

OCEAN FRONT HOTEL DEVELOPMENT OPPORTUNITY

2212 BEACH BOULEVARD, PACIFICA, CALIFORNIA



Photo Credit: Marque Glisson

3 Acre Site
350 feet of
Ocean Frontage

Due Date:
Jan 22, 2016

Contact:
Anne Stedler
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(650)738-7402
[www.cityofpacifica.org/
hotelopp](http://www.cityofpacifica.org/hotelopp)

RFQ FOR DEVELOPERS & OPERATORS

EXECUTIVE SUMMARY

Page 2

THE SITE

- The total 3.5 acre site is shared with a proposed new public library (17,000 sf footprint, 2-story) and an existing building. 3 acres is available for hotel use.
- The certified EIR, general plan/local land reuse plan amendment, rezoning and development plan provide heights of 35' and 45' with conditions. (See pg 17)
- Phase 1 report done; soil clearance letter issued.
- Vehicular access through the site is not encouraged, but pedestrian access, site design and view corridors that capitalize on the setting and the ocean are required.
- Underground parking expected. Site is partially excavated to 13.5'MSL from 24'MSL parking lot elevation.

SALE AND DEVELOPMENT AGREEMENT

The site is to be sold as is, with a development agreement including scope and schedule of development. No City tax increment financing or financial contribution.



Photo Credit: Marque Glisson

Development of this large property will be the single most transformative investment in Sharp Park.

SELECTION PHASES

1. Vision & Qualifications submitted
2. Proposals invited from semi-finalists
3. Finalist selected for Exclusive Negotiations
4. Development Agreement approved

RFQ SCHEDULE

Site Tours: January 5, 2016 10:00 – 2:00 pm
(RSVP for site tour is mandatory. Site visit on this day is not mandatory)

Qualifications Due: January 22, 2016

Interviews: February 1 & 2, 2016 (Hold Dates)

SITE CONTEXT



Photo Credit: Marque Glisson

View of project area at dusk looking southward with views of Pacifica Pier, Mori Point, and Pedro Point.

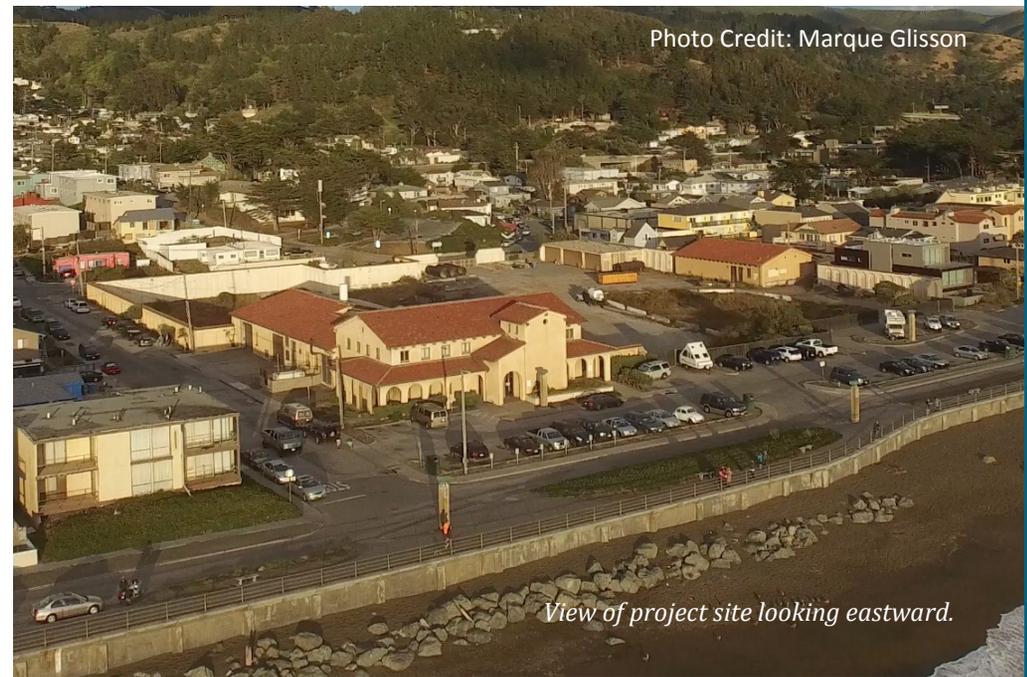
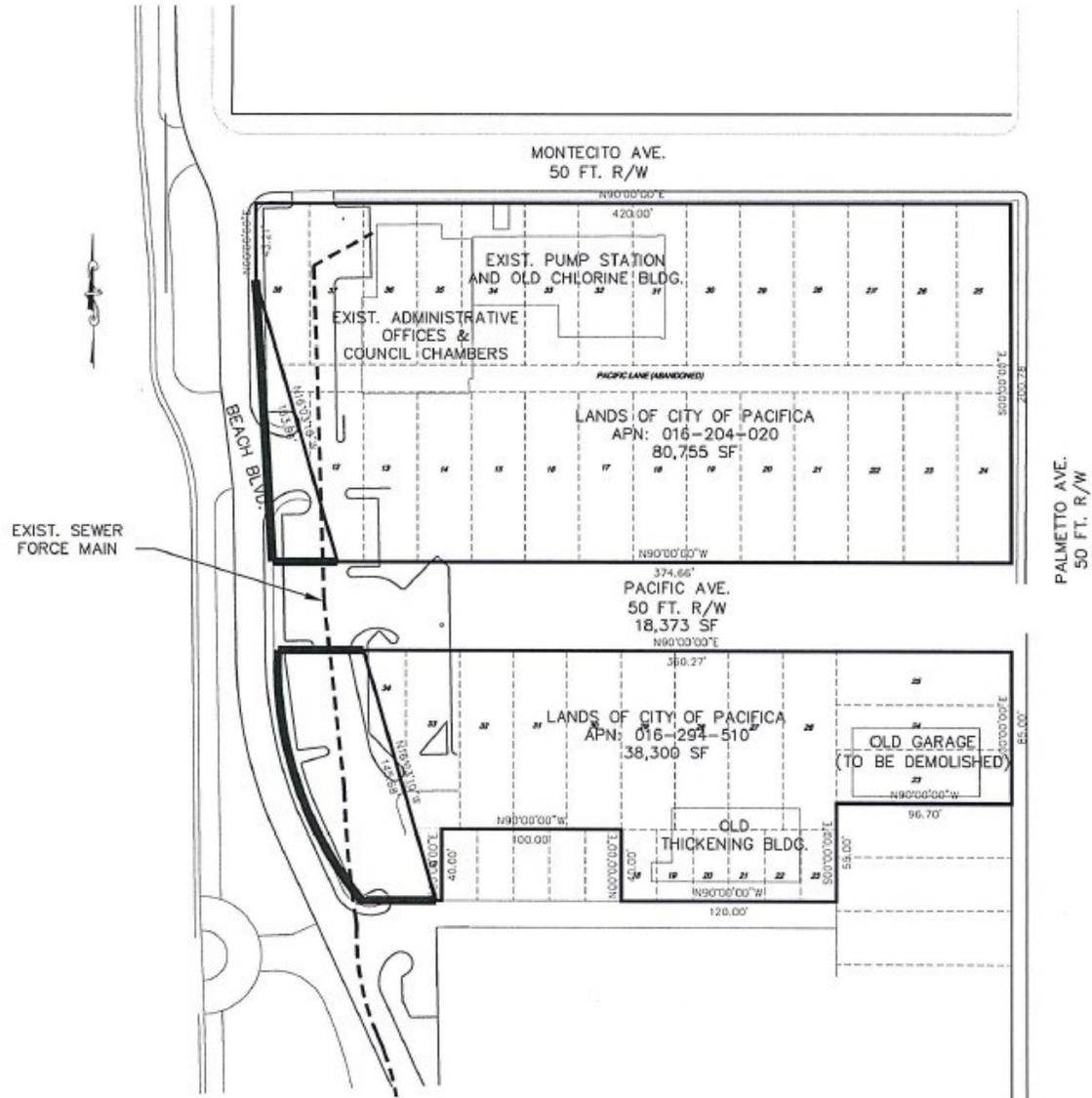


Photo Credit: Marque Glisson

View of project site looking eastward.

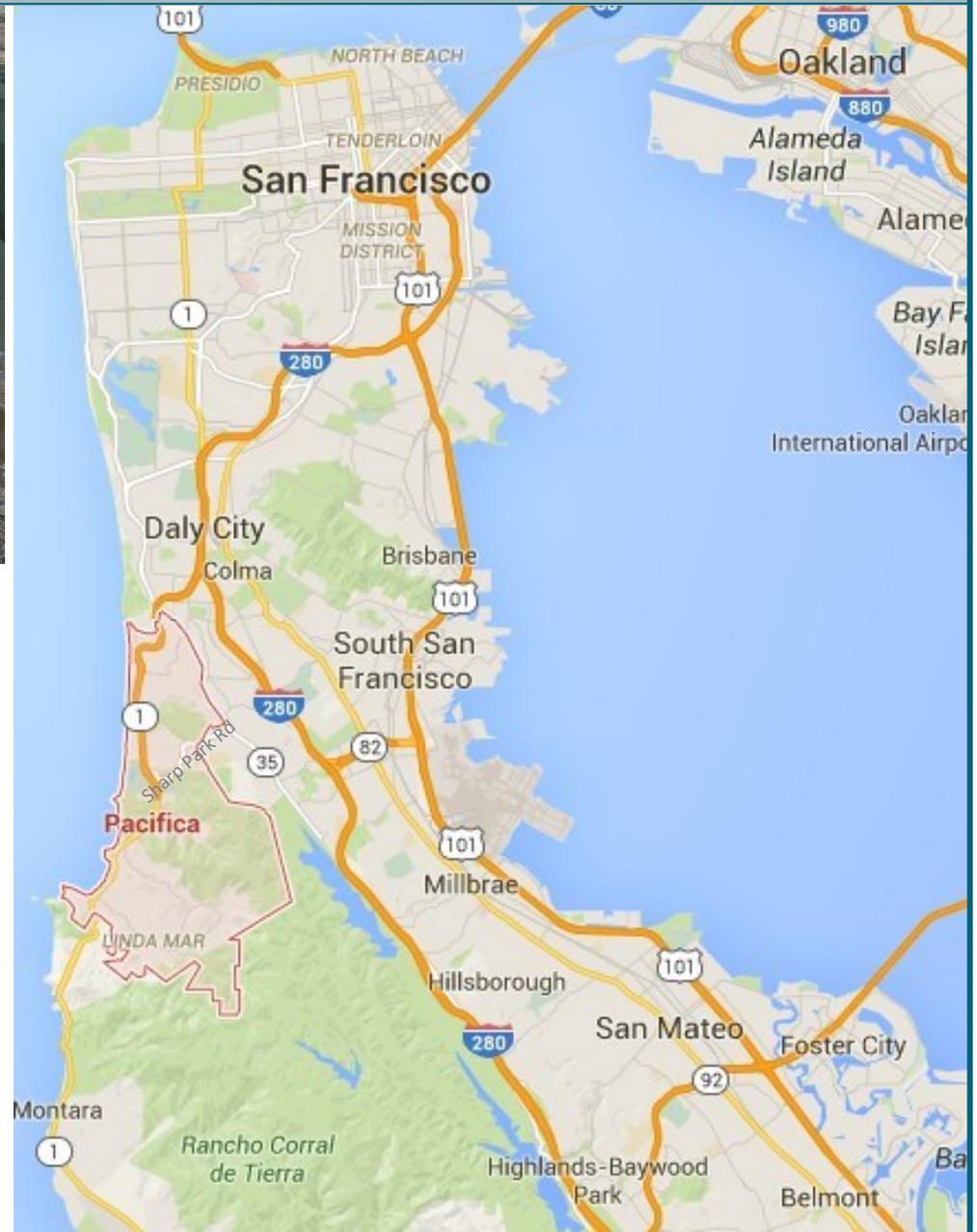
SITE PARCEL MAPS



Notes: Site includes Pacifica Avenue, which will be vacated by City

 Parking Parcels to be conveyed for development.

LOCATION



Quick drive times to primary Bay Area business destinations.

LOCATION

Pacifica is the closest beach town to San Francisco. It is immediately accessible to the populous San Francisco Peninsula by Highway 1, Skyline Drive/Ca Highway 35, and Sharp Park Road.

Pacifica Population	38,550
Population w/ in 15 minute on-street drive of site	195,000
Population w/ in 15 minute freeway drive of site	450,000

AMENITIES

Page 6

AMENITIES SURROUND HOTEL SITE

Guests seeking outdoor activities—walking, mountain biking, surfing, golfing, in a dramatic coastal setting just minutes from San Francisco, will love this site. All are close, and these are just steps from the hotel site:

- The ¼-mile long **Pacifica Pier** is ½ block from the site
- **Sharp Park Golf Course**, an 18 hole links course designed by **Alister MacKenzie**, is 2 blocks away

- **Mori Point**, a dominating bluff overlooking the Pacific Ocean, part of the **National Park Service's** Golden Gate National Recreation Area lies immediately beyond the Golf Course.
- The Hotel Site, the Golf Course and Mori Point are connected by a **Coastal Trail**, which extends the entire length of the City of Pacifica, with extensions south along the California Coast.



Hikers enjoying Mori Point looking north with view of Sharp Park Golf Course, project site, and Pacifica Pier. Marin Headlands visible in the distance.

VISION & GOALS

DEVELOPER & OPERATOR VISION

Have a compelling vision for the hotel creating:

- A Place & a Visitor Experience comparable to the world-class natural beauty of the setting
- A Destination
- Landmark design & materials, and
- Qualifications to support the vision

VISION SUPPORTS GOALS

Strengthen local economy, neighborhood and tax base:

- Redevelop site with hotel & library
- Facilitate hotel & library as anchors for Palmetto Avenue “Main Street”, and Pacifica as a visitor destination
- Increase Transient Occupancy Tax



Beach at base of Mori Point



Photo Credit; Marque Glisson

Pacifica Pier, 1 block north of project site

HOTEL & RESTAURANT

Page 8

HOTEL IN MARKET CONTEXT

No minimum or maximum number of hotel rooms are proscribed for the Beach Boulevard site, the developer and operator may recommend a preferred development scale, phasing, and room size.

Currently there are a total of 274 hotel rooms in Pacifica in six hotel properties (pg. 8). Occupancy has recently been at record highs with room rates at and above \$300/night in some of the properties listed. Holiday Inn Express is currently adding 35 rooms with site preparation underway as of November 1, 2015. (See pg 9)

The City's seeks a hotel that provides furnishings, fixtures and equipment, services and amenities that are not currently available in this market, both to attract a customer Pacifica does not yet serve, and to respect the market niche of the current hotels.



Mori Point looking southward with view of Pedro Point

RESTAURANT & AMENITIES

Restaurants and amenities associated with the Hotel are important, to bring visitors to the coast and to function as an anchor for Palmetto Ave, the proposed "Main Street."

ADDITIONAL USES ON-SITE

LIBRARY

The new contemporary library is envisioned to replace two older small facilities, each providing only limited hours. The proposed two story building totals 33,400 sf, to be developed by the City of Pacifica and operated by San Mateo County.



Conceptual rendering of proposed library.

A large divisible meeting room (seating 150-225 persons) is projected, and the City wants to explore sharing that modern space with the hotel. Below grade library parking for 57 vehicles is budgeted at \$65K/space (2012 Cost Model in City Council Study Session).

The library funding is dependent on fundraising, including a bond measure which requires 2/3 support of registered voters. The date for this vote is not yet established, but is projected for November 2016 or later.

HOUSING

Housing is a potential use on the site, but qualifications and vision for housing are not sought and will not be considered at this time.

The City intends to select the hotel developer with a transformative vision and excellent qualifications, who can deliver a destination hotel. At that point, after the RFQ portion of the selection process, housing as a secondary use on the three acre site can be considered.

NEIGHBORHOOD DEVELOPMENT



Rendering of approved townhouse development at Montecito Avenue..

NEIGHBORHOOD DEVELOPMENT

Market-driven new housing is being built on small Sharp Park neighborhood sites. Two examples are:

- **15 and 29 Montecito Avenue** north of the Development Site approved October 2015 for 5 townhomes, 3 floors each.
- **10 — 26 Santa Rosa Avenue**, 1 block north of the Development Site approved November 2013 for four townhouses. Occupied November 2015. Sales price: \$1.1 million. Living area: 1,992 sf, garage: 850 sf.

PALMETTO “MAIN STREET” & STREETScape

The community has developed plans for an evolution of Palmetto Avenue into a Main Street with retail and restaurant on the ground floor and other uses behind and above. Streetscape upgrades from Clarendon in the south to Paloma in the north are scheduled to start construction late 2016. The streetscape will include improvements adjacent to the Beach Boulevard hotel and library site, with special emphasis at the corner of Montecito and Beach Boulevard, next to this site.

RFQ EVALUATION CRITERIA

Page 12

Vision for the Site. Explain Developer/Operator vision to create:

- A Place & a Visitor Experience comparable to the world-class natural beauty of the setting
- A Destination,
- Landmark design & materials

Show the hotel as a unique and special place appropriate to this setting and its potential. Include distinguishing specifics such as the size, character, target market and extent of the hotel development, its ambience as created by design, restaurant, amenities and activities. Identify the status of any restaurant, retailer or spa provider associated with you in relation to the Beach Boulevard Hotel Site (commitment letter, RFQ co-applicant, etc.).

Criteria Demonstrated by Past Hotels and References

Developer/Operator teams will be evaluated on the following criteria as demonstrated by track record of past projects in areas of development, management, relationships and long term ownership:

- Financial capacity (equity and debt)
- Hotel design, materials and finishes and FF & E

- Operation, including restaurants, services and retailers that are potential hotel tenants
- Properties proximate to a “main street” and/or a coastline
- Development agreement(s) with the local government, including delivery of required public benefits (such as coordination with the library development and operations in Pacifica)
- Destination properties, including:
 - High quality design (architecture, finishes and fixtures, and realizing unique views and experiences of this site)
 - Hotels that *function as an anchor and provide synergy* to attract or support visitor serving uses (restaurant, retail and activities) to nearby sites on Palmetto Avenue
 - Long-term ownership and re-positioning or tenanting over time to maintain the desirability of the property and customer loyalty
- Project and community working relationships and participation

RFQ SUBMITTAL REQUIREMENTS

Page 13

The RFQ is designed to solicit interest from Developers/Operators who have proven hotel experience in coastal, downtown or commercial business district settings. The following RFQ submittal requirements should address the evaluation criteria on page 12.

A. Describe Developer/Operator Vision for the Site

B. Site Specific Questions (see Attachment A)

C. Developer/Operator Team

- Identify the lead development firm, including the project lead for day-to-day management of the pre-development process
- Identify Operator and other key members of the development team, including (at a minimum) equity partner and planning and design firm(s)
- Provide a succinct narrative describing the role and relevant background experience of each of the firms and key individuals who would be involved in implementation of the project

D. Identify Comparable Hotel Projects and Related Hotel Amenities

Do this by completing the form attached (use Attachment B).

E. References: Provide sufficient information to ensure easy contact. This should include company/organization, names, titles,

telephone numbers, and e-mail addresses. List at least three references in each category who can:

- Hotel - speak to your success and expertise in past hotel developments/operations
- Financial Relationships - address financing they provided to your project (debt or equity) at least of the magnitude likely to be required for the project you envision. Identify a financial partner (debt or equity) that has partnered with you on two or more projects, if possible
- Restaurant(s) and Amenities - speak to achieving the business goals and customer patronage for in association with your hotel(s)/operation(s)
- Public or Government - comment on your expertise and working relationships with government and the community, including assessment districts and business associations (e.g., city managers, former redevelopment staff, planning directors, economic development managers, etc.)

CITY CONTACT FOR QUESTIONS AND SUBMITTAL

Page 14

For questions and to RSVP for the site tour contact:

Anne Stedler
Economic Development Manager
Phone: (650) 738-7402
Email: stedlera@ci.pacifica.ca.us

Additional documents relevant to the project site is available at:

<http://www.cityofpacifica.org/hotelopps>

RFQ submittals should be delivered in hard copy: ten (10) copies and one (1) e-copy.

Address hard copies to:

City of Pacifica
ATTN: Anne Stedler
170 Santa Maria Avenue
Pacifica, CA 94044

Deliver e-copy to: stedlera@ci.pacifica.ca.us

RFQ SCHEDULE

Site Tour: January 5 2016, 10:00 – 2:00 pm
(RSVP required)

Qualifications Due: January 22, 2016

Finalist Interviews: February 1 & 2, 2016

Initial RFP submittal: March 14, 2016

ATTACHMENT A

Page 15

Please respond to the following questions given the information available to you now:

1. Would you consider phasing the hotel construction?
2. If a podium was chosen for all or part of the site, could it be engineered and built in phases, and is that financially feasible compared to building it all at once?
3. Where would you want the hotel to have street frontage?
4. Where would you want access and exiting for the hotel?
5. What is the maximum and minimum number of hotel rooms you would consider at this site?
6. Do you recommend adding residential uses or another use to the site in addition to the hotel?
7. Are conference facilities valuable to your vision, either on or off the site, and for what audience?
8. Do you commit to supporting the existing Hotel Business Improvement District (BID) and a potential BID on Palmetto Avenue?



ATTACHMENT B

COMPARABLE HOTEL DEVELOPMENT EXPERIENCE

Describe experience comparable to the hotel you envision on the Beach Boulevard Hotel Site by completing this form. Use fillable form www.cityofpacificac.org/hotelopp

1. Developer/Operator Names
2. Project Name, address and web site
3. Proposer Name on that project (if different than above)
4. Proposer Role (i.e., managing partner, limited partner, consultant, etc.)
5. Current Project Status (predevelopment, in construction, in operation, etc.)
6. Is hotel development a Public/private project, or on the coast, in a Downtown, or in a Commercial Business District?
7. Total hotel building area, hotel site area (in sf)
8. Total Number of Rooms
9. Range of guest room size (in sf)
10. Total area for restaurants, retail or spa (in sf by use; list name, operator and describe role creating a destination hotel)
11. Total area of hotel dining room (in sf) if different than above
12. Status of any restaurant or retailer or spa provider associated with you in relation to the Pacifica Hotel Site (commitment letter, RFQ co-applicant, etc.)
13. Total area of meeting or banquet facilities
14. Green building features (if any)
15. Construction type (name material, i.e., wood, plaster, etc.)
16. Construction start date (actual or estimated)
17. Construction completion date (actual or estimated)
18. Total development cost
19. Financing: sources of funds (debt & equity)
20. Financing contact info (list entity, contact names, whether listed under references, phone numbers for each source)

ATTACHMENT C

BEACH BOULEVARD ENTITLEMENT REQUIREMENTS

In 2013 the City Council approved entitlements for the Beach Blvd. site including: a General Plan Amendment to Mixed Use (high density/commercial) and a zoning amendment to Planned Development with a Development Plan. An Environmental Impact Report was certified for these entitlements. These provide 35' and 45' building height with conditions.

The site is in the Coastal Zone; therefore, the above actions require amendment to the Local Coastal Program Land Use Plan (LCP) before becoming effective. The City Council recommended that the Coastal Commission approve the proposed amendment to the LCP in 2013. The City and the Coastal Commission have opened discussions about the LCP, but the City is waiting to conclude those discussions and formal action until a developer is selected.

The City expects to partner with the developer in processing the LCP and any approvals required at the local level.

Once the LCP amendment is approved by the Coastal Commission, the final project entitlements prior to construction drawing sub-

mittal are a Specific Plan and Coastal Development Permit. The Planning Commission acts on both of these permits, and further City Council or Coastal Commission action would only be necessary on appeal of these local permits.

UTILITIES

The City operates waste water and storm drain utilities. Pacific Gas and Electric (PG&E) and North Coast Water District operate the remaining utilities. The City has elected to leave a sanitary sewer line on the Beach Boulevard site until development plans are known. There are at two lines and three points to which the project can connect if that line remains. The line is at approximately 10.5' MSL, or three feet below the current excavated ground level.

PUBLIC STREET VACATION

Pacific Avenue is a dedicated street, but has not been used as a street. The City expects to process the abandonment.

¹ A Specific Plan referenced in Section 9-4.2209 of the Pacifica Municipal Code is most similar to design review in other jurisdictions and is not what is typically thought of in land use terms as an area wide "Specific Plan." The findings for approval of a Specific Plan under Article 22 include: 1) That the specific plan is consistent with the approved development plan; and 2) That the specific plan is consistent with the City's adopted Design Guidelines.

ATTACHMENT D

REFERENCE DOCUMENTS

Page 18

See website: <http://www.cityofpacific.org/hotelopps> for links to documents

Pre-Development Planning by City with Leland Consulting Group

1. Highest and Best Use, Dec 2010
2. Property Development Evaluation, January 2011
3. Open House Boards, August 2011
4. City Council Briefing Property Development Strategy September 2011
5. Open House Flyer (meeting announcement) July 2011
6. Web Site Information 2011

Library

The New Pacifica Public Library, City Council Study Session. August 14, 2012 <http://www.smcl.org/sites/www.smcl.org/files/file/branches/pac/2012-08-14-Pacifica-Library-City-Council-Study-Session-FINAL.pdf>

Flood, Storm and Sea Level Rise

Flood Zone – FIRM Panel 0038E Map #06081C0038E, Oct 16, 2012 (See also DEIR Fig 3.6-1) (New flood zone maps are being reviewed by the County prior to release; however, project review will be based on future conditions.)

1. Flood Zone - Proposed provisional map can be accessed at this link: <https://msc.fema.gov/portal/advanceSearch>

2. Wave Uprush – Skelly Engineering/Geosoils, Inc's Coastal Hazard Study of a site north of Site A, at 1567 Beach Blvd, 2004 (not available as of 10/08/2015)
3. Tsunami – ABAG Tsunami Inundation Map for Emergency Planning by CalEMA, CGS and USC (2008) (Oct 2012 DEIR Fig 3.6-2) http://www.cityofpacific.org/government/current_projects/beach_bldv_project_draft_eir.asp
4. Sea Change San Mateo County 2015: slide deck Aug 31, 2015. <http://seachangesmc.com/current-efforts/vulnerability-assessment/>
5. Coastal Bluff Retreat – Earth Investigations Consultants' (EIC) report (referenced in EIR, sec 3.) (not available as of 10/08/2015) http://www.cityofpacific.org/government/current_projects/beach_bldv_project_draft_eir.asp
6. OCOF (Our Coast Our Future) Map Images testing 150, 175 and 200 cm sea level rise during 100 year flood

Geotechnical

1. Preliminary Geotechnical Investigation – Cornerstone Earth Group, March 27, 2012
2. Soil and Groundwater Management Plan – Final, TEC Environmental, April 24, 2012
3. Geological Cross-Section, Figure 3, January 27, 2009. Excerpt from Soil and Groundwater Management Plan – Final, TEC
4. Site Map, Figure 2 (w Soil Boring & Sewer Line Locations), January 26, 2009. Excerpt from Soil and Groundwater Management

ATTACHMENT D

REFERENCE DOCUMENTS

Page 19

Plan – Final, TEC

5. Site Engineering Memo – Final, CSG Consultants, Inc.

Environmental Impact Reports

- Redevelopment of the Beach Boulevard Property Draft Environmental Impact Report, October 2012, RBF Consulting. (Project is comparable to 2015 plans). (Includes Phase 1 Site Assessment Report, December 3, 2001, Lowney Associates and Soil and Groundwater Management Plan – Final, April 24, 2012 by TEC Environmental.) http://www.cityofpacificca.org/government/current_projects/beach_blvd_project_draft_eir.asp
- Redevelopment of the Beach Boulevard Property Final Environmental Impact Report, July 2013, RBF Consulting. (Project is comparable to 2015 plans) <http://www.cityofpacificca.org/civica/filebank/blobdload.asp?BlobID=5924>
- New City Hall Final Environmental Impact Report, September 2007, TRA Environmental Sciences, Inc. (Scope of Project differs from current proposal) <http://www.cityofpacificca.org/civica/filebank/blobdload.asp?BlobID=8031>
- Planning Commission Agenda, staff report and resolution, July 15, 2013, Certification of the 2212 Beach Boulevard EIR and related planning approvals, <http://www.cityofpacificca.org/civica/filebank/blobdload.asp?BlobID=5930>

Clearance Letters

1. County of San Mateo Health System letters dated March 9, 2010 from:
 - Amy E. DeMasi, re Case Closure letter re residual hydrocarbons <http://www.cityofpacificca.org/civica/filebank/blobdload.asp?BlobID=8029>
 - Dean D. Peterson, re confirmation of site investigation and corrective action for underground storage tank removal <http://www.cityofpacificca.org/civica/filebank/blobdload.asp?BlobID=8030>

Utilities

1. Force Main (Alignment on Parcel Map), City of Pacifica
2. Site Map, Figure 2 (w Soil Boring & Sewer Line Locations), January 26, 2009. Excerpt from Soil and Groundwater Management Plan – Final, TEC
3. GIS map of force and gravity mains, in use and abandoned, City of Pacifica
4. ACAD2004-Sharp Park Topo.dwg, Survey of waste water manhole covers and other utilities proximate to the Beach Boulevard Development Site, December 2013. Elevations based on sewer manhole #54 at intersection of Palmetto and Paloma Avenues
5. Handwritten graphic of the survey points included in 2013 Survey listed above. City of Pacifica

ATTACHMENT D

RFP EVALUATION CRITERIA

At the RFP stage, the criteria for evaluating the hotel proposals will include:

- Evidence that the proposal is for a destination hotel that builds on and complements existing visitor features and amenities (the oceanfront, Pier, coast trail, golf course and Mori Point) and the future library and Palmetto Avenue “Main Street”
- Factual information demonstrating that the number of hotel rooms, the development layout and design, and the on-site amenities create an ambience that transforms the site into a hotel destination of choice in and of itself
- Evidence that the scale of the hotel operation and amenities can be financially successful for the long term
- Identification of the anchor restaurant tenant and any other visitor serving amenities that help sustain the interest of the destination visitor, and help anchor the Palmetto “Main Street”.
- Quality of design, furniture, fixtures and finishes to support a destination hotel

- How the hotel will relate to the library
- Price of land and the timing of the land payment
- Proposed development schedule and the capacity to achieve it.
- Commitment to supporting the existing Hotel BID and a potential BID
- Accommodating public parking currently on-site or on-street at the site
- *At the RFP evaluation, first priority will be given to offers with a date specific commitment to construct consistent with the approved plans and the Developer/Operator who have direct experience with comparable hotel developments.*
- *Second priority will be given to offers with a date specific commitment to construct consistent with approved plans.*

The italicized priorities are intended to reduce the market risk of delay and confirm commitment to start construction.