

**REQUEST FOR PROPOSALS
DEVELOPMENT OF
MAIN STREET PROPERTIES**

May 16, 2018



CITY OF SAN JACINTO
DEVELOPMENT DEPARTMENT
595 S. San Jacinto Avenue
San Jacinto, CA 92583

City of San Jacinto

Request for Proposals Main Street Properties City of San Jacinto

Introduction

The City of San Jacinto invites the submittal of proposals from developers (individuals or firms) for three prime sites located on Main Street in the heart of the City's historic Downtown area. Two of the parcels are currently vacant and the third contains a former hotel known as the Virginia Lee. The City of San Jacinto is interested in obtaining development proposals for all three sites together but will consider proposals for one or two of the sites as well. The City is interested in proposals that will enhance economic development in the Downtown area. Each proposal should be detailed and contain all the required components identified in this Request for Proposals (RFP). Prospective respondents are advised to read this information carefully prior to submitting a proposal.



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Background

The City of San Jacinto is a “130-year-old start-up city” which has been experiencing a significant increase in development activity over the last several years. New single-family housing starts have increased over 450 percent since 2013. National home builders currently building in the City include Lennar, KB Homes, DR Horton, RSI Communities and several Southern California builders that are also actively building in the City now. The City has also experienced an increase in retail commercial projects. Approximately 150,000 square feet of retail space is under construction or in the entitlement phase which include Aldi, 7-11, Arco AM/PM, Starbucks, Sonic, Wienerschnitzel, and Mason Jar Ranch Bistro & Brew Pub.



As the City grows, San Jacinto's City Council has been proactive in providing improved services and opportunities to the community. An example of this philosophy is the City's recent implementation of a Community Choice Aggregation Program (“CCA”), which is known as San Jacinto Power. The City's power program is structured to offer service to all customers within the City's geographic boundaries. The program provides electricity

customers the opportunity to join to procure electricity from competitive suppliers, with electricity being delivered over SCE's transmission and distribution system.

The power program allows customers within San Jacinto's service area to take advantage of the opportunities granted by Assembly Bill 117 ("AB 117"), the Community Choice Aggregation Law. The City's primary objectives in implementing this Program are to provide cost competitive electric services; spur local economic development; and sustain long-term rate stability for residents and businesses through local control. The prospective benefits to consumers include increased renewable supply product options, stable and competitive electric rates, and the opportunity for public participation in determining which technologies are utilized to meet local electricity needs. This program will help to create new local jobs, improve the environment and grow the local economy.

Significant investment in the San Jacinto community is also occurring by other organizations near Downtown San Jacinto. Two major projects include the Soboba Casino and Mt. San Jacinto College.

Soboba Casino and Resort

The largest economic driver in San Jacinto will be the new Soboba Casino and Resort project currently under construction. It is located just 1.5 miles to the east of the Downtown core and Main Street properties. The casino and hotel overlook the championship golf course at the adjacent Country Club at Soboba Springs. The Casino and Resort are projected to open by the end of January 2019 and will include the following:



- 450,000-square-foot casino resort
- 140,000 square-foot gaming floor
- 2,000 slot machines
- 24 table games
- Cafes, bars, a sports lounge, and high roller room
- A 15,000 square-foot event center
- 200 room hotel and spa facilities
- 8,300 square foot swimming pool

Mt. San Jacinto College

Approximately one mile to the north of Main Street properties is Mt. San Jacinto College. The average enrollment per semester is currently over 8,000 students. The Mt. San Jacinto College District has proposed the “San Jacinto College Master Plan Project” to



expand the campus and allow for increased enrollment. The proposed project involves demolition of existing buildings on campus, and the construction of new buildings and facilities. The proposed project would also involve improvements to the circulation network within the campus to include realigning main vehicular pathways and improving bicycle and

pedestrian connections throughout campus, as well as enhancements to the open-space network. The project will include the demolition of approximately 207,180 gross square feet of existing buildings and facilities and the construction of approximately 594,614 gross square feet, which is a net increase of approximately 387,434 gross square feet campus-wide at buildout. Approximately 4,053 parking spaces would be provided upon full buildout and would be able to serve over 16,000 students per semester.

Demographics and Trade Area Summary

As previously noted, the City of San Jacinto has been experiencing significant growth and is literally poised at the crossroads to accommodate future development. Two new major transportation corridors will intersect in San Jacinto. The Mid-County Parkway will be a 16 mile east-west highway connecting Interstate 215 in the City of Perris to Highway 79 in San Jacinto. The Mid-County Parkway is expected to have up to 60,000 ADT. The State Highway 79 improvement and realignment project is a 33 mile north-south transportation corridor that connects Interstate 15 in Temecula to Interstate 10 north of San Jacinto. State Highway 79 is projected to have an ADT of up to 63,000 vehicles. Once the proposed transportation improvements are completed, access to San Jacinto will be greatly enhanced and the City’s trade area will expand.

Highlighted trade area facts:

Over 190,000 population in immediate trade area*
Approximately 64,000 households in immediate trade area *
\$52,592 average household income in immediate trade area *
Over 1.2 million population within 40-minute drive of Downtown
Median age of City residents is 31.6

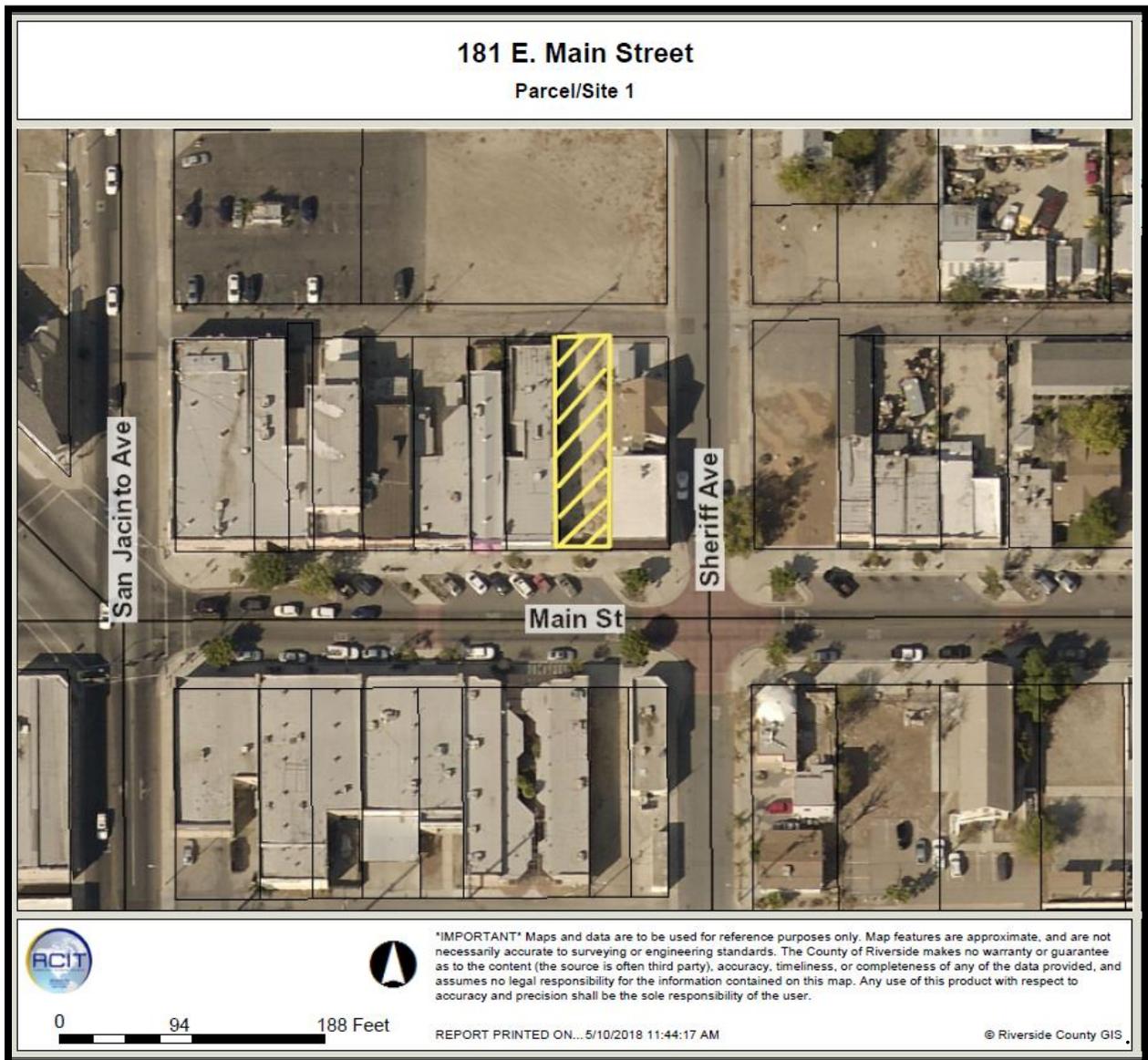
* within 20-minute drive time of Downtown

Property Locations

Each of the properties are located within a two-block area on Main Street:

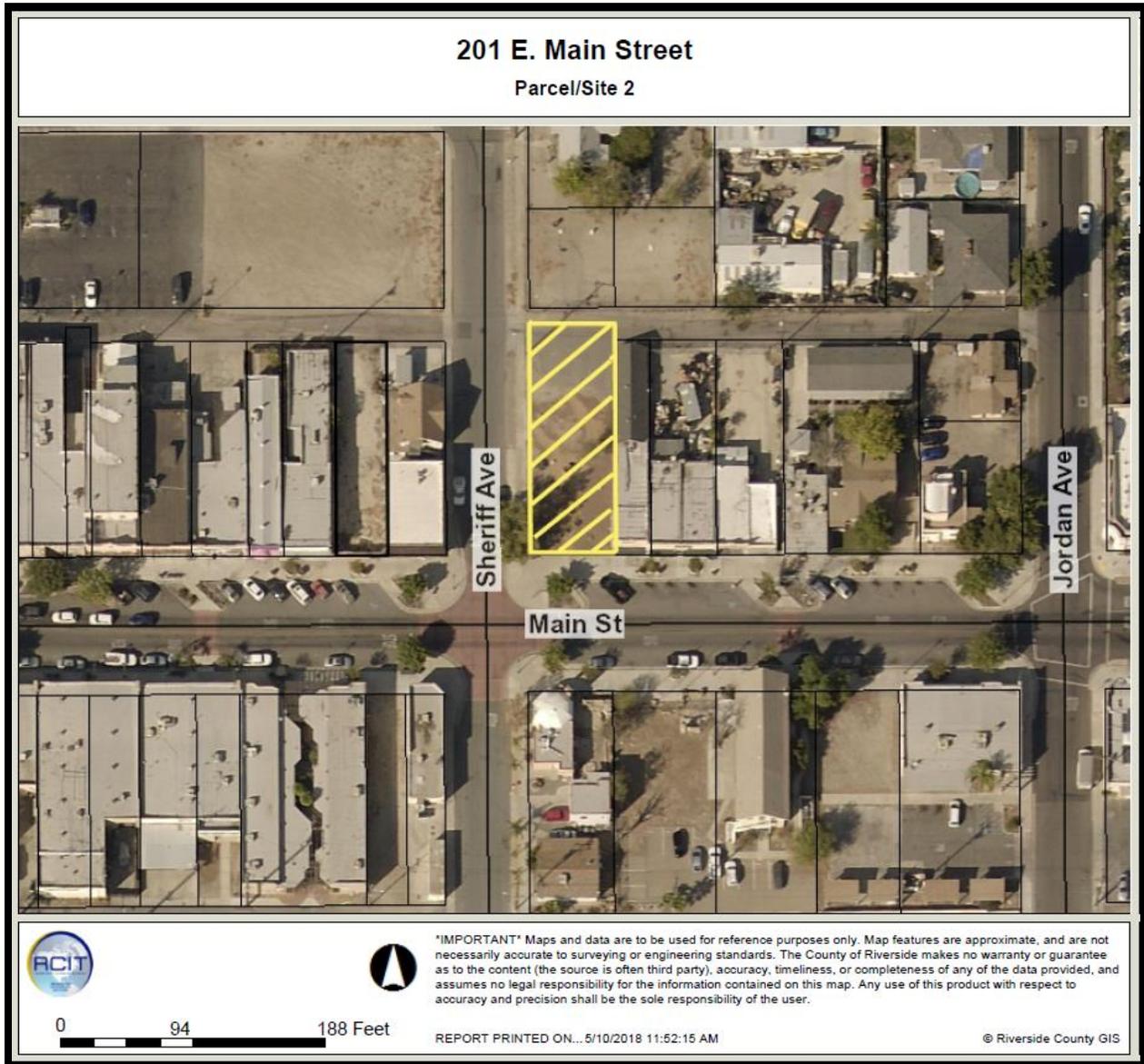
Parcel/Site 1

Address: 181 E. Main Street
Assessor Parcel Number: 437-046-010-3
Existing Land Use: Vacant
Parcel size: 3,675
Street Frontage: 30 feet



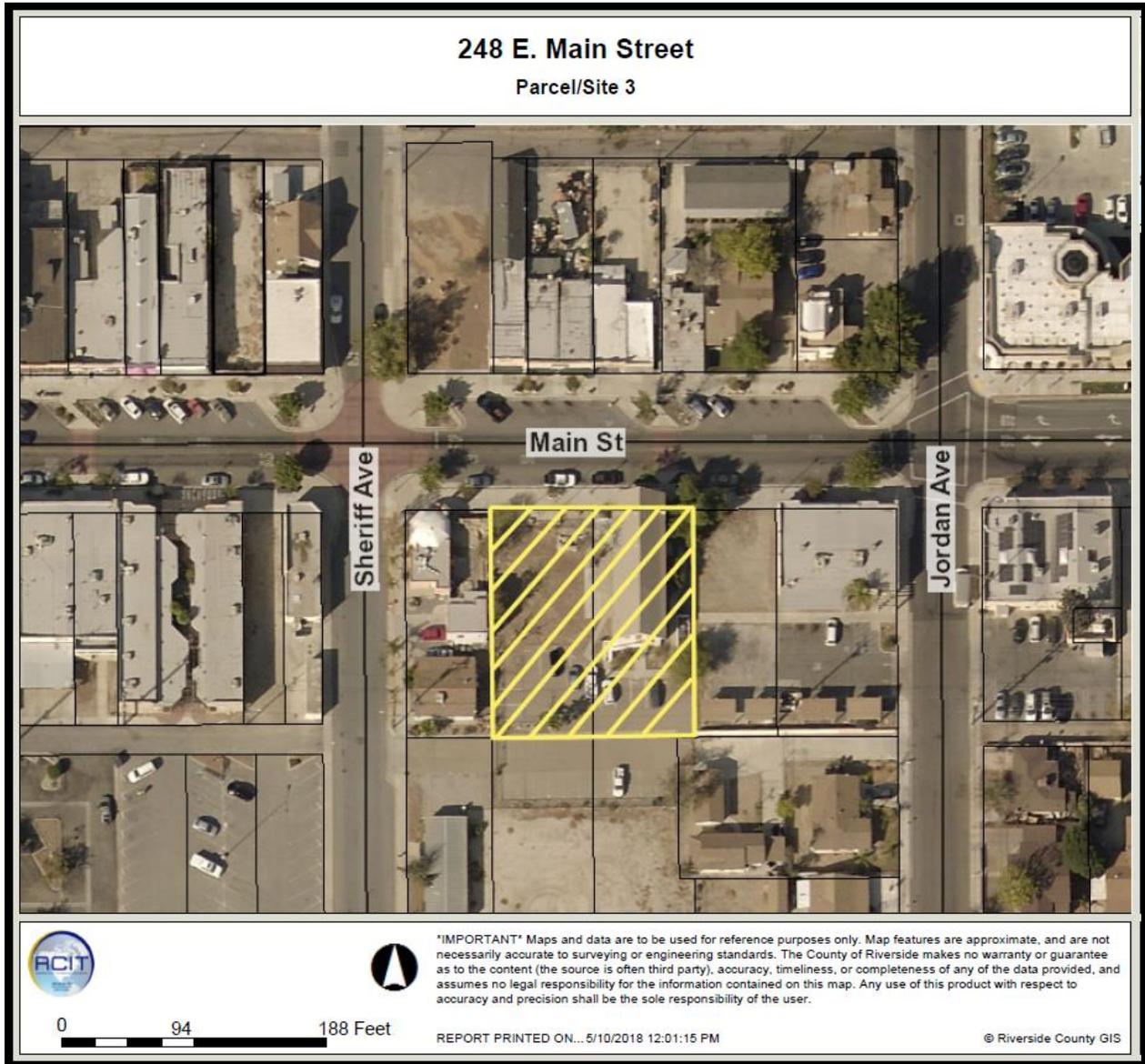
Parcel/Site 2

Address: 201 E. Main Street (NE corner of Main St. and Sheriff Ave.)
Assessor Parcel Number: 437-045-020-9
Existing Land Use: Vacant
Parcel size: 6,625 square feet
Street Frontage: 50 feet on Main Street; 132.5 feet on Sheriff Avenue



Parcel/Site 3

Address: 248 E. Main Street
Assessor Parcel Number: 437-072-009-4, 437-072-010-4
Existing Land Use: Two story wood frame structure (former hotel)
Parcel size: 15,900 square feet (combined area of parcels)
Structure size: 4,336 square feet
Street Frontage: 120 feet on Main Street



Preferred Use of Properties

The City prefers to have these parcels developed with mixed-use retail commercial and residential or offices that will provide needed services to the community, increase the City's tax base, provide employment opportunities and provide additional residential options. The City envisions retail uses, boutiques, independent food and beverage restaurants and gastro pubs at the street level with residential loft or office uses on the upper levels. However, the City encourages creative concepts and each proposal will be evaluated based on its own merits and unique approach to enhancing the Downtown. The creativity and professional judgement of the responder should not be limited by the uses or concepts identified in this RFP document.

Parcel/Site 1



Site 1 contained a wood structure building that served as the City's museum. In 2009 the building was demolished due to structural safety issues. The site has been cleared and is currently vacant.

Parcel/Site 2

Site 2 contained an unreinforced masonry building that served as City Hall. In 2009 the building was demolished and used as a public open space area and pocket park. For this reason, development proposals for Parcel 2 are encouraged to incorporate, on a portion of the site at street level, an outdoor area open to the public or an outdoor patio area that could provide seating for an on-site restaurant. The air space above the outdoor area can be developed as residential or office space.



Parcel/Site 3

Site 3 includes a structure originally known as the Lockwood House, it was built in 1886. Its name was changed to the Pioneer Hotel in 1933 and in 1976 it became the Virginia Lee Hotel. The Virginia Lee is the oldest standing hotel structure in San Jacinto. The City is interested in proposals that incorporate the existing structure.



The building is a two-story vernacular wood frame structure with a gable roof and clapboard siding. Minor alterations to the original structure include the addition of a front balcony, side porch and front window shutters. The building contains approximately 4,336 square feet of floor area. A permanent foundation would have to be

constructed under the structure. Fire sprinklers have been installed and seismic retrofitting would be required. The lower level of the structure was modified in 2001 to comply with ADA requirements. Most recently, the building was used for City office space.

Although repurposing of the existing structure and site elements is desirable, the City acknowledges that the rehabilitation of the structure to comply with current code requirements for commercial retail and residential uses may be cost prohibitive. Incorporating the influence of existing architectural design features, such as the façade design, roof line, etc. into a new structure is encouraged for proposals on this site. Consideration should also be given to the stone and masonry work in the west side-yard area of this site.

Existing Land Use Designation

The City's General Plan designates the Main Street properties as Downtown Commercial (DC). The Downtown Commercial land use designation allows for a variety of commercial uses with a strong pedestrian orientation and design that enhances the City's small-town character. Mixed commercial, office, and residential development (residential/office uses above commercial uses) is also permitted in the DC designation. Structures can be built to a height of 45 feet, with an increase of 10 percent for architectural features and roof top equipment. The maximum intensity of development is a FAR of 2.0. Currently, a maximum of 5.0 dwelling units per net acre is permitted; however, the City is willing to increase the density based on respondent's proposals.

The properties are currently zoned Downtown Commercial (CD) and are consistent with the Downtown Commercial land use designation of the General Plan. The City's General Plan is available on-line at:

http://www.ci.san-jacinto.ca.us/city-govt/development/gp-12-13/San_Jacinto_General_Plan_complete_FINALr_Oct2012.pdf

The City's Development Code requirements can be reviewed on-line:

<http://www.ci.san-jacinto.ca.us/city-govt/pdfs/dev-code/sj-devcode-all.pdf>

Downtown Specific Plan

The City is currently in the process of preparing a Downtown Specific Plan which includes the subject properties. The purpose of the Specific Plan is to encourage high quality development and stimulate economic growth. The Specific Plan will include flexible land use regulations and design guidelines to encourage innovative development and investment in the area. The draft Specific Plan has been prepared and the Draft EIR has been circulated for review and comment. Additional information about the Downtown Specific Plan can be reviewed at the following link:

<http://www.ci.san-jacinto.ca.us/downtownspecificplan/index.html>

Development Incentives

The City of San Jacinto may be able to provide a variety of economic incentives for the development of the identified properties. The incentives include:

- Land cost write-down
- Long-term ground lease
- Expedited entitlement/plan approval process
- Possible deferral/reduction of Development Impact Fees (DIF)
- Possible low-cost loan/loan forgiveness for improvements/equipment based on sales tax formula
- Completion of public improvements (street, curb, gutter, street lights and sidewalk)
- Utility access at each site (power, water, sewer, gas, communication are all available)
- Making available City-owned land adjacent that is adjacent to and south of Site 3 for incorporation into a proposed development
- Making additional Downtown parcels available for public parking
- Provide density/FAR bonus for developer acquisition and combination of adjacent parcels

Downtown Street Improvements

The City Council has allocated significant funds for capital improvement projects throughout the City. The adopted CIP budget includes \$1.4 million for street improvements in and around the greater Downtown Area. The project will include pavement rehabilitation, resurfacing, sidewalk installations and restriping. The City's Engineering staff is currently preparing the specifications for bid and award of the contract later this year. All improvements on Main Street adjacent to the sites have been completed.

Development Concepts

The following concepts are provided to incorporate or consider as part of the project proposal. These are guiding concepts and should not constrict creative and innovative project design. Proposals that include these concepts and provide a financially sound proposal will receive a higher level of attention during the review process:

- A. Evidence of sufficient financial resources and a well-thought out financing strategy, including any specific public-private partnerships the respondent wishes to propose.
- B. Competitively-priced offers for purchase of the property(s).
- C. A description in general terms of the anticipated schedule for the project from initial groundbreaking to full development and occupancy (assuming the timeline listed below for proposal evaluation).

- D. A statement of intent to pursue additional agreements with neighboring property owners if respondents believe that doing so would aid in the success of the overall development. The intent to pursue such agreements should be stated in the proposal.
- E. A statement indicating willingness to accept the sites “as-is” for proposed project development.
- F. Adherence to City Development Code regulations and design standards with the understanding that the City is willing to consider implementing code amendments that will benefit and enhance the project. Respondents may propose a project that doesn’t meet the current Development Code requirements but should explain the reasons for doing so, such as site constraints, market conditions, etc. Any proposed departure from the current Development Code must be included in the proposal.
- G. A demonstration of the respondent’s familiarity with urban design principals, with emphasis on pedestrian-friendly street interface.
- H. A clear indication that, architecturally, care will be taken to ensure that the appearance and design style are compatible with the existing historic Downtown San Jacinto character and design.
- I. Design that ensures that the façade and overall structure, or massing, will be articulated with the details and scale of openings along all street-facing structures. Building elevations that are visible from a public right of way should include aesthetically pleasing architectural features.
- J. Identification of potential parking demand but note that parking is not required to be provided as part of the development proposal.
- K. Mixed use proposals that will increase the City’s tax base, provide employment opportunities and provide additional residential options.

Submittal Requirements/Required Proposal Elements

The following guidelines are provided for standardizing the preparation and submission of proposals. The intent is to assist respondents in the preparation of their proposal and to assist the City by simplifying the review process providing standards for comparison of submissions.

Proposals shall be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this Request for Proposals. Expensive bindings, colored displays, promotional materials, etc. are not necessary. Emphasis should be placed on completeness and clarity of content.

Required hard copies of the proposal shall be printed double sided, submitted on 8-1/2" x 11" paper, with a 12-point font. Pages shall be numbered, tabbed, and presented in a comb-bound format. Proposals shall not exceed a total page count of 40 (including all necessary resumes and references).

Each proposal submitted in response to this RFP must contain the following information in the order presented below:

- A. Cover letter describing your interest, your team your concept, signed by a legal representative of your development team. The cover letter shall:
 - confirm that all elements of this Request for Proposals have been reviewed and understood;
 - include a statement of intent to develop the properties as outlined;
 - express respondent's willingness to enter into a Development Agreement;
 - include a summary of respondent's qualifications;
 - identify a single person for possible contact during the review process; and
 - the cover letter shall be limited to two (2) pages.
- B. Table of Contents
- C. A narrative statement of understanding of and approach to satisfying the requirements of the Request for Proposal. It should describe the overall development goals and objectives, project style, project team, aesthetic design and financing strategy.
- D. A conceptual site plan and a narrative detailing the features of the project, that demonstrates the respondent's understanding of the City's goals for a mixed-use development that will include ground floor retail space (dining, entertainment, shops, etc.) with possible residential or office space on upper levels.
- E. Development
 - a. Clearly state the proposed square footage of each building and use breakdown
 - b. Clearly state the square footage of street level retail space
 - c. Clearly state the proposed number of hotel and dwelling units (if applicable)
 - d. Clearly state the estimated square footage of office space (if applicable)
- F. Site plan sketch and illustrations of the site development concept.
- G. Ingress/egress to the proposed development.

- H. A pro forma financial analysis that demonstrates the feasibility of the proposed project. The respondent should provide a narrative that identifies the financial strategies, and assumptions for any public participation sought for the feasibility of their project. The narrative should also discuss if/when public participation will be sought/needed, when private equity will be brought into the development, and when bank financing will be required.
- I. Identify and describe at least two projects that the respondent or respondent team has completed. Provide pictures, development cost, timing, and public/private financial sources used to complete. Include the name, address, phone number and type of project for at least two references (must be public sector references). Other references may also be provided.
- J. An organizational chart and identification of anticipated members of the development team, as well as anticipated partners that will perform project duties, including, engineering, utility analysis and design, parking analysis, and construction management. Provide a brief resume for each individual as well as a company profile summary for each company used as part of the development team. Contact information for the respondent's key professional team members should be provided.
- K. A Conflict of Interest Statement shall be included and disclose any financial or business or other relationship with the City that might have an impact on the outcome of the selection and development process.
- L. Project Schedule
- M. A statement by respondent agreeing to obligate itself, its purchasers, and its leasees to refrain from restricting the sale, rental or use of the property on the basis of race, religion, sex, sexual orientation, marital status, nationality, familial status, source of income, or disability. Specific non-discrimination covenants will be required in all deeds, leases, and contracts for the property.
- N. The costs of preparing a response to this RFP are the respondents; the City is not responsible for any costs associated with the preparation of an RFP response.

Evaluation and Selection Process

A Review Committee will review the proposals received. The review committee will evaluate the proposals using the preferences identified in this RFP and based on the respondent's current and previous project history and experience along with the criteria below:

- A. Whether the proposal is likely to achieve a high quality mixed-use development that enhances the architectural character and the economic viability of the City and the Downtown (e.g., tax revenues, jobs provided on-site, unique design features, etc.).
- B. Whether the proposal is likely to achieve substantial financial benefit to the City of San Jacinto; both in the compensation received through sales tax generated, longer term gains through attraction of visitors and residents to the Downtown, construction activity (jobs and goods and services purchased locally) or land-purchase compensation offered by the respondent.
- C. Qualifications and experience of the respondent and its team, including investors, designated project managers, contractors and design team in carrying out other projects that are similar in nature and scope. Such experience may be demonstrated through references and through information about other projects of similar scope and size that have been successfully implemented by the respondent.
- D. Financial ability to complete the project in a timely manner. Such ability may be demonstrated by presenting recent financial statements or through a statement of financial sufficiency from a known and established institution that demonstrates the financial capacity to carry out the complete project.

Requirement to Meet All Request for Proposals Provisions

Unless the respondent expressly identifies and explains an exception in its proposal, a respondent submitting a proposal must satisfy every requirement in the Request for Proposals and must acknowledge agreement with and acceptance of all provisions of the Request for Proposals. A proposal that includes an express exception to an RFP requirement or provision will be considered if respondent submits a full description and explanation of and justification for the proposed exception. Whether any proposed exception is acceptable will be determined by the City of San Jacinto in its sole discretion. The City reserves the right to determine and waive non-substantial irregularities in any proposal.

Proposal Acceptance and Rejection

The City reserves the right to amend, withdraw and cancel this Request for Proposals. The City reserves the right to accept any project proposal, to reject any or all proposals, to call for new proposals, and to select more than one respondent if doing so is deemed by the City to be in its best interest. The City also reserves the right to request and obtain additional information about any submittal and firm.

Presentations

A panel may be convened to conduct interviews and make a recommendation to the City Council. The City may choose to invite those respondents that are determined to be best qualified to make a presentation. The City will then explore the development proposal through further discussions with the selected respondent or respondents. Upon request, any respondent selected at this stage shall provide any additional information that is reasonably requested by City staff to allow a thorough investigation of the respondent's ability to fully complete the proposed development, including the business integrity and reliability that the City deems necessary to assure good faith performance. The City reserves the right to interview any or all responding firms to this RFP or issue and award a contract without conducting any interview.

Award

In the event the City identifies a proposal that it deems to be in the best interest of the City, staff will enter into negotiations with the selected respondent, with the purpose of entering into a Development Agreement for one, two, or all of the sites. The Development Agreement may provide for a contingency commitment period to be negotiated to allow respondent adequate time to perform necessary due diligence and finalize financial commitments. Any agreement negotiated between a respondent and City staff shall be subject to the final approval of City Council.

Delivery

Proposals must be received by the City no later than 4:00 p.m. July 26, 2018 at the San Jacinto City Hall. Late proposals will not be accepted. Proposals must be valid for a period of sixty (60) calendar days from the due date and time. Submittals must be sealed and addressed as directed below. The outside of the submittal package must be clearly marked:

**City of San Jacinto
Main Street Properties Proposal**

The submittal package must be addressed and delivered to:

**CITY OF SAN JACINTO
Development Department
Attention: Principal Planner
595 S. San Jacinto Avenue
San Jacinto, CA 92583**

All proposals shall be signed and sealed by a duly authorized representative of the submitting respondent. The name and mailing address of the individual executing the proposal must be provided. One signed original, four (4) hard copies and one (1) electronic copy (PDF format) on a flash drive, of the proposal package must be included with the submission.

The City shall not be liable for any pre-contractual expenses incurred by any respondent in relation to the preparation or submittal of a proposal. Pre-contractual expenses include, but are not limited to, expenses incurred by the respondent:

- A. preparing a proposal or related information in response to the Request for Proposals;
- B. negotiating with the City on any matter related to this Request for Proposals;
- C. relating to interviews, meetings, travel or presentations; and
- D. resulting from the City's rejection of any proposal made in response to this Request for Proposals.

Questions regarding this RFP for clarification purposes only are to be directed by email to Bob Brady, Principal Planner, at bob@trilakeconsultants.com. Material changes, if any, to the scope of services or proposal procedures will only be transmitted by written addendum to this RFP by the City. All questions and requests for clarifications or interpretations must be received in writing on or before June 14, 2018 at **4:00 p.m.**

Late Proposals

Proposals arriving after the specified date and time will not be considered, nor will late proposals be opened. No facsimiles will be accepted. Each respondent assumes sole responsibility for the timely submission and accuracy of its proposal.

Withdrawal or Modifications of Proposals

Any proposal may be withdrawn or modified by a written request signed by the submitting responder and received by the Principal Planner prior to the deadline for the receipt of proposals (withdrawal letter may be emailed). No proposal or modified proposal received after the specified date and time or at any place other than the place stated in the Request for Proposals will be considered. If the respondent withdraws the proposal, it will be returned to the respondent unopened.

Public Records

The City of San Jacinto is a public agency. All documents in its possession are public records. Proposals are public records and, except as noted below, will be available for inspection and copying by any person. If any respondent claims any material to be exempt from disclosure under the California Public Records Act, the respondent will expressly agree to defend, indemnify and hold harmless the City from any claim or suit arising from the City's refusal to disclose any such material. No such claim of exemption will be valid or effective without such express agreement. The City will take reasonable efforts to protect any information marked "confidential" by the respondent, to the extent permitted by the California Public Records Act. Confidential information must be submitted in a separate envelope, sealed and marked "Confidential Information" and will be returned to the respondent upon request after the award of the contract. It is understood, however, that the City will have no liability for disclosure of such information.

Any proprietary or otherwise sensitive information contained in or with any proposal is subject to potential disclosure.

In accordance with the Public Records Act and other applicable law, prior to entering into a development agreement, the City may, in its discretion, withhold records relating to the negotiation and award of a contract for development or purchase of any of the parcels, where the release of such records would adversely affect the bargaining position or negotiating strategy of the City.

Proposed Schedule

Issue the Request for Proposals	May 16, 2018
Pre-Proposal Question Submittal	June 14, 2018
Proposal submittal deadline	July 26, 2018
Interviews/Presentations (if needed)	Mid-September 2018
Selection/City Council Approval	October 16, 2018
Enter into Development Agreement	October/November 2018

Declaration

In response to the Request for Proposals, the undersigned respondent hereby proposes to furnish labor, material, travel, professional services, permits, supervision, equipment and equipment rental and all related expenses, and to perform all work necessary and required to complete the San Jacinto Main Street Properties project in strict accordance with the terms of this Request for Proposals and the required Development Agreement.

Respondent certifies that he/she has examined and is fully familiar with all the provisions of this Request for Proposals and any addendum thereto; that respondent is submitting a proposal in strict accordance with the submittal requirements of the Request for Proposals; and that respondent has carefully reviewed the accuracy of all information contained in their proposal.

Respondent certifies that they have examined the proposal documents thoroughly, studied and carefully correlated respondent's observations with the proposal documents and all other matters which can in any way affect the work or the cost associated with the proposal.

Respondent agrees that this proposal constitutes a firm offer to the City which cannot be withdrawn by the respondent for sixty (60) calendar days from the date of actual opening of proposals.

The undersigned declares: that he/she holds the position indicating below as an authorized agent of the business entity submitting this proposal; that the undersigned is informed of all relevant facts surrounding the preparation and submission of this proposal, that the undersigned knows and represents and warrants to the City of San Jacinto that this proposal is prepared and submitted without collusion with any other person, business entity, or corporation with any interest in this proposal.

Submitted by,

(respondent's business name - type or print)

By: _____
(signature in ink)

Date: _____

Name: _____

Title: _____

Bus. Address: _____

Phone: _____

Email: _____

Note: If respondent is a corporation, give State of incorporation; if a partnership or joint venture, give full names of all partners or joint venture participants.

Respondent declares under penalty of perjury that the foregoing is true and correct