

Attachment 2

ORCUTT UNION SCHOOL DISTRICT

REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF DISTRICT PROPERTY FOR
SENIOR HOUSING DEVELOPMENT



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DRAFT

ORCUTT UNION SCHOOL DISTRICT
500 DRYER STREET
ORCUTT, CA 93455

**REQUEST FOR PROPOSALS FOR
THE DEVELOPMENT OF DISTRICT PROPERTY FOR
SENIOR HOUSING**

[Day], [Date], 2019

The Orcutt Union School District ("District") invites your Firm to provide a detailed proposal ("Proposal") for the design, entitlement, construction and management ("Development") of an approximately 9.53-acre District site located in Orcutt, California for Senior Housing through a land lease agreement as described in the previously issued Request for Qualifications and as further described herein.

Firms are invited to submit a Proposal as described below, with one (1) original and five (5) copies of requested materials and a digital copy on a thumb drive, to:

**Orcutt Union School District
500 Dyer Street
Orcutt, CA 93455**

Attn: Walter J. Con; Assistant Superintendent, Business Services

Proposal must be received on or before [Date], 2019, no later than 4:00 p.m. Proposals received after this deadline will be rejected by the District without review. The District is not responsible for any delay in mail service or any other method of delivery used by Firm.

Proposals are to be submitted only in sealed envelopes; facsimile and electronic transmissions are not permitted.

RFP Schedule. The District intends to follow the schedule set forth below for the review and selection process.

| EVENT | TIME, DATE |
|---|------------------------|
| Issuance of Request for Proposals (RFP) | April 12, 2019 |
| Deadline for Written Questions Regarding RFP | May 3, 2019 |
| Deadline District's Response to Written Questions Timely Submitted | May 15, 2019 |
| Proposals Due to District | June 17, 2019 |
| Review of Proposals, including Development Presentations (if necessary) | July 31, 2019 |
| Selection of Firm by District | August 14, 2019 |

Note: The above dates and times are subject to change at the sole discretion of the District.

Questions. Questions regarding this RFP must be in writing and directed to Walter J. Con at, wcon@orcutt-schools.net. Questions that are not submitted in writing or as directed herein will not be answered. Firms with questions or comments about this RFP or the Project should not contact any other District representative, Board member, consultant, or employee unless directed to do so by the District.

Proposals will be accepted only from those Firms which were specifically invited by the District to submit a Proposal based on the completed Request for Qualifications (RFQ) portion of the overall RFQ/RFP process.

Thank you for your interest in working with the Orcutt Union School District.

1. **Contents of Firm's Proposal.** Each Firm's Proposal must be concise, well organized, and demonstrate Firm's proposed terms, conditions, and services for the Development of Senior Housing on the Project Site. Each Firm's Proposal shall be formatted as outlined below and shall be no longer than **one hundred (100) pages**, 8½" x 11" paper, inclusive of forms, and pictures, and tabbed according to the numbering system reflected below.
2. **Firm's Proposed Project Personnel.** If Firm's proposed personnel for the Project differs or has been revised from the personnel previously identified in Firm's Statement of Qualifications, provide resumes of the additional, different or changed persons. Define the role each person will perform and outline each person's experience and responsibilities. This information is required only if Firm's proposed personnel differs from that previously provided in its Statement of Qualifications.
3. **Development Proposal.**
 - 3.1. **Project Concept.** Provide a conceptual narrative description and a preliminary site plan for the intended Development of the Project Site including:
 - 3.1.1. A conceptual description and plan for the Project Site showing the proposed uses; number of units, unit sizes, and layouts (space in square feet); open spaces and community amenities; access, circulation, and on-site parking; and description of services to be provided and projected price points,
 - 3.1.2. A description of whether the proposal will include any affordable housing,
 - 3.1.3. A description of the proposal benefits to the community and the impacts on surrounding uses, if any, and how the impacts will be minimized,
 - 3.1.4. A description of the proposed design and how the design is consistent with the text amendments to the OCP relating to the Project,
 - 3.1.5. A description of how the proposed design will be consistent with Orcutt's overall community standards, and how the proposed Project will benefit the community,
 - 3.1.6. A description of projected total development costs of the proposal including, but not limited to construction, indirect, financing and any other project or development expenses.
 - 3.1.7. A description of the steps to be taken to obtain the entitlements necessary for the Project to proceed, including the public outreach process to be followed to ensure maximum public participation,
 - 3.1.8. The manner in which Firm will work with the District to ensure an open and transparent process.
 - 3.2. **Schedule of Project.** Based on the best information currently available to each Firm, provide a preliminary schedule that depicts the start and completion date of the Project. The schedule should include each phase or task Firm will perform. The schedule presented must address

at a minimum, the following Project milestones:

- 3.2.1.** Ground Lease Execution;
 - 3.2.2.** Entitlement Application to County of Santa Barbara (e.g. Development Plan, Board of Architectural Review);
 - 3.2.3.** Entitlements Obtained;
 - 3.2.4.** Construction Permit Application to County of Santa Barbara;
 - 3.2.5.** Construction Permit Issuance;
 - 3.2.6.** Construction Start;
 - 3.2.7.** Construction Completion; and
 - 3.2.8.** Stabilized Occupancy.
- 3.3. Finance.** Provide the following financial information:
- 3.3.1. Ground Lease.** Describe the proposed financial terms of the ground lease, including the amount of initial minimum or fixed ground rent, the timing of commencement of ground rent, and escalation of ground rent. Proposals should also describe in addition to minimum or fixed ground rent, whether percentage and/or participation ground rent will be paid above the minimum or fixed ground rent, and if so, on what terms and order of priority. Describe the methodology proposed to be used to calculate percentage and/or participation rents, if applicable.
 - 3.3.2. Funding Source.** If the Firm has already secured, is in possession of an agreement to secure, or is in possession of funds for the Development of the Project Site, describe in detail the funding source and on what terms such funding has or will be obtained.
 - 3.3.3. Financial Analysis:** Provide a detailed cash flow pro-forma and sources and uses statement covering, but not limited to, the financing, development, initial lease-up, operation (including management, capital and leasing reserves), return "on" and "off" the proposed equity investment, and payment of fixed ground rent plus, if applicable, profit participation rent. The pro-forma information must be sufficient for the District to perform an analysis of the equity returns the Project is anticipated to generate and the present value and total amount of ground rent the District would receive.
 - 3.3.4. Assumptions.** Describe the assumptions and estimates used in the preparation of the pro-forma to the extent practical by references to real estate market data (e.g., rents, vacancy, expenses, management, fees, leasing costs, etc.); capital market date (e.g., financing terms, interest rates, proportion of project debt and equity); and sources or references to construction costs.
 - 3.3.5. Marketing.** Describe in detail the Firm's marketing strategy with respect to the

Project. Provide details as to the Firm's pre and post-construction marketing capability and explain how the Firm's marketing strategy leverages the demographics of the surrounding area.

3.3.6. Financing Impact. Describe how the proposed means of financing the Project will not encumber the District title to the Project Site. The fee interest in the Project Site will not be subordinated to the any financing for the proposal under a ground lease.

4. Additional Data. Provide additional information Firm considers relevant to the Project and that may aid the District in evaluation of Firm's Proposal.

5. Lease Agreement. The District intends to use the District's form of Lease Agreement as set forth in **Attachment "A"** as the form of lease agreement for the Project.

5.1. Firm shall indicate in its Proposal its acceptance of the following basic lease terms:

5.1.1. The Project Site will be leased on "as is" basis in its present condition,

5.1.2. The fee interest in the Project Site will not be subordinated to any financing,

5.1.3. The Firm shall defend and hold the District harmless from any causes of action arising with the Development of the Project, and thereafter from any causes of action arising from the Firm's use of the Project Site,

5.1.4. The Firm shall be required to provide proof of specific insurances as required by the District during development of the Project and throughout the lease term,

5.1.5. The ground lease cannot be assigned prior to completion of the proposed improvements, and

5.1.6. The Project Site and real property improvements shall revert to the District at end of the lease term.

5.2. Firm shall indicate any exceptions to the form Lease Agreement set forth in **Attachment "A"**.

5.3. Firm shall indicate any additional terms that it will require to be set forth in the Lease Agreement.

6. District's Evaluation and Selection Process.

6.1. Evaluation and Selection Criteria. The District will evaluate proposals for the lease and Development of the Project Site based on the following criteria:

6.1.1. Development Proposal.

6.1.1.1. Project Concept. The District will evaluate the Project concept by:

6.1.1.1.1. The responsiveness to stated goals and objectives of the OCP,

6.1.1.1.2. Conformity with the Orcutt Community, including whether the design aesthetically is consistent with surrounding uses,

6.1.1.1.3. Conformity to established development objectives, goals and principles of the District for lease and development of the Project Site, and

6.1.1.1.4. Compatibility with surrounding uses and the adjacent District property.

6.1.1.2. Financing Plan. The District will evaluate the financing plan by:

6.1.1.2.1. The market viability of proposed product type(s) and proposed uses,

6.1.1.2.2. The viability of the proposed marketing plan,

6.1.1.2.3. The overall economic feasibility based on estimated development costs, estimated project revenue, and proposed funding sources, and

6.1.1.2.4. The assumptions regarding proposed construction/permanent financing, equity financing, and the Firm's required rate of return.

6.1.1.3. Development Schedule. The District will evaluate the proposed Project schedule by:

6.1.1.3.1. The reasonableness of the projected schedule for Development of the Project, and

6.1.1.3.2. The extent, timing, and/or conditions of a phasing plan, if applicable.

6.1.2. Lease Terms. The District will evaluate the proposed lease terms by:

6.1.2.1. The proposed length of the lease term,

6.1.2.2. The proposed amount of fixed rent or combination of fixed rent and participation rent,

6.1.2.3. The proposed rent schedule, including amount and timing of period increases,

6.1.2.4. The proposed rate, and certainty of financial return to the District,

6.1.2.5. The proposed fiscal benefits to the District in terms of financial and

economic return, relative risk, and potential project appreciation and preservation of Project Site value, and

6.1.2.6. Any proposed revisions, deletions and supplements to the District's form ground lease (Attachment 1) as requested by the Firm.

6.2. Developer Interviews. From the Firms that provide Proposals to the District, the District may, at its discretion, interview some or all of those Firms. One Firm, if any, may be selected and recommended to the Board for approval ("Selected Firm"). The District intends to negotiate with one of the Firms, if any—but reserves the right to select a different firm should negotiations of a ground lease with the Successful Firm as detailed below fail.

6.3. Deposit. Within three days of the Board's approval of Firm's selection for the Project, the selected Firm shall submit a good faith deposit ("Deposit") to the District in the amount of \$10,000.00 in relation to finalizing the lease agreement per Section 6.4. Failure to provide the Deposit will void the approval to the selected Firm and the parties shall have no rights or obligations with respect to the lease or Development of the Project Site. The Deposit shall be non-refundable, but in the event that the Parties finalize a ground lease per Section 6.4, the Deposit shall be applied to rent due under the terms and conditions of a lease agreement.

6.4. Lease Negotiation. Upon selection, the selected Firm and the District shall, subject to the Firm's tendering of the Deposit to the District, finalize a ground lease for the Project Site consistent with the provisions of the selected Firm's Proposal and based on the District's form ground lease, but may include other provisions as the District may require or as the Parties may mutually agree to effectuate the approved lease agreement terms and conditions as approved by the Board's approval. The selected Firm and the District shall have thirty (30) days to finalize the ground Lease. After thirty (30) days, the District may either elect, at its sole discretion, to discontinue negotiations and seek to negotiate with another Firm or continue negotiations with the selected Firm.

7. Terms and Conditions.

7.1. The District reserves the right to contract with any Firm responding to this RFP for all or portions of the above-described Project, to reject any Proposal as non-responsive, and not to contract with any Firm for the Project described herein. The District makes no representation that participation in the RFP process will lead to an award of lease or any consideration whatsoever.

7.2. Responses to this RFP will become the property of the District and subject to the California Public Records Act, Government Code sections 6250 et seq. Those elements in each response that are trade secrets as that term is defined in Civil Code section 3426.1(d) or otherwise exempt by law from disclosure and which are prominently marked as "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY" may not be subject to disclosure. The District shall not be liable or responsible for the disclosure of any such records including, without limitation, those so marked if disclosure is deemed to be required by law or by an order of the Court. A Firm that indiscriminately identifies all or most of its response as exempt from disclosure without justification may be deemed non-responsive. In the event the District is required to defend an action on a Public Records Act request for any of the contents of a response marked

“Confidential,” “Proprietary,” or “Trade Secret,” the Firm agrees, by submission of its response for the District’s consideration, to defend and indemnify the District from all costs and expenses, including attorneys’ fees, in any action or liability arising under the Public Records Act.

- 7.3. Issuance of this RFP does not commit the District to enter into a lease agreement for the Project or to pay any costs incurred with the preparation of Firm’s Proposal. Firms should note that the execution of any agreement pursuant to this RFP is dependent upon successful negotiation of terms, conditions and fees as well as approval by the District’s Board of Education.
- 7.4. The selected Firm(s) and each of its (their) sub-consultants, co-venture partners and/or contractors shall comply with all applicable federal and California laws, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, Executive Orders 11246, 11375, and 12086, the California Fair Employment and Housing Act beginning with Government code section 12900, Labor Code section 1735, and any other applicable federal and state laws and regulations hereinafter enacted, including the Federal Americans with Disabilities Act (ADA). Firms shall be responsible for establishing and implementing an ADA program within the Firm’s work place. Firms shall not discriminate against any prospective or active employee based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. The selected Firm shall cause the above provisions to be inserted in all contracts and subcontracts for any work of the Project so that such provisions will be binding upon each contractor, sub-contractor and/or consultant.
- 7.5. It is the sole responsibility of each Firm to investigate and determine conditions and suitability of the Project Site for Development. The information presented in this RFP, the previously issued Request for Qualifications dated January 25, 2019, and in any report or other information provided by the District is provided solely for the convenience of potentially interested parties. The District and its advisors make no representations, assurances or warranties pertaining to the accuracy of the information provided in this RFP.
8. **Board Approval.** Final selection of a Firm shall be at the sole discretion of the District’s Governing Board after recommendation from District staff. It is anticipated that District staff’s recommendation for this Project will be presented at the August 14, 2019 Board Meeting.
9. **Protests.** Any protest regarding this RFP must be submitted in writing to the District, before **5:00 p.m. of the THIRD (3rd)** business day following the date of notification by the District that a Firm has been selected following the evaluation / selection process.
 - 9.1. The protest must contain a complete statement of any and all bases for the protest.
 - 9.2. The protest must refer to the specific portions of any documents that form the bases for the protest.
 - 9.3. The protest must include the name, address and telephone number of the person representing the protesting party.

- 9.4. The party filing the protest must concurrently transmit a copy of the protest and any attached documentation to all other parties with a direct financial interest that may be adversely affected by the outcome of the protest; and all other Firms who appear to have a reasonable prospect of receiving an award depending upon the outcome of the protest.
- 9.5. The procedure and time limits set forth in this paragraph are mandatory and are each Firm's sole and exclusive remedy in the event of protest. Failure to comply with these procedures shall constitute a waiver of any right to further pursue the protest, including filing a Government Code Claim or legal proceedings.

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Attachment "A"

Form of Lease Agreement

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