

STAFF REPORT*CITY OF OCEANSIDE*

DATE: December 8, 2010

TO: Honorable Mayor and City Councilmembers

FROM: Economic and Community Development Department

SUBJECT: **AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF TEMPORARY FIELDS FOR SOCCER AND/OR SIMILAR FIELD SPORTS ON A PORTION OF EL CORAZON**

SYNOPSIS

Staff recommends that the City Council authorize the issuance of a Request for Proposals for the development of temporary fields for soccer and/or similar field sports on a portion of El Corazon.

BACKGROUND

In September of 2009, the City of Oceanside issued a Request for Qualifications ("RFQ") to the general public to solicit statements of qualifications from parties interested in partaking in the development of the various developable areas described in the 465-acre El Corazon Specific Plan. The RFQ process was designed to solicit a response from a wide range of interested parties such as master developers, a variety of commercial developers, and/or recreational developers and operators.

The City received statements of qualifications from a number of parties interested in the commercial development, development of the hotel sites, the operation and development of some of the recreational areas, and providing development consultation. As part of the review and analysis of the statement of qualifications in response to the RFQ, staff also looked at any request for public financing to help develop El Corazon.

It was determined that in order to develop areas of El Corazon other than the commercial areas, significant public financing was needed. Due to the need for significant public financing and the current economic climate, as part of the overall process for the development of El Corazon, the decision was made to select three

qualified commercial developers to participate in the subsequent Request for Proposals phase for the development of the commercial areas described in the El Corazon Specific Plan only without requiring the development of the non-commercial areas.

ANALYSIS

At this time, there continues to be a significant demand for soccer fields and other similar field sports and activities in the county as well as the state. In this current economy, the City is also looking for ways to generate much-needed revenue and business activity within the City. One option to generate revenue at El Corazon is to look at the temporary use of a portion of El Corazon for soccer fields and other similar field sports and activities ("Temporary Athletic Fields") consistent with the Specific Plan. The temporary use can generate revenue until such time as commercial development can occur on El Corazon, which could provide revenue to help develop the non-commercial areas.

To utilize and generate interest in, as well as revenue from El Corazon, staff would like to move forward with the issuance of a Request for Proposals ("RFP") for the development of up to an 80-acre portion of El Corazon as a location for approximately 20 Temporary Athletic Fields. The City is looking at a RFP for such a temporary use of El Corazon to generate revenue as the host of local, regional and national soccer and/or other similar field sport tournaments. It is anticipated that revenue can be generated not only from the actual use of the Temporary Athletic Fields but also indirectly from sales tax revenues and transit occupancy tax revenue. A copy of the RFP is attached.

The City is only interested in soliciting proposals from a well qualified recreational development entity or individual with a track record and substantial experience in operating and maintaining similar recreational facilities. The RFP will be advertised and there will be a 45-day period in which to provide a proposal in response to the RFP. The RFP proposal will need to include such items as:

- (a) The type and description of the Temporary Athletic Field improvements and other amenities the entity or individual would be developing on the site.
- (b) The infrastructure improvements (e.g., grading, water, electricity, sewer, roads, etc.) needed for the development of the Temporary Athletic Field improvements and who would be responsible for the cost thereof.
- (c) The essential terms and conditions of a lease agreement for the Temporary Athletic Fields, including but not limited to length of term, rental and other revenue payments to the City, allowable uses, and insurance requirements.
- (d) The ongoing maintenance and operational responsibilities of the Temporary Athletic Fields during the term of a lease agreement.

(e) A program for the use of the Temporary Athletic Fields by the general public in conjunction with revenue-generating and other uses.

(f) The financial capacity of the recreational development entity or individual to pay for the development and construction of the Temporary Athletic Field improvements.

Upon expiration of the 45-day period in which to submit an RFP proposal, staff will evaluate the RFP proposals to determine the completeness. Thereafter, those RFP proposals that are deemed complete will be evaluated by staff. Additional information may be requested and could include interviews. Staff will then select a recreational development entity or individual to enter into a lease agreement ("Lease") for the development of the Temporary Athletic Fields at El Corazon. The Lease will be brought before the City Council for approval.

FISCAL IMPACT

At this time, there is no fiscal impact to the General Fund. As the City moves forward with the subsequent steps in selecting and entering into a Lease with the recreational development entity or individual, additional funds may be needed, at which time staff will request the requisite funding.

INSURANCE REQUIREMENTS

Does not apply at this time.

COMMISSION OR COMMITTEE REPORT

The RFP concept for the development of Temporary Athletic Fields was submitted to and approved by the El Corazon Oversight Committee who was the predecessor in interest to the newly formed El Corazon Commission.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

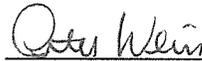
Staff recommends that the City Council authorize the issuance of a Request for Proposals for the development of temporary fields for soccer and/or similar field sports on a portion of El Corazon.

PREPARED BY:



Douglas E. Eddow
Real Estate Manager

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Jane McVey, Economic & Community Development Director

Teri Ferro, Financial Services Director



EL CORAZON

TEMPORARY RECREATIONAL USE REQUEST FOR PROPOSALS

1. OVERVIEW

The City of Oceanside has the unique opportunity to develop a 465-acre parcel of city-owned land in the heart of the City; the property has been named “El Corazon”, which means “heart” in Spanish. The development of the area will be directed by the El Corazon Specific Plan. The El Corazon Specific Plan has designated the property for a blend of open space and habitat area, passive and active recreational uses, commercial and office development, and a residential vertical mixed-use component.

The vision for El Corazon is to create a 465 acre park in the center of Oceanside with a rural look and feel to the trails, roads and amenities so that the park provides an escape from city life. Recreation facilities planned at El Corazon include both traditional and non-traditional activities such as fields which can be used for soccer and other field sports, baseball and softball, playgrounds, passive recreational spaces, an aquatic center and a skateboarding and BMX park.

In September of 2009, the City of Oceanside issued a Request for Qualifications (“RFQ”) to the general public to solicit statements of qualifications from interested parties to partake in the development of the 465-acre “El Corazon” project. Three commercial developers were identified and, at this time, the City is issuing a Request for Proposals to develop the commercial portion of the park and/or a component of the non-commercial portion of the park.

2. OBJECTIVE

At this time, the City of Oceanside is issuing this Request for Proposals (“RFP”) for the development of up to an 80 acre portion of El Corazon as a temporary location for approximately 20 soccer fields and/or other similar field sports and activities (“Temporary Athletic Fields”). The City is seeking proposals for such a temporary use of El Corazon to generate revenue as the host of local, regional and national soccer and/or other similar field sport tournaments and similar events. It is anticipated that revenue can be generated not only from the actual use of the athletic fields but also indirectly from sales tax revenues and transit occupancy tax revenue.

3. CRITERIA

The City is interested in soliciting proposals only from well qualified recreational development entities and/or individuals with a track record and substantial experience in operating and maintaining similar recreational facilities. The RFP is for a lease of up to an 80 acre portion of El Corazon to use for Temporary Athletic Fields. The proposals submitted in response to the RFP will need to identify the following:

- (a) The type and description of the Temporary Athletic Field improvements and other amenities the entity and/or individual would be developing on the site.
- (b) The infrastructure improvements (e.g., grading, water, electricity, sewer, roads, etc.) needed for the development of the Temporary Athletic Field improvements and who would be responsible for the cost thereof.
- (c) The essential terms and conditions of the Lease Agreement for the Temporary Athletic Fields, including but not limited to length of term, rental and other revenue payments to the City, allowable uses, insurance requirements, and the portion of time available for public use.
- (d) The ongoing maintenance and operational responsibilities of the Temporary Athletic Fields during the term of the Lease Agreement.
- (e) A program for the use of the Temporary Athletic Fields by the general public in conjunction with revenue generating and other uses.
- (f) The financial capacity of the recreational development entity and/or individual to pay for the development and construction of the Temporary Athletic Field improvements.

4. DEVELOPMENT PARAMETERS

The recreational development entities and/or individuals interested in submitting a proposal need to temporarily develop and use El Corazon consistent, where applicable, with the long-term parameters of the El Corazon Specific Plan and the program level Environmental Impact Report for El Corazon (“EIR”). As a program level EIR, additional environmental analysis may be required to develop the portion of the non-commercial area of El Corazon as described in this RFP.

5. SUBMISSION REQUIREMENTS

The proposals in response to the RFP must follow the format outlined below and all requested information must be supplied:

- (a) Cover Letter:

A letter describing the qualifications and experience of the recreational development entity and/or individual interested in the development of the Temporary Athletic Fields, the specific

development interest in the El Corazon project and why the entity and/or individual should be chosen to proceed to the next step in the selection process, which is negotiating and entering into a Lease Agreement.

(b) Recreational Development Description:

A description of the recreational developer's philosophy as it pertains to the development, operation and/or use of El Corazon. Additional information to be provided as follows:

(i) A development plan for the Temporary Athletic Fields. The development information should describe what is proposed to be developed; how the project will be developed (e.g., phases of development); and how the project will be financed (together with any conditions associated therewith). The development information to be provided will need to include:

(1) Development Schedule – An overall proposed development schedule setting forth the time periods needed for: development design; approval of any entitlements; period of time to obtain financing; construction of the project; and any conditions associated therewith in order to complete the development of the project; a detailed description of what and how the project will be financed and developed; a description of 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).

(2) 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; the development assumptions together with the rationale associated therewith; and the anticipated or project return on investment or internal rate of return.

(3) 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., obtaining of permits, inspections, grading, off-site improvements, on-site improvements, etc.); 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.

(4) Financial Plan – A financing plan, which shall include, but not be limited to the following: the proposed cost of the development of the project; a detailed description of the type of financing (e.g., equity, debt both private and public) needed to develop the project and any costs associated therewith (e.g., broker fees, lender fees, attorney fees, etc.); a detailed description of the repayment obligations, amortization periods, etc. pertaining to the satisfaction of debt or other financial arrangements; any financing contingencies; and the applicable financing time periods.

(ii) A development and/or operational plan for the applicable non-commercial development and/or use of El Corazon.

(c) Relevant Experience:

A description of relevant experience and similar projects completed by the individual, company or entity that comprise the recreational developer, which clearly demonstrates the requisite expertise in the applicable development, operation and/or use of the Temporary Athletic Fields should be provided. Relevant experience should distinguish between the experience and projects of the individuals, company or entity that comprise the recreational developer, if applicable. Relevant experience should also include, but not be limited to the following:

(i) Prior experience on 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.

(ii) A direct party to a lease agreement or other similar contractual obligation with the public sector and/or governmental entity.

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

(iv) 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.

(v) Any experience related to a partnership, joint venture or other similar real property contractual relationship with a public sector and/or governmental entity.

(d) Development and/or Operating Qualifications:

Please include a description of the individual or company's profile, including the range of capabilities and services as it relates to the Temporary Athletic Fields. The profile should include references for similar projects and a contact person or persons together with applicable contact information.

(e) Financial Qualifications and History:

Please include a description of the entity and/or individual that is part of the recreational developer team, financial capabilities to develop and/or operate its particular area of qualification or expertise. Relevant financial qualifications should also include, but not be limited to the following information:

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

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

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

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

(f) Litigation History:

Please include a description of any litigation involving any entity and/or individual that comprise the recreational developer, 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.

6. SUBMITTAL DIRECTIONS

1. Package to be Submitted:

Five (5) bound copies and one (1) unbound copy of the proposal in response to the RFP must be submitted. Questions regarding this RFP 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 Proposals in Response to the RFP:

All proposals in responses to the RFP must be submitted no later than 4:00 p.m., on January 31, 2011, and addressed to:

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

** Incomplete proposals in response to the RFP received after the deadline noted above will not be considered.*

7. EVALUATION & SELECTION PROCESS:

1. Evaluation of the Proposals in Response to the RFP:

The evaluation of the proposals in response to the RFP will be based on the following criteria:

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

(b) *Organization and Structure.* A primary desired quality of the recreational developer includes the designation of an experienced and professional individual or management team who 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 upon 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 financial statements, credit reports and other similar financial reports generally accepted in the industry. Financial information should be 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.

(e) *El Corazon Vision Plan.* Examine the consistency of the project in conjunction with the vision statement for El Corazon.

(f) *Financial Benefit to City.* The cost to the City, if any, associated with the development and construction of the project in relation to the revenue benefit to the City derived from the project.

2. Selection Process:

(a) *Initial Review.* City staff will conduct an initial review of all proposals in response to the RFP received. Any incomplete proposal in response to the RFP or a proposal in response to the RFP 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 proposals in response to the RFP. 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 and team, if applicable, to enter into negotiations of a Lease Agreement. The City Manager, at its discretion, may ask the City Council to approve the selection of the recreational developer and team, if applicable.

8. RESOURCES:

In submitting a proposal in response to the RFP, 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)

9. OTHER TERMS AND CONDITIONS:

(a) Right to Reject all Proposals in Response to the RFP:

The City reserves the right to reject any or all proposals submitted in response to the RFP. By submitting a proposal to the City, each responding party agrees 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 proposals received. The cost of preparing any proposals in response to the 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 with 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.