARY:
TOTAL SITE AREA: ± 16.28 AC (131.2 AC)
LESS DETENTION POND: ± 2.25 AC
ASSISTED LIVING PARCEL: ± 1.6 AC
GLA: 150,000 SF
OFFICE PARCEL: ± 1.6 AC
GLA: 150,000 SF
PARK PROVIDED: 100 SPACES
RESTAURANT PARCEL: ± 1.15 AC
GLA: 76,000 SF
PARK PROVIDED: 76 SPACES
HOTEL A PARCEL: ± 2.25 AC
GLA: 30,000 SF
PARK PROVIDED: 120 SPACES
HOTEL B PARCEL: ± 2.36 AC
GLA: 30,000 SF
PARK PROVIDED: 120 SPACES

SITE PLAN SCHEME B

NWC DANIELS STREET & AIRPORT WAY MANTECA, CALIFORNIA

Scale: 1" = 50'



PREPARED FOR: NWC DANIELS STREET & AIRPORT WAY
 PROJECT SITE
 1055 Dan Daniels Blvd, Suite 400
 Manteca, California 91108
 (916) 733-1111 (916) 733-1112
 info@nwc.com



DATE: 04.20.20
 REVISION: 04.17.21
 PROJECT: 1055 DANIELS STREET & AIRPORT WAY
 SHEET: 1055 DANIELS STREET & AIRPORT WAY
 SCALE: 1" = 50'

**BIG LEAGUE
DREAMS
TOURNAMENT
COMPLEX**

MILO CANDINI DR.

CITY OF
MANTECA

S. AIRPORT WAY

DANIEL STREET

KITCHELL
STADIUM
RETAIL
CENTER

MAY 25, 2006

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