

REQUEST FOR PROPOSALS AND QUALIFICATIONS
FOR
DISPOSITION AND DEVELOPMENT OF 13650 HARBOR BOULEVARD



Issued by:
THE CITY OF GARDEN GROVE
ECONOMIC DEVELOPMENT DIVISION
December 14, 2015

INTRODUCTION

The City of Garden Grove (City) is issuing this Request for Proposals and Qualifications (RFP/Q) to select a developer to acquire and develop City owned property located at 13650 Harbor Boulevard (the "Property"). The Property is approximately 1.45 acres and is located just south of the Garden Grove Freeway, which is also known as State Route 22, in the City of Garden Grove.

It is the intent of the RFP/Q to provide a general description of the City's vision for the future use of the Property, including the potential development and planning considerations, guiding objectives, submission requirements, and the process that the City will use to evaluate submissions, and determine the developer's qualifications.

The Property is located in close proximity to the City of Garden Grove's resort area known as the Grove District. The Grove District, as part of the Anaheim Resort is a burgeoning tourist area that is becoming Southern California's ultimate destination, comprised of ten (10) modern hotels, with more than 3,600 hotel rooms and over 105,000 square feet of event space. The current hotel occupancy for Grove District hotels is over 83% annually.

One of the main criteria for evaluating the RFP/Q will be the developer's strategy for long term economic revenue return for the City as well as the highest purchase price for the Property. The importance of economic development in Garden Grove is stated in the City's General Plan and is two fold: 1) To enhance the City's revenues to have the financial resources to increase the prosperity of its residents through the delivery of quality police, fire, housing, recreation, transportation, and other services, and 2) To increase the City's economic position and provide final solvency.

This RFP/Q process will be used to select the most qualified developer based on the submitted materials required herein and that best demonstrates the capability to successfully reposition the Property. The RFP/Q review process will be facilitated by the City of Garden Grove's Economic Development Division, and City staff members, as well as economic consultants. The RFP/Q will also be reviewed by other City divisions and internal committees such as the Economic Development Improvement Committee (EDIC). EDIC committee members will also assist in determining the top three proposals. The top three proposals will be presented to the Garden Grove City Council. The City Council will have the ultimate decision in the selection of the successful developer.

The RFP/Q will be made available on-line, please check the City's web site for further information, for updates and addenda. RFP/Q responses are due by 4:00 pm, January 18, 2016. We look forward to your submittal.

PROPERTY DESCRIPTION

The Property is owned entirely by the City of Garden Grove. The Property is comprised of two (2) separate parcels. The Property is zoned C-3, which allows for a variety of commercial land uses (see Zoning Matrix, Attachment 4). The goal of the City is to obtain the highest and best land value and residual land value. The Property is currently improved with a 17,216 square foot automotive facility and a paved yard with 150 parking spaces. The lot size of both parcels is approximately 63,217 square feet. The Property is on the east side of Harbor Boulevard which is a major arterial street. The Property has daily traffic volumes of over 66,000 (one of the highest traffic volumes in the City).

The Property has visibility from Harbor Boulevard, Trask Avenue as well as the State Route Garden Grove 22 Freeway. This Property is approximately four (4) miles south of Disneyland and only one (1) mile south of the Great Wolf Lodge Southern California.

AERIAL MAP



DEVELOPMENT GUIDELINES/USE

The City seeks a qualified developer to acquire the Property at its highest value, and to plan, finance, and develop the Property with either retail, commercial, or a mix of retail/commercial and/or hospitality use, which will provide the City the

greatest long term revenues from use and operations at the Property. The Property is zoned C-3 Commercial and allows a variety of uses. The City is encouraging developers to propose approved land uses such as New Car Auto Sales or Hotel development.

ZONING MAP



PURCHASE PRICE FOR THE PROPERTY

The City’s asking price for the Property is \$4 million. This RFP is designed to provide qualified developers with the opportunity to propose an approach for acquisition and development of the Property that maximizes the economic value of the Property, and addresses both the established economic development goals of City and urban design aspects of concern to the community. The City does not have a preference as to the ultimate use of the Property, however one main criteria for evaluation of this RFP/Q will be the developer’s strategy for long term economic return for the City.

The City retains the following revenues from commercial activity in the City:

- A. State Sales Tax 1% sales tax

B. County Property Tax	11 % of the 1% assessment
C. Transient Occupancy - Hotel Tax (TOT)	14.5%

DEVELOPMENT FEES FOR THE PROPERTY

Development of the Property is subject to all City fees, Development Impact Fees, as well as County and School District Fees. The City Fee schedule is included in this RFP as an attachment.

ENVIRONMENTAL ANALYSES FOR THE PROPERTY

Developers will need to coordinate with City Departments where required, in order to obtain environmental approvals for the developer’s project as proposed.

METHOD OF CONVEYANCE

The method of conveyance for this transaction will be a sale of the Property in fee subject to a disposition and development agreement.

SUBMISSION PROCEDURES: THE RFP/Q PACKAGE

Interested developers must submit the following information (“RFP/Q Package”) in accordance with the requirements of this RFP/Q.

Please submit twelve (12) bound hard copies of all the submission documents identified in this RFP/Q and an electronic copy in a PDF format saved to a CD or USB flash drive addressed as follows:

***Attn: Greg Blodgett
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA, 92840
Tel. (714) 741-5124***

Submission Due Date

To be considered, an RFP/Q Proposal must be received not later than 4:00 PM on January 18, 2015. Proposals may be hand carried, mailed to be received by the due date, or delivered by messenger. Electronic submissions will not be accepted.

Proposals Submittal Contents

The submission must include the following elements, which should be answered as completely as possible and in the order provided below.

- A. Cover Letter

- B. Developer Information
- C. Acquisition Price and Development Proposal Concept
- D. Developer's Financial Capacity

A. Cover Letter/Executive Summary

Please include a cover letter which will serve as the Executive Summary of the major points contained in the proposal and must be signed by a principal or officer authorized to represent and commit on behalf of the firm(s). The Cover letter should be no more than two (2) single spaced pages and shall include the name, address, phone number and email address of the proposer's lead contact person.

B. Developer Information

1. Basic Information

- a) State the official name of the corporation, address and the names and titles of the proposer's principals, name of the Principal-in-Charge and Project Manager. Identify the individual who will execute documents for the development entity and basis of authority.
- b) Indicate the form of legal entity (e.g., individual, limited partnership, nonprofit corporation, general partnership, joint venture, for-profit corporation, limited liability company, etc.) and any relationship the development organization may have with a parent corporation, subsidiaries, joint ventures or other entities.
- c) Submit one copy of the proposer's Articles of Incorporation, partnership, or other business organizational document(s) (as appropriate) filed with the California Secretary of the State. Organization must be in good standing and authorized to do business in California.

2. Development Team

Provide the name, title, address, telephone and fax number, email address and resumes for key development team members, including, but not limited to, and to the extent known at this time: the developer, architect/designer, landscape architect, sustainability consultant, proposed general contractor (if known), market analyst, parking specialist and other consultants who would work with the developer on the project. Please provide an organization chart that identifies key contacts and the relationship between team members. Explain the intended role of each development entity or partner and the responsible party in each entity.

- 3. As part of this RFP, please submit only public financial documentation such as annual reports or other public financial data, which represents the development

entity's financial capability. Do not submit any confidential financial information at this time.

4. References: Three references, one of which must be a bank or financial institution reference, including name, title, company or agency and telephone numbers and project connection. Include any references for development that included Public Private Partnerships.

C. Development Proposal Concept

1. In narrative form, please provide a description of the design concept, rationale, and development program, including mixes of uses, if any. Include a summary of uses and floor areas. The submittal should include statements indicating how the design concept satisfies the development objectives and conditions identified in the RFP/Q.
2. Provide a conceptual site and floor plan illustrating proposed site and building configurations, pedestrian and vehicular circulation and access points, open space, streetscape, back of house service functions and landscape treatment.
3. Provide a conceptual elevation and/or perspective rendering of proposed development illustrating building massing and architectural character. The developer will be expected to present their conceptual design ideas to Garden Grove Staff and to the Garden Grove City Council.
4. Describe the parking component of the project including how and where the required parking spaces will be located, and discuss how ingress and egress will be managed so as not to impact existing traffic circulation. Parking and other development standards are contained in Section 9.16.040 of the Garden Grove Municipal Code, which is published on the following Internet website:
<http://www.qcode.us/codes/gardengrove/>
5. The developer must include a preliminary schedule of performance, closing of escrow and development steps outlining the estimated time for each step and phase (if appropriate), including a summary "time line" or other similar graphic representation of the development process. Also include a time line for the developer receiving entitlements. Include timeline for designing the project, financing the project, commencing and completing construction, lease negotiations, marketing and final occupancy.

D. Developer's Financial Capacity

As part of this RFP/Q the developer is to submit only public financial documentation such as annual reports or other public financial data, which represent the development entity's financial capability and capacity for bonding. Please submit the following:

- a) Two copies, not bound or stapled, of audited financial statements (i.e. balance sheet and income statement) for the last two (2) years.
- b) The developer is to Provide evidence of liquid assets sufficient to cover predevelopment costs.
- c) The Developer is to Provide Three (3) references, one of which must be a bank or financial institution reference, including name, title, company or agency and telephone numbers and project connection.

PRELIMINARY RFP SCHEDULE (The following are outside dates and subject to change.)

Issuance of RFP by City	December 14, 2015
Deadline for submission of proposals to City	January 29, 2016
Review by City Staff and Consultants	2-4 Weeks
Selection City Council Review	TBA

PROPOSED PREDEVELOPMENT PROCESS FOR THE PROPERTY

The following are the sequential events for the selected developer:

1. A developer is selected by the City and designated as the developer for the purposes of completing negotiations of an Agreement.
2. An Exclusive Negotiation Agreement (“ENA”) will be prepared and presented for City Council approval.
3. Negotiations on Disposition and Development Agreement (“DDA”) commence. The DDA will describe, in detail, the conditions of property transfer and development of the property.
4. City Council considers the DDA for approval.
5. Developer, with the assistance of City Planning Division, commences entitlement planning and other predevelopment work.
6. Design, entitlement, and financing arrangements completed.
7. Conditions precedent to conveyance include design approval by City, developer’s building permits obtained, and developer’s submission of evidence of financing to City.
8. City conveys title of the Property to the developer, after conditions precedent are satisfied, financing closes, and construction of improvements commences.

SELECTION PROCESS AND CRITERIA

After proposals are submitted, the City's selection of a developer for the Property will involve a three-step process:

Step One: Evaluation of all proposals by City staff, Selection Committee, and consultants.

Step Two: Possible interviews with one or all of the proposers by the Selection Committee, City staff, and consultants.

Step Three: Recommendation to the City Council for selection of a developer for exclusive negotiations. The evaluation will be based on criteria that includes the following:

Value: The value to the City being offered in terms of the purchase price for the Property and long-term revenues to the City offered by the proposed development of the Property.

Experience: The developer's experience in developing projects of comparable size, scale and complexity. This will include the physical and financial size and scale of the comparable projects. An important consideration here is the current status of the comparable project and an assessment as to the extent to which the project was completed on time and on budget.

Public/Private Projects: The developer's experience in working with the public sector in public/private real estate development projects.

Development Team: The experience of the developer's team in working together.

Financial Capacity: The developer's proven ability to raise debt and equity capital for development of projects of a comparable size. This includes the developer's or development team's financial net worth.

Urban Design: The high quality urban design aspects of the developer's previous projects will be considered.

GENERAL CONDITIONS

The following general conditions apply to this submittal:

1. **General Guidelines for Content:** The response to the RFP shall be clear, concise, and detailed enough to enable the selection committee to make a thorough evaluation and arrive at a sound determination as to whether the proposed development concept and development team meet The City's requirements.

2. Duty to Inquire: Before submitting a response to the RFP, respondents must carefully read all sections of this RFP and fully inform themselves as to all conditions and limitations. Should a respondent find discrepancies in or omissions from the RFP documents, or should the respondent be in doubt as to their meaning, the respondent shall at once notify the City. Such notifications and questions must be in writing, and must be received by at least ten (10) calendar days before the submission of proposals deadline.
3. Explanation to Respondents: The City reserves the right to interpret or change any provision of this RFP at any time prior to the submission data. Such interpretations shall be in the form of an addendum and will be made available on the City's website. Verbal explanations will not be binding. The City, in its sole discretion, may determine that a time extension is required for submission of proposals in response to the RFP. In such a case an addendum will detail the new proposal submission deadline.
4. Right to Judge Representation: The City shall be the sole judge of the acceptability of a respondent's written or oral representation.
5. Failure to Conform/Proof of Representation: Any response to the RFP that modifies or fails to conform to the essential requirements or specifications of the RFP will be considered non-responsive and unacceptable. The City may require whatever evidence is necessary relative to the respondent's financial stability. The City also reserves the right to request further information from the authorized representative of a respondent, either orally or in writing. A written request for additional information will be addressed to the authorized representative of the respondent.
6. Truth and Accuracy of Representations: False, incomplete, or non-responsive statements will be cause for rejection of the response to the RFP. The evaluation and determination of the fulfillment of the above requirements will be The City's responsibility and its judgment will be final.
7. Rights to RFP Information: Information disclosed in the response to the RFP and attendant submissions will become the property of The City. There will be no public opening of proposals. Price and other compensation information will not be made public until the successful developer is selected and presented to the City Council for consideration. Upon receipt by the City, proposals are considered a public record and subject to disclosure under the Public Records Act. Further, after the award of the DDA by the City, whether or not a proposer is the successful developer, all material in proposals received by the City shall be subject to the right of the public to inspect and to obtain copies. The City shall retain all proposals submitted in response to this RFP for as long as the City is required to do so under the law.
8. Disclaimer: This solicitation does not commit the City to select one of the proposals or developer, to award a contract or to pay costs incurred in the preparation of a response to this RFP or to procure a contract for any

services. The City, in its sole discretion, may reject any and all submittals. The City is not responsible for any non-refundable deposits paid to the City, should City terminate the negotiations prior to the execution of an agreement.

9. The City reserves the following prerogatives to:
 - a. Accept or reject any or all proposals;
 - b. Waive or modify minor irregularities in proposals received;
 - c. Eliminate mandatory qualifications unmet by all proposers;
 - d. Disqualify proposals that fail to meet the mandatory qualifications;
 - e. Require clarification from any proposer for the purposes of assuring a full understanding of responsiveness to the requirements of the RFP;
 - f. Negotiate with any or all proposers, within the proposal requirements, to best serve the interests of the City;
 - g. Utilize any or all ideas submitted in the proposals received unless those ideas are covered by legal patent or proprietary rights; and
 - h. Award contract(s) for any or all parts of a proposal.

List of Attachments

1. City General Plan Economic Development Element
2. Economic Development Strategy
3. PKF Hotel Study