

REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF A SITE LOCATED IN DOWNTOWN SAN DIEGO AT CEDAR STREET AND KETTNER BOULEVARD

Opportunity to enter into a long-term ground lease with the County of San Diego for development of a site in the Little Italy neighborhood of Downtown San Diego

RFP Distribution/Advertisement: March 11, 2016

RFP Submittal Deadline: June 20, 2016



CEDAR & KETTNER SITE

Little Italy – San Diego California



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Table of Contents

1.0	Introduction & Overview	1
1.1	Purpose of Solicitation.....	1
1.2	Project Background	1
2.0	Solicitation Schedule, Instructions and County Contact.....	3
2.1	Solicitation Schedule	3
2.2	Submission Instructions.....	3
2.3	County Contact	5
2.4	Questions.....	5
3.0	Site Overview	7
3.1	Site Description.....	7
3.2	Project Scope	8
3.3	Allowable Uses.....	8
3.4	Review of Planning Documents.....	9
3.4.1	Downtown Community Plan	9
3.4.2	Centre City Planned District Ordinance.....	9
3.4.3	Downtown Design Guidelines	9
3.5	Property Due Diligence.....	10
4.0	RFP Requirements & Developer Responsibilities.....	11
4.1	Submittal Cover	11
4.2	Table of Contents.....	11
4.3	Ground Lease Proposal Terms.....	11
4.4	Project Team.....	11
4.5	Project Narrative.....	12
4.6	Project Design.....	13
4.7	Project Financing Plan & Supporting Pro-Forma	14
4.8	Project Schedule	15
4.9	Form of Ground Lease Review.....	15
4.10	Project Personnel.....	15
4.11	Developer Responsibilities	15
5.0	Evaluation Criteria.....	18
5.1	Proposal and Development Team	19
5.2	Financial Capabilities	19
5.3	Project References.....	19
6.0	Disclosures and Additional Information	21
6.1	County’s Rights Pertinent to this Solicitation.....	21



6.1.1	Approval	21
6.1.2	County Commitment	21
6.1.3	Late, Modified or Withdrawn Proposal	21
6.1.4	Knowledge of RFP and Proposal Conditions.....	21
6.1.5	Diligence Material	21
6.1.6	Duty to Inquire	22
6.1.7	Explanation to Proposers	22
6.1.8	Debrief and Review of Contract Files	22
6.1.9	News Releases	22
6.1.10	Claims against the County	22
6.1.11	Employment Offers	23
7.0	Appendices.....	25
	Appendix A – Site Specific Documents and Reports	26
	Appendix A.1 – Site Map and Description	26
	Appendix A.2 – Preliminary Title Report (Property)	26
	Appendix A.3 – ALTA Survey (Property).....	26
	Appendix A.4 – Seismic Report (Property).....	26
	Appendix A.5 – Environmental Report (Property).....	26
	Appendix A.6 – Environmental Impact Report (Property).....	26
	Appendix A.7 – Health & Safety Plan (Property)	26
	Appendix B – Ground Lease	27



1.0 Introduction & Overview

1.1 Purpose of Solicitation

The County of San Diego (“County”) is a political subdivision of the State of California. The County operates pursuant to State of California law and a charter and is governed by an elected five-member Board of Supervisors. The County provides a full range of general government services including police protection, detention and correction, public assistance, health services, recreation, library, flood control, public works and facilities, inactive waste management, airport management and general financial and administrative support.

The County is seeking proposals from development teams selected from the County’s recent Request for Statement of Qualifications (“RFSQ”) process for the opportunity to enter into a long-term ground lease with the County for the development of two parcels (“Site”) consisting of County Parcel 2014-0210-B (approximately 8,581 square feet) and County Parcel 2014-0210-C (approximately 16,989 square feet), located in the vibrant Little Italy neighborhood of Downtown San Diego. This Request for Proposals (“RFP”) is intended to identify and engage a development team that has a demonstrated track record and capacity to successfully design, entitle, build, finance and operate a mixed-use, Class-A multi-family project on the Site. Respondents will be asked to submit fully developed project concepts for all components of the project, including preliminary design drawings, financing strategies and financial proformas. One of the primary objectives of the County through this RFP process is to maximize ground lease revenue by entering into a long-term ground lease agreement with a developer who will develop the Site to its full potential consistent with applicable zoning and design guidelines.

1.2 Project Background

In March, 1985 and July, 1998, the County acquired the property known as the Cedar/Kettner site (“Property”) (Assessor Parcel Numbers 533-322-04, 05, 06, 07, 09, and 10). The Property is located in the Little Italy neighborhood of San Diego, and consists of a portion of a full city block bounded by Cedar Street on the north, Kettner Boulevard on the east, Beech Street on the south and a railroad/Metropolitan Transit District right-of-way to the west. The construction and recent completion of the nearby Waterfront Park at the County Administration Center created a need to relocate employee parking to another location.

On June 19, 2012, the County was authorized to award two contracts on the Property: (1) to prepare and demolish all existing structures and (2) for a design-build parking structure to accommodate the County’s employee parking needs (the Phase I improvements on the Property). The County’s parking structure has been completed and serves County employee parking needs during regular office hours or as needed by the County after regular office hours. During evenings and weekends when the structure is not needed by the County, it is available as paid parking for use by the general public. Since the parking structure does not use the entire Property, the County desires to select a development team to enter into a long-term ground lease with the County for the development of the Site with a mixed-use, Class-A multi-family project consistent with the zoning and design guidelines for the Site.



In April 2015, the County issued a Request for Information to gauge developer interest and proposals for potential projects for the Site. A majority of the respondents expressed interest in developing the Site with a residential mixed-use project including market rate housing, affordable housing, veteran housing, senior housing and micro-housing.

On September 29, 2015 the County's Board of Supervisors authorized County staff to proceed with a 2-step process for the issuance of an RFSQ (Step 1) and this subsequent RFP (Step 2) seeking proposals for the ground lease and development of the Site. The County issued the RFSQ on November 13, 2015 to qualify and shortlist potential development teams to progress to this RFP phase. The respondents to the RFSQ were asked to provide detailed information regarding their proposed development teams (subject to certain minimum requirements) in addition to demonstrating financial capability and a history of comparative projects. This RFP is being issued to those teams that meet the minimum qualifications outlined the RFSQ.



2.0 Solicitation Schedule, Instructions and County Contact

2.1 Solicitation Schedule

The solicitation, receipt and evaluation of the RFP responses and the process for selecting a development team are anticipated to follow the time frame below. The County reserves the right to alter the dates listed below at any time. In the event of any changes to the schedule, addenda to the RFP will be posted at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html.

Issuance of the RFP	March 11, 2016
Deadline for Submittal of Questions regarding the RFP	May 31, 2016
Submittal Due Date for RFP	June 20, 2016
Board of Supervisors Acceptance of Responses	June 21, 2016
Interviews of team (IF NEEDED)	August 2016
Negotiations with selected respondent(s)	August 2016

The County may issue an addendum up to three business days prior to the “Submittal Due Date for RFP”. **It is the respondent’s responsibility to monitor the County web page for addendums.** The actual timing and sequence of events resulting from this RFP shall ultimately be determined by the County.

2.2 Submission Instructions

Proposals shall not exceed a total of seventy-five (75) pages, including any appendices and required forms, using a minimum type size of 11. Each respondent shall submit one unbound original copy, ten (10) hard copies and one “high quality” digital PDF file (on a flash drive or CD) delivered: **JUNE 20, 2016, BY 12:00 pm** directly to:

**County of San Diego
Real Estate Services Division
Attention: Hugh Rowles, Senior Real Property Agent
5560 Overland Avenue, Suite 410
San Diego, California 92123**

With prior notice and coordination, proposals may also be submitted directly to staff at the Board of Supervisors meeting on June 21, 2016 9:00 am.

Incomplete submittals, incorrect information, or late submittals may be cause for disqualification, which shall be at the County’s sole discretion. **Copies received by e-mail or fax will not be accepted.**

All response documents become the property of the County, may be subject to disclosure under the California Public Records Act (Gov. Code § 6250, et seq.), and must comply with the following:



- a) Respondents shall submit separate exhibits in separate files for the proposal package, including, if applicable, a separate exhibit for any confidential/proprietary components of their submittals as discussed below.
- b) Respondents shall submit a completed proposal package.
- c) Respondents shall organize content to correspond to the applicable question or requirement. All forms, responses and attachments shall be sequentially numbered to correspond to the applicable question or requirement.

Confidential or proprietary information shall only be included in a separate exhibit to the completed proposal package, contained in a separate sealed envelope and labeled "Exhibit - Confidential/Proprietary," with all pages in the exhibit marked as such. Responses that include the confidential or proprietary information shall refer to the response contained within the Confidential/Proprietary exhibit (for example: If a submittal requirement requires staff Social Security Numbers, the response to the requirement shall refer to the section of the Confidential/Proprietary exhibit where a Social Security Number was required).

In accordance with the California Public Records Act, the County will not treat pricing or terms and conditions as confidential. Confidential/Proprietary exhibits will be examined prior to review, and price or terms and conditions may be removed or the County may declare a proposal non-conforming because of the inclusion of price or terms and conditions in the Confidential/Proprietary exhibit.

All proposals become the property of the County. A respondent may request the return of its proposal upon withdrawal as specified in Section 6.1.3 and the County, in its sole discretion, may grant or deny the return of a proposal.

It is understood and agreed by the respondent in submitting a proposal that the County has the right to withhold all information regarding this solicitation until after the lease contemplated by this RFP is approved by the County's Board of Supervisors and fully executed. After the execution of the lease contemplated by this RFP, records related to this RFP may be subject to the disclosure requirements of the California Public Records Act (Gov. Code § 6250, et seq.).



2.3 County Contact

Interested parties should direct inquiries and submit their RFP responses (marked and entitled “Cedar and Kettner Development RFP”) to:

County of San Diego
Real Estate Services Division
Attention: Hugh Rowles, Senior Real Property Agent
5560 Overland Avenue, Suite 410
San Diego, California 92123
Telephone: 858-694-2317
Fax: 858-694-2369
E-mail: Hugh.Rowles@sdcounty.ca.gov

2.4 Questions

All questions and communications should be in writing and sent via e-mail directly to the County Contact person at the address listed above in Section 2.3. Questions and requests for clarification related to definition or interpretation of this RFP shall be submitted in writing prior to **5:00 p.m. on May 31, 2016**. No questions will be accepted via telephone and oral explanations or instructions shall not be considered binding on the County. An addendum will be issued in response to any questions. No other communications with County officials, be it either elected or staff, should take place during the selection process in an effort to influence the selection process. Any attempt to influence the selection process could result in the disqualification of the respondent’s proposal.



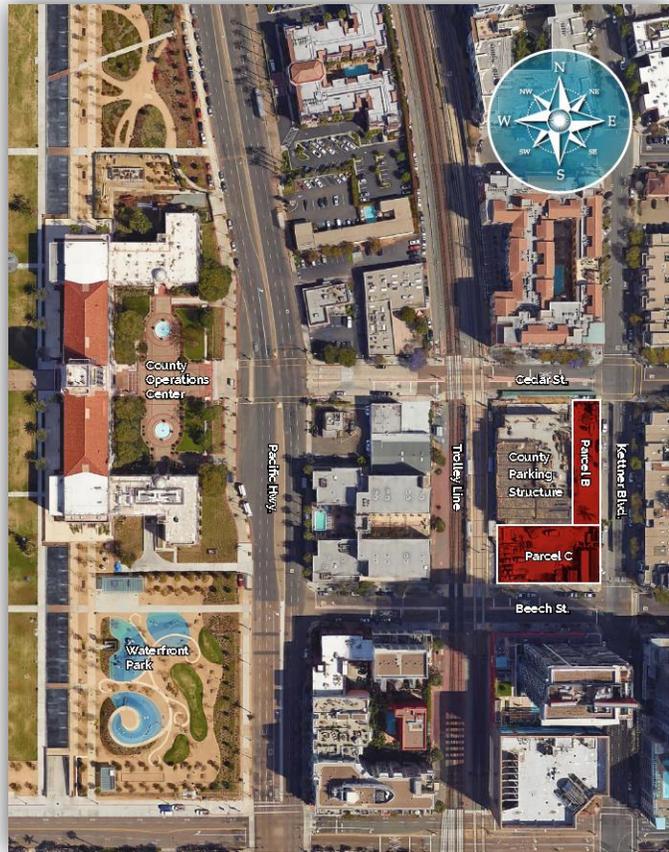
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3.0 Site Overview

3.1 Site Description

The Property is located in the vibrant Little Italy neighborhood of Downtown San Diego and consists of an entire city block which measures approximately 52,500 square feet. The Property is bounded by Cedar Street to the north, Kettner Boulevard to the east, Beech Street to the south and a railroad/Metropolitan Transit District right-of-way to the west. On Parcel 1 (County Parcel 2014-0210-1 - approximately 27,007 square feet) located at the northwest corner of the Property, the County has completed construction of a 640-space parking structure that is used by County employees during regular office hours or as otherwise determined by the County and is available as paid parking for the general public during evenings and weekends. The Site consists of the remaining two parcels on the Property. Parcel 2 (County Parcel 2014-0210-B - approximately 8,581 square feet) is located on the northeast section of the Property and Parcel 3 (County Parcel 2014-0210-C – approximately 16,989 square feet) is located on the southern portion of the Property. The County anticipates ground leasing the Site for future development.



The Site has outstanding access (.6 mile) to Interstate-5 and enjoys a prime location a few short blocks to North Embarcadero, the County’s Waterfront Park, Horton Plaza shopping mall, San Diego Padres’ Petco Park, San Diego Bay and Balboa Park. The Site is very well served by local bus routes and also boasts a light rail station (County Center / Little Italy Station) directly on its western edge making the Site a prime and rare transit-oriented development opportunity.

3.2 Project Scope

The County anticipates entering into a long term ground lease for the two undeveloped parcels [Parcel 2 and Parcel 3]. A full map of the Site can be found in Appendix A.1.

Parcel 2 (CPN: 2014-0210-B)

- Approximately 42 feet x 203 feet
- 8,581 total square feet
- .197 acres

Parcel 3 (CPN: 2014-0210-C)

- Approximately 98 feet x 175 feet
- 16,989 total square feet
- .39 acres

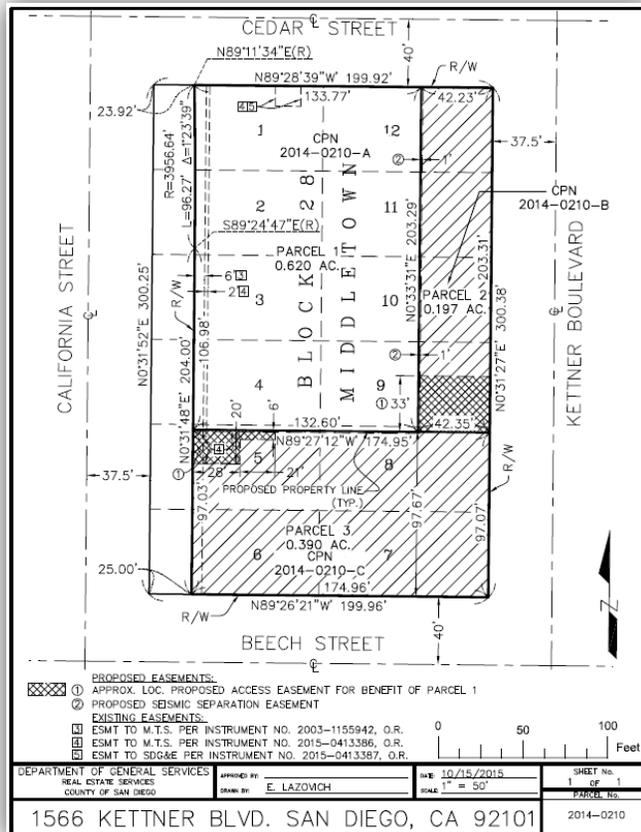
As shown on the site map, the County will be reserving an approximately 33-foot wide access easement at the southern edge of Parcel 2 with sufficient height to allow ingress-egress to the County's parking structure located on Parcel 1, and a required path of ingress-egress easement on Parcel 3. Improvements on Parcels 2 and 3 will need to accommodate for the County's easements, but development will be allowed above the easements.

Parking for the private development will need to be accommodated on the Site. The County is open to development scenarios that incorporate the use of the County's parking structure's ingress/egress points as well as its ramping and circulations. Proposed access through the County's parking structure should acknowledge the County's right to change circulation patterns or parking stalls within the parking structure. The County's parking structure has been constructed to allow the possibility of access from the County garage into Parcel 3 for new parking within the Site.

It is the County's expectation that the developer will enter into a long-term ground lease with the County and will be responsible for designing, entitling, financing, building and operating any proposed development on the Site. The County will consider a lease term of between 60 years to 99 years.

3.3 Allowable Uses

The Site is zoned as Residential Emphasis (RE) and lies within the Little Italy Sun Access (LISA) overlay zone of the Centre City Planned District Ordinance (PDO). The RE zoning allows for a variety of uses (office, hotel, and retail) but requires at least 80% of the gross floor area to be residential uses. The Site



is zoned CCPD-R and the zoning allows for minimum floor area ratio (“FAR”) of 3.5 and a maximum FAR of 6.0. FAR bonus may be earned and/or purchased allowing for a maximum FAR of 8.0.

3.4 Review of Planning Documents

RFP respondents should review the City of San Diego’s General Plan, Downtown San Diego Community Plan, the Center City Planned District Ordinance, the Downtown Design Guidelines and all other relevant documents to understand all of the development standards for the Site prior to preparing design concept narratives and basic concept drawings.

3.4.1 Downtown Community Plan

The Downtown Community Plan (Plan) focuses on promoting a mixed-use environment and strategies to achieve building intensities to ensure efficient use of available land in downtown. In addition, the Plan establishes several kinds of incentives and exemptions to promote desirable civic benefits which include encouraging retail development along active streets, affordable housing and a FAR bonus program to promote development of parks and public infrastructure.

The goals of the Downtown Community Plan are supported by the Plan’s “Guiding Principles” which provide the platform for the detailed policies of the Plan and implementing ordinances. These Principles envision a world-class downtown which blends together a neighborhood of diverse incomes, a broad array of supporting stores and services and plentiful opportunities for living in close proximity to jobs, transit and shopping. The goals have been shaped by input from community members and stakeholders, research into overall existing conditions and opportunities, enduring historical and cultural attributes and specific issues such as economic and market conditions.

3.4.2 Centre City Planned District Ordinance

The purpose of the Centre City Planned District Ordinance (CCPDO) is to establish land use regulations and design and development criteria to implement the Downtown Community Plan. This Ordinance is intended to establish regulations that will:

- Establish downtown San Diego as the physical and symbolic heart of metropolitan San Diego as well as the regional administrative, commercial, and cultural center;
- Reinforce transit with a pedestrian emphasis;
- Link together a collection of unique, diverse and memorable neighborhoods within downtown, with a full complement of uses, distinctive streetscapes, character and scale; and
- Reconnect downtown’s neighborhoods to the waterfront, Balboa Park, and the surrounding neighborhoods.

3.4.3 Downtown Design Guidelines

Based on the Plan and the Guiding Principles outlined above, the Downtown Design Guidelines (“Guidelines”) are intended to provide a blueprint that will further enhance the natural beauty, physical character and livability of downtown San Diego. The Guidelines, when utilized in conjunction with neighborhood-specific guidelines and the Centre City Planned District Ordinance (CCPDO), will help



achieve the vision and guiding principles of the Plan, resulting in San Diego's continued prominence as a distinctive, world-class downtown. The Guidelines provide a framework for 4 major areas -- Urban Design Framework, Street Corridor Guidelines, Blocks & Buildings Guidelines and Public Art Guidelines.

3.5 Property Due Diligence

Every effort has been made to confirm the accuracy of the information contained in this document and its attachments. While County believes all information in this document is correct, it does not guarantee the accuracy and assumes no responsibility for any inaccuracies. Potential respondents are encouraged to perform their own due diligence and investigations prior to submitting any response.



4.0 RFP Requirements & Developer Responsibilities

A complete, concise and professional response to this RFP will enable the County to identify the most qualified respondent. Respondents must demonstrate their project concept, design and supporting financing plan necessary to successfully design and develop the proposed project as described in Section 3.

Respondents shall follow the format described below. The contents of the submittal must be clear, concise and complete. Proposal submissions shall not exceed a total of seventy-five (75) pages, including any appendices and required forms, using a minimum type size of 11. Respondents shall submit one unbound original copy, ten (10) hard copies and one “high quality” digital PDF file (on a flash drive or CD), along with one separate sealed envelope containing the Confidential/Proprietary exhibit, if applicable.

Each section of the RFP response shall be tabbed and labeled in the order show below.

4.1 Submittal Cover

The submittal cover shall include the title of the RFP, submittal date, the lead respondent, principal contact, address, telephone number, fax number, email address and web site address if applicable.

The Cover Letter shall be signed by a principal or officer authorized to represent and legally bind the firm(s). **The letter must acknowledge that any development on the Site will be subject to a non-subordinated long-term ground lease without an option to purchase.**

4.2 Table of Contents

The table of contents shall be complete and clear indicating section headers and pages.

4.3 Ground Lease Proposal Terms

Respondent should provide a detailed proposal for ground lease payments for the Site based on the information provided in respondent’s pro-forma (Section 4.7). Critical elements of the ground lease proposal will include, but not be limited to:

1. Total monthly and annual amounts of ground lease payments;
2. Term of ground lease (County will consider a lease term of between 60 years to 99 years);
3. Timing of the start of ground lease payments and any contingencies associated with the proposed timing;
4. Periodic adjustments to ground lease payment amount and cause for adjustment; and
5. Proposals for a bulk / upfront payment.

4.4 Project Team

The development team directly involved in the day-to-day management of this project shall be identified in an Organization Chart along with the roles of each individual in the project. This section



should also delineate the roles and relevant background experience of each key development team member who would be directly involved in the timely implementation of the project and the allocation of responsibilities among the team members for each phase of the project and management of the interface risk between them. Respondent should:

- 1) Identify by name the project manager who will be responsible for the day-to-day management of the project at the design and construction phase;
- 2) Summarize the roles and responsibilities of any other key member of the team;
- 3) Describe how often and through what mechanism (in person meeting, conference calls, etc.) the developer will interface with the County throughout the pre-development and development process;
- 4) Detail the respondent's approach to subcontracting and sub-consultants. The respondent may, but is not required to, identify specific subcontractors and sub-consultants to be included on the respondent's team, provided that to the extent that any subcontractor or sub-consultant is identified herein, the respondent may not remove or replace such subcontractor or sub-consultant from its team without the prior approval of the County; and
- 5) Detail the respondent's general approach to the project management and oversight throughout the term of the Project with respect to day-to-day project management and reporting, scheduling, cost management, document management and risk management.

4.5 Project Narrative

Respondent shall provide a narrative description regarding the respondent's vision for the Site. The project narrative should aim to develop the site to its full potential consistent with applicable zoning and design guidelines. The project narrative should build upon the vision set out by the development team in its response to the County's RFI (if applicable) as well as in the Statement of Qualifications (SOQ) in the RFSQ.

The project narrative should provide a high level summary of the proposed development and architectural concept including:

- a) Description of the building(s), height, number of stories, square footage (gross and rentable), and square footage devoted to each use, materials to be used and type of construction;
- b) Describe how parking will be integrated into the plan, and the proposed number of spaces and their location. Please also describe how this number was reached and whether it will adequately serve the use on the Site as required by zoning;
- c) Depict and discuss the aesthetics of the project as it relates to the adjoining parking structure;



- d) Identify and discuss how the adjoining County parking structure will continue to operate uninterrupted throughout development. Discuss the relationship of the neighboring parking structure with the Site; include in the discussion the incorporation of safe pedestrian and vehicle access into the design;
- e) Describe how the project will address site and building utility infrastructure. Include in the description how existing utility easements will be addressed within the Site;
- f) Discuss your teams experience and general approach for addressing potential soil contamination which may exist on site;
- g) Developers should be aware of surrounding conditions, including a high pressure gas line within the public right of way which, depending on the project proposed, may require relocation. Developers are encouraged to contact SDG&E and perform their due diligence of the surrounding conditions prior to design;
- h) Describe plans to engage with Metropolitan Transit System during the design and planning stage regarding rail control cabinets, trolley stop shelter, equipment and platform paving; and
- i) Describe any anticipated sustainability features for the project.

4.6 Project Design

Respondent shall provide a basic concept development plan package that includes, at a minimum, a site plan/ground floor plan, elevations, sections and representative illustrations of the development in scales to be determined by respondent. All drawings submitted should be legible, orient north-up and should only include one plan or elevation/perspective per sheet.

- a) **Site Plan/Ground Floor Plan:** Provide a development site plan with all buildings, streets and projects/land uses within 300 feet, with the development site in the center. The site plan should illustrate the proposed development concept for the site, including proposed building(s) footprint, proposed open spaces and landscape design concept(s), parking with parking counts, vehicular and pedestrian access. The Ground Floor Plan should show proposed ground floor usage with color-coding to distinguish area allocations among commercial, residential, service/parking, and circulation corridors and should illustrate parking layout, identify locations of mechanical and system utilities.
- b) **Elevations:** Provide colored architectural exterior elevations for each unique building (indicating the number of buildings represented by each elevation). Elevations should provide a comprehensive view of the entire development and illustrate proposed building massing and height, fenestration, materials and colors of all finishes and related architectural elements. Evaluations should also depict the aesthetics of the project as it relates to the adjoining parking structure.



- c) **Cross-Section:** Provide a minimum of two cross-sections through each unique building and site that illustrates the major spaces, floor-to-floor heights and volumes envisioned.
- d) **Context/Perspective Drawings:** Provide a representative illustration of the proposed development (plan, aerial sketch, photomontage, etc.) clearly showing massing and the relationship to adjacent structures and finished grades, open spaces, streets and any parking areas. This drawing should clearly illustrate the relationship of the proposed project to the adjoining streets and the neighborhood. The perspective should show the proposed development in context with the adjacent building masses roughed in. Context elements do not need to be photo-realistic but must accurately convey the bulk, scale and character of the surrounding area.

4.7 Project Financing Plan & Supporting Pro-Forma

Respondent should provide a statement describing the respondent's approach to financing the project, including identification of any perceived challenges to financing the project and proposed innovations to meet these challenges. Include in the statement what respondent views as the most significant risks to the County and the Developer with respect to financing the project and how those risks can be addressed, mitigated or allocated. Within the statement, respondent should also include:

- 1) What entity will be responsible for financing the project
- 2) What is the estimated total project cost
- 3) What are the sources of funding (e.g. private equity, bonds, commercial loan, bond financing, etc.) Include any letters of interest or commitment letters from equity partners or lenders.
- 4) What is the estimated financing amount, including rate and term
- 5) What precautions will be taken to ensure no financial or credit risk to the County based upon the manner of financing the project

Respondent shall also provide a detailed pro-forma which shows the basic project details and unit mix, sources and uses, development cost, income statement and cash flow statement which should include, but is not limited to:

- 1) An all-in development budget including all direct, indirect and financing costs, which clearly specifies key assumptions and how calculations are made, including from predevelopment up to, and including, stabilized operation;
- 2) A stabilized year operating statement detailing assumptions for all sources of income, a vacancy factor, detailed operating expense budget including proposed lease payment, NOI, capital reserves, debt service and equity returns;
- 3) A sources and uses table during predevelopment, construction and permanent phases of the project;
- 4) A clear statement regarding the developer's profit/return requirement and how it is calculated; and
- 5) A long-term operating cash flow (10 years).



Respondents shall include a market rate demand analysis and assessment of current and projected market conditions for use and density that the respondent believes are appropriate for the site. The analysis should include sufficient information to establish the market support for the project based upon analysis of demand generators, competitive supply, market pricing, competitive position and anticipated market share/capture.

Additionally, provide a list of potential local, state, or other municipal approval, by phase (if applicable), and improvements required to complete this project (e.g. sidewalks, streets, utility relocation).

4.8 Project Schedule

Respondents should provide a narrative and graphical time line of the anticipated schedule for the development process. The schedule should recognize the time involved in finalizing the development agreements and ground lease, receiving project entitlements, designing the project, financing the project, commencing construction and completing construction.

4.9 Form of Ground Lease Review

Please affirm that the development team has read and reviewed the ground lease (attached in Appendix B) with the County. Describe any concerns with the form of ground lease and identify any exceptions that the development team takes with the form of ground lease.

Any concerns regarding the form of ground lease must be identified as part of the development team's response to this RFP. Notwithstanding the foregoing, County will not consider proposals with exceptions to the rent structure found in the ground lease, such as proposals incorporating rent credits into the ground lease.

4.10 Project Personnel

Respondents should provide one (1) page resumes or bios for each key person listed in Section 4.4, or any other key personnel the team deems are necessary. The bio should summarize the roles and responsibility of each individual, with regards to the proposed project, and relevant background and experience. Each Bio shall also identify three (3) reference including contact name, company, phone number and email address.

4.11 Developer Responsibilities

The County of San Diego anticipates that the general scope of the successful development team's responsibilities under the lease would include, but not be limited to:

1. **Project Planning & Design:** The development team shall be responsible for all aspects of the pre-development planning, environmental review, project refinement and project design. The selected development team shall be responsible, at its sole expense, for obtaining all land use entitlements and other government approvals required for its proposed project, and the selected development team will be expected to pay all permits, processing, and any other applicable fees related to the development (e.g., traffic and /or transit impact fees), without credit.



2. **Construction**: The development team shall be responsible for construction and commissioning of the project including obtaining all permits, fees, and approvals necessary for construction of the Project.
3. **Financing**: The development team shall be responsible for providing funding for the Project, whether it be in the form of debt financing, equity or a combination thereof. In the event of debt financing, it is imperative that no financial or credit risk is imposed upon the County.
4. **Lifecycle Maintenance**: The development team shall be responsible during the term of the lease for lifecycle maintenance, including capital refurbishment and replacement, necessary to sustain the Project to the level of operation agreed to in the lease.
5. **Facilities Management Services**: The development team shall be responsible during the term of the lease for management, maintenance and repair of the facilities and associated infrastructure and certain furniture, fixtures and equipment, including (i) the operation, maintenance and repair of the facilities and associated infrastructure and maintenance and repair of certain furniture, fixtures and equipment and (ii) certain other services to be agreed upon in the lease, such as grounds maintenance and parking.
6. **Transfer and Development Costs**: The selected developer team shall be solely responsible for construction of all improvements. This includes all on-site or off-site improvements and any changes from existing conditions including, but not limited to, underground utilities, street lighting, curbs, gutters, street trees and sidewalks. This also includes any and all impact fees assessed by any agency or government body. All title insurance and escrow costs, transfer taxes, parcel or subdivision maps, and any other transfer or development costs will be the sole responsibility of the selected development team.
7. **Insurance**: The selected development team shall obtain insurance as required by the County of San Diego.
8. **Taxes and Fees**: The selected development team shall be responsible for paying all taxes and fees, including any possessory interest taxes.
9. **Indemnification**: The selected development team shall defend, indemnify and hold harmless the County of San Diego from any and all activities and liabilities associated with the project site pursuant to the lease.
10. **Government & Community Relations**: The development team shall work collaboratively with the County to ensure appropriate outreach and engagement with the neighborhood, as well as with local government officials and agencies.



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5.0 Evaluation Criteria

Evaluation criteria shall comprise of qualifications of the respondents and their financial resources and capabilities. Respondents will be evaluated on:

- (1) Information requested through the RFSQ process, including, but not limited to, respondent's proposed development team, experience of the key personnel identified, financing capabilities and relevant project examples. If needed, the development team may expand further on the information requested in the RFSQ process within the RFP submittal.

AND

- (2) The RFP requirements requested above in Section 4.0.

Shortlisted respondents for the RFP will be evaluated and scored according to the criteria and weighting set forth below. Except as otherwise expressly specified below, the order in which the evaluation criteria appear within each category or sub-category below is not an indication of weighting or importance. Proposals shall be evaluated using the following grades:

Exceptional (E) – Exceeds all requirements and is likely to have a high probability of an exceptional outcome. The proposal exhibits no significant weaknesses or blatant deficiencies. Respondents earning a grade of E will receive 5 points which will then be multiplied by the weighting factor for the given evaluation criteria.

Good (G) – Meets all and exceeds some requirements and is likely to have a high probability of an above average outcome. May exhibit some minor, correctable weaknesses but exhibits no blatant deficiencies. Respondents earning a grade of G will receive 4 points which will then be multiplied by the weighting factor for the given evaluation criteria.

Fair (F) – Meets all minimum requirements and will likely result in an average outcome. The proposal exhibits some minor, correctable weaknesses but exhibits no blatant deficiencies. Respondents earning a grade of F will receive 3 points which will then be multiplied by the weighting factor for the given evaluation criteria.

Marginal (M) – Meets all minimum requirements but will likely result in a below average outcome. The proposal exhibits minor, correctable weaknesses and deficiencies. Respondents earning a grade of M will receive 2 points which will then be multiplied by the weighting factor for the given evaluation criteria.

Poor (P) – Meets all minimum requirements, but will likely result in an unacceptable outcome. The proposal exhibits too many weaknesses and/or deficiencies to be correctable. Respondents earning a grade of P will receive 1 point which will then be multiplied by the weighting factor for the given evaluation criteria.



5.1 Proposal and Development Team

Evaluation Criteria	
A	Evaluation of the quality and completeness of information submitted in the proposal.
B	Evaluation of the overall Project Concept.
C	Evaluation of the proposed schedule for development.
D	Evaluation of the Project Design elements.
E	Evaluation of the expertise of the proposed Project Team / Personnel's ability to plan, design, finance, construct, manage and operate the proposed project.
F	Evaluation of the team past projects and performance.
G	Evaluation of past experience in conceiving and implementing projects within a downtown urban environment.
H	Evaluation of past experience in working with governmental entities or public-private partnerships.
I	Evaluation of past experience developing multi-family projects.
J	Evaluation of proposed ground lease terms including, but not limited to timing, initial rent rates for all stages of the Ground Lease, contingencies, and proposed changes to the form of ground lease.

5.2 Financial Capabilities

Evaluation Criteria	
A	Evaluation of the development team's financial information submitted.
B	Evaluation of the development team's ability to commit sufficient equity to the project to satisfy conventional lending requirements.
C	Evaluation of the development team's ability to secure financing for similar projects, including relationships with current lenders.
D	Evaluation of the Project Financing Plan provided by respondent.
E	Evaluation of the Pro-Forma provided by respondent.

5.3 Project References

Evaluation Criteria	
A	Evaluation of the reference checks supporting the assertions made in the development team's proposal.



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6.0 Disclosures and Additional Information

6.1 County's Rights Pertinent to this Solicitation

6.1.1 Approval

Any proposed agreement resulting from the RFP process shall be subject to final approval by the County's Board of Supervisors.

6.1.2 County Commitment

- a. This RFP does not commit the County to award a lease, pay any cost incurred in the submission of the RFP response or in making necessary studies or designs for the preparation of the proposal, or procure or contract for services or supplies. No reimbursable cost may be incurred in anticipation of the approval of the lease contemplated by this RFP.
- b. County reserves the right to terminate this RFP in part or in its entirety at any time prior to the approval of the lease contemplated by this RFP.
- c. No prior, current, or post award communication with any elected official, officer, agent, or employee of the County shall affect or modify any terms or obligations of this RFP except as explicitly provided for in this RFP.

6.1.3 Late, Modified or Withdrawn Proposal

- a. Any proposal received at the office designated in the solicitation after the exact times specified for receipt will not be considered.
- b. Proposals may not be modified after the due date except modifications authorized by the Board of Supervisors in accordance with applicable law.
- d. Proposals may be withdrawn by written notice signed by a duly authorized representative of respondent.

6.1.4 Knowledge of RFP and Proposal Conditions

Before submitting a proposal, respondents shall carefully read all sections of this RFP, including all forms, schedules and exhibits, and shall fully inform themselves as to all existing conditions and limitations.

6.1.5 Diligence Material

The information provided in this RFP and in any diligence material that may be provided is subject to the following disclaimer: Neither the County nor any of its agents, advisors, or representatives has made or makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this RFP or in any diligence material. Without limiting the generality of the foregoing, the RFP and diligence material may include certain assumptions, statements, estimates, and



projections provided by or with respect to the County. The assumptions, statements, estimates, and projections reflect various assumptions made by the County, which assumptions may or may not prove to be correct. No representations are made by the County as to the accuracy of any assumptions, statements, estimates, or projections. It shall be the respondent's responsibility to independently verify all facts contained in this RFP and in any diligence material provided.

6.1.6 Duty to Inquire

Should a respondent find discrepancies in or omissions from the RFP, plans, specifications or other documents, or should the respondent be in doubt as to their meaning, the respondent shall at once notify the County in writing. If the County determines that clarification is necessary, a written addendum will be issued and posted on:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html. It is the respondent's responsibility to periodically check the above website for any addenda. The County will not be responsible for any oral instructions nor for any written materials provided by any County personnel that are not also posted on the above website.

6.1.7 Explanation to Proposers

Any explanation desired by a respondent regarding the meaning or interpretation of the RFP must be directed in writing exclusively to the County Contact. The preferred method of delivering written questions is by e-mail or by a recognized courier delivery service. Telephone calls will not be accepted. In no event will the County be responsible for ensuring that inquiries by prospective respondents have been received by the County. You should not attempt to contact any other County personnel about this RFP. Oral explanations or instructions will not be binding. Any explanation concerning this RFP will be provided to all prospective respondents through posting on:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html in the form of an addendum to this RFP. No response will be provided to questions received after the deadline stated in this RFP.

6.1.8 Debrief and Review of Contract Files

When a respondent has been notified by the County that its proposal is no longer being considered, the respondent may request a "debriefing" from the County on the findings about its proposal (with no comparative information about proposals submitted by other respondents). After the lease contemplated by this RFP is executed, any interested party may make an appointment to review the proposals and any other releasable documents.

6.1.9 News Releases

Respondents shall not issue any news release pertaining to this RFP without prior written approval of the County, which may be withheld in County's sole discretion. A minimum of two (2) business days' notice is required for approval.

6.1.10 Claims against the County

Respondents and any of representatives of a respondent shall have no claims against the County or any of its elected officials, agents or employees arising out of or relating to this RFP or these procedures



(other than those arising under an executed lease with respondent in accordance with the terms of the lease).

6.1.11 Employment Offers

Until contract award, respondents shall not, directly or indirectly, solicit any employee of the County to leave the County's employ in order to accept employment with the respondent, its affiliates, actual or prospective contractors, or any person acting in concert with the respondent, without prior written approval of the County's. This paragraph does not prevent the employment by a respondent of a County employee who has initiated contact with the respondent.



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7.0 Appendices

The following lists of appendices are incorporated either directly within this document or available for download at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html

Appendix A – Site Specific Documents and Report

Appendix B – County Form of Ground Lease



Appendix A – Site Specific Documents and Reports

Appendix A.1 – Site Map and Description

Appendix A.1 contains a Site Map and Description and is available at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html

Appendix A.2 – Preliminary Title Report (Property)

Appendix A.2 contains a Title Report and is available at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html

Appendix A.3 – ALTA Survey (Property)

Appendix A.3 contains an ALTA Survey and is available at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html

Appendix A.4 – Seismic Report (Property)

Appendix A.4 contains a Seismic Report and is available at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html

Appendix A.5 – Environmental Report (Property)

Appendix A.5 contains an Environmental Report and is available at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html

Appendix A.6 – Environmental Impact Report (Property)

Appendix A.6 contains an Environmental Impact Report and is available at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html

Appendix A.7 – Health & Safety Plan (Property)

Appendix A.7 contains a Health and Safety Plan and is available at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html



Appendix B – Ground Lease

Appendix B contains the County's form of ground lease. Those teams which are shortlisted will be have an opportunity to provide the County with comments on the ground lease.

The County Ground Lease is available at:

http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/RFP/RES_RFP_CedarKettnerGroundLease.html

