

GILLESPIE FIELD DEVELOPMENT COUNCIL  
May 15, 2012  
INFORMATION ITEM #6

Request for Proposals  
Marshall Avenue Industrial Property

**Background**

The non-aviation portion of Gillespie Field includes an undeveloped area of about 9.34 gross (8.68 net) acres between Marshall Avenue and the Forrester Creek Channel. The initial Request for Proposals (RFP) for industrial development of this site was issued in 1999.

Upon the results of that RFP, County entered into negotiations with Pacific Properties. During the negotiations, it was discovered that the Marshall Avenue site was not included in the original Instrument of Release for the non-aeronautical development, and the FAA would not consider releasing this land until the Gillespie Field ALP was finished in 2005. FAA released this site in 2007, and staff resumed the negotiations.

Multiple issues, including changes in environmental requirements and differences in opinion between the negotiating parties on rental rates, caused those negotiations to stall. Considering the length of time that has passed since the original RFP was issued, it was determined that County should issue a new RFP for this site. The new RFP seeks to clearly outline expectations and requirements for the future development. Staff is presenting the proposed requirements of the RFP to the Gillespie Field Development Council (GFDC) and seeking their advice and comments before the final RFP is published on the County's website.

At one time, the GFDC recommended, with Airports staff's support, the inclusion of the Bob Dennis Memorial Park as part of the site development. It has now been decided to omit the park requirement from Marshall Avenue Industrial RFP and identify an alternative location. Staff plans to bring a plan for a memorial to GFDC for discussion at its next meeting in July 2012.

**Proposed RFP**

County Airports desires to enter into a 55-year industrial ground lease with a qualified and responsive entity to develop Marshall Avenue Industrial Property to the highest and best use that, while complying with all applicable land use laws and regulations and conforming to the City of El Cajon zoning ordinance and the Gillespie Field Airport Land Use Compatibility Plan, (i) takes the fullest advantage of the physical characteristics of the site, (ii) is a use which is supported by sufficient market demand to make it a feasible use, and (iii) is a use that is maximally productive and yields the highest return on the land.

County is seeking the industrial development of Marshall Avenue Industrial Property to enhance synergy with existing industrial and aviation land uses at Gillespie Field and accomplish the following objectives:

- ▶ put vacant land into productive use that generates market rent revenue to support County Airports System;
- ▶ construct and manage modern high-quality industrial facilities that will promote job creation in the area;
- ▶ incorporate Leadership in Energy and Environmental Design (LEED) principals in the design, construction, and operation of the proposed industrial facilities; and
- ▶ emphasize design and development standards for contemporary, energy-efficient, and aesthetically attractive industrial facilities that complement the surroundings and reflect the character of Gillespie Field.

Interested Proposers will be asked to submit an application package as outlined in the published RFP. The full RFP and all exhibits will be available on the County's website on or before May 21, 2012. The required submittals include:

- Letter Of Interest or Business Plan
- Preliminary Design and Development Plan
- Non-Refundable Proposer's Fee of \$500
- Proposer's Questionnaire
- Proposed Economic Terms
- Proposed Capital Investment
- Review And Acceptance of Lease

### **Minimum Terms**

To be considered responsive, proposals must offer at least the following minimums for Rent and Capital Improvements:

Minimum Rent – The minimum initial base monthly rent for the 8.68-acre site is \$31,000.

Required Capital Improvements – Minimum \$2,387,000 based on \$5,000 per acre per year basis ( $\$5,000 \text{ per acre} \times 55 \text{ years} \times 8.68 \text{ acres} = \$2,387,000$ ).

Upon completion of the RFP process, County plans to select the Successful Proposer ("Developer") who best meets all of the qualifications and submits a proposal that is responsive to the development objectives outlined in this RFP and offers the greatest overall benefits to the County.

If Developer is selected, the County will start the process aimed at awarding the Developer a 55-year lease for the development of the site. County and Developer will first enter into a Preliminary Agreement Concerning Development and Disposition of Land ("DDA"), which will outline the preliminary terms and conditions of the lease of the site. Such preliminary agreement is necessary in order for Developer to have sufficient certainty to process entitlements for the Project with the City of El Cajon ("City"), the jurisdiction in which the site is

located. DDA will enable Developer to finance the project and pursue the entitlements and/or prepare the necessary environmental and technical reports needed to comply with the requirements of the California Environmental Quality Act (“CEQA”) and National Environmental Policy Act (“NEPA”) prior to obtaining the entitlements for the development of the project. Developer must successfully complete all CEQA requirements prior to entering into the lease and all NEPA requirements prior to any construction under the lease.

As always with County RFPs, County reserves the right not to award a lease if none of the proposals meet the qualifications set forth herein, or if the County considers the submitted proposals to be incompatible with its vision for the site or non-responsive to development objectives.

### **Evaluation Criteria**

Proposals will be evaluated against the following criteria. The Evaluation Committee will include members with development experience. GFDC is invited to select a member to sit on the committee. The Evaluation Committee will review all proposals to develop a list of Proposers it will invite to give presentations. It’s expected the committee will meet on July 19<sup>th</sup> and August 15<sup>st</sup>, although exact dates may be subject to change.

1. Development Concept
  - a) Compatibility and synergy of the proposed and existing uses
  - b) Employment generating potential of the proposed project
  - c) Thoroughness of planning
  - d) Responsiveness to County’s Objectives
  - e) Proposed method of operation
2. Preliminary Design and Development Plan
  - a) Quality of design and proposed construction materials
  - b) Use of LEED principals
  - c) Aesthetic appeal of the project
3. Revenue Arrangements
  - a) Minimum base monthly rent
  - b) Schedule of rental adjustments
  - c) Capital investment
4. Planning
  - a) Identification of steps and entitlements
  - b) Aggressive, but realistic, timetable
  - c) Soil studies
  - d) Attentiveness to details
5. Experience
  - a) Similar business experience
  - b) References

- 6. Financial Strength
  - a) Capital strength
  - b) Credit history
- 7. Extra Points
  - a) Comprehensiveness of the proposal
  - b) Professionally prepared plans and artist renderings

**Target Timeline**

<u>Description</u>	<u>Target Time for Completion</u>
Present draft RFP to GFDC	May 15, 2012
Publish RFP	May 21, 2012
Pre-Proposal Conference	June 15, 2012
Due Date for submittal of proposals to County	July 18, 2012
Notify Short List and set up interviews	July 20, 2012
Interview Short List candidates	August 15, 2012
Final selection of Successful Proposer	August 17, 2012
DDA fully negotiated and signed by Successful Proposer	September 12, 2012
Present DDA and selected Proposal to GFDC	September 2012
Present DDA to the Board of Supervisors (BOS)	October 2012
Proposer completes CEQA and NEPA requirements	June 2014
Present ground lease to GFDC	July 2014
Present ground lease to BOS	August 2014
Lease commences	September 2014