

Affordable Accommodations – SAN, LLC

Atul Patel, Managing Member

M1B1, LLC - Page 28, 30 Redacted

March 7, 2019

Board of Port Commissioners,
Port of San Diego
3165 Pacific Hwy
San Diego, CA 92101

**RE: Proposal Response Cover Letter, Port of San Diego, RFP 18-19ME
Lower Cost Overnight Accommodations**

Dear Board of Port Commissioners,

Thank you for the opportunity to present our affordable lodging vision for the subject site.

Your proactive approach to welcoming this land use is refreshing, and our team looks forward to working with your Board in a cooperative manner to fine tune the proposed conceptual design, with a shared goal of creating the highest quality affordable lodging campus in the Nation. This is a unique public / private partnership, and your design critique is welcome. Upon winning the RFP competition, we look forward to engaging local design professionals to work with Port Staff and our team to achieve the best fine tuned design possible.

This site deserves a creative design approach that provides four distinct market segments of affordable lodging (to serve multiple guest profiles) enhanced by: public art, improved pedestrian connections to mass transit, improved streetscape, added green space, and fun urban design.

We believe you will choose us because our concept is: creatively designed, socially responsible, environmentally sensitive, and financially feasible. Also, our strong development team is equipped to work through the lengthy entitlement process, obtain financing, build the project, and undertake long term operations with high quality property management.

Please see Exhibit “1” for the completed Lessee Questionnaire – Form 317. As the authorized company member of the proposed development and property management group, I am able to enter into a binding agreement and authorize changes to the scope, terms, and conditions of the agreement if selected. Please feel free to contact me at the address, phone number and email address contained in the letterhead above.

Our team looks forward top working with you on this very exciting project that will provide a case study example of high quality affordable lodging.

Best Regards,

Atul Patel

Managing Member,
Affordable Accommodations – SAN, LLC

Affordable Accommodations – SAN, LLC
PROPSOAL
RFP 18-19ME SAN DIEGO BAY DEVELOPMENT OPPORTUNITY
LOWER COST OVERNIGHT ACCOMMODATIONS

IV, B, 3. a. - Approach to Project

Our team proposes to undertake the complete development process by overseeing the design, development, and long term operations of the proposed project. Our team recently completed the full entitlement process of two WoodSpring Suites (affordable extended stay lodging) projects in Metro Detroit, including a public / private partnership with the City of Farmington Hills, MI to develop a new public park and bike trail head. With over 80 years of combined experience with entitlements, construction supervision, and operations history, our team is well suited to undertake the subject project.

IV, B, 3. b. - Project Description

Please see our proposed conceptual site plan attached as Exhibit “2”. For further background on our theoretical basis of design for the site plan, please see Exhibit “3”. Your design critique is welcome, and upon winning the RFP competition, we look forward to engaging local design professionals to work with Port Staff and our team to achieve a mutually beneficial fine tuned design.

Four Different Market Segments Supplied

We propose to remedy the current undersupply of affordable lodging by supplying a spectrum of four different economy lodging market segments as follows:

Name	Building Type	Size (SF)	Rooms	Estimated Daily Rate	Lodging Type	Typical Length of Stay
Studio 6	New Construction 30' high, 3 stories	38,280	80	\$75	Extended stay with kitchenettes (Weekly stays & weekly cleaning)	1 to 3 weeks
Motel 6	New Construction 30' high, 3 stories	38,280	80	\$80	Nightly Stays, no kitchenettes (nightly cleaning)	1 to 7 days
ZZZ Pad	Recycled Shipping Containers (19' high, 2 stories)	8,960	56	\$70	Nightly Stays, Smaller Room (nightly cleaning)	1 day
Micro Concept	Annex Rehab, 1 Story (25% retail & 75% rooms)	10,000	100	\$30	Nightly Stays, Shared Common Areas	1 to 7 days
TOTALS		95,520	316			

Annex Building 10,000 SF Rehabilitation to Micro Units & Food Service

There is currently no food service within close walking proximity, and 316 new rooms plus the existing Port office staff is expected to create adequate demand for new food service. Therefore, we propose to rehabilitate 2,500 SF of the Annex building fronting Pacific Hwy for this purpose to be leased to a well qualified third party restaurant tenant. Proposed streetscape and sidewalk improvements to this area include: removing the existing concrete screening separating the Annex building from the sidewalk, and adding patio style sidewalk seating. This new retail space should be accessible and welcoming from the sidewalk. The remaining 7,500 SF of the Annex building will accommodate 100 micro concept (modified hostel) sleeping pods within 4,000 SF, and the remaining 3,500 SF will accommodate hostel common areas including: kitchen, living room, bathrooms, and laundry. We are inspired by a unique project in Singapore called “The Pod” and propose to design a similar concept. For details see: <https://www.thepodcapsulehotel.com> and this [video tour: The Pod, 1.5 minutes](#).

Architecture: Motel 6 & Studio 6

Please see Exhibit “4” for elevation renderings of the proposed Motel 6 and Studio 6 buildings, as well as interior renderings. This design by Mr. Mike Saarty (G6 Corporate architect) adds spice and modern flair to a functional three story wood frame rectangular building. Please note the four story rendering will be modified to three stories (with 30' height) for the subject site to meet the Coastal Commission's height limit.

Classic 6 Prototype Design

Mr. Saarty generously offered to explore creating a new design prototype for the subject site called “Classic 6”, which honors the retro character of early generation Motel 6 design (from the early 1960's) combined with modern amenities. It's interesting to note the first Motel 6 located in Santa Barbara is still in operation today. Upon winning the RFP, our team looks forward to undertaking this interesting and fun design exercise.

ZZZ Pad, Recycled Shipping Containers, 56 Rooms

The proposed ZZZ Pad rooms designed by Architect Brian Winkelmann utilizes 28 high cube recycled shipping containers measuring 9.5' high, 40' long & 8' wide. With two rooms per 40' container, each 160 SF room includes: double bed, desk, shower, toilet & sink. Please see Exhibit “5” for the example floor plan design.

Site Planning Elements & Amenities

In addition to the lodging and food service components, the site plan proposes:

- 1) Public art along streetscape with improved and enlarged sidewalk (subject to a future design competition)
- 2) Large "6" sculpture (surrounded by classic cars) within a pocket park between the three story hotel buildings
- 3) Swimming pool with water fall feature (built into earth bank) between the shipping container buildings
- 4) Six dedicated spaces for food trucks
- 5) Annex roof deck improved with roof trellis, green space and seating.

Parking Analysis

The 100 micro concept (hostel) pods & 56 shipping container rooms do not include vehicular parking, as these guests are assumed to use public transit or ride sharing services such as: Uber, Lyft, Jump, and Bird. Onsite facilities will be provided to accommodate these ride sharing services. Also, we propose to improve pedestrian connections from the subject site to the Middletown Trolley station and the Airport / rental car building bus stop located across Pacific Hwy on Admiral Boland Way.

With excellent mass transit (trolley station & airport bus stop) within close walking proximity to the subject site, we suggest a 50% reduction in vehicular parking from the conventional suburban parking standard of 1 space per hotel room. Therefore, 160 conventional hotel rooms would require 80 parking spaces, and our first draft site plan provides 106 spaces to be conservative.

The Port office building has 227 surface parking spaces accessible via pedestrian bridge from the subject site, and we propose to explore utilizing this parking lot for shared overflow hotel parking during the hotel's peak demand time (nighttime and weekends), which also corresponds with the office building's low parking demand time. Upon winning the RFP competition, we propose to engage a local transportation engineering firm to perform a formal parking analysis. We are open to revising the site plan to further reduce onsite parking spaces, thereby creating additional room for green space and additional lodging units based on the Port's willingness to share its 227 parking spaces and the recommendations of the parking analysis.

IV, B, 3. c. - Marketing Plan

Please refer to pages 9 -16 in the G6 Hospitality Corporate resume attached as Exhibit “7”. With 55 years of marketing experience and over 1,400 current hotel locations, G6 is an expert in this field.

IV, B, 3. d. - Project Design Concept Drawings

Please refer to Exhibits: 2 (site plan), 3 (thesis with basis of site plan design), 4 (Motel 6 & Studio 6 renderings), and 5 (ZZZ Pad floor plan) that were previously discussed above. Upon winning the RFP competition, we look forward to engaging local design professionals to work with your Board and our team to achieve the best design possible. This includes future streetscape improvements and pedestrian connections to the Middletown trolley station and the Airport bus station on Admiral Boland Way.

IV, B, 3. d. 2- Project Schedule

We estimate the project schedule as follows:

Approx. Date	Milestone Activities
May 2019	Our team wins the RFP competition
November 2019	Work with Port Commission refining design (6 months estimate)
November 2021	Complete master plan amendment & entitlement process (2 years estimate)
December 2021	Construction Commences (with 1 year estimated construction period)
December 2022	Grand Opening. Commence 66 Year Land Lease & Operations

IV, B, 3. e. - Project Team & Relevant Experience

Our strong development team is lead by Mr. Atul Patel, Managing Member of Affordable Accommodations – SAN, LLC (single purpose entity LLC to be formed for the purpose of developing this project). His resume is attached as Exhibit “6”. Mr. Patel is a successful economy hotel developer and operator of multiple brands including: Motel 6, La Quinta, and Red Roof Inn. His education includes a Bachelors degree in Economics from Emory University, and an MBA from Georgia State University. His current portfolio of seven hotels are located in Atlanta, GA, Birmingham, AL, and Kansas City. [Map Link: Mr. Patel's 7 Current Hotels.](#)

G6 Hospitality is the proposed Franchisor and their Corporate resume is attached as Exhibit “7”. G6 enjoys 55 years of continued growth with over 1,400 current hotels, and continued global expansion. Thus, the franchisee and franchisor have an ample track record to undertake this project.

Supporting Development Consultants

Upon winning the RFP competition, the development team proposes to engage Mr. Richard Ledford of Ledford Enterprises, Inc. as an adviser to help select local design and engineering professionals, and to help guide the project through the entitlement process. We understand and respect that local talent is needed to efficiently complete the entitlement process. Please see Exhibit “8” for Mr. Ledford's bio.

Other supporting development consultants include Mr. Brian Winkelmann, an architect based in Grand Rapids, Michigan with over 35 years of experience, and Mike Huszti, an urban planner and real estate developer with 25 years of experience that authored this proposal. Please see Exhibits “9” and “10” for their resumes.

IV, B, 3. f. - Capability to Perform

The development team proposes to finance the project with 35% equity and 65% debt, which we have found to be an acceptable method of funding new hotel construction. A separate financing memorandum is proposed to be furnished to the Commission with financing details (including financial statements) prior to the Commission site visit at the end of March. The development team has the ability to raise the required equity and debt to complete this project.

IV, B, 3. g. - Development & Operating Proforma

Please see Exhibit “11” for the the attached preliminary project budget, summarized as follows:

Budget Summary	Total	35% Equity	65% Debt
██████████	██████████	██████████	██████████
██████████	██████████	██████████	██████████
██████████	██████████	██████████	██████████
██████████	██████████	██████████	██████████

The combined Studio 6 and Motel 6 proforma attached as Exhibit “12” yields an expected unleveraged stabilized return of 8.2%. The Micro Concept proforma and ZZZ Pad proforma is not included in this analysis, however an unleveraged return of 9% is expected. A detailed financial analysis will be included in the upcoming financing memorandum referred to in section IV, B, 3. f. This memorandum will also provide a suggested allocation of the \$6.3 million of fund available from the In Lieu fees.

IV, B, 3. h. - Development Example for Representative Site Visit

We propose Port Staff visits the new Studio 6 and Motel 6 located near Dallas, TX. After this site visit, we propose to visit the G6 Hospitality Corporate office in Dallas to see the showroom examples of the prototype designs.

V. B. Risk Mitigation

Our team proposes to engage in the risk mitigation procures outlined on pages 21 and 22 of the RFP regarding items 1 through 10.

Exhibit “1”

Lessee Questionnaire - Form 317

Exhibit “2”

Conceptual Site Plan

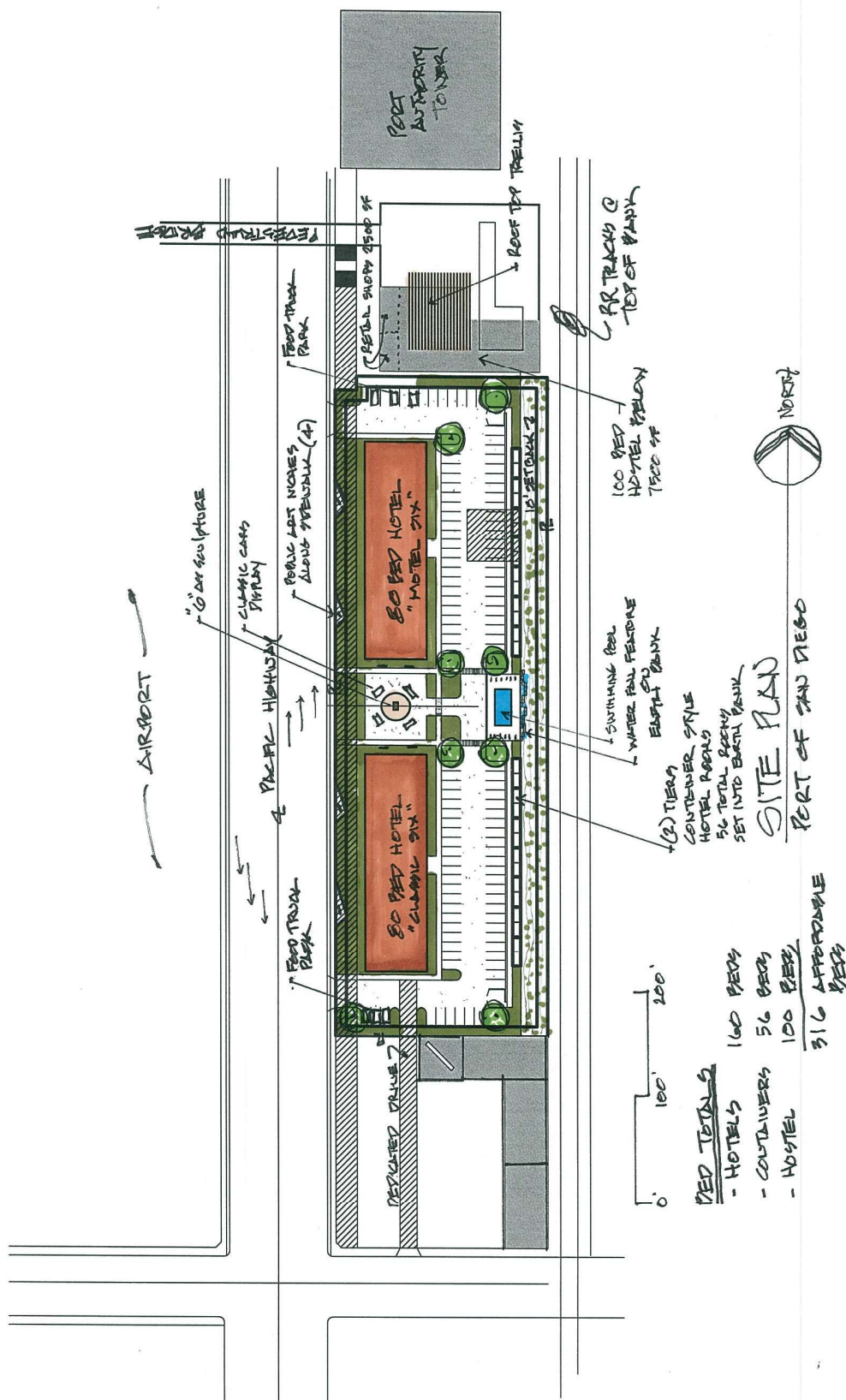


Exhibit “3”

Theoretical Basis of Design for Site Plan

Exhibit “4”

Architectural Renderings, Motel 6 & Studio 6



motel 6 & studio 6

REIMAGINED. REINVENTED. THE ALL NEW 6.

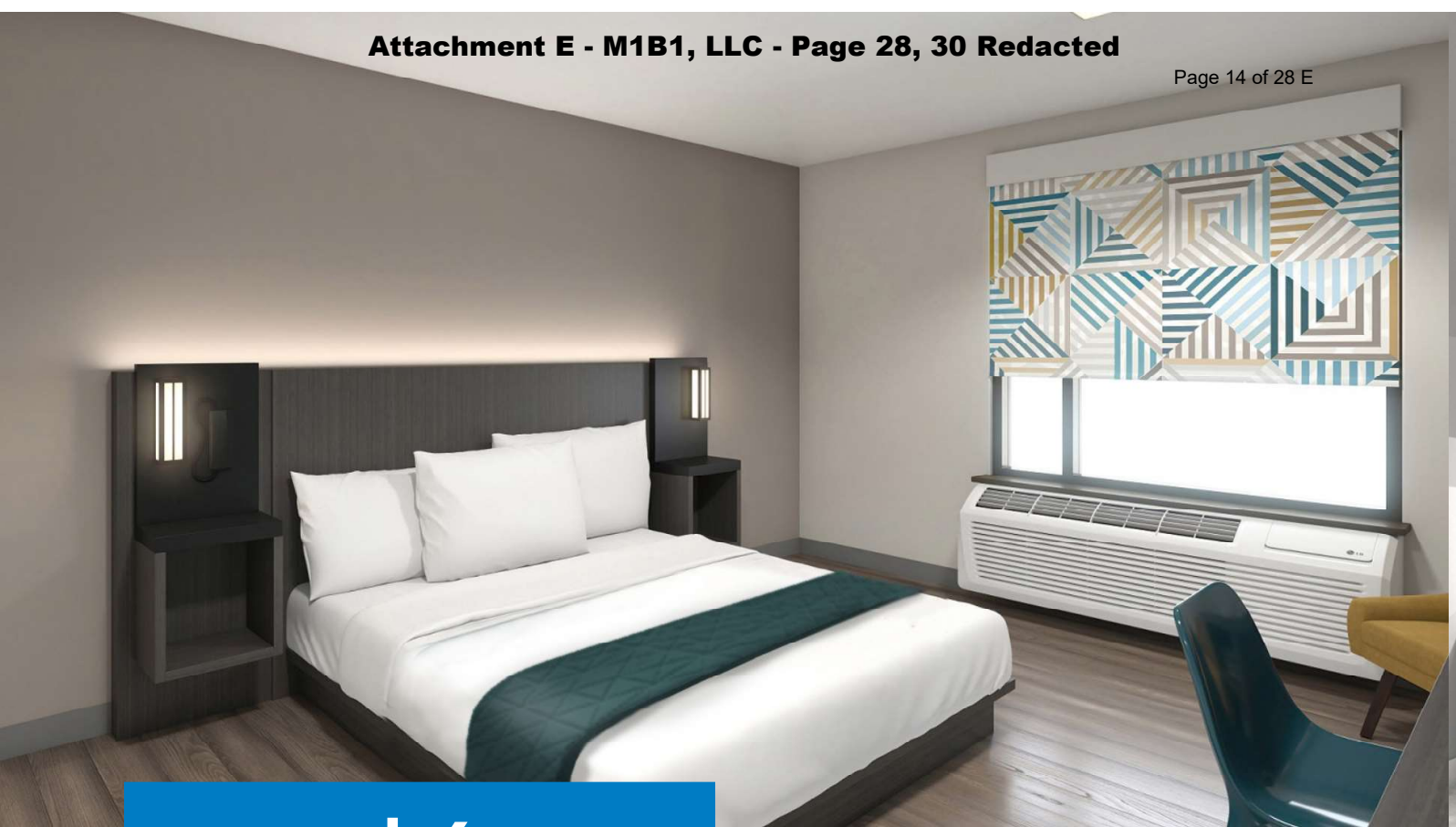




The G6 Promise

We operate our business with expertise, ambition, and creativity. We challenge and reinvent the economy lodging business-building on the iconic heritage of a great experience to our guests, team members, franchisees, and partners. We embrace franchising based on fairness, honesty, trust, and communication, providing an environment for long-term successful partnerships.

THIS IS OUR PASSION. THIS IS OUR PROMISE.



motel 6

AN ICONIC AMERICAN BRAND.

As a Motel 6 franchisee, your location will enjoy immediate recognition with a name famous for creating the concept of economy lodging more than 55 years ago. We are focused on growing your bottom line and minimizing your expenses. As an owner/operator we stay focused on the brand, and on the same goals as our franchisees.

- Motel 6 is known across the country for its industry leading growth and franchising opportunities, and innovative designs.
- Motel 6 boasts one of the most recognized advertising campaigns, "We'll leave the light on for you®". Our annual marketing support includes national television, network radio, outdoor billboards, digital advertising, email, and public relations activities.



THE BOTTOM LINE

NET
OPERATING
INCOME

44%*

AVERAGE
OCCUPANCY
79%*

AVERAGE
DAILY RATE
\$74*



REIMAGINED. REINVENTED. THE ALL NEW 6.



Our new prototype was designed with our franchisees in mind, offering construction and operational efficiency as well as flexibility on their investment, all while remaining true to our Brand promise. Choose to build or convert a Motel 6, a Studio 6, or a Dual Brand property. The choice is yours.



With 55+ years of experience in managing award winning brands, G6 Hospitality owns, operates and franchises more than 1,400 economy lodging locations under the iconic Motel 6 brand and the Studio 6 Extended Stay brand.

G6 Hospitality is a Platinum Founding Member of the Asian American Hotel Owners Association.





studio 6

WHY CHOOSE STUDIO 6?

Backed by the national recognition of Motel 6, Studio 6 has a reputation for quality, comfort and value with extended stay travelers. With Studio 6 positioned at the upper end of the economy segment, there is no better time than now to join Studio 6.

-The extended stay segment consistently outperforms U.S. hotel averages, and continues to show growth, offering new opportunities to franchisees.

THE BOTTOM LINE

NET
OPERATING
INCOME

53%**

AVERAGE
OCCUPANCY
73%**

AVERAGE
STAY [†]
10+ DAYS



Exhibit “5”

ZZZ Pad (Shipping Container) Floor Plan

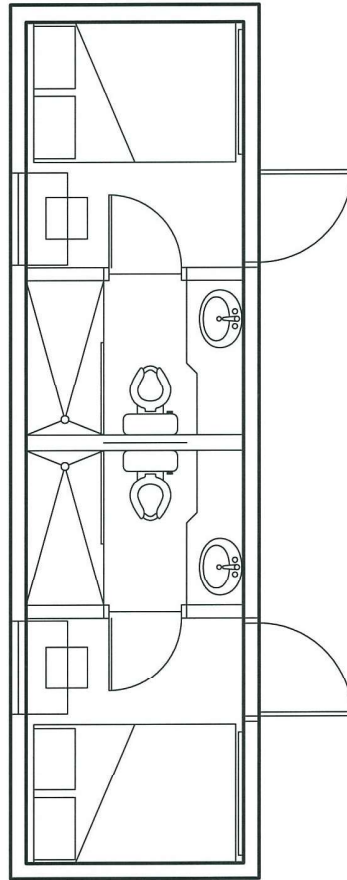


Exhibit “6”

Mr. Atul Patel, Resume

ATUL G. PATEL, CHO**8031 Highpoint Drive**Summary of Qualifications

Strong managerial, analytical, and financial skills; Able to implement effective methods of management to enhance company growth and profitability; Extensive experience in employee management and customer service; Able to work well under pressure, meet deadlines, and manage multiple projects; Excellent communication skills, team oriented, and dedicated. Experience in various aspects of business development, acquisition planning, real estate development, hotel operations and project financing.

EXPERIENCE:

Asha Management, Jonesboro, GA

(08/99 – Present)

Asset Manager

Oversee all business activities for the company, including management of commercial retail space, hotels, and general construction new build and renovations.

Advisory role to all property managers who manage daily business operations; responsible for ensuring strong customer relationships, and provide support for nontraditional issues like major maintenance or renovation projects, governmental issues, and customer complaints.

Responsible for negotiating companywide contracts for improving sales, service, and quality control by on property managers.

Analyze P&L's to optimize cost-management while keeping service level at a maximum.

Pinpoint existing operational weaknesses and implemented proactive management techniques to maximize sales and profits while improving quality of customer base.

Plan and oversee improvements in design and management within businesses while keeping within strict budgetary guidelines.

Liaison to multiple franchisors, responsible for brand satisfaction, managing brand standards, and building strong positive relationships.

Supervise property managers on Human Resource topics, including hiring and training; innovative in boosting employee morale and improving work efficiency.

EDUCATION:**Masters of Business Administration in Finance**

Georgia State University - Atlanta, GA

Bachelors of Arts in Economics

Emory University - Atlanta, GA

CONSTRUCTION PROJECTS:

Red Roof Inn & Suites, Locust Grove, GA	New Construction
Citgo Express, Locust Grove, GA	New Construction
Dairy Queen, Locust Grove, GA	New Construction
Grove Plaza, Locust Grove, GA	New Construction
Sundown Suites, Jonesboro, GA	New Construction
La Quinta Inn & Suites, Locust Grove, GA	Renovation
Red Roof Inn, Locust Grove, GA	New Construction
Econolodge, Conley, GA	Renovation
Econolodge, Kalamazoo, MI	Renovation
Red Roof Inn, Birmingham, AL	Renovation
Best Western, Brewton, AL	Renovation
Laquinta Inn & Suites, Newnan, GA	Renovation

AWARDS & ACCOMPLISHMENTS:

2003 Red Roof Franchise of the year runner up
 2005 Red Roof Franchise Advisory Council
 2009 Certified Hotel Operator, (CHO) AAHOA
 2013 Appointed to Georgia Governor's tourism board
 2014 Laquinta Brand Council
 2018 Appointed to GA Hotel & Lodging Assoc. Board

2004 Red Roof Franchise of the year
 2007 State of GA General Contractor's License
 2010 Board Of Director for AAHOA, GA Region
 2014 Ambassador for AAHOA, GA Region
 2017 Red Roof Franchise Advisory Council

BIOGRAPHY: as of 03/30/2017

Atul Patel, born in England in 1968, moved to the United States in 1979 and settled in South Georgia with the first family hotel. After graduating high school he attended Emory University and earned a Bachelor's degree in Economics in 1990. After completing an MBA in Finance in 1994 from Georgia State University, he accepted his first management position as an interim GM for a hotel in Downtown Tampa, FL. In 1995, Atul started back full time in the family business running hotels with his Father.

Since 1999, he has served as the Asset Manager over the family properties and General Contractor for the Real Estate Development Group, building his first new construction project in Locust Grove GA in 2001. Since, Atul has overseen numerous multi-million dollar new construction and renovation projects including the NexGen Red Roof Inn and LaQuinta Inn & Suites in Locust Grove, GA.

Atul had served on the Franchise Advisory Council for Red Roof from 2005 thru 2010. He was elected to serve on the AAHOA Board of Directors as the North Georgia Regional Director in 2010. He holds a Certified Hotel Operator (CHO) designation from AAHOA, and is a Lifetime Member. In 2013 he was elected by the governor of Georgia, to serve as a member of the Georgia Tourism Board. In April 2014, he was appointed to serve a three year term on the LaQuinta Brand Council.

In the 2010, and 2011 AAHOA BOD terms, Atul received a chairman's award as a member of the revenue committee for excellence in vendor relations.

In the 2012 AAHOA BOD term he received another chairman's award for his work on the AAHOA Emarket procurement Project and his progress for converting non-members to member using the Emarket platform as a tool for justifying ROI of a membership with AAHOA.

Currently, Atul has been appointed to serve the Red Roof Franchise Advisory Council again, and also most recent is serving a board seat on the GA Hotel & Lodging Association.

Current Management:**Consulting Agreements:**

Econolodge Conley GA	Sundown Suites, Jonesboro, GA
LaQuinta Inn & Suites, Newnan, GA	Country Inn & Suites, Fairburn, GA
Red Roof Inn Locust Grove, GA	
Red Roof Inn Birmingham, AL	
Motel 6, Lenexa, KS	

Exhibit “7”

G6 Hospitality Corporate Resume

Exhibit “8”

Mr. Richard Ledford, Bio

BRIEF BIO FOR RICHARD S. LEDFORD

Richard S. Ledford began his career in public service in 1974. Well versed in local and state government, Mr. Ledford has served as chief of staff to former California State Assembly Member Robert C. Frazee, the Honorable Susan Golding, former Mayor of San Diego, and the Honorable Ernest J. Dronenburg, former Chair of the California State Board of Equalization. In 1999, Mr. Ledford established Ledford Enterprises Incorporated, a service firm providing advocacy service to business clients in the San Diego Region and the West Coast of the United States. His current and past clients include foreign states, high tech companies, international business ventures, major resort companies, multi-state developers, professional sports teams, and various regional non-profits. As LEI expanded services into the Asian markets, Mr. Ledford formed the Zardoz Corporation, a Philippine based corporation, to engage in trade and business opportunities between the Republic of the Philippines and the People's Republic of China.

Mr. Ledford has served as past chair of the Board of Directors for the San Diego World Trade Center, former member of the Board of Directors of the San Diego Regional Chamber of Commerce, past Chair of the American Red Cross San Diego/Imperial Counties Chapter, former member of the Board of Directors of the Committee of 100, past Chair of the Board of Directors for Meals-on-Wheels Greater San Diego, former member of the Board of Directors for the San Diego Symphony, past chair of the San Diego Business Healthcare Connection, past chair of the Board of Directors for United Way of San Diego County, past chair of San Diegans for Healthcare Coverage, as well as a past chair of the Board of Directors of the NTC Foundation. Mr. Ledford also serves as a member of BIOCUM San Diego where he co-chairs the Legislative Committee. Past community board service includes the Advisory Board of Directors for the Automobile Club of Southern California, the Chicano Federation Gala Committee, the San Diego Chapter of the United Negro College Fund, and the U.S. Attorney's Hate Crimes Working Group. Mr. Ledford is one of three Americans given Honorary Citizen status in the Jiangsu Province of the Peoples Republic of China.

Mr. Ledford holds a BA in Political Science from the University of San Diego and a Master of Public Administration from San Diego State University.

12/3/18

Exhibit “9”

Mr. Brian Winkelmann, Resume

Exhibit “10”

Mr. Mike Huszti, Resume

Exhibit “11”

Preliminary Project Budget

Exhibit “12”

Combined Motel 6 & Studio 6 Proforma