



**DEVELOPMENT OPPORTUNITY
HOTEL DEVELOPER/OPERATOR
Premier Hotel Development Site (Site "C")
in**



**for
Garden Grove Agency for Community Development
11222 Acacia Parkway
Garden Grove, CA 92840
(714) 741-5120
www.internationalwest.com**



1.0 Introduction / Summary of the Offering

The Garden Grove Agency for Community Development (the "Agency") seeks proposals from interested developers/hoteliers to develop approximately three and eight tenths (3.8) acres of land located within the boundaries of the Agency's Redevelopment Project Area and the International West Resort District. The acreage area has the potential to expand by approximately seven-tenths (0.7) acres with the purchase of the adjacent "Sunbelt Property" (highlighted by an orange dash line) totaling the acreage area to approximately four and five tenths (4.5) acres (See Exhibit 1: Project Site Vicinity Location Map).

The land is comprised of certain property owned by the Agency and commercial property currently owned by third parties (collectively the "Site"). This request is for the private design, financing, construction, and operation of a high quality, up-scale, full-service hotel with up to four hundred (400) rooms with up to twenty to forty thousand (20,000 to 40,000) square feet of convention/meeting space, and required parking (the "Hotel Development").

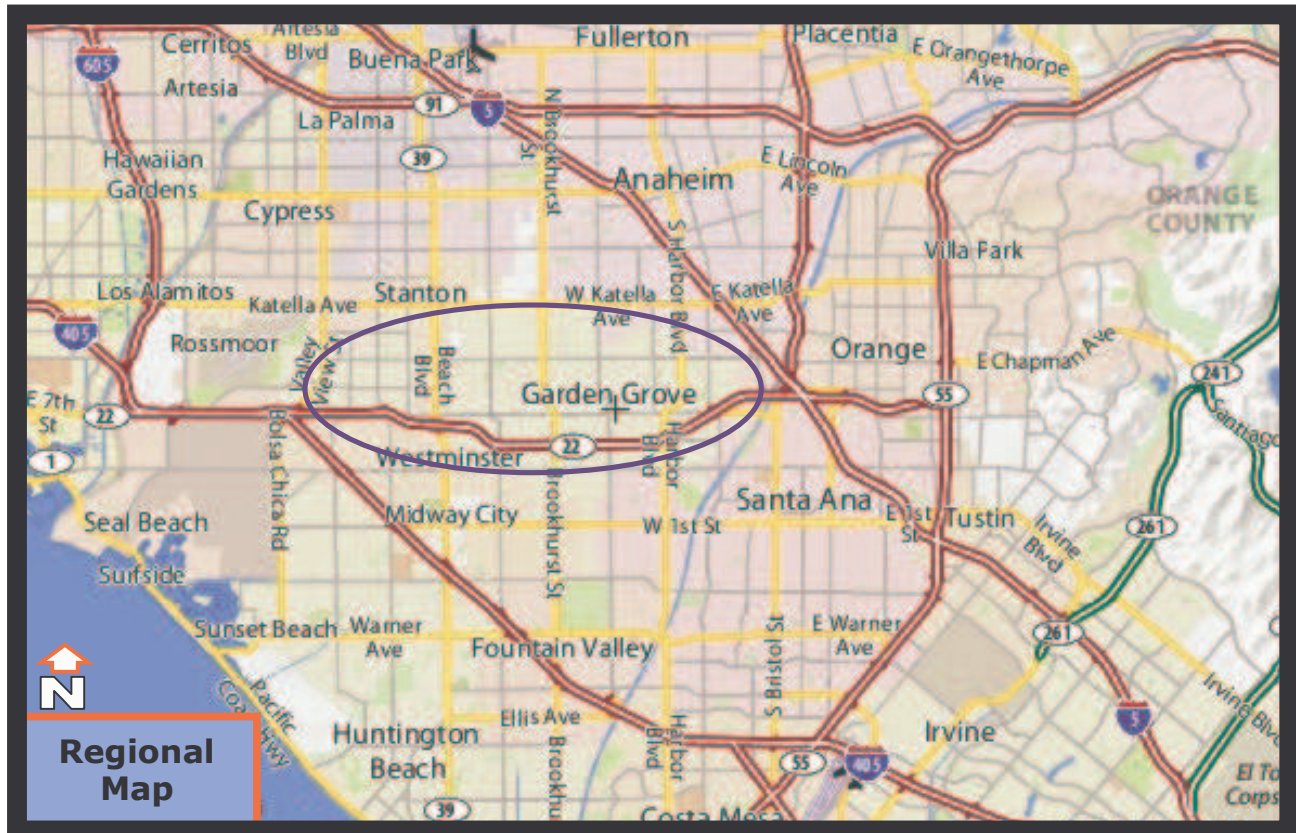
The Agency will consider proposals from development teams that demonstrate experience in developing quality, similar sized projects with a track record of delivering projects on time. Of key importance to the Agency is the proposer's proven financial capacity, access to capital and ability to fund pre-construction soft costs (i.e.: legal, environmental review, architectural design, engineering and permit fees) and hard construction costs. Please note, currently the Agency is processing the land use entitlements for the Hotel Development.

The Selected Developer and the Agency will enter into an Exclusive Negotiating Agreement (ENA) for a period not to exceed six (6) months. During the ENA period the Selected Developer will be required to undertake project design, complete any additional project environmental requirements, secure capital commitments and perform other due diligence. The ENA period will culminate in the execution of a Disposition and Development Agreement (DDA).

2.0 Background / City of Garden Grove

Garden Grove is a friendly, spirited and balanced community of 170,000 residents rich in diversity located in Orange County, California. Garden Grove is the fifth largest city in Orange County and is conveniently located less than one-mile from the Disneyland Resort (Anaheim), seven miles from Knott's Berry Farm (Buena Park), nine miles from the local beaches (Laguna Beach, Newport Beach, Huntington Beach), and 10 miles from John Wayne Airport. The City encompasses a total area of approximately 17.8 square miles.

Exhibit 1: Regional Location Map



3.0 Overview of International West

International West is Garden Grove's expanding and premier 560-acre resort destination, serving local visitors to international travelers with top-rate hotels, extensive convention/meeting space, and popular dining venues.

International West is located immediately south of the Disney Resort and extends for two miles along both sides of the six-lane Harbor Boulevard corridor past the Garden Grove State Route 22 (SR-22) Freeway to Westminster Avenue. The Disneyland Resort and Anaheim Convention Center anchor International West to the north and a proposed Garden Grove theme park at the south end of International West.

The area currently offers nine (9) hotels such as Candlewood Suites, Crowne Plaza Resort, Embassy Suites, Hampton Inn and Suites, Hilton Garden Inn, Holiday Inn Express, Homewood Suites, Hyatt Regency Orange County, Marriot Suites,

Residence Inn by Marriott and the Sheraton Hotel, and numerous restaurants including Buca di Beppo, Red Robin, Joe’s Crab Shack, Oggi’s Pizza and Brewing Co., and Outback Steakhouse.

4.0 Site Location

The Site is a primary North gateway to the International West Resort District. The Site is adjacent to the Garden Grove and Anaheim city boundary line and is highly visible from Harbor Boulevard (see Exhibit 3: Vicinity Location Map, page 7). The Site is within two miles of the Interstate 5 Freeway (I-5) with on and off-ramps on Harbor Boulevard (to the North) and Chapman Avenue (to the East). Additionally, the Site is one and one-half miles of the State Route Freeway 22 (SR-22) with on and off-ramps on Harbor Boulevard (to the South) and Garden Grove Boulevard (to the East). Harbor Boulevard is one of the primary entryways into Garden Grove.

Major arterials that connect to the Site are Chapman Avenue and Garden Grove Boulevard running in a west/east direction and Harbor Boulevard running in a north/south direction. The Site connects with the A) Disneyland Resort (1 mile North), B) Anaheim Convention Center (1 mile North), C) Angel Stadium of Anaheim (2 miles Northeast), D) Honda Center (2 miles Northeast), E) Knott’s Berry Farm (7 miles Northwest), F) local beaches (10 miles South), and John Wayne Airport (10 miles).

Exhibit 2: Photographs of Local Attractions



Restaurants located within walking distance from the Site on Harbor Boulevard are a Buca di Beppo, Red Robin, Joe’s Crab Shack, Oggi’s Pizza and Brewing Co., Outback Steakhouse, Coco’s Bakery Restaurant, McDonalds, El Pollo Loco, and a

Red Lobster. For those looking to purchase home items, apparel, accessories, electronics, and/or medical goods, there is a Target store and Walgreens Pharmacy.

Exhibit 3: Project Site Vicinity Location Map

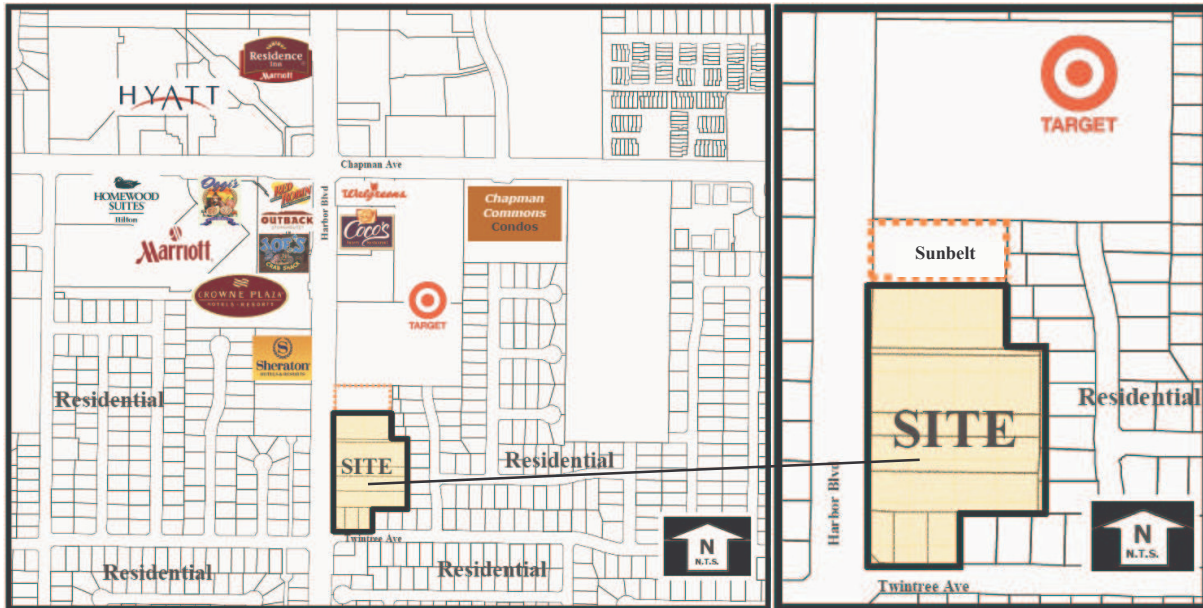


Exhibit 4: Aerial Photograph



5.0 Agency Financial Participation

The Agency seeks to limit its financial participation in the development of the Site. Beyond assisting in the assembly of the Site, any financial assistance towards a new development will be based upon such factors as market conditions, scope of development, cost of development, property acquisition costs (as applicable), relocation costs, demolition, risk incurred, estimated or actual profit, actual sales and/or rental prices of any facilities to be developed, public purpose and other matters relevant to establishing the fair market value. Typical Agency incentives would include the sharing of tax increment, sales tax, and hotel tax. The Agency receives .7% of tax increment and the City receives 1% of sales tax and 13% of transient occupancy taxes (hotel tax)

6.0 Project Description

The Agency seeks the development of an up-scale full-service hotel with four hundred (400) rooms and twenty to forty thousand (20,000 to 40,000) square feet of convention/meeting space and the required parking spaces.

Expected Hotel Amenities Include:

- Valet
- Business Center Services
- Conference/ Meeting Facilities
- Swimming Pool
- Pool Terrace and Seating
- Full-Service Restaurant with outside Patio Seating
- Fitness and Activity Facilities
- Free High Speed Data/Internet/ Wi-Fi
- 24-Hour Market/Convenience Shop
- Guest Laundry Facilities (Washer and Dryer)
- Additional entrance for Conventioneers

7.0 Preparation and Submission of Response to Request for Proposal

The Agency encourages submittals to this RFP to be in a format the respondent believes best expresses the qualifications of the Developer and its team. It is required, however, that the package include the elements described in this section, in the order requested. The submittal needs to clearly and concisely communicate the respondent's qualifications and financial capacity to build a hotel on the subject Site.

Section I - Executive Summary:

Identify all Developer team members. Highlight their experience with projects of this size and type. The summary should list the person who will serve as the principal point of contact with the Agency and will be authorized to make representations on behalf of the entity. Include an overview of the proposed hotel project and discuss the team's financial capacity.

Section II - Development Entity/Development Team:

Provide qualifications of the principal developer and the primary team who would directly participate in development of this project. Outline the roles and responsibilities of each proposed team member. One to two page resumes of key

staff assigned to the project should be included as well as supplemental materials such as company brochures.

The primary team member information must include company name; legal status; company or corporation number; company address including zip code; full names of company officers and their addresses, including zip code. The Developer must also provide names and addresses of all identified consultants such as architects, engineers, project manager, attorney, financial consultants, and financial institutions. If the entity is a joint venture, provide information on each partner and a description of prior working relationships.

Section III - Previous Relevant Development Experience:

Summarize pertinent experience participating in the successful design, financing, construction, and management of hotel projects of similar size and scope.

For the developer and architect, provide a description of at least three (3) urban infill projects similar to your vision for the Site "C" hotel site that were completed in the last five (5) years. Members of the team should have had a significant role in these past projects. For each project, please include the following:

- Project name and location.
- Project description (include role of development entity and unique challenges of the project).
- Current status of the project.
- Names and roles of other companies, organization, or partners involved.
- Financial structure of the project (cost, capital, financing, economic performance, etc.).
- Project schedule and whether the project was on schedule and within budget.
- Experience coalescing effective community support for the project.
- Photographs and/or other materials descriptive of these hotels should be included where possible.
- Provide a reference for each project including contact name, position, telephone number, and email address.
- Identifications of operator/manager and explanation if different from the proposed operator/manager for the project.

Section IV - Comparable Projects Development Approach:

Outline the development approach taken on each of the projects noted in the Relevant Development Experience section above, including the urban context, parking situations encountered, development team integration, and coordination among town/city/county officials.

Section V - Proposed Project Description:

Describe the proposed hotel. Provide the estimated total gross building area and number of stories. Include the number of rooms, number of parking and loading spaces, square footage of meeting room space, and other amenities to be provided for guests and/or the public. State the estimated value of the completed project. The project description narrative is to be accompanied with a conceptual plan of the proposed hotel consisting of a site plan and proposed design elevations.

Section VI - Proposed Hotel Management:

The proposed hotel could be brand-managed or a third-party operator could manage the Hotel. In either case, the Agency wishes to engage a development team that has a proven track record with the proposed brand/operator. Provide a Positioning Analysis that discusses the proposed brand/operator and why the selected brand/operator will perform well in the Garden Grove market. Include a letter of commitment from the proposed hotel brand/operator, which indicates familiarity with Developer's projects, concurrence with the type of hotel product being proposed, and its commitment to develop and/or operate a hotel on this Site.

Section VII - Approach to Financing and Ownership:

Provide a narrative description and outline of the team's expected approach to financing the proposed hotel. Provide descriptions of successful approaches to financing that the team has utilized for past deals. The team's track record should be supported with examples of real projects. As applicable, include discussions of ownership, land, debt, equity, and all public incentives that comprised the financing plans for these past projects.

Section VIII - Financial Capability to Implement Project:

Demonstrate the financial capability of team members. Submit the last three (3) years audited personal and/or corporate financial statements of the members of the team that would be expected to make an investment in the project. For publicly traded companies, reference to the most recent 10-K or 10-Q will suffice. Information requested in this section may be submitted in a separate envelope and marked "Proprietary and Confidential Information". The Agency will attempt to protect this information from disclosure to the greatest extent allowable by Law.

Provide a "Financial Proforma" and detailed "Development Cost Summary" including sources of funds (debt/equity). If the proposal includes the Agency's financial participation, the proposal should detail the type and level the Agency's exposure to additional financial risk and the City's and other participants' returns in consideration for their participation. Hotels that have a high number of long-term room stays exceeding thirty (30) days are not, for revenue reasons, encouraged at this Site. Proposals for an extended-stay product must provide data regarding the average length of stay.

Section IX - References:

References will be checked. Provide references with sufficient information to ensure easy contact. This should include company/organization names, titles, telephone numbers and email addresses for individuals who can provide information related to the following items:

- i. *Financial Sources* – Identify two (2) references that have provided members of the development team with debt or equity financing of the magnitude likely to be required for the proposed project.
- ii. *Public* – Identify two (2) agency, county, city or other public officials who have been involved with a project completed by members of the development team (e.g., city managers, redevelopment, economic development directors or staff).

iii. *General* – Provide the names of two (2) other contacts that could provide information about the experience and capability of members of the development team to complete the proposed project.

8.0 Format

Responding developers will format submitted information on 8 1/2 X 11 paper with one-inch (1”) borders. Developer must submit one (1) unbound original, six (6) spiral bound copies, and one (1) CD in PDF print-ready format. Proposers must submit their RFP response (original, copies and CD) in a sealed package.

Submittals, whether mailed or delivered in person must be addressed to:

Site “C” Hotel Development Opportunity/Developer Qualification

c/o Greg Blodgett, Senior Project Manager
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92842



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