2212 Beach Boulevard RFP
March 17, 2016

I. Hotel Development Program with Schedule

(*Submit Responses for this Section I. to Anne Stedler at the City.*)

1. **The development site at 2212 Beach Boulevard is located in a rare and beautiful coastal setting, and within walking distance of coastal recreation amenities. You responded with your vision of a hotel property at the RFQ phase. Now, at the RFP phase, express your vision in <u>concept sketches</u> as outlined below.**

Design Submittal Limited to Concept Drawings Only
The requested design work is limited to concept drawings because the selected developer will address more detailed design during the City and Coastal Commission entitlements. Therefore the concept drawings will show only that the development program lays out well on the site, and relates accurately to the surrounding streets, ground elevations and the two on-site buildings (the library and the small city building fronting Montecito). The design work will also inform the project cost estimates (Section II). *Architectural renderings, design and models that show architectural detail and style are not allowed and will not be accepted for this submittal.*

Show that your vision creates a sense of place and an experience that is appropriate to the setting and that respects the potential of the setting.

- Provide the development program: the number of hotel rooms, the square footage of the hotel, names and sizes of hotel spaces (front of house, amenities, back of house, guest rooms) and square footage; the square footage of restaurant and retail spaces, if included, and the area for outdoor spaces such as decks and plazas.
- Include a site plan, site sections, sketches to show massing and concept, and how the program lays out well on the site relative to existing buildings (library and small city building fronting Montecito). One purpose of the site sections is to show first floor elevations and how they connect to the streets and surroundings.
- Include limited representative photographs of your current concepts for interior design, furniture, fixtures and finishes that support your vision. This is not an interior design; it is imagery of relevant examples.
- Address the type of exterior materials you expect to select to show your treatment of the site and the maintenance considerations needed for ocean-front properties. (This is expected to be text and photographs; not an architectural specification).
- Include uses you propose in addition to the hotel, such as restaurant(s) and retail.

2. **Explain your vision for accommodating the library site, and the design and operational relationship between the hotel and the library.**
   - Do you recommend an orientation for the proposed library in conjunction with the hotel?
   - What concepts would you suggest about potential collaboration between the hotel and the library regarding parking, shared use, meeting, plaza and walkway space, etc.?

3. **Show your plan to accommodate public parking in addition to the parking for your new proposed development and its required parking.**[1]
   - Existing 58 on-site public parking spaces must be retained at the developer's cost.
   - Any existing on-street parking that the project removes must be replaced on site and is at the developer's cost.

4. **Show your plan to accommodate public parking for the proposed library at the City's cost:**
   - 58 spaces below grade; 8 spaces at grade and 4 handicapped spaces at grade.

5. **Identify the concept for the anchor restaurant and any other visitor-serving amenities.**

6. **Share how the restaurant and/or visitor-serving amenities, if proposed, will:**
   - Relate to the natural setting and views.
   - Serve the hotel visitor, the coastal visitor and the local resident.
   - Anchor the anticipated Palmetto "Main Street".

[1] The parking analysis required during the entitlement phase will identify the basis for shared parking among multiple uses.

II. Hotel Proforma, Franchise and Operating Agreements

(*Submit responses to this Section II only to Tim Kelly, President, Keyser Marston Associates 204 Pacific Ave #160, San Francisco, CA 94111, 415 398-3050 or tkelly@keysermarston.com*
This insures that the submittals will be kept confidential.)

1. Show how the proposed development of the site will be financially successful.

- Provide a proposed conceptual development proforma; state revenue expectations and any critical assumptions.
  - Include restaurant and retail costs, if any.
- Franchise Relationship:
  - Confirm the class scale and brand you expect to secure for the site, and the basis for your choice.
  - Provide a letter of support/letter of interest from the branding company if possible.
  - Identify the date or the place in the development schedule/sequence (Attachment B) when you expect to secure a letter of commitment and a signed franchise agreement.

2. Estimate of Funds Required

Please address the predevelopment and construction phases of this project based on the proposed conceptual development proforma, entitlements and entitlement schedules. The specific details of your response will be assessed by the City's consultant, and kept confidential. (Note: Section II submittals go only to the City's consultant per directions at the top of page.)

2.a. Estimated Predevelopment Costs

This includes fees, studies, and consultants, not cost of business operations.

- What is your estimate of predevelopment costs? (Specify the costs you are including.)
- Document availability of funds for estimated predevelopment costs upon execution by Developer and City of Exclusive Right to Negotiate an Option to Purchase and Develop.
  - Commit to depositing 50% of that amount in an escrow to be used to fund Developer's pre-development costs.
- Deposit for Option to Purchase and Develop.
  - The deposit shall be $10,000 due at the time of execution of the Exclusive Right to Negotiate an Option for Purchase and Development. The cost of the option shall increase to $50,000 upon completion of the appeal period for the last required entitlements.
  - The developer escrow fund for predevelopment costs may be used as a credit against the deposit for the Option, providing that the funds in escrow never fall below the then current option cost.

2.b. Estimated Construction Costs and Equity Commitment

Confirm estimated construction costs, and:

- Provide equity even if costs exceed the value of the bank appraisal. Identify your anticipated equity contribution (as a percent of cost).
- Provide commitment that funds are going to be available upon close of the appeal period of Coastal Commission approvals.

3. **Access to Funds**
   Provide evidence that you can finance the project. This can be letters from franchisors and banks with whom you have a history of financial transactions. Support this with additional evidence of funds available to support the proposed project.

4. **Land Purchase Amount, Timing of Purchase, and Terms**
   - Propose amount of land purchase.
   - Propose terms.
   - It is possible to state a base price with supplemental payment revisions based on final entitlements.

5. **Operations**
   - Confirm the identity of the hotel operator, if it is you or a member of your team.
   - Provide a written statement from the operator that the hotel program meets his requirements.
   - If the operator is not known at this time, provide an operating agreement template that is similar to the agreement you would require for this property and identify the critical provisions of the agreement from your perspective as an owner.

6. **City Business Improvement Districts**
   California law allows businesses to vote to assess themselves for marketing and improvements. Pacifica has an existing hotel Business Improvement District (BID) formed voluntarily by election of the hotel owners in Pacifica. This assessment district requires the hotels to contribute $1 per occupied room night to marketing Pacifica as a destination. Payments are made to the city and disbursed for marketing activities.

   A second and different Business Improvement District (BID) may potentially support the development and marketing of Palmetto Avenue as a "Main Street." This second BID has not been actively considered as of this writing, and it will require a vote of the participating property and/or business owners.

   Both the hotel and the Palmetto BID's are vital for marketing Pacifica's hotel sector and Palmetto's emerging Main Street.
   - State your commitment to participate and support Pacifica's Hotel Business Improvement District Assessment (Pacifica Hotel BID).
   - State your commitment to support a potential Palmetto Business Improvement District (potential Palmetto BID).

III. RFP Submittal Format and Deadline

- **Section I Submittal**: 11 hard copies, one electronic copy delivered to Anne Stedler
- **Section II Submittal**: 1 hard or electronic copy delivered to Tim Kelly.
- **SUBMITTAL DEADLINE: April 29, 2016**

IV. Contact Information

City of Pacifica: Anne Stedler 650 738-7402 and stedlera@ci.pacifica.ca.us
170 Santa Maria Ave, Pacifica, CA 94044

Financial Consultant: Tim Kelly, President, Keyser Marston Associates 415 398-3050
tkelly@keysermarston.com 204 Pacific Ave #160, San Francisco, CA 94111,

Attachment A of 2212 Beach Boulevard RFP

Entitlement Requirements

In 2013 the City Council approved entitlements for the Beach Boulevard 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 required 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 KCO 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 drawings submittal are a Specific Plan[2] 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.

(The above information also appears in the RFQ Attachment C)

Note: Technical studies include project analysis under the "Sea Level Rise Policy Guidance" adopted August 12, 2015 by the California Coastal Commission.

[2] 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 includes: 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 B of 2212 Beach Boulevard RFP

Schedule: Anticipated Sequence, Selected Development Milestones

A sequence of selected predevelopment milestones is presented below in lieu of a traditional schedule. Recognizing that we have no dates certain for the entitlement process, but are nonetheless committed to starting construction, please indicate the time you anticipate between completion of full entitlements and start of construction, i.e., how long do you require to complete and get approvals of construction documents?

1. City selection of Developer and Developer's submittal of $10,000 deposit to the City
2. Execution of the Exclusive Right to Negotiate an Option for Purchase and Development
3. Developer submits for City of Pacifica Preliminary Review based on Proposal
4. Execution of the Option to Purchase and Develop
5. Developer submits entitlement application to City of Pacifica
6. Developer submit entitlement applications to the Coastal Commission
7. Coastal Commission approvals occur and appeal period expires
8. Developer submits remaining city entitlement applications, required post Coastal Commission approval
9. All appeal periods are complete and all entitlement approvals are secured
10. Developer deposits Higher Option Price and begins construction documents
11. Construction documents approved in full
12. Site conveyed to Developer and construction loan approved
13. Start of construction within 180 days of item 9, above
14. Project Occupancy

Addendum to the RFP

Issued April 22, 2016
Updated April 26, 2016

1. **Exclusive Negotiation Agreement**

Attached is a draft Exclusive Negotiating Agreement (ENA) which the City of Pacifica expects to negotiate and execute with the selected developer. The ENA will set forth the terms under which the City and selected developer will exclusively negotiate the terms and conditions of a proposed Disposition and Development Agreement ("DDA") providing for conveyance of fee title and development of the property. Please review the draft ENA and return it to us with red-line changes that you propose. If you have questions, please call or email Anne Stedler as provided in Section IV of the RFP.

Return one electronic copy of the red-line ENA to Mr. Michael Biddle, at mbiddle@bwslaw.com. Mr. Biddle is with the firm of Burke Williams & Sorensen in Oakland, CA.

2. **Additional Parking Potential**

Show whether and how your plan could potentially accommodate additional public parking spaces at the City's cost. The intent of this question is to identify the potential, if any, for adding more parking spaces. This question is not a request that you revise the plans you have developed for the April 29, 2016 due date.

- The City anticipates a need for 90 - 135 additional parking spaces at peak restaurant and retail periods. We are investigating where these spaces could be located, and whether locating a portion of them at 2212 Beach Boulevard is feasible.

Submit this response to Mr. Tim Kelly as specified on page 3 of the RFP.

3. **Prevailing Wage during Construction**

In your financial submittal, Section II of the RFP, address the potential for construction costs with and without prevailing wage requirement. Return your response to this request with your financial information to Mr. Tim Kelly as specified on page 3 of the RFP.

4. **Living Wage during Operation**

In your financial submittal, Section II of the RFP, address the potential for hotel operations with and without a living wage requirement. Return your response to this request with your financial information to Mr. Tim Kelly as specified on page 3 of the RFP.

5. **Revised Section III of the RFP (RFP Submittal Format and Deadline)**

Section III of the RFP is revised in its entirety to read as follows:

III. RFP Submittal Format and Deadline

- **Section I Submittal**: 11 hard copies and one electronic copy delivered to Mr. Frank Fuller at 2169 Folsom Street M304 San Francisco, CA 94110 415.754.9304 and frank@urbanfieldstudio.com

- **Section II Submittal**: 1 hard or electronic copy delivered to Tim Kelly at tkelly@keysermarston.com

- **SUBMITTAL DEADLINE**: **April 29, 2016.**

- Following the **SUBMITTAL DEADLINE**, the City expects to interview one or more developers who have submitted a proposal in order to clarify, discuss and negotiate any aspect of their proposal, including but not limited to the proposed development program, aspects of project design, proposed type and intensity of uses, accommodation of public parking and collaboration with the public library, public amenities, purchase price, support of business improvement districts, the terms of a Right of Entry Agreement for site investigation activities , and the terms of an Exclusive Negotiation Agreement ("ENA"). The ENA will establish the terms under which City and the selected developer will exclusively negotiate the terms and conditions of a proposed Disposition and Development Agreement ("DDA") providing for conveyance of fee title and development of the property.

- Following the **SUBMITTAL DEADLINE**, the City may select a developer with whom it will negotiate and enter into an ENA, reject all proposals, advertise for new proposals, or proceed otherwise.