

Center City Property

REQUEST FOR PROPOSALS

I. OVERVIEW

1. Background:

The City of Oceanside is interested in exploring alternate uses for its Center City Golf Course property and adjacent recreational and civic use properties (individually and collectively “Center City”). Center City is situated just east of Interstate 5 with excellent visibility from Interstate 5; south of Mission Avenue; and north of Oceanside Boulevard. Center City is currently designated “parkland”, which essentially means that the property cannot be sold or used for other than recreational purposes without a vote of the people pursuant to Oceanside City Code Section 2.81.

The Center City property consists of the following: 1) the Center City Golf Course, currently being operated as one of the two municipal golf courses in the City of Oceanside as a 5,600 yard 18-hole course and disc golf course, and is situated on approximately 76 acres (including a vacant 5 acre parcel of land); 2) a former landfill site currently being used as little league baseball fields by Oceanside American Little League, Inc. consisting of approximately 11 acres; 3) Ron Ortega Park a recreational park situated on .25 acres; and 4) the Senior Center parcel which houses one of the two City of Oceanside senior centers and is situated on approximately 2.5 acres. The total acreage of Center City that is potentially available for development consists of approximately 90 acres.

2. City of Oceanside Summary:

The City of Oceanside, located in northern San Diego County, is a picturesque Pacific Coast community located only 35 miles north of the City of San Diego and 83 miles south of Los Angeles. The City of Oceanside is situated along Interstate 5 in a prime Southern California location. The City is bordered by the Pacific Ocean to the west, natural habitat areas of the U.S. Marine Corps Base - Camp Pendleton to the north and semi-rural development to the east. To the south, the City begins the transition into the growing metropolis of the San Diego region.

Oceanside residents enjoy a blend of coastal beauty, breathtaking vistas, and a wide variety of lifestyles and activities. The City of Oceanside encompasses 42 square miles and enjoys cultural and ethnic diversity among its 178,000 citizens. The City has more than 30 parks, 2 public golf courses, 217 acres of parkland, and the planned 465 acre El Corazon habitat, recreational, civic use and commercial mixed-use development. Additionally, Oceanside is the home to 3.5 miles of sandy beaches, a municipal fishing pier, a harbor with restaurants and shops, a municipal

airport, popular bike trails along the San Luis Rey River and the Coastal Rail Path and the historic San Luis Rey Mission.

II. OBJECTIVE

The City of Oceanside wants to explore all of its development options related to the Center City property in providing recreational amenities or commercial services to the citizens of Oceanside but also provide revenue generating opportunities for the City with the least public cost. The City is looking to enter into a long-term ground lease for all or a portion of the Center City properties with a developer. However, the City could also participate in a joint venture or other type of development partnership. At this time, the City is interested in soliciting proposals from parties interested in developing alternate uses for all or portion of Center City. The City of Oceanside, in looking to explore alternate uses at the Center City property, with the least public cost, issues this Request for Proposals (“RFP”) to parties interested in such a development opportunity.

After receipt of responses to the RFP, review thereof, and selection of an individual or entity, the City would enter into an Exclusive Negotiating Agreement with the selected individual or entity. The Exclusive Negotiating Agreement would eventually lead to a Development and Disposition Agreement for the development and long-term lease of the Center City property.

The RFP is put forth with the following understanding:

- (a) The individual or entity would be responding as the developer for the development of the Center City property.
- (b) The developer would need to set forth the proposed development and uses of the Center City property, including phasing, if applicable; the proposed development and construction schedule; and the proposed financing structure for the development for the project.

III. SUBMISSION REQUIREMENTS

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

1. Development Description:

- (a) A general development proposal for the development of Center City. The 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 whether the specific uses at the Center City will require a vote of the people. 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., recreational, non-recreation); and the type of users envisioned.

ii. Development Schedule – An overall proposed development schedule setting forth: 1) the anticipated time periods needed to negotiate an Exclusive Negotiating Agreement and a Development and Disposition Agreement; anticipated development entitlements and the time period needed to obtain approval of such entitlements; 3) period of time to obtain financing; 4) the expected time period to secure tenants with a letter of intent or execute leases; 5) the development phasing of the project; 6) the construction of the project; 7) any other conditions associated therewith and the necessary time period needed in order to satisfy said conditions; 8) a description of what and how phases and/or portions of the project will be financed and developed together with the applicable time periods; and 9) a description of typical milestones or threshold events and the timing thereof. In addition, a description of the ramifications and/or consequences for the failure to meet milestones or threshold events (e.g., penalties, termination options, etc.) should also be provided.

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 anticipated timelines necessary for the completion of the 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 commercial component associated with the development of the Center City property, also provide a general site plan, development and/or operational plan for the applicable commercial development and/or use of the Center City property. 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 developer, which clearly demonstrates the requisite expertise in the applicable development, operation and/or use of the Center City property, should be provided. Relevant similar projects should distinguish between the projects of the individuals, company or entity that comprise the developer, if applicable. If there is a 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, 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 development of the Center City property. 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 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 Center City. 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.

IV. 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 **May 10, 2012** 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.*

V. 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 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 Center City.

(e) *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) *Public Process.* The RFP Response Packages will also be reviewed through a public process which could include public workshops and public outreach programs to the community.

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

(e) *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 an Exclusive Negotiating Agreement. The City Manager, at its discretion, may ask the City Council to approve the selection of the commercial developer.

VI. 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 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)

VII. 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.