

EL CORAZON

REQUEST FOR PROPOSALS

I. OBJECTIVE

The City of Oceanside, in order to achieve its objective of developing El Corazon in accordance with the El Corazon Specific Plan, with the least public cost, issues this Request for Proposals (“RFP”) to three pre-qualified development companies. The RFP is directed to the commercial developers for the development of the commercial areas of the project and not as the master developer of El Corazon. However, the commercial developers are encouraged to submit a proposal that incorporates the development of portions of the individual recreational facilities and/or a proposed joint venture or other partnership arrangement with a recreational operator.

After receipt of responses to the RFP, review thereof, and selection of a commercial developer, the City would enter into an Exclusive Negotiating Agreement with the selected commercial developer. The Exclusive Negotiating Agreement would eventually lead to a Development and Disposition Agreement for the development and long-term lease of the commercial components of El Corazon and non-commercial areas, if applicable.

The RFP is put forth with the following understanding:

- (a) The developer would be responding as a commercial developer for the development of the commercial areas of El Corazon.
- (b) The commercial developer would have the opportunity and is encouraged to partner with Request for Qualification respondents who were interested in portions of the project other than the commercial development, or work with other entities interested in the development of the non-commercial components of El Corazon (e.g., recreational facilities, civic service facilities, habitat areas).
- (c) The commercial developer would need to set forth the proposed development, including phasing, if applicable; the proposed development and construction schedule; and the proposed financing structure for the development for the project.
- (d) The proposed commercial development and use of El Corazon will need to be consistent with the parameters of the El Corazon Specific Plan, including the core development goals set forth therein.

** Please be advised that any commercial development entity, company and/or individual or combination thereof submitting a RFP Response does so with the express understanding that the City of Oceanside reserves the right to select certain entities, companies, and/or individuals, or a combination thereof, which includes, but is not limited to selecting members of different teams, who the City believes would best serve the overall development and intent of the El Corazon project. Further, notwithstanding the issuance of this RFP and the receipt of responses thereto, the City also reserves the right to pursue other development options related to El Corazon and/or to reject all RFP Responses.*

II. SUBMISSION REQUIREMENTS

The RFP Response Packages must follow the format outlined below and all requested information must be supplied:

1. Commercial Development Description:

(a) A detailed development proposal for the commercial development and the applicable non-commercial development of El Corazon. The detailed development information should describe what is proposed to be developed; how the project will be developed (e.g., phases of development); how the project will be financed (together with any conditions associated therewith); and how the specific uses in the El Corazon Specific Plan will be addressed. The development information to be provided will need to include:

i. Project Description – A description of the proposed development which should include items such as proposed land uses; approximate square footage by type (i.e., retail, office, hospitality); and the type of users envisioned.

ii. Development Schedule – An overall proposed development schedule setting forth the anticipated time periods needed to negotiate an Exclusive Negotiating Agreement and a Disposition Agreement; approval of any further entitlements to execute the development; period of time to obtain financing; expected time period to secure tenants with a letter of intent or execute leases; development phasing of the project; construction of the project; and any conditions associated therewith in order to complete the development of the project; a description of what and how phases and/or portions of the project will be financed and developed; a description of typical milestones or threshold events; a description of the ramifications and/or consequences for the failure to meet milestones or threshold events (e.g., penalties, termination options, etc).

ii. Development Proforma – A project development cost spreadsheet, which shall include, but not be limited to: setting forth specific line items costs (such as soft costs, hard costs, financing costs, contingency costs, etc.) in sufficient detail; a schedule as to when said costs are anticipated to occur; development phasing (where applicable); the development assumptions together with the rationale associated therewith; and the anticipated or project return on investment or internal rate of return.

iii. Financial Plan – A financing plan, which shall include, but not be limited to the following: the proposed amount of financing needed for the development of the project (pertinent to each phase, if applicable); a description of the type of financing (e.g., equity, debt, gap) needed to develop the project and any costs associated therewith (e.g., broker fees, lender fees, attorney fees, etc.); a projected source of funds for equity and debt (also any mezzanine financing, as appropriate, and construction financing); a description of any developer contributions (e.g., equity, lease rent credits, etc.); a description of the anticipated repayment obligations, amortization periods, etc. pertaining to the satisfaction of debt or other financial arrangements; any financing contingencies; and the anticipated financing time periods, overall and by phase of development, if applicable.

iv. Construction Schedule – A construction schedule (similar to Microsoft Project format) setting forth specific line items necessary for the completion of construction of the project (e.g., specific application and approvals, the development of improvement plans, development of grading plans, development of construction plans, obtaining of permits, inspections, grading, off-site improvements, on-site improvements, shell building, tenant improvements, etc.) including a breakdown by construction phasing (if applicable); any construction contingencies, etc.; and any other items as set forth in the Development Schedule above which are related to the construction of the project or any phase thereof.

(b) If there is a non-commercial component associated with the development of the commercial areas, also provide a detailed site plan, development and/or operational plan for the applicable non-commercial development and/or use of El Corazon that is of interest. If applicable, the items set forth in subsection (a) above will also need to be addressed and provided.

2. Relevant Experience:

A description of similar projects completed by the individual, company or entity that comprise the commercial developer, which clearly demonstrates the requisite expertise in the applicable development, operation and/or use of that particular portion of the El Corazon that is of interest, should be provided. Relevant similar projects should distinguish between the projects of the individuals, company or entity that comprise the commercial developer, if applicable. If there is a non-commercial component, relevant project experience should also be provided for this component. Similar project experience should also include, but not be limited to the following:

(a) Prior projects involving the process of using public sector and/or government owned or controlled real property. This would include projects requiring public sector and/or governmental commissions and/or community related advisory group approvals, in addition to the typical jurisdictional and public sector and/or governmental approvals.

(b) A direct party to an Exclusive Negotiation Agreement, Memorandum of Understanding, Development and Disposition Agreement or other similar contractual obligation with the public sector and/or governmental entity for a similar project.

(c) Preparation of applications and related documents pertaining to the California Environmental Quality Act or other similar or comparable environmental review process for a similar project.

(d) A similar project as a lessee, sublessee or party to a long-term ground lease or similar real property right or interest other than by fee simple ownership, preferably with a public sector and/or governmental agency.

(e) Any prior projects involving a partnership, joint venture or other similar real property contractual relationship with a public sector and/or governmental entity.

3. Development and/or Operating Qualifications:

Please include a detailed description of the individual, company or team's profile, including the range of capabilities and services as it relates to the particular aspect of El Corazon that said party is seeking such qualification. The profile should include references for similar projects and a contact person or persons together with applicable contact information.

4. Financial Qualifications and History:

Please include a description of the individual, company and/or entity that is part of the commercial developer team, financial capabilities to develop and/or operate its particular area of qualification or expertise. Financial capabilities also include relevant experience in the financing of significant infrastructure improvements similar to those required for the development of El Corazon. Relevant financial qualifications should also include, but not be limited to the following information:

(a) Audited financial statements or similar financial information of the applicable individual, company or team, which reflects a financial capacity to undertake the development and/or use proposed. Said information will be held in strict confidence and not available for public review.

(b) References from financial institutions or other sources of funding together with contact names and relevant information.

(c) History of past developments and or projects and the financing involved.

(d) Prior experience or projects involving the financing for public-private partnerships or other similar arrangements.

(e) Prior experience or projects involving improvement districts, community facilities districts or other similar financing mechanisms.

5. Litigation History:

Please include a description of any litigation involving any individual, company and/or entity that comprise the commercial development team, which is in any way associated with the development, operation and/or use related to a real estate transaction or development application process. If applicable, please provide any information related to said litigation, including case name and number, the venue of the case, and the outcome.

III. SUBMITTAL DIRECTIONS

1. Package to be Submitted:

Five (5) bound copies and one (1) unbound copy of the RFP Response Package must be submitted. Questions regarding this RFP Response and the City's specific submission requirements may be directed to Douglas E. Eddow, Real Estate Manager. He can be reached by telephone at (760) 435-5012, or by e-mail at deddow@ci.oceanside.ca.us.

2. Due Date of RFP Response Package:

All RFP Response Packages must be submitted no later than 4:00 p.m., on March 15, 2011, and addressed to:

Douglas E. Eddow
City of Oceanside, Property Management
300 North Coast Highway
Oceanside, CA 92054

** Incomplete RFP Response Packages and RFP Response Packages received after the deadline noted above will not be considered.*

IV. EVALUATION & SELECTION PROCESS:

1. Evaluation of RFP Response Packages:

The evaluation of the RFP Response Packages will be based on the following criteria:

(a) *Relevant Experience.* The commercial developer's demonstrable and documented experience with respect to similar developments, operations and/or uses, past record of performance in similar projects on public property related to control of costs, quality of work and meeting deadlines.

(b) *Organization and Structure.* A primary desired quality of the commercial developer includes the designation of an experienced and professional individual or management team that will be the point of contact with the City throughout the life of the project. Reference checks will be made to evaluate the consistency, level of professionalism, and responsiveness.

(c) *Financial Resources.* Evidence of financial resources to plan, develop and/or operate the property in addition to demonstrating a history of maintaining significant equity/cash positions in such projects and providing long-term investments to enhance the quality and success of projects. Evidence of financial resources shall include such documentation as audited

financial statements, credit reports and other similar financial reports generally accepted in the industry. Financial information should be submitted under separate cover and if requested, will be held in strict confidence and not available for public review.

(d) *Detailed Development Information.* Review and approval of the required development information, including but not limited to the Development Schedule, Development Proforma, Construction Schedule and Financing Plan for the applicable development of El Corazon.

(e) *El Corazon Vision.* The consistency of the proposed project with the vision statement for El Corazon.

(f) *Supplemental Information.* Other information requested of the respondents subsequent to the submittals of the RFP Response Packages, if requested by the City to assist in the evaluation process.

2. Selection Process:

(a) *Initial Review.* City staff will conduct an initial review of all RFP Response Packages received. Any incomplete RFP Response Package or a RFP Response Package that fails to meet the basic qualifications for the project can be eliminated.

(b) *Evaluation Process.* An evaluation panel composed of City staff (and outside consultants, if needed, as determined by City staff in its sole and absolute discretion) will review the remaining RFP Response Packages. The evaluation panel reserves the right to request additional information and may elect to visit completed projects that are referenced.

(c) *Interviews (optional).* The final individual, company or team may be interviewed by the evaluation panel at a date and time to be determined.

(d) *Selection.* Following the interviews (if done), the evaluation panel will make a recommendation to the City Manager for the selection of the commercial developer to enter into negotiations of an Exclusive Negotiating Agreement. The City Manager, at its discretion, may ask the City Council to approve the selection of the commercial developer.

VII. RESOURCES:

In submitting a RFP Response Package, it is recommended that a number of documents from several sources should be reviewed and analyzed:

1. City of Oceanside (the following documents can be obtained from the City of Oceanside, Development Services Department, Planning Division or is available on-line at the City's website – www.ci.oceanside.ca.us):

- (a) City of Oceanside – El Corazon Specific Plan
- (b) City of Oceanside - El Corazon Environmental Impact Report
- (c) City of Oceanside Zoning Ordinance

2. SANDAG (the following volume document can be downloaded from their website - www.sandag.org):

(a) City of Oceanside Draft Subarea Plan (as part of the regional Multiple Habitat Conservation Program)

V. OTHER TERMS AND CONDITIONS:

1. Right to Reject all RFP Response Packages:

The City reserves the right to reject all RFP Response Packages that are submitted. By submitting a RFP Response to the City, the party or parties submitting a RFP Response is also agreeing that the City retains the right to modify or suspend all aspects of the selection process and to waive any irregularities and/or defects as to form or content of the RFP Response request or any responses that are received. The cost of preparing any responses to this RFP shall be borne solely by the respondents and will not be reimbursed by the City.

2. Nondiscrimination Requirement:

By responding to this RFP the respondent represents that it and any person or entity affiliated by it, does not and will not discriminate against any employee or applicant for employment because of race, religion, sex, color national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy-related conditions, political affiliation or opinion, age or medical condition. Any subsequent contracts or agreements shall contain similar language and requirements pursuant to California law.