



**PLACENTIA**  
Rich Heritage, Bright Future

**CITY OF PLACENTIA**  
**REQUEST FOR PROPOSALS**

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**CROWTHER DEVELOPMENT**  
**207-209 W. CROWTHER AVENUE**

All Proposals must be sent to:

City Clerk's Office

401 E. Chapman Avenue, Placentia, CA 92870, by:

**Thursday, March 29, 2018 at 5:00 p.m., PST**

Deadline for all questions is **Friday, February 23, 2018 at 5:00 p.m., PST**. Please submit written questions related to this Request For Proposals to Jeannette Ortega, Assistant to the City Administrator via email at [jortega@placentia.org](mailto:jortega@placentia.org).

# Invitation

The City of Placentia (“City”) is pleased to announce a transit-oriented development opportunity for an approximately 1.62-net acre site owned by the City and located at 207-209 W. Crowther Avenue (“Site”). The City is seeking development proposals in response to a Request for Proposals (“RFP”) for the Site.

The RFP is the first step in a two-phased process that can be described as follows:

1. The City will receive and evaluate responses to this RFP, and will select a development team to proceed to the next stage.
2. The City intends to enter into a mutually agreed upon conveyance instrument (Exclusive Negotiations Agreement (ENA), Disposition Development Agreement (DDA) or Ground Lease Agreement (Lease Agreement) with the selected development team for the purpose of negotiating the terms of a long-term ground lease.

The following deadlines apply to this RFP:

Activity	Date
RFP Release Date	February 8, 2018
Bidder’s Conference (Video taped and posted on <a href="http://www.placentia.org/rfp">www.placentia.org/rfp</a> )	February 20, 2018 at 10:00 AM Placentia City Hall
Bidder’s Conference (Video taped and posted on <a href="http://www.placentia.org/rfp">www.placentia.org/rfp</a> )	February 22, 2018 at 10:00 AM Placentia City Hall
Any questions related to the RFP must be submitted via email to: Jeannette Ortega (jortega@placentia.org)  The subject line for all communications should be “Crowther Development RFP”. The City will post questions and answers at <a href="http://www.placentia.org/rfp">www.placentia.org/rfp</a> under “Current RFPs”.	By February 26, 2018  By March 3, 2018
Responses to the RFP must be mailed to:  City Clerk’s Office City of Placentia 401 E. Chapman Avenue Placentia, California 92870 RE: Crowther Development RFP	By March 29, 2018 at 5:00 PM

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Attachment A: North Orange County Demographic Data  
Attachment B: Transit Oriented Development Packing House District Development Standards  
Attachment C: Kosmont Fiscal Impact and Economic Benefit Analysis  
Attachment D: Aerial of 207-209 W. Crowther Avenue, Placentia, California 92870  
Attachment E: Aerial of Future Metrolink Station and TOD Packing House District  
Attachment F: Parking Easement  
Attachment G: TOD Streetscape Master Plan

## I. DEVELOPMENT OPPORTUNITY

The City's primary objectives for the Site's development are as follows:

1. Development of a state-of-the-art, mixed-use project that generates revenue for the City and serves as a premier destination within the Transit Oriented Development Packing House District (TOD District) and adjacent Old Town Placentia.
2. Provide an appropriate mixture and density of activity around the Metrolink station to increase ridership and encourage alternate modes of transportation.
3. Include a minimum of 1,000 square feet of commercial facing Crowther on the ground floor.
4. Incorporate 360 design features.

The Site is encumbered by the following:

1. Transit Oriented Development Packing House District Development Standards.
2. Dedication for the sidewalk and public improvements/amenities along Crowther ranging from 3 feet to 12 feet.
3. A storm drain access easement that allows the City access to the Melrose Pump Station on the edge of the property will need to be maintained. The boundaries of the easement can be redrawn to coincide with the proposed site plan for the new development.
4. Residential density limitation of 65 to 95 units per acre.
5. Building height limitation of 68 feet, with projections allowed up to 16 feet above this limit.

It should be noted that a 15-foot temporary easement for construction of the Metrolink platform may be required.

## II. AREA OVERVIEW

### A. NORTH ORANGE COUNTY

With a population of approximately 3,010,232, Orange County is one of the most densely populated counties in the United States. The North Orange County region is similarly populous and diverse, with a population of over 860,000 people and 267,000 households. Notable metropolitan areas within the region include Anaheim, the second largest city in Orange County attracting approximately 20 million visitors each year, and the City of Fullerton containing one of the largest California State University schools by enrollment. Located among these cities are a host of smaller, suburban communities including Placentia, Brea, Yorba Linda, La Habra, and Orange.

North Orange County residents are relatively young and high-earning, with a median age of 35.2 (as compared to the U.S. median age of 38), and a median household income of \$72,246 (as compared to the U.S. median household income of \$54,149). The largest household income sector is \$100,000 - \$149,000, and 35% of North Orange County households earn an annual income of \$100,000 or more. Area residents are relatively highly educated, with 40.4% of residents having attained a post-secondary degree, and predominantly work in the white-collar industries of Professional Services (20.6%), Management/Business (15.4%), Administrative Support (13.8%), and Sales (12%) (See Attachment A).

Currently, 53.6% of the 280,896 housing units in North Orange County are owner-occupied, with 41.6% renter-occupied and 4.7% vacant. Median home values in Orange County in 2017 reached their highest historic point at \$710,000, compared to the national median home value of \$206,300. Developers in the entire Orange County region applied for 12,157 building permits in 2016, up 12% from 2015 and the highest number since. In the residential industry, 10,000 apartments were under construction by the end of 2016 and single-family housing permits totaled 4,195 during the same year. Even with plentiful new housing stock, vacancy rates in Orange County have stayed steady around 4%, indicating a continued demand for housing. As with the rest of Southern California, Northern Orange County lacks significant land with which to continue the pattern of lower-density single-family housing tract development. In the region, housing is still needed for a variety of population sectors including low and very low-income families, student housing, young families, single-parent households, empty nesters, and senior citizens.

## **B. CITY OF PLACENTIA**

Primarily known as a bedroom community, Placentia is a family oriented community of approximately 53,000 residents. Incorporated in 1926, Placentia covers approximately 6.7 square miles and has retained a small town image since settlers arrived more than 100 years ago. The City's Old Town Revitalization Plan and adjacent Transit Oriented Development Packing House District (TOD District), including construction of a future Metrolink Station, aims to attract new investment and economic activity to the region and position the City as a key destination for visitors and consumers (Attachment E).

The City is located adjacent to nearly 60,000 Cal State Fullerton students, staff and visitors, as well as over 7,000 Chapman University students. Cal State Fullerton's business incubator, which opened in Placentia in 2015, has stimulated additional economic opportunities and job creation. The City currently operates and maintains a full range of municipal services, including Police, Administration, Public Works, Community Services, Finance and Development Services Departments. The City contracts fire services with the Orange County Fire Authority (OCFA).

As of 2016, the median age for Placentia residents is 36.8, and median household income is relatively high at \$82,101 when compared with the national average of \$54,149 for all U.S. households. The high earning power of residents translates to a significant median disposable income of \$64,108 as compared to the national average of \$41,071. However, the City's unemployment rate of 8.6% is slightly higher than the Orange County average of 7.6%. Like the surrounding region, employment in Placentia is mainly focused within the white-collar industries of management/Business (17.3%), Professional Services (23.6%), Sales (12.1%), and Administrative Support (13.9%).

Rents and home values within the city are comparable to Orange County as a whole; Placentia has a median monthly rent of \$1,424 and median home value of \$577,921, while the rest of Orange County has a median monthly rent of \$1,435 and median home value of \$603,289.

### C. METROLINK STATION

The City of Placentia is partnering with the Orange County Transportation Authority (OCTA) on the design and construction of a Metrolink Station and Parking Structure to serve the City of Placentia and regional transportation commuters. As a part of the Agreement, OCTA will serve as the lead agency for the station design and construction of the Project. The Metrolink Station and Parking Structure is located along the Orangethorpe/Crowther rail corridor in the City of Placentia and will serve the Metrolink 91 Line, with connections to Buena Park, Norwalk/Santa Fe Springs, Fullerton, Los Angeles, Corona and Riverside. The Structure, along with other surface parking in the area, will provide at least 300 spaces for the Metrolink Station. The proposed Station and Structure resides within the TOD District and Old Town Placentia area and is considered to be a catalyst to spur development and revitalization of the surrounding area.

The Metrolink commuter rail station will include two platforms, north and south of the Burlington North Santa Fe (BNSF) rail tracks. OCTA will begin construction on the Metrolink Station platform and the 246 space Parking structure in the fall of 2018. The completion date is summer 2020.

Based on an Economic Benefit Analysis prepared for the Placentia Metrolink Station, Parking Structure, and surrounding TOD area (at build out), collectively these public and private investments generate \$244 million in new construction and \$446 million in new economic output (Attachment C). The report also states that upon completion, the surrounding TOD area is estimated to generate approximately \$950,000 in annual General Fund revenue for the City. In addition, several million dollars in new property tax and sales tax revenue is anticipated for Orange County as a result of the new Metrolink Station. Additionally, construction of the Station and entire TOD area is estimated to generate approximately 2,684 construction jobs and 333 permanent jobs, which will continue to aid in improving Placentia's local economy.

Lastly, the construction of the Metrolink Station and Parking Structure will serve as a key component of making the TOD District and Old Town Placentia areas a regional destination while also serving regional transportation needs in the Orange County area. With the City's current advanced planning efforts and construction of the Metrolink Station and Parking Structure, the area stands to grow our City and region economically, which will assist the City in obtaining additional revenue for the foreseeable future.

### D. TOD PACKING HOUSE DISTRICT

The City has recently adopted a Transit Oriented Development Packing House District (TOD District) Zoning Code Amendment in response to the soon to be constructed Metrolink commuter rail station platform adjacent to the Site, located within the TOD District and Old Town District. The purpose of the TOD District is to complement and activate the future Metrolink station area and encourage economic activity through enhanced streetscape standards, greater opportunities for multi-modal travel, active public spaces, ground-floor retail, and compact, mixed-use development. Due to its location within the TOD Zone and its proximity directly adjacent to the future Metrolink Station, the subject Site represents a prime development opportunity to capitalize on these public and private investments.

The TOD District consists of 30 parcels totaling approximately 28 acres of Placentia's 6.6 square miles. It is located south of the Burlington Northern-Santa Fe (BNSF) rail line and east of SR 57 freeway, on both sides of Crowther Avenue. Melrose Street bisects the TOD District in a north/south direction. Surrounding the District to the south, east and west are industrial uses, with a mix of commercial and residential uses to the north of the rail line within the Old Town Santa Fe area. The TOD District is characterized by a mix of land uses, including a total of ten legal non-conforming dwelling units primarily clustered on the north side of Crowther Avenue west of the historic Packing House. In addition, there are recycling, auto repair, porta-potty rinsing, wood pallet repair, construction and storage, and lighting business uses within this portion of the Plan area. Uses on the south side of Crowther Avenue and within the Plan area include a trucking business, factory, warehouse and a vacant site. Structures range in size from a 539 square foot single-family dwelling to a 121,328 square foot industrial building. Buildings are primarily single story with some two-story warehouse and office buildings. Parcels within the area and parcel sizes range from as small as 2,631 square feet to as large as 257,490 square feet.

The area within the proposed TOD District currently includes underutilized parcels. Some of the properties are well cared for in terms of maintaining a clean appearance, while several demonstrate a lack of maintenance, mostly by displaying old abandoned vehicles and other used storage items within view of the street.

There is significant potential to revitalize this area for future high density residential and commercial development adjacent and proximate to the proposed commuter rail station, including the City owned property at 207-209 W. Crowther Avenue. The recently adopted TOD Zone Change and General Plan Amendment includes all new development standards (Attachment B) to encourage redevelopment and revitalization through new mixed use and residential development as well as quality public infrastructure that would support the area surrounding the new Station.

A private developer has received full entitlements for a 215 apartment unit development on 2.95 acre site. This development is expected to break ground in May of 2018 and completed within 18-24 months. This site is across the street from 207-209 W. Crowther Avenue. A second developer is currently in escrow for a 400+ apartment unit development with some retail on the ground floor. Both developments are located within the TOD District.

The development standards for the TOD District as a result of the Zone Change follow current planning practice for zoning for transit-oriented development. This includes minimum/maximum parking standards to help further the tenets of TOD type development and encourage developers to not "over park" their developments, but rather park their residential and commercial developments appropriately utilizing TOD examples. Some of the other highlights of the development standards include:

- Mixed-Use development (residential and non-residential uses in same building)
- Higher Density residential development (min 65 du/ac; max 95 du/ac)
- Greater height for buildings (up to 68')
- Refined list of land uses: active commercial and multi-family (commercial uses that would complement residential areas)
- Fewer parking spaces required, including a "maximum number"
- Public art and plazas encouraged
- Improved signage

A Community Facilities District (funded by developers and future property owners in the TOD area) will be implemented to fund the ongoing maintenance and repair of all public right-of-way improvements constructed. This provides a sustainable revenue sources without depleting the City’s General Fund. Both TOD Development Impact Fees and Community Facilities District have been adopted by the City.

### III. SITE DESCRIPTION

In 2009 the City, with the assistance of the former Redevelopment Agency, purchased the property at 207-209 W. Crowther Avenue (the “Property”). The original intended purpose of the purchase was to create surface parking for the anticipated Metrolink Station. Since that time, the City has acquired land and secured funding from the Orange County Transportation Authority (OCTA) for the construction of a 253 space parking structure (the “Structure”), which allows for the disposition and development of the Property.

The Property is approximately 1.62 acres in size, or 70,503 square feet, this includes the dedicated land for the future Metrolink platform (Attachment D). The site is 0.7 miles away from the SR 57 freeway. Allowable residential density is 65-95 dwelling units per acre, which equates to 105-153 dwelling units for the subject site.

Address	APN	Size (Sf)
207 W. Crowther Avenue	339-402-05	
208 W. Crowther Avenue	339-402-08	
209 W. Crowther Avenue	339-402-11	
<b>Total Square Footage</b>		<b>70,503</b>

#### A. SURROUNDING AREA DESCRIPTION

The Property is located at the northeast corner of Melrose Avenue and Crowther Avenue bound by the BNSF railroad tracks on the north. Directly to the east of the site is a Golden State Water well site and east of the well site is a public parking lot with approximately 54-parking stalls. The parking lot has a pedestrian bridge that connects the parking lot on the south, crosses over the BSNF tracks to the north and into Old Town Placentia. To the west of the site is the last remaining Placentia Packing House, commonly referred to as the Placentia Mutual Packing House. The current use is manufacturing, however the TOD District allows for retail and restaurants in the Packing House.

#### B. CEQA CLEARANCE

Entitlements and CEQA clearance heave been granted to establish the Transit Oriented Development (TOD) District by means of a General Plan Amendment, Zone Change, adoption of the Streetscape Master Plan and a Mitigated Negative Declaration (MND) in the TOD District. The Development Standards (Ord. No. O-2014-04), Streetscape Master Plan, and CEQA documents are available at [www.placentia.org/TOD](http://www.placentia.org/TOD). Although the TOD area contemplates approximately 1,000 new dwelling units and 75,000 square feet of retail and office space, the approved CEQA document assesses traffic impacts associated with a maximum of 752 dwelling units and associated retail uses on the ground floor. Currently entitled developments within the TOD District include 215 dwelling units, therefore it is

reasonable to assume that subsequent developments entitled in the next two-three years will not exceed 752 units. Therefore, it is also reasonable to assume that the MND adopted for the TOD District can be utilized as a baseline document for development at the subject site, and the developer may rely on this document in preparing development level CEQA analysis.

#### IV. DEVELOPMENT PARAMETERS

The Developer should consider the following for the proposed Project at the Property:

1. The Developer will be required to remove a permanent drain pipe connection between the pump to waste feature on the southerly portion of the Golden State Water Company water well site, which is located east of the Site. The drain pipe will need to be connected to the nearest catch basin located on Crowther Avenue in front of the Site.
2. The Project must comply with all applicable Orange County Fire Authority requirements.
3. The Project must include the 15-space parking easement that benefits the adjacent property owner of the Packing House (Attachment F).
4. The Project should include a minimum of 1,000 square feet of commercial retail on the ground floor.
5. Dedication of property for street and public utility purposes as depicted in the attached parcel merger plat map and labeled as "future street widening."
6. Undergrounding of all new utilities installed as part of the project, as well as removal of three existing utility poles located on the property and in the road-right-of way adjacent to the Golden State Water Company well site. The existing utilities attached to those poles will be placed underground.
7. A direct, private pedestrian connection to the south platform will be required by the City for the residential tenants of this Project.
8. The Developer must continue providing the City with a storm drain access easement in order to maintain access to the existing storm water pump station and appurtenant equipment located on the western edge of the property.
9. The developer will be required to construct and install all street improvements and public amenities as depicted in the Streetscape Master Plan (Attachment G) along the entire property/project site frontage. This includes but is not limited to street and public right of way improvements, street furniture, light standards, and landscaping consistent with the attached Streetscape Master Plan.
10. A 15 foot temporary construction easement for access to the south Metrolink Platform construction area may be required.

## V. GROUND LEASE PARAMETERS

The City plans to convey the Site to the selected development team in the form of a long-term ground lease. The City has identified several basic terms that they will require to be included in the transaction, which can be summarized as follows:

1. The City's fee interest in the Site represents the senior lien on the property. The City will not subordinate its fee interest in the Site.
2. The City will agree to an initial ground-lease term of 66 years. Respondents that wish to propose to extend the term with option periods should detail the length of the extension and the financial terms to obtain the option and to be applied during the option periods.
3. Ground-Rent Payments:
  - a. The ground lease will be structured on a triple-net basis.
  - b. The City is seeking an upfront payment upon lease execution of \$4,400,000;
  - c. Beginning in the eighth (8<sup>th</sup>) year after lease execution, the developer shall propose an ongoing annual lease payment with CPI adjustments every five (5) years.
4. The City will have a reasonable right to approve lenders, investors and any assignment of the ground lease. This may also include an obligation to pay a transfer fee to the City.
5. The project will be subject to possessory interest tax obligations.
6. The City will not pay commissions to real estate brokers as part of this transaction.

## VI. GOOD FAITH DEPOSIT

If a development team is selected to enter into an approved conveyance instrument (e.g. ENA, DDA, Lease Agreement, etc.) as a result of this RFP process, the selected development team will be required to submit a good faith deposit in the amount of \$50,000 prior to the commencement of negotiations. The funds will be used by the City to offset any administrative, legal and/or consultant costs associated with reviewing the proposal and negotiating a potential ground lease.

The City will track deductions from the good faith deposit. The City staff time will be charged at a fully burdened rate based on an established cost allocation process. Work undertaken by the contract City Attorney and the City's consultants will be billed at their standard hourly rates. In addition, any technical studies commissioned by the City will be paid for using the good faith deposit.

If all the funds in the good faith deposit account are spent before the ground-lease negotiations are completed, the development team will be required to make an additional deposit. The deposit amount will be based on the City's estimate of the additional costs that will be incurred.

## VII. SUBMITTAL REQUIREMENTS

### A. SUMMARY

The response format being requested by the City is detailed in the following sections of this RFP. The submission of a concise, professional, and complete response to the RFP will facilitate the City's evaluation of the responses, and will be indicative of the level of the respondent's commitment to the desired project. Any questions that arise during preparation of a submittal should be addressed only to Jeannette Ortega via email at [jortega@placentia.org](mailto:jortega@placentia.org).

Responses to this RFP shall not exceed a total of 50 pages, excluding drawings and financial analyses. The response must be printed one-sided, using a minimum font size of 11. Respondents must submit one unbound original hard copy, ten bound hard copies, and one digital PDF file (on CD or flash drive). Responses received by e-mail and/or fax will not be accepted.

The submittal must be enclosed in a sealed envelope or box. The face of the envelope/box must be reference "**CROWTHER DEVELOPMENT RFP**", and the name and address of the respondent. Submittals must be addressed to:

City Clerk's Office  
City of Placentia  
401 E. Chapman Avenue  
Placentia, California 92870

Submittals must be received by the City no later than **March 29, 2018 at 5:00 PM**. Submittals received after this due date and time will not be accepted. Delivery of the RFP response to the specified location by the prescribed time and date is the sole responsibility of the respondent.

### B. COMPONENTS OF THE RFP RESPONSE

To facilitate the City's review of the RFP responses, please organize your submittal in the following order:

#### Transmittal Letter

The submission must include a transmittal letter that identifies the development team name, and provides contact information for the person with authority to negotiate on behalf of the team. The transmittal letter may also provide any other general information that the proposer wishes to include regarding the response to the RFP. The respondent must certify that the RFP response and exhibits are true and correct. The transmittal must be signed and dated by the respondent.

#### Development Team

Identify the developer and other key members of the development team, including the project lead for day-to-day management of the project, and the key consultants that will be responsible for implementing the project. Provide a succinct narrative describing the role and relevant expertise of each of the firms and key individuals that would be involved in the project's implementation.

### Proposed Conceptual Development Scope

Provide a one-page narrative that describes the development concept that is envisioned for the Site. As part of this description, identify any responsibilities proposed to be imposed on the City. Graphics such as a conceptual site plans are required. Please refer to page 10 for additional information.

### Experience

Provide descriptions of at least three projects and no more than five projects that the respondent has undertaken within the past five years that are directly analogous to the project being proposed for the Site. Each description should include the following information:

1. The project's name and location.
2. Development scope.
3. Financial characteristics.
4. A description of the role the respondent and other team members played in the development and operation of the project.
5. Public Sector Contact:
  - a. Provide contact information for a representative of the jurisdiction in which the project is located including telephone number and email address
  - b. Indicate whether or not the project was undertaken as a public/private partnership. If so, describe the responsibilities accepted by the public sector partner.

### Financial Capacity

Provide evidence of the development team's financial ability to undertake and successfully complete the proposed project including the following:

1. Financial Statements:
  - a. If available, submit audited financial statements for the past two years for each developer entity that is part of the development team.
  - b. If audited financial statements are not available, provide documented evidence of prior development transactions in which substantially all of the funding was obtained by the respondent. This information should include letters from the project lenders that identify the size of the loans and the repayment terms, and letters from the equity investors that identify the investment amounts and summaries of the transaction terms.
2. Provide a statement identifying the threshold rate of return requirement anticipated to be imposed on the proposed project. The threshold can be presented as a stabilized return on total investment or an Internal Rate of Return (IRR) on total investment.

3. List and explain any litigation or disputes any member of the development team is involved in that could result in a financial settlement that has a materially adverse effect on the ability of the development team to complete the proposed project.
4. Provide a statement detailing whether or not any member of the development team has ever filed for bankruptcy or had projects that have been declared in default or foreclosed upon. If the answer is 'yes', to any of these questions, list the dates and describe the circumstances.

The City recognizes the sensitive nature of the financial capacity information that is requested in this RFP. Therefore, respondents are only required to submit one copy of the requested financial capacity information, and it should be submitted in a separate envelope that is marked "CONFIDENTIAL", and that is addressed to:

Yolanda M. Summerhill  
Jones & Mayer  
3777 N. Harbor Boulevard  
Fullerton, CA 92835  
RE: Crowther Development RFP

### Development Program

For this section of the RFP response, please provide the following information:

1. Please provide a narrative description of the proposed development scope including the gross building square footage and height; the number of units; the number and type of parking spaces; commercial space, leasing office, community room square footage; and any other amenities proposed to be provided.
2. Submit conceptual drawings of the development plan that illustrate:
  - a. The physical layout of the development;
  - b. The proposed height, massing, parking, open space and any other site amenities;
  - c. The approximate configuration of buildings and other elements, and relationship to the surrounding uses; and
  - d. The manner in which the site limitations will be addressed.
3. Local stakeholders and community members will wish to provide extensive input into the development process. Please describe the development team's community engagement plan.
4. Provide a preliminary schedule of performance outlining the estimated time for each step of the development process, including a summary timeline or other graphic representation of the development process. The schedule should cover the period starting with the commencement of the planning and entitlement process through the opening of the project. Highlight major milestones and activities that will take place over the course of the development process.

## Financial Information

This section of the RFP calls for an explanation of the financial assumptions on which the proposal is based, and the benefits the City can anticipate receiving. Please refer to the procedure for designating information as confidential or proprietary that is presented in Section VIII of this RFP.

### *Ground-Lease Terms and Conditions*

Please identify proposed terms and conditions for the key ground-lease terms presented in the following table. Please be advised that any and all terms provided as part of your submittal are only meant to assist the City in the evaluation process. The actual ground-lease agreement between the selected development team and the City will be negotiated during the conveyance process:

<b>Ground-Lease Term:</b>	Identify the length of the ground-lease term, and any requested option periods.
<b>Commencement of Ground-Rent Payments:</b>	Identify the trigger(s) for the commencement of base-rent payments.
<b>Ground Rent:</b>	Identify the amount of the ground rent payments due during the construction period.
	Identify the amount of the ground rent payment due during the first year of the project's operation.
	Describe the timing and the mechanism used to determine the amount of the future increases in the ground rent.
<b>Fair Market Adjustment of Ground Rent:</b>	Identify the adjustment timing and the mechanism used to make the adjustment.
<b>Capital Repairs and Replacements</b>	Identify the proposed annual contributions to a reserve fund that will be used to fund future capital repairs.
	Identify the timeframes proposed for rehabilitation of the project throughout the ground-lease term.

### *Financing Plan*

Please provide construction period sources and uses of funds statement and a permanent sources and uses of funds statement for the proposed scope of development. In addition, please include the following information:

1. The construction loan underwriting terms;
2. The permanent loan underwriting terms; and
3. The expected stabilized return on investment for the project, and the threshold internal rate of return (IRR) on the total investment.

Please describe any financial responsibilities and/or obligations that the development team is proposing that the City accept.

*Pro Forma Analysis*

Submit a pro forma analysis that includes a construction cost estimate and a cash flow projection for the first 10 years of the project's operation. The pro forma analysis will only be used as a tool to assist the City in evaluating the ground-lease terms being proposed by the development team.

Please provide a summary that will assist the City in understanding the assumptions applied in the financial analysis. Also, please identify any assumptions that are critical to the economic viability of the project.

Estimated Construction Costs

Please provide a construction cost estimate that includes as much detail as possible broken down into the following components:

1. Direct construction costs:
  - a. Offsite improvement costs;
  - b. Site-work costs;
  - c. Parking costs;
  - d. Residential component building costs;
  - e. Commercial component building costs, if applicable;
  - f. Furniture, Fixtures & Equipment Costs;
  - g. Contractor Fees/ General Requirements;
  - h. Construction insurance / bonds; and
  - i. Contingency allowance.
2. Indirect/soft costs:
  - a. Architecture, engineering and consulting fees;
  - b. Public permits and fees costs – The following fees should be assumed in the analysis:
    - i. TOD Impact Fee - \$10,449/unit
    - ii. Public Safety Impact Fee - \$966/unit
    - iii. Park and Rec Impact Fee - \$2,808/unit
    - iv. Quimby In-Lieu Fee - \$4,227/unit

- v. Affordable Housing Impact Fee - \$2,000/unit
  - c. Taxes, insurance, legal and accounting costs;
  - d. Marketing and leasing costs;
  - e. Developer Fee; and
  - f. Contingency allowance.
3. Financing costs:
- a. Construction period interest costs;
  - b. Construction and permanent loan origination fees; and
  - c. Capitalized reserves.

Stabilized Net Operating Income

Please provide the following information:

1. Revenues:
- a. Gross potential rental income (separate residential and commercial components);
  - b. Miscellaneous income;
  - c. Vacancy and collection rate; and
  - d. Effective gross income.
2. Operating Expenses:
- a. General operating expenses, please break out property management fee;
  - b. Property taxes;
  - c. TOD Community Facilities District (CFD) payments;
  - d. Public safety assessment;
  - e. On-site services;
  - f. Ground rent;
  - g. Replacement reserve deposits; and

- h. Total operating expenses.
3. Net Operating Income (Effective Gross Income – Operating Expenses)

Sources and Uses

Please provide a breakout of the proposed funding sources during construction and at permanent loan funding to match the estimated construction costs.

Cash Flow Projection

Please provide the following information in the 15-year cash flow projection, based on the Stabilized Net Operating, and deducting any debt and return to the Developer.

## VIII. RFP EVALUATION CRITERIA

The following RFP evaluation criteria will be used to select a development team to move on to the ENA process for the purpose of negotiating the terms of a long-term ground lease for the Site:

1. The development team’s proven experience in the successful financing, design, construction, and operation of projects of a similar scope and scale.
2. Financial capacity to undertake a project of the proposed magnitude.
3. Overall quality of the development team.
4. Experience with long-term ground leases and other similar public/private development agreements with public sector entities.
5. Compliance with the RFP requirements pertaining to site limitations.
6. The overall quality of the proposed project design.
7. The market and financial feasibility of the proposed development scope.
8. The direct fiscal benefits anticipated to be received by the City, which for evaluation purposes will be made up of the ground-lease payments, sales tax revenues, and property taxes.
9. The timeline for development.
10. The quality and completeness of the RFP response.

## IX. PROPOSAL EVALUATION PROCESS

All submitted proposals will be evaluated by a panel consisting of City staff and consultants. The proposals will be assessed in accordance with the defined RFP Evaluation Criteria. As part of the process, the evaluation panel reserves the right to request additional information or clarifications from respondents, and to allow the respondents to correct errors and/or omissions in submissions.

The evaluation panel may ask the respondents to participate in an interview process. The development teams may also be required to make a presentation to the City Council to explain the design, development and operational aspects of the proposed project.

The projected schedule for the developer selection process is presented in the following table:

<b>Activity</b>	<b>Date</b>
RFP Release Date	February 8, 2018
Bidder's Conference #1 (Video taped and posted on <a href="http://www.placentia.org/rfp">www.placentia.org/rfp</a> )	February 20, 2018 at 10:00 AM Placentia City Hall
Bidder's Conference #2 (Video taped and posted on <a href="http://www.placentia.org/rfp">www.placentia.org/rfp</a> )	February 22, 2018 at 10:00 AM Placentia City Hall
Period in Which Questions May be Posted to the City via email at <a href="mailto:jortega@placentia.org">jortega@placentia.org</a>	February 26, 2018
City Responds to Questions by posting on City's website at <a href="http://www.placentia.org/rfp">www.placentia.org/rfp</a>	March 3, 2018
Deadline to Submit RFP Responses via mail to the City Clerk's Office.	March 29, 2018, 5:00 PM
Presentations and Interviews with Top Respondents to RFP with RFP Review Committee (Planning and Economic Development Ad Hoc Committee & Keyser Marston Association, Inc.)	Week of April 9, 2018
Exclusive Negotiating Agreement (ENA) to City Council	May 15, 2018

The City may amend this schedule at any time. Written notice of any changes to the schedule will be provided to all respondents to the RFP.

## X. DECLARATIONS AND ADDITIONAL INFORMATION

### A. CONFIDENTIAL AND PROPRIETARY INFORMATION

All submissions in response to this RFP are considered confidential until the City makes a selection, at which time the proposals will become public information and will be available to the public for review. However, the City understands that proposals submitted in response to this RFP may contain confidential and/or proprietary financial information that the respondent does not want used or disclosed for any purpose other than the evaluation of the submittal.

Respondents must clearly designate any part of the proposal that contains confidential or proprietary information as "CONFIDENTIAL" in order to claim protection from disclosure. Any portion of the proposal that a respondent requests exemption from disclosure must be easily separable from the submittal package to facilitate review of the non-confidential portion of the proposal. Any RFP response that is marked as CONFIDENTIAL in its entirety may be rejected without further consideration or recourse.

The City will take reasonable measures to hold in confidence all proposal contents marked as CONFIDENTIAL, but shall not be liable for the release of any information when required by law or court

order. If the City and a development team enter into a ground-lease agreement, the agreement will be a public document, and no part of the agreement can be designated as CONFIDENTIAL.

**B. THE CITY'S RIGHTS PERTINENT TO THIS RFP**

1. The City reserves the right to reject all submittals for any legally permissible reason without indicating the reasons for rejection.
2. The City is under no obligation to award this project to the development team offering the most advantageous financial benefit to the City. The RFP Evaluation Criteria shall be used as the basis for the evaluation of the proposals.
3. The City shall have sole authority in determining the responsiveness of any proposal submitted in response to this RFP. The City shall also have the sole authority to determine the extent to which exceptions to the RFP specifications affect the responsiveness of the respondent to the RFP requirements.
4. The City reserves the right to amend this RFP by addendum. The City is bound only by what is expressly stated in this RFP and any authorized written addenda. Any addenda will be posted at [www.placentia.org/rfp](http://www.placentia.org/rfp).
5. The City reserves the right to withdraw this RFP at any time without prior notice, and makes no representation that any agreement will be awarded to any respondent. Additionally, the City expressly reserves the right to postpone opening responses to this solicitation for its own convenience, and/or to waive any informality or irregularity in the responses received.
6. The City accepts no financial responsibility for any costs incurred by the respondent during any phase of the selection process. All submittals shall become the property of the City and may be used in any way deemed appropriate.

**C. RESPONDENT RESPONSIBILITIES**

1. The respondent understands that the information provided in this RFP is intended solely to assist the respondent in preparing a submittal. To the best of the City's knowledge, the information provided is accurate. However, the City does not warrant such accuracy, and any errors or omissions subsequently will not invalidate this RFP.
2. The respondent to this RFP shall not offer any gratuities, favors or anything of monetary value to any official, employee, or agent of the City for the purpose of influencing consideration of this RFP.
3. From the date this RFP is distributed, and throughout the evaluation and selection process, Jeannette Ortega is respondent's only point of contact for any and all matters pertaining to this RFP. Respondents shall not contact any other City personnel, consultants engaged by the City, Planning Commissioners or City Council Members for matters regarding this RFP until the conclusion of the selection process. Unauthorized contact of this nature is cause for disqualification from the RFP process.

4. The respondent must comply with the requirements imposed by all applicable federal, state and local laws, including those pertaining to conflict of interest. All members of the responding development team must disclose any and all circumstances that could give rise to any potential conflict of interest or appearance thereof with its participation in the project with the City, and its agents, representatives and consultants.
5. The respondent shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers.