



City of South San Francisco

REQUEST FOR PROPOSALS FOR THE ACQUISITION AND DEVELOPMENT OF THE OLD FIREHOUSE
(201 BADEN AVENUE) IN THE CITY'S DOWNTOWN

0.52 ACRE SITE AVAILABLE - TRANSIT ORIENTED DOWNTOWN CORE

Issued: February 14, 2018
Submittal Deadline: Monday, April 9, 2017 at 9:00 a.m.
Contact: Julie Barnard, Economic Development Coordinator
julie.barnard@ssf.net



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1. Background

Following review of submittals in response to a Request for Qualifications (RFQ) issued on September 14, 2017, the City has reviewed responses received and invites the following three shortlisted developers to respond to this Request for Proposals (RFP): KASA Partners, FireHouse Live Work and Old Firehouse Partnership. This RFP is accompanied by a Request for Information (RFI) letter issued to each developer, based on questions raised during the City's paper screen of the submittals in response to the RFQ.

The City has established best practices and procedures for the disposition of its properties. The objective of this Request for Proposals is to outline the aforementioned best practices and elaborate on some terms for your proposal consideration.

For the full background on the City's vision for the downtown please visit the full RFQ on the below link:
<http://www.ssf.net/Home/ShowDocument?id=3690>

2. City Disposition Standards

The following terms are to be considered when structuring your response:

Developer selection: Approval of sale of property will be at the discretion of the City Council who will take into consideration the developer's concept, price offer and, long term fiscal and community benefits to the City.

Exclusive Negotiating Rights Agreement: The Exclusive Negotiating Rights Agreement (ENRA) is an agreement by and between the City and the selected developer. The purpose of the ENRA is to establish procedures and standards for the negotiation of the sale, conveyance, and development of the property. The ENRA is usually set to expire when entitlements are approved, if applicable, or not less than 3 months following execution of the document. Options to extend the ENRA term are usually granted for 60 days at a fee of \$25,000.

Escrow: Escrow will not close and the property will not be conveyed until building permits are issued to the Developer.

Cost recovery deposit(s) and terms: A deposit will be taken shortly after the ENRA is executed to cover the City's costs associated with Economic Development and Housing (EDH), City Attorney and Planning staff time. If/when this deposit has been exhausted a further deposit will be required.

Similarly, a deposit will be taken at the Disposition and Development Agreement (DDA) stage for Staff, Consultant, and City Attorney cost recovery.

In the event of a City default, the deposit will be refundable less any administrative costs. In the event of a developer default the deposit will be retained by the City.

3. Information and Disclosures

Currently, the City is unaware of any other potentially critical disclosures aside from those listed below.

Applicable Fees

The City's Master Fee Schedule is available at the link listed below. Developers will be subject to all applicable permit fees. Additionally, the following impact fees are applicable to the west of 101 region.

- Sewer Capacity Fee
- General Plan Maintenance Fee
- Childcare Impact Fee
- Public Safety Impact Fee
- Parkland Acquisition and Construction Fee (Ch 8.67) or
- Quimby Act fee (Ch 19.24)

Please see <http://www.ssf.net/home/showdocument?id=3698>

Environmental Phase I Report

The Phase I Environmental Site Assessment found no evidence of a recognized environmental condition in connection with the Site. The full report is available on the below link:

<https://sftp.ssf.net/Web%20Client/Share/ShareDetails.htm?Command=FileShareInfo&ShareToken=1D82F6D8FA253B36A1959F106454AD104A2497B1>

Inclusionary Housing Ordinance

Currently, the City's Inclusionary Housing Ordinance only applies to for-sale residential development. However, with the recent adoption of AB1505, the City Council will hold a study session on February 14, 2018 to consider a requirement for inclusionary housing in residential rental developments. At this study session, both rental and ownership projects, and their respective inclusionary requirements, will be evaluated.

State Density Bonus

Those developers proposing residential or mixed-use developments may consider using the state density bonus to achieve a higher density on the site.

Historical significance

The Old Firehouse is not listed as a historical building. However, the City still considers the building to have architectural significance and may, ideally, favor the preservation of the façade.

Potential Increased Density for Residential Projects:

On February 1, 2018, the Planning Commission voted to recommend amendments to the City's Zoning Ordinance, which would increase the maximum residential density available with community benefits in the Downtown Transit Core from 120 to 180 dwelling units per acre. City Council is expected to consider the Zoning Ordinance Amendment on February 28, 2018.

Parking

While extensive construction occurs in the City's downtown, it is possible that the City will utilize the subject site for either a staging area or parking. However, this will only occur while the property is still under City ownership.

Cypress Avenue:

The central parcel is designated as a right of way, Cypress Avenue. It will need to be vacated. The City of South San Francisco will lead this process at an appropriate time.

Trunk Line:

As disclosed in the RFQ, there is a major sewer trunk line that traverses the center of the property. Any development on this property, whether it is a renovation of the existing building or the development of a new building, will require that the trunk line to be extended along Baden Avenue, to meet the existing sewer trunk line on Airport Boulevard.

4. Proposal

Responses to this RFP must include the following materials, in the order listed below.

a. Financing & Fiscal Benefit

1. **Land Price Offer:**

Clearly indicate the land price offer.

2. **Deposit Amount(s) and Terms:**

Deposit amount(s) proposed (to secure the Property)

When the deposit will be paid

3. **Developer's Equity Stake:**

State Developer's anticipated equity contribution as a percent of the Total Development Cost. Please provide confirmation/evidence of any equity contribution.

4. **Developer's Estimated Return on Cost:**

Please indicate the Developer's estimated and (if different) required Return on Cost.

5. **Long Term and Community Benefits:**

In order to best evaluate the highest and best use for the Property, the City will consider the fiscal and non-fiscal benefits of each proposal. Responses should outline the medium to long-term benefit (5, 10 and 20 years) of the proposed project. Some fiscal benefits respondents should consider include:

- Sales tax
- Property tax
- Transfer tax, if applicable
- Impact fees
- Community benefits, if proposed (or required to achieve higher densities)

Responses should also discuss the non-fiscal benefits that the proposal would offer the City and the downtown.

b. [Development Schedule and Escrow](#)

Please outline your proposed development schedule. Responses must indicate the following:

1. Due Diligence Period;
2. Planning entitlement by City, if applicable;
3. Formulation of construction drawings;
4. Permitting;
5. Start and completion of construction; and
6. Open and close of escrow.

c. [Total Development Cost](#)

Provide a summary of the estimated total development costs in today's dollars for the project, including:

- a) acquisition/land costs,
- b) hard costs (one with the payment of prevailing wage, one without the payment of prevailing wage) and,
- c) soft costs including:
 - a. Architecture and engineering,
 - b. Permits and fees,
 - c. Developer fees,
 - d. FF&E,
 - e. Marketing,
 - f. Property taxes and insurance,
 - g. Legal and accounting,
 - h. Financing costs, and
 - i. Any other projected soft costs (identify the nature and amount).

d. [Proposal Clarifications & Revised Schematics](#)

The information requested in the RFI should be addressed in this section. All respondents should confirm that the use complies with the Downtown Transit Core zoning and indicate the ideal tenants for proposed commercial space(s). Developers should also provide revised schematics, including 3D renderings.

5. Submittal

RFP Proposals must be submitted in the following manner:

1. One (1) hard copy presented in a collated binder.
2. Nine (9) unbound, collated copies (8.5" x 11") with 3 hole punches on the left side.
3. An electronic copy provided on a thumb drive/CD.

Proposals must be received by **Monday, April 9, 2017 at 9:00 a.m** delivered to:

Att: Julie Barnard
City of South San Francisco: City Hall
Economic Development and Housing Division
400 Grand Avenue
South San Francisco, CA 94080
Julie.barnard@ssf.net

In order to ensure that your price offer and terms remain confidential, please mark your submittal envelope(s) with: **Confidential Real Property Negotiations: 201 Baden**

Please note respondents will need to sign-in and response packets will be time stamped.

6. Next Steps

It is anticipated that some or all of the developer teams will be interviewed by the Joint Housing Subcommittee, potentially in May. The Joint Housing Subcommittee will review the development team's qualifications and experience, as well as information respondents provide relating to Section 4 of this RFP. The Joint Housing Subcommittee may make a preferred developer and alternate recommendation to the City Council. Council will approve, amend or reject the Subcommittee's recommendation. An alternate developer may be selected, which can be called upon to develop the site should the preferred developer not perform or opt to not move forward with the proposal.

Subsequent to the City Council's developer selection, the City and selected developer will negotiate and prepare an Exclusive Negotiating Rights Agreement (ENRA) to be presented for City Council approval.

The purpose of the ENRA is to provide the negotiating parties time to set the standards and procedures for the development and conveyance of the property. The ENRA agreement will most likely culminate in a Disposition and Development Agreement (DDA).

7. Limitations and Conditions

The City reserves the right to:

- Request additional information.
- Extend the due date of the RFP.
- Interview none, any or all developers that submit responses to the RFP.
- Reject, in whole or in part, any or all qualifications submittals, and to waive minor irregularities in the submittal.
- Seek and obtain additional qualifications beyond the due date if the qualifications received are unsatisfactory.
- Cancel, in whole or in part, this Request for Proposals solicitation.
- All RFP qualifications submittals will become the property of the City. The RFP is not a contract or a commitment of any kind by the City and does not commit the City to award exclusive negotiating and/or development rights.
- No reimbursement will be made by the City for any cost incurred by developers in preparation of the response to this RFP.

- The issuance of this RFP does not constitute an agreement by the City that the City Council will actually enter into any contract.
- Respondent's Duty to Investigate:
 1. It will be the sole responsibility of the selected respondent to investigate and determine conditions of the sites, including existing and planned utility connections, and the suitability of the conditions for any proposed improvements.
 2. The information presented in this RFP and in any report or other information provided by the City is provided solely for the convenience of the interested parties. It is the responsibility of interested parties to assure themselves that the information contained in this RFP or other documents is accurate and complete. The City and its advisors provide no representations, assurances or warranties pertaining to the accuracy of the information.
- All responses to this RFP shall become the property of the City. The City may use any and all ideas and materials included in any submittal, whether or not the respondent is selected as the developer.
- Proposals and all other information and documents submitted in response to this RFP are subject to the California Public Records Act, California Government Code §§ 6250 through 6276.48) (CPRA), which generally mandates the disclosure of documents in the possession of the City upon the request of any person, unless the content of the document falls within a specific exemption category, in this case, Real Property Negotiations.
- Non-Liability: By participating in the RFP process, each respondent agrees to hold the Successor Agency and City and its and their officers, employees, agents, representatives, and consultants harmless from all claims, liabilities, and costs related to all aspects of this RFP.
- “As-Is” Property Condition: As will be addressed in the ENRA and Disposition and Development Agreement, the properties will be conveyed to the selected developer in an “as-is” condition, without representation or warranty by the City as to physical or environmental conditions of the land or any existing structures. The City makes no representations regarding the character or extent of soil or subsurface conditions or the conditions and existence of utilities that may be encountered during the course of construction of any work, development, construction or occupancy of the properties. Respondents will be responsible for independently reviewing all available information that may be available from the City about existing conditions, and undertaking independent analysis of site conditions, including any environmental, health and safety issues.