

Request for Proposals/ Qualifications

Mutual Orange Distributors
Packinghouse Project

City of Redlands Successor Agency



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Background/Overview

Legislative Requirement

Assembly Bill ("AB") 1484, enacted in June of 2012, required that all successor agencies to former redevelopment agencies that owned property at the time of redevelopment dissolution in 2011 prepare a Long-Range Property Management Plan. The Long-Range Property Management Plan governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements. The Redlands Successor Agency received approval of its Long-Range-Property Management Plan on September 8, 2015. Two properties have been designated to be sold including the subject property of this request for proposals/qualifications.

At its November 17, 2015 meeting, the Redlands Successor Agency Board moved to proceed with a performance-based sale approach for disposing of two properties designated for sale in the Successor Agency's Long-Range Property Management Plan. In a related motion, the Board also appointed the Board Chairman (Foster) and Vice Chairman (Harrison) to a Property Disposition Subcommittee to work with staff to develop the selection/performance criteria that will be used to determine a viable buyer/development team.

The process and requirements for the purchase and development of one of these properties – the Mutual Orange Distributors Packinghouse property – are listed herein.

The Site

The Mutual Orange Distributors (MOD) Packinghouse is located at 330 North Third Street (south of Shopper's Lane; West of Third Street) and is comprised of four parcels totaling approximately 29,159 square feet in size. The property is currently vacant and is located within the TC-H (Town Center-Historic) land use district in Specific Plan 45 (<u>Downtown Specific Plan</u>). This land use district designation allows for commercial retail sales and services, as well as offices. The property is considered to be a contributor to the Santa Fe Depot District, a National Register District that includes 17 contributing properties in the heart of downtown Redlands.

The site is generally flat and has been improved with a masonry and steel framed building that is approximately 18,792 square foot in size. It was constructed circa 1912 as a citrus packing house and later used for warehouse purposes. The building is vacant and has not been used for several years. The building's foundation walls appear to be rock set in mortar. The main floor of the building is elevated approximately four to five feet above grade. The original building contained loading docks along its west and south elevations, which have been enclosed (stucco over

Background/Overview (continued)

wooden framed walls) when the use changed to industrial. The building contains a basement that is approximately 14,000 square feet in size; is approximately four to five feet below grade; is unfinished and has a clearance of less than the City's Municipal Code requirement of eight feet. There are no available parking spaces on the property.

The MOD Packinghouse property is also sited within the larger sphere of what is anticipated to become Redlands' greater downtown entertainment district (dining, shopping, etc). In fact, several projects have been planned in proximity to the MOD Packinghouse, which will further build upon the efforts currently underway to further enhance the downtown area and create a destination for residents and visitors. These projects include public infrastructure improvements, commercial and residential developments, passenger rail service and a greater emphasis on introducing family-friendly events and activities to the area.









Project Goals & Objectives

General Objectives

The Goals and Objectives of the MOD Packinghouse project are based on the Successor Agency's desire to create a destination that will complement the existing downtown core, and:

- Utilize the asset for the "highest and best use" to accomplish revitalization.
- Avoid continued property dormancy.
- Reuse and monetize the asset to generate liquidity (cash flow and/or proceeds from sale or lease), sales tax revenue and job creation.
- Facilitate acquisition of the MOD Packinghouse by a qualified development team.
- Select a development team that has the experience in the redevelopment of commercial/historical property; has the financial resources to develop the property; has the pulse of the current development market in the Inland Empire and Redlands' position within that market; and can balance between the community's needs and the site's highest and best use.

The expected outcomes for the proposed redevelopment project are:

- The project should strengthen the economic viability of Redlands through greater commercial retail and service opportunities.
- The project should provide an anchor development that is designed to become a destination and offer the community a place to dine, shop and be entertained.
- The project should improve the quality of life for the entire community.

Preservation of Assets

As indicated previously, the MOD Packinghouse property is considered to be a contributor to the Santa Fe Depot District, a National Register District that includes 17 contributing properties in the heart of downtown Redlands. As such, many community members have expressed strong interest in seeing the Packinghouse rehabilitated/restored and/or adaptively reused as part of the site's overall development. Additionally, due to the building's historical significance, it is anticipated that the selected development team will adhere to best practices for historic preservation and restoration to ensure that Redlands' historic connection is maintained. It is expected that interested development teams will not only present a clear vision for preserving

Project Goals & Objectives (continued)

the historical value of the property, but introduce traditional and innovative ideas for achieving this goal.

Designated Property Use

Development of the MOD Packinghouse site must be consistent with current zoning regulations and with the surrounding pattern of development. The property is currently zoned for multiple commercial uses (e.g., retail, restaurant, and entertainment) under the Specific Plan 45 (Downtown Specific Plan)/Town Center-Historic designation.

The Town Center-Historic zone is applied to areas south of Pearl Avenue, north of Citrus Avenue, mainly between Eureka Street and Orange Street. The zone is characterized by largely continuous commercial and mixed-use development that presents a consistent face to the street with little space between buildings. Ground floors are activated with retail and flex-uses, with different uses at the upper levels. The intent of the Town Center area is to augment the central core area of downtown, so that auto-dominated uses are discouraged, streetscapes are pedestrian-friendly in character and off-street parking is mandated either in public garages or away from street frontages, behind buildings.

Proposed uses for the MOD Packinghouse project should also promote a family-friendly environment that provides a destination experience for residents and visitors of all ages, and one that contributes to the downtown area's unique mix of retail and service providers, as well as its historical venues and attractions.

Parking

Currently, the MOD Packinghouse property does not have on-site parking facilities. It is anticipated that interested development teams will present creative and innovative solutions to potential parking challenges that may exist with regard to any intended use.

Terms & Conditions

The following terms and conditions will be required of the successful buyer for this property:

Purchase and Sale:

- Upon selection of a qualified buyer/development team, the buyer will be required to
 enter into a Conditional Property Disposition Agreement (CPDA). The CPDA is an
 agreement between the Successor Agency and successful proposer that will establish
 requirements for the transfer of property. The CPDA will include the typical purchase
 price and sale term, as well as entitlement and permit provisions that will be required
 prior to the transfer of property.
- As referenced in the Successor Agency's Long-Range Property Management Plan, the value for the MOD Packinghouse was previously estimated at \$320,000. The purchase price is only one of the criteria that will be used to select a buyer/development team.

Environmental:

- There are no known environmental issues at the site. However, it is anticipated that prospective buyers will perform the necessary due diligence.
- The redevelopment of this site will require CEQA review. The selected development team will be required to provide traffic and parking studies before the approval of any Conditional Property Disposition Agreement.

Other:

- The Successor Agency retains the right to reject all submissions.
- Issuance of this RFP/Q does not commit the Successor Agency to enter into a Conditional Property Disposition Agreement, or to pay any costs incurred in the preparation of a response to this request.
- Selection is also dependent upon the negotiation of a mutually acceptable agreement with the successful buyer/developer.
- It is anticipated that the Conditional Property Disposition Agreement will provide for a 60-day escrow period within which the selected Developer will be required to acquire the

Terms & Conditions (continued)

Site. A 30-day extension of the negotiation period may be granted at the sole discretion of the Successor Agency provided that there is legal confirmation of a pending sale.

Selection Criteria

The Successor Agency intends to select a buyer/development team based on previous successful negotiations regarding land acquisition; development experience; financial resources; design expertise and economic benefits. The Successor Agency and/or its designated representatives ("Evaluation Team") will evaluate completed projects, review the development team's experience and contact references. The Evaluation Team reserves the right to request additional information during the evaluation of responses and to reject any or all proposals. The Evaluation Team may conduct interviews and/or require a public presentation of the proposed project.

Specifically, proposals will be evaluated based on the following criteria:

Preservation of Assets:

As indicated in the Goals & Objectives section of this RFP/Q, community members have expressed strong interest in seeing the Packinghouse rehabilitated/restored and/or adaptively reused as part of the site's overall development. Proposals will be evaluated with respect to the development team's experience with best practices for historic preservation and restoration, and its vision for preserving the historical value of this property and introducing traditional and innovative ideas for achieving this goal.

Designated Property Use:

Development of the MOD Packinghouse site must be consistent with current zoning regulations and be consistent with the surrounding pattern of development. The property is currently zoned for multiple commercial uses (e.g., retail, restaurant, and entertainment) under the Specific Plan 45 (Downtown Specific Plan)/Town Center-Historic designation. Proposal evaluations will include the assessment of information regarding the development team's proposed uses for the MOD Packinghouse and how those uses will promote a family-friendly environment that provides a destination experience for residents and visitors of all ages. Proposals should also present information regarding any proposed use of the property and how it will contribute to the downtown area's unique mix of retail and service providers, as well as its historical venues and attractions.

Parking Solutions:

Due to the fact that the MOD Packinghouse property does not have on-site parking facilities, it will be important in the evaluation of proposals that development teams include information on feasible, creative and innovative solutions/strategies that address potential parking challenges that may exist with regard to any intended use.

Selection Criteria (continued)

Firm Qualifications:

Proposals for this project will be evaluated and considered based upon the development team's experience with similar projects of this scope and size, as well as the firm's ability to provide or secure the financing necessary to purchase the property and complete the development. Proposal information should include:

Creative Vision:

Proposals will be reviewed for their creative methodology with regard to meeting the Successor Agency's goals and objectives of providing a true destination for dining, shopping and/or entertainment. Proposals should include unique and exciting approaches that will complement and enhance the City's downtown. Proposers should also identify and communicate what sets their development approach apart from other proposals and how it will provide a blueprint for success.

Demonstrated Experience

- Successful land acquisition.
- Current "under-construction" and recently completed projects in a downtown environment including projects that involved historic preservation.
- Completed commercial and/or mixed-use developments.

<u>Project Architecture/Planning/Design Experience</u>

- Architectural, landscape architecture, and urban design experience on projects similar in scale to the proposed project.
- Experience with development sites that require working with significant site design and engineering constraints.
- Strategies for transition to, and integration of, an adjacent downtown environment.
- Ability to generate development concepts for a project that minimizes the impacts to the quality of life in the community.

Selection Criteria (continued)

- How the proposed project will meet the objectives of Specific Plan 45 (Downtown Specific Plan) and the Town Center-Historic land use district.
- Design and construction experience incorporating "green building".

Economic Benefits

- How the project will maximize commercial/retail/service opportunities.
- Strategies for providing a net benefit to the City of Redlands through an increase in tax revenue and job creation.
- Strategies for providing residents with a mix of local, regional, and recognizable national brands.
- Current leasing relationships with national and/or regional brands.
- Commitment to a good faith effort to solicit and/or contract with Redlands-based subcontractors, vendors and suppliers for materials, goods, and services.

Market Conditions

- Ability to understand and capitalize on market conditions.
- Demonstrate that the project meets and exceeds these market conditions.
- Demonstrate a fulcrum between market conditions and private/public amenities.

Performance Schedule:

The MOD Packinghouse project will be an important component to the City of Redlands' ongoing renewal for the greater downtown area, which will realize many significant improvements and new projects in the next few years. As such, it is important that the commencement and completion of downtown projects be done in a timely manner. Proposals should include an achievable schedule (purchase – construction – leasing – opening phases) with definitive milestones.

Selection Criteria (continued)

Purchase and Sale:

- Demonstrated ability to provide project funding including current relationships with major lenders and past funding experience with projects.
- Ability to provide sufficient project equity to demonstrate commitment to the success of the project and to satisfy conventional lender requirements.

Submittal Requirements

A concise, professional and complete response to this RFP/Q will help the Successor Agency identify the most qualified development team and will be indicative of the level of the respondent's commitment to the project. Completeness, quality and the veracity of required content are important. *Proposals must include the following information*:

<u>Development Team and Experience</u>

Identify the Development Team, Project Architect(s) and other members of the development team or consultants who would be responsible to implement the proposed project (name of individual, firm address and telephone number).

Provide concise narrative identifying any development team experience in developing projects in a downtown area and/or the restoration/rehabilitation/adaptive reuse of existing historical assets. Include the type of project, project address, completed value, lenders involved (with contact references) and construction/completion date.

Development Team Financial Resources

Provide a very concise narrative addressing the availability of local resources, sources and funds available to the development team to meet the equity requirements for the proposed project. Provide three business references.

Development Team References

Provide professional references with full names, address, email address, and telephone number.

Market Analysis

Provide an overview of the site's market potential and feasibility of the proposed project based on substantive data, as well as the demonstrated expertise of the development team.

Development Concept

Provide a project description and illustrated conceptual plan (vision) for the proposed project and a concise narrative identifying any aspect of the project's design that does not meet any of the minimum development program requirements specified in this RFP/Q or the requirements of the City of Redlands' Specific Plan 45. <u>Address key components including preservation of assets, designated property use, parking and other items outlined in the Selection Criteria section.</u>

Proposal Schedule

The Successor Agency's Evaluation/Selection Committee and/or its designated representatives will review and evaluate all responses to this RFP/Q. The Evaluation/Selection Committee may meet with any or all of the developers or development teams. The Evaluation/Selection Committee may seek additional information from developers, conduct site visits and reference checks as appropriate, and may request that teams make presentations to the Evaluation/Selection Committee and/or Successor Agency Board.

The solicitation, receipt and evaluation of proposals, and selection process are anticipated to observe the following schedule:

Distribute RFP/Q: February 4, 2016
 Pre-submission Conference/Site Visit: February 17, 2016

Proposal Deadline: March 10, 2016 (5:00 PM)

• Review of Proposals: March 14, 2016

Selected Development Team Interview(s) Week of March 21-24, 2016*

Due Diligence Review of

Selected Development Team(s): March 28, 2016*
 Selection of Development Team: April 6, 2016*

*(Note: Dates are subject to change.)

Four (4) copies of the proposal shall be delivered no later than 5:00 PM on March 10, 2016 to:

Mike Nelson, Economic Development Manager Successor Agency Staff City of Redlands - Development Services Department 35 Cajon Avenue, Suite 20 Redlands, CA 92373

Questions concerning this RFP/Q should be directed to:

Mike Nelson, Economic Development Manager Successor Agency Staff mnelson@cityofredlands.org

(909) 335-4755