

City of Daly City, California
Request for Developer Qualifications
Multiple Development Opportunity Sites

Junipero Serra Blvd. and Westlake Ave.

1837 Junipero Serra Blvd.

6401 Mission Street

RFQ Issued – Friday, March 31, 2017
Deadline to Submit – Friday, April 28, 2017 by 5:00 PM PST

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DEADLINE FOR SUBMITTAL: Friday, April 28, 2017 at 5:00 PM PST

An electronic copy of the RFQ and supporting documentation can be accessed at the following location: [https://kosmont.app.box.com/files/0/f/18146179972/RFQ_Attachments - Daly City](https://kosmont.app.box.com/files/0/f/18146179972/RFQ_Attachments_-_Daly_City)



1. Introduction and Background

Overview of Sites

The City of Daly City (“City”) invites experienced developers to submit qualifications for the development of any of the following three (3) City-owned sites (“Sites”) as follows.

Site 1: Suited for Office: Development opportunity located at Junipero Serra Blvd. and Westlake Ave. is approximately 3.13 acres of vacant land (“Site 1”) proximate to Daly City BART and the 280 freeway. Site 1 is comprised of twelve (12) parcels (APN: 002-342-160, -250; 002-352-200, -210, -220, -230, -240, -250, -290, -310, -160; 002-362-330) and is bounded by an existing parking structure to the north, Junipero Serra Boulevard to the west, single family housing along Niantic Avenue to the east, and parking/commercial space north of Citrus Avenue to the south (please see Figure 2).

The City envisions that Site 1 be developed primarily as an office project in the context of transit-oriented-development (TOD) with quality design as Phase III of the Pacific Plaza project (approved under PD-54 and a Development and Disposition Agreement in 1999), with the initial two phases (20-screen movie theatre, an initial office tower and two parking garages) built as part of Phase I and II. As entitled, the project would consist of 270,000 sq. ft. of office development in an 8-story building and an extension of the Phase 1 parking garage with an additional 945 spaces. Site 1 is designated as Retail and Office Commercial pursuant to the City’s General Plan and is zoned PD-54 (Planned Development 54).

Site 2: Suited for Hotel: Development opportunity located at 1837 Junipero Serra Boulevard is approximately 1.26 acres of vacant land (“Site 2”) immediately adjacent to Daly City BART and the 280 freeway. Site 2 is comprised of one (1) parcel (APN: 002-292-310) and is bounded by an existing parking lot and BART tracks to the north, Junipero Serra Boulevard to the west, single family housing along Niantic Avenue to the east, and an existing parking structure to the south (please see Figure 3).

The City envisions that Site 2 be developed primarily as a hotel project in the context of TOD with quality design as the final phase of the Pacific Plaza project (approved under PD-54 and DA and DDA in 1999) with the initial two phases (20-screen movie theatre, an initial office tower and two parking garages) built as part of Phase I and II; Site 1 (described above) represents Phase III of the Pacific Plaza project. As entitled, the project would consist of a 10-story hotel with 300 rooms and up to 25,000 square feet of meeting and banquet space. Site 2 is designated Retail and Office Commercial pursuant to the City’s General Plan and is zoned PD-54 (Planned Development 54).



Site 3: Suited for Mixed-Use: Development opportunity located at 6401 Mission Street is approximately 0.27 acres of vacant land (“Site 3”) proximate to Daly City BART and the 280 freeway. Site 3 is comprised of one (1) parcel (APN: 003-224-100) and is bounded by the intersection of Mission Street, Hillside Boulevard, and John Daly Boulevard to the north, Mission Street to the west, Hillside Boulevard to the east, and Landmark Phase 1 (primarily multifamily residential project) to the south (please see Figure 4).

The City envisions that Site 3 be developed as a retail/office commercial mixed-use project with quality design as Phase II of the Landmark project (approved under PD-59 and a Development and Disposition Agreement in 2005 with subsequent amendments through 2010), with the initial phase (95 residential units, including affordable rent-controlled units, plus ground-floor retail and garage parking) completed in 2008 and built as part of Phase I. As entitled, the project would consist of an office building with ground floor retail, in a seven-story 76,140 square foot building. The developer will need to make improvements to and expand the parking garage that was constructed under the Phase I development to add additional parking. Site 3 is designated as Commercial Mixed-Use pursuant to the City’s General Plan and is zoned PD-59 (Planned Development 59). Variations from the approved project concept should be substantiated with market data, economic analysis, and/or other supporting information.

Located immediately south of San Francisco in San Mateo County, Daly City is a well-educated and relatively affluent community of approximately 105,000 residents with accessibility to the I-280 freeway. The population within 3 and 5 miles of the Sites is approximately 283,000 and 711,000, respectively.

The City envisions development of all Sites an integral component of meeting a number of City goals including the creation of quality, living-wage jobs and support of economic development on Mission Street and Junipero Serra Boulevard.



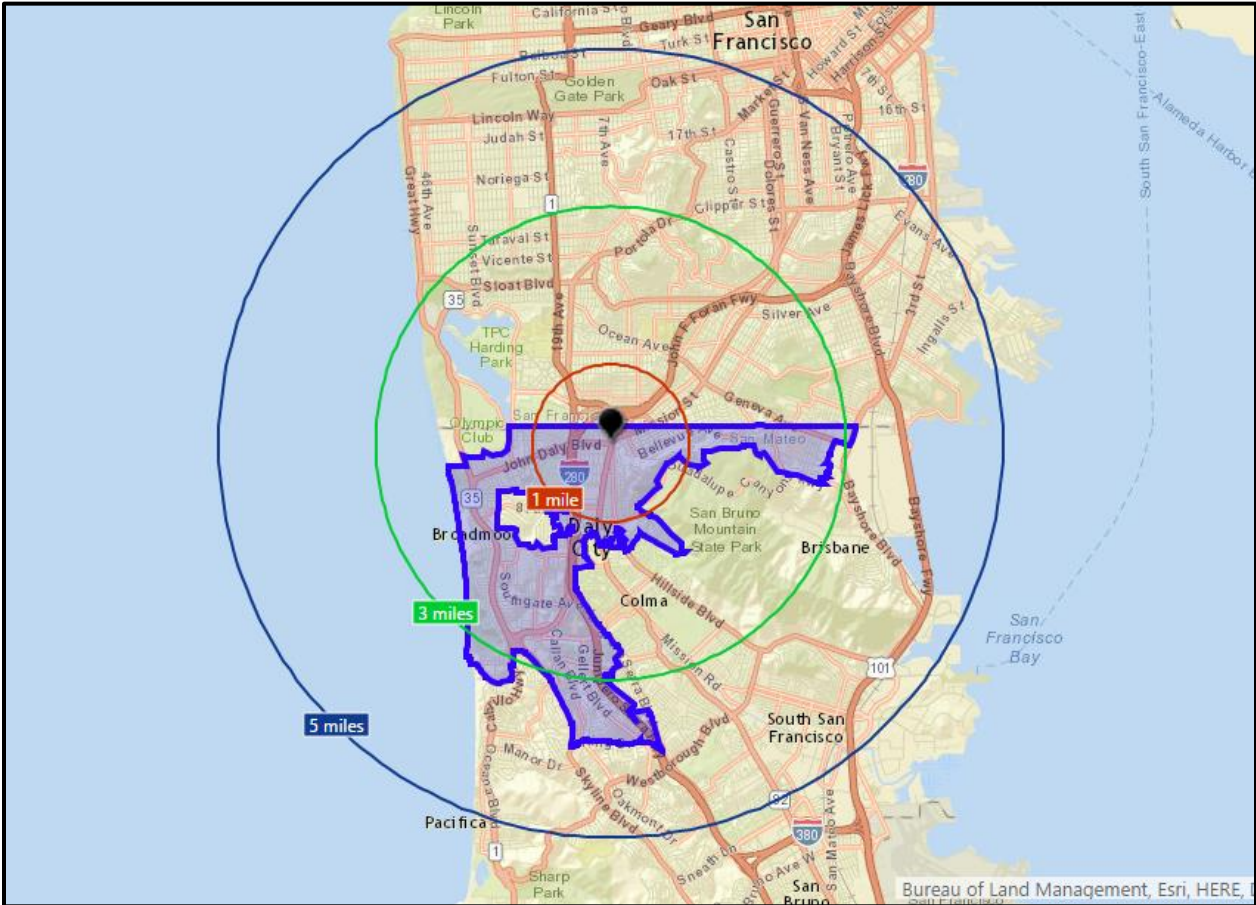
Overview of Development Considerations

The City desires that the selected developer(s) take into account the following considerations:

1. Development should be consistent with approved DDAs in the context of TOD and appropriate phasing / mix of uses as appropriate. Variations from the approved project concept should be substantiated with market data, economic analysis, and/or other supporting information.
2. The development should involve and reflect community outreach, involvement, and input.
3. The development should serve as an attractive entry and gateway from the I-280 freeway, BART, or Mission Street, depending on location of site.
4. The development must exemplify attractive architecture and sustainable design and construction, as well as generate street-level activity. Shortlisted developers will have the opportunity to meet directly with staff to exchange priorities and details about the expected design, quality, and mix of the development as well as proposed offsite improvements that may impact this project. These priorities will ultimately need to be considered and as part of the financial pro forma, valuation estimates, financial returns, and estimates of project fiscal impacts that serve as the basis for an eventual Letter of Intent (“LOI”).
5. The development should provide vehicle and pedestrian connectivity.
6. Sites are currently owned by the City of Daly City, transferred from the Successor Agency to the Daly City Former Redevelopment Agency (“SA”) and have been designated for future development as approved in the SA’s Long Range Property Management Plan.
7. Conveyance of the properties will be subject to receipt of all entitlements, permits, and evidence that construction financing is in place, which may be agreed upon in an approved DDA.

Copies of a Regional Map and Site Aerials are provided on the following pages.

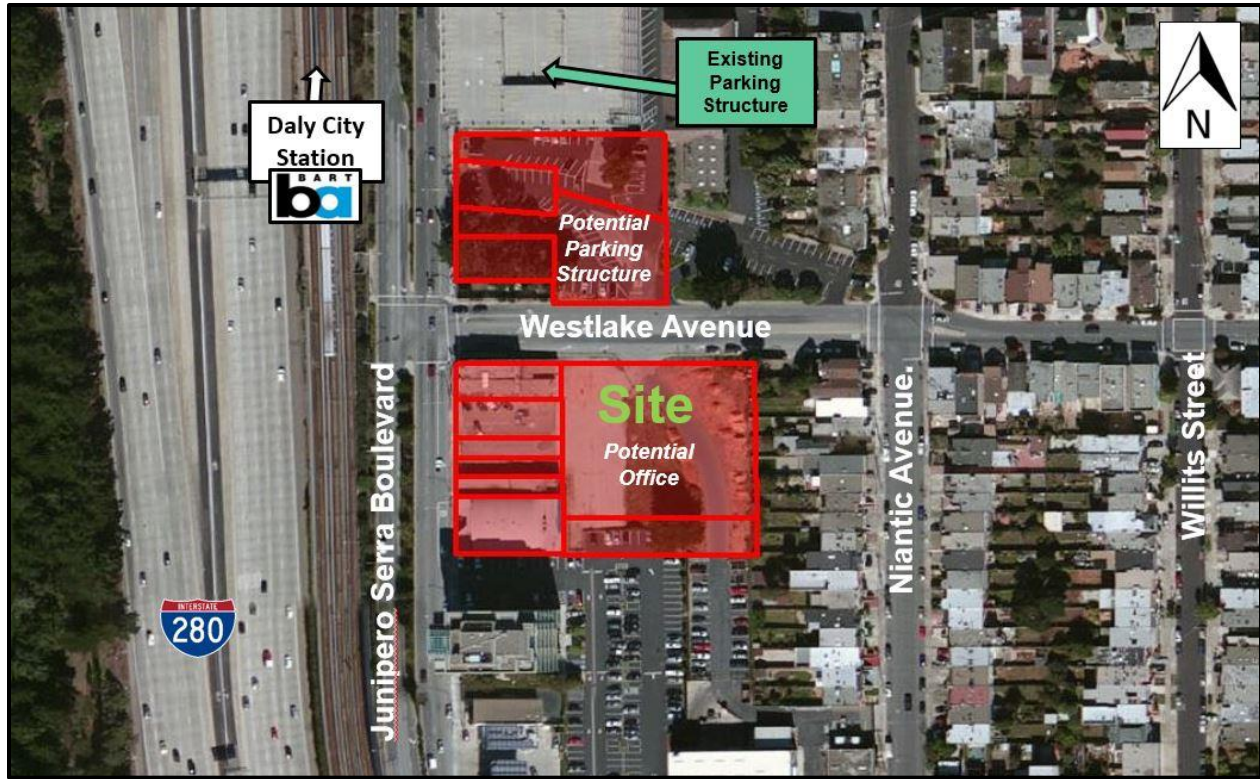
Figure 1: Regional Map and Demographics



2016	Radii		City of <i>Daly City</i>
	3 Miles	5 Miles	
Population	283,069	710,507	105,422
Households	89,234	251,830	31,946
Avg. HH income	\$105,637	\$112,679	\$95,453



Figure 2: Site Aerial with Zoning Information – Site 1



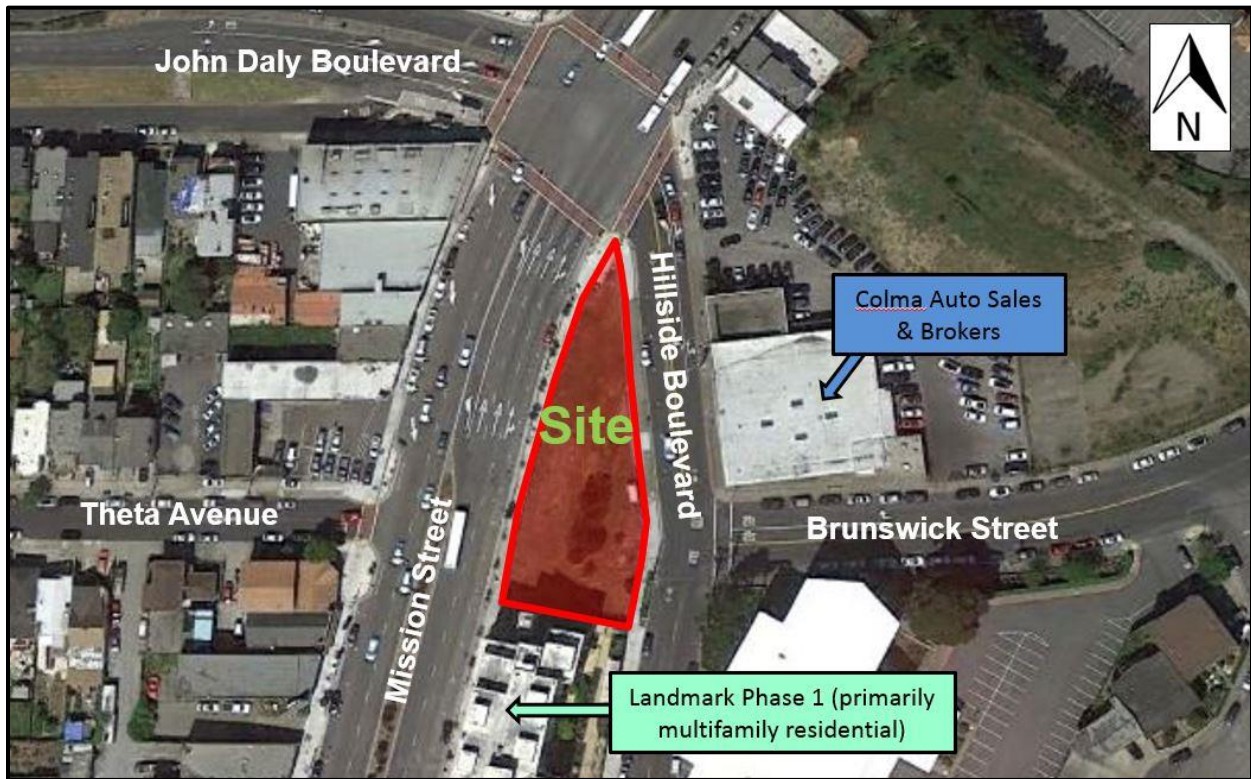
Size	APN	Zoning
3.13 acres	002-342-160, 002-342-250, 002-352-200, 002-352-210, 002-352-220, 002-352-230, 002-352-240, 002-352-250, 002-352-290, 002-352-310, 002-352-160, 002-362-330	Retail and Office (General Plan); PD-54 (Zoning)

Figure 3: Site Aerial with Zoning Information – Site 2



<i>Size</i>	<i>APN</i>	<i>Zoning</i>
<i>1.26 acres</i>	<i>002-292-310</i>	<i>Retail and Office (General Plan); PD-54 (Zoning)</i>

Figure 4: Site Aerial with Zoning Information – Site 3



Size	APN	Zoning
0.36 acres	003-224-100	Commercial-Mixed Use (General Plan); PD-59 (Zoning)



2. Submittal Requirements

Submittal Overview

The City reserves all rights to amend or modify this RFQ, reject all proposals, extend any dates, or extend that deadline until responses are received.

All materials submitted during any part of the selection process become the property of City. The respondent may designate portions of its submittals, which contain proprietary data as “confidential”, but the City cannot guarantee that it will be able to legally enforce such confidentiality.

The City shall not be responsible for any costs and/or obligations incurred by and/or on behalf of a potential developer in preparing, submitting or otherwise participating in any part this RFQ, the selection, documentation, or the development process in its entirety. The City reserves the right to request clarification or additional information from respondents. Information included in this RFQ is believed to be accurate, but should be independently verified by potential respondents prior to reliance upon.

Qualifications and Proposal Content

The City’s top priority is to select (a) development partner(s) for Site 1, 2 and 3 to design and build development projects that will be synergistic and supportive of adjacent and other nearby land uses. The evaluation criteria will consider a prospective developer’s recent experience in working on projects of similar size, scope and quality.

Respondents shall provide all of the information that follows in this Section. Once the Evaluation Committee has the opportunity to evaluate each response, some or all respondents may be invited to make specific project presentations and/or be invited for personal interviews.

Respondents selected to advance to interviews will be notified via email. Based on interview results, next steps may include, but not be limited to, additional submittals, financial references, and a preliminary LOI which would include a description of the proposed development, purchase price and terms, project delivery and performance benchmarks.

For the Submittal, at a minimum, please include the following information:

1. **Letter of Introduction** – Include a summary of the respondent’s basic qualifications, experience, past and current project experience of similar nature and size, and reasons for interest in this opportunity. The letter must identify which of Sites 1, 2 and 3 are of interest for development and be signed by a principal or authorized officer including a statement that the officer may make legally binding commitments for the entity.



2. **Description of potential conceptual project** – Include sufficient detail and definition as to proposed uses, tenants, and/or concept to give the Review Committee enough information to have an idea of what the final development could contain. Supporting market data, concept plan, and collateral materials are encouraged to provide support for the proposed concept.
3. **Team Members** – Identify members of the development team and provide a brief description of each team member’s role including the following:
 - Principals involved in the project.
 - Resumes of key team members.
 - A description of team member’s proposed role and relevant experience with projects of similar nature and size and experience in and familiarity with development in Daly City or surrounding areas.
 - An organizational chart.
 - Designation of lead contact for the team.
4. **Relevant Project Experience** - A summary of current and previous experience of the team with regard to projects comparable both in size and uses. As appropriate, this information should include a project description, photos or site plans if available, land uses, dates completed, developer role, cost/value, financing sources, duration of development processes, role of current employees in the project, and existing status as to ownership and leasing of current developments, % owned since project completion, and volume sold/leased. Additionally, please identify similar completed projects in the area that the can be visited, and provide a name and contact information as well.
5. **Project Approach** - A high level summary of the team’s approach and anticipated timing related to planning, design, approvals, financing, phasing, development, construction, and operation. Provide examples of processes employed in other similar projects. The City’s preference for conveyance structure is a fee simple sale. The RFQ response should identify the type of conveyance structure(s) typically preferred by and/or acceptable to the respondent.
6. **Financial Data** - A summary of the potential developer/development entity’s capability to source the capital necessary to successfully fund and/or finance the proposed concept. Eventually, a description of the anticipated financing structure to be employed to finance the anticipated project and specific evidence will need to be provided to support proof of the ability to fund a project of this size.
7. **References** - An accurate list of no less than three references (name, title, entity, telephone number and contractual relationship to respondent) that may be contacted with respect to current and past project experience. Additionally, a reference list of and



contact information for five to ten public sector elected officials and executive staff involved in the previous projects identified as examples of Relevant Project Experience.

8. **Litigation History with Public Agencies** – Provide information as to any litigation that any developer/development entity that comprises the overall team has had with public agencies over the last ten years.

Submittal Date

Please return RFQs for review by **Friday, April 28, 2017 at 5:00 p.m. Pacific Standard Time** to the contacts listed below. The City may continue to solicit qualifications beyond the above date if the City, in its respective sole determination, is not satisfied with the number and quality of submittals received.

Submittal Quantities and Contact

Please provide five (11) printed copies of the submittal and one (1) electronic version on a thumb drive, CD, or DVD to:

**Ken K. Hira, Executive Vice President
Kosmont Companies
1601 N. Sepulveda Blvd. #382
Manhattan Beach, CA 90266**



3. Evaluation Criteria, Procedures, and Tentative Timeline

Evaluation Criteria

The following criteria will be used as the primary basis for evaluating developer responses:

- **Experience:** Does this team possess the experience to deliver targeted development projects? (e.g. similar projects, nearby/similar markets, team member experience, litigation)
- **Concept:** Does the project concept meet the City's vision? (e.g. proposed uses)
- **Access to financial capital:** Does the team demonstrate access to capital for proposed development? (e.g. evidence of financing, references)
- **Proposal Responsiveness:** Completeness, organization, timeliness, etc.

The order of presentation of the above criteria does not necessarily denote the specific importance of the same. Following in-person interviews, eventual selection of a preferred developer will be based on additional factors, such as LOI terms (e.g. financial structure, project valuation, initial financial pro forma), supportive market data, quality of design and development, fiscal impact to the City and other taxing entities, and as applicable, project/site components to be provided by the City. In its consideration of the response to this RFQ, the City may request additional information.

Award Procedures

1. City Staff and City's Consultant will evaluate and rank responses to this RFQ based on which proposals best satisfy the objectives expressed by the City in this RFQ for recommendation to the City Council.
2. All respondents will be notified of evaluation results, particularly those firms that have been selected for in-person interviews. City Staff and Consultant shall present the recommendations to the City Council. The City Council may conduct in-person interviews with developers before the final selection.
3. The City will pursue negotiations with the top-ranked respondent with the goal of entering into an Exclusive Negotiation Agreement ("ENA") within 90 days of selection. If a satisfactory ENA cannot be negotiated with that respondent, then the City will formally end negotiations with that respondent and may pursue negotiations with the respondent that next best satisfies the objectives and goals expressed by this RFQ, as determined by the City, or in its sole and absolute discretion proceed on alternative basis, or terminate process.
4. The purpose of the ENA will be to set out a time frame for the selected development team to provide a development proposal consisting of a scope of development



acceptable to the City. Through the ENA process, the City will agree not to negotiate with any other developer regarding the Sites.

5. The City reserves all rights to modify or terminate the selection process, go outside of the selection process to select a developer, or not select a developer at all. This RFQ and selection process does not constitute any type of offer or creates no contractual or other liability to the City. There is no guarantee that a sale will be consummated, or that any project will be reviewed pursuant to this RFQ.

Tentative Timeline

- RFQ released Friday, March 31, 2017
- Responses to RFQ due on Friday, April 28, 2017
- City review of responses and invitations for interviews sent in May 2017
- Interviews expected to be held in June 2017
- City to consider ENA with preferred developer by July 2017



4. Additional Documentation and Contact Information

An online directory has been established containing additionally relevant information outlined below: [https://kosmont.app.box.com/files/0/f/18146179972/RFQ Attachments - Daly City](https://kosmont.app.box.com/files/0/f/18146179972/RFQ_Attachments_-_Daly_City)

- Development opportunity marketing flyers, prepared by Kosmont Companies (January 2017)
- Long Range Property Management Plan approved by the Department of Finance
- Kosmont Companies Economic Development Analysis and Property Disposition and Development Strategy

Prospective respondents should feel free to reach out to the City and Consultant contacts included below for questions regarding this submittal. Thank you for your consideration.

City of Daly City

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Daly City CA, 94015

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Director of Economic
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Rose Zimmerman
City Attorney
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Kosmont Companies (Consultant to City)

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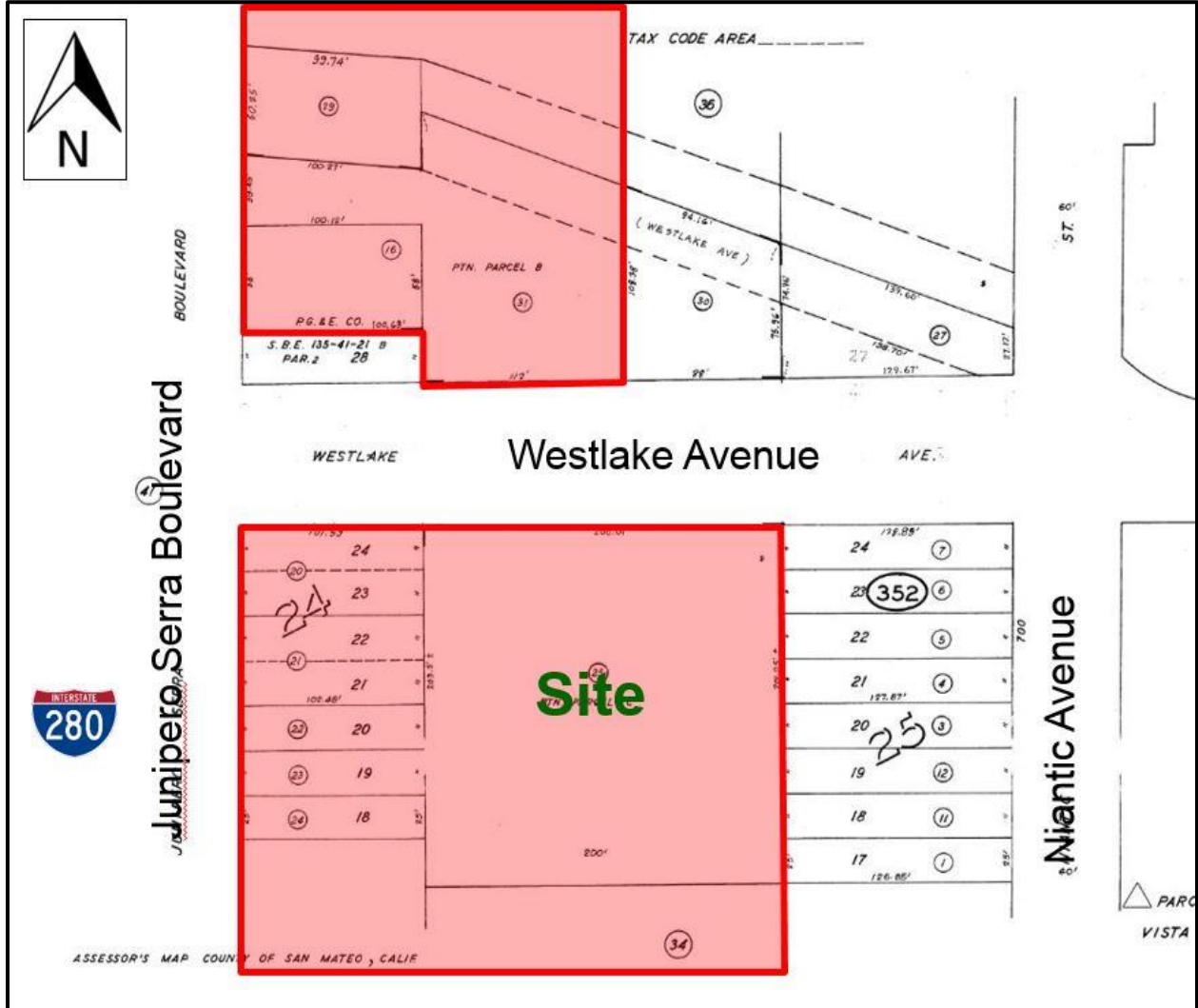
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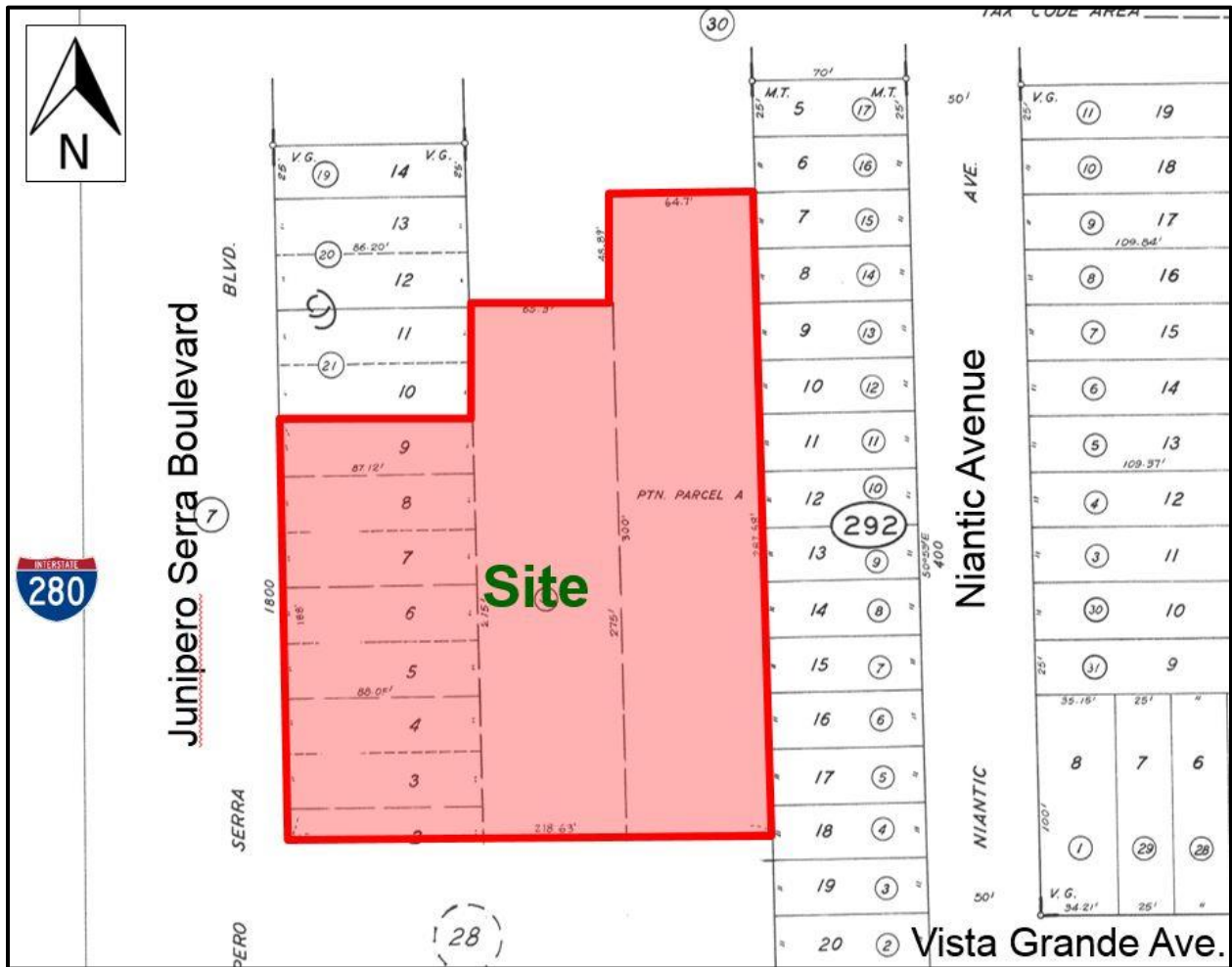


Appendix:

Assessor Map – Site 1:



Assessor Map – Site 2:



Assessor Map – Site 3:

