



**REQUEST FOR QUALIFICATIONS/PROPOSALS
FOR
REAL ESTATE DEVELOPMENT
IN
IMPERIAL BEACH**

Tasks

Pre-submission Conference
& Site Walk through
Proposals Submitted

Dates/Times/Locations

Wednesday, March 25, 2009 @ 10:00 a.m. – 735
Palm Ave. (Development Site)
May 6, 2009 – Agency Office

DEVELOPMENT SITE



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INTRODUCTION

The purpose of this Request for Qualifications/Proposals ("RFQ/P") is to describe an exceptional real estate development opportunity in Imperial Beach and to solicit the interest of creative and capable development teams with proven track records of successful development.

This RFQ/P requests prospective respondents to submit sufficient information regarding their development expertise, approach to development, and financial capability to enable the Imperial Beach Redevelopment Agency ("the Agency") to select a development team as partners in this redevelopment opportunity.

The Agency is responsible for a wide range of activities including property acquisition and disposition, working with qualified developers and property owners on rehabilitation or new developments and construction or rehabilitation of public improvements and facilities. The Agency works closely with the Imperial Beach Planning, Building, and Public Works Developments to facilitate redevelopment projects in the city.

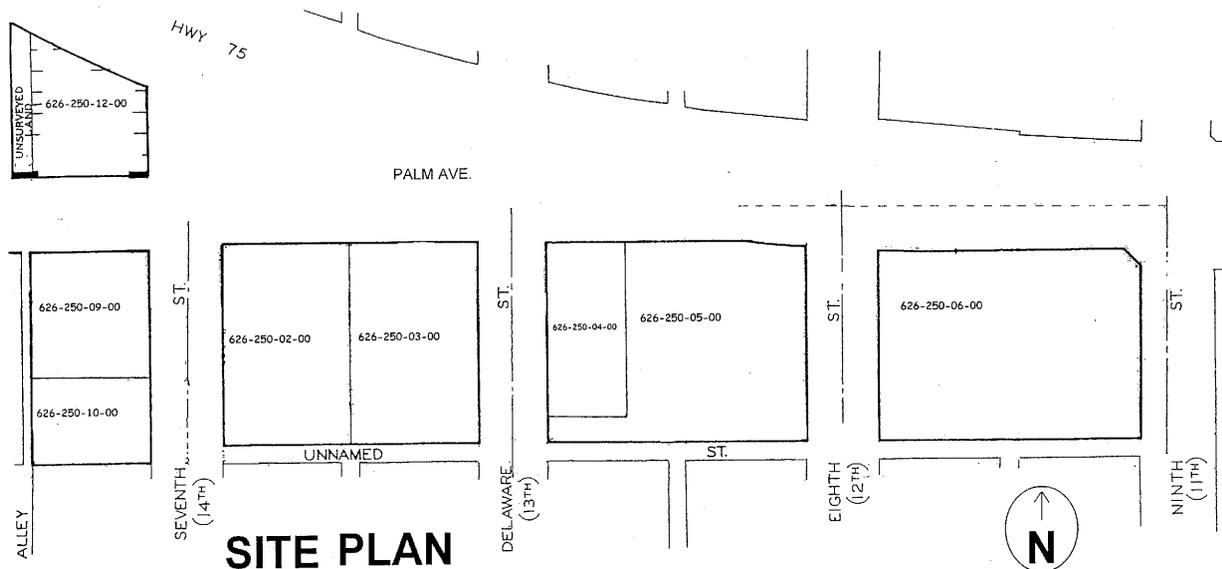
The Agency intends to select and enter into an Exclusive Negotiation Agreement ("ENA") with a qualified development team who proposes a redevelopment project that best meets the Agency's redevelopment objectives. The Agency seeks to maximize the potential for developing a deal structure that provides the greatest benefit to the Agency.

PROPOSED DEVELOPMENT SITE

The approximately 3.9-acre site ("the Site") is located on the south side of State Route 75 ("SR 75")/Palm Avenue between 9th and 7th Streets. The Site is easily accessible from all areas of the community and is adjacent to the direct route between Coronado, Imperial Beach, and San Diego's Nestor community and Interstate 5. The Site is seven blocks from the Pacific Ocean.

The Site includes the entire Miracle Shopping Center and the former North Island Credit Union properties. Access to Site is from signalized intersections at 9th and 7th Streets. The Agency would consider opportunities to expand the proposed development site, if expansion would result in a feasible project from both a financial and land use perspective.

The Site is near numerous retail and commercial uses. On the northwest corner of 9th Street and SR 75 is a shopping center, anchored by a CVS Drug Store. The shopping center also contains additional tenants and a stand-alone "Jack in the Box". On the northeast corner of 9th street and SR 75 is Union Bank of California and on the southeast corner is a gas station, a convenience mart and a car wash. The southern side of the Site is predominately single family residential. The existing shopping center is below the grade of SR 75 and the Site slopes downward from the west.



The Agency and the City of Imperial Beach are willing to consider the vacation of public rights- of- way to facilitate a project. The Agency owns all of the properties in the Site. Existing tenants will be relocated by the Agency and the structures on the Site will be demolished.

PROJECT GOALS AND OBJECTIVES

The Goals and Objectives of the project are based on the Imperial Beach General Plan, the objectives of the Palm Avenue/Commercial Avenue Redevelopment Plan and the Five-Year Implementation Plan, and the strategies and mission of the Economic Development Plan:

- ✓ pursue a public/private partnership to improve large commercial properties in the Palm Avenue commercial corridor that will stimulate further improvements in the area;
- ✓ facilitate redevelopment of the Palm and 9th Street Commercial Retail Properties; and
- ✓ strengthen the economic viability of Imperial Beach through expanding commercial retail activity and improving the quality of life for the entire community.

The expected outcomes for the proposed redevelopment project are as follows:

- ✓ The proposed development should strengthen the economic viability of Imperial Beach through greater retail opportunities;
- ✓ The proposed development should improve the quality of life for the entire community; and
- ✓ The proposed development should provide an anchor development that is designed to be a destination and offer the community a place to gather.

SCOPE OF DEVELOPMENT

The proposed development needs to maximize the development potential of the Site. The Agency's primary goal is to achieve a successful sales tax generating retail development on the Site. The proposed Site is located within a Smart Growth area and is a part of the developable land inventory that satisfies both the Regional Housing Needs Assessment and the Draft Housing Element. The Agency is very aware of the current negative state of residential development; however, the Agency is open to consider a project that integrates market-rate multi-family residential with retail. While the Agency wishes to maximize the commercial development potential of the site, a residential component can be considered, and the Agency recognizes that the development community may consider the "highest and best use" for this site is retail commercial.

Land Use Regulations

- The site is zoned C-1 General Commercial. The purpose of the C-1 Zone is to provide land that meets the demands for goods and services required primarily by the visitor and tourist population, as well as local residents.
- Permitted development in this zone includes hotels and motels, stores, shops, offices supplying commodities or performing services for residents of the City such as retail food stores, restaurants, department stores, specialty shops, banks, business or professional offices, financial institutions, and personal service enterprises.
- Residential dwelling units are allowed above the first floor at a maximum density of one unit per every one thousand square feet of lot area, subject to the approval of a conditional use permit.
- The maximum building height is 40-feet.
- Parking for general retail is 1 space (18' deep by 8^{1/2} wide) per 250 square feet net floor area and 1 per 2 employees at the largest work shift.
- Parking for residential is 1.5 spaces per unit

Urban Design Considerations

- The entire street wall shall employ well-detailed, high quality, durable materials such as stone, tile, metal, brick, or limited expanses of architectural concrete, with recessed, tall storefronts and clear glass.
- All blank wall area shall be enhanced with architectural detailing, material texture, ornamentation, and/or artwork.
- The ground floor of the project must provide a high degree of pedestrian transparency, access, and visual interest.

- The public rights-of-way including the alley must provide a high degree of pedestrian access and visual interest particularly along SR75/Palm Avenue.
- The project must be sensitive to and step-down to the scale and bulk of the residential neighborhood to the south.
- The project's commercial space height must be at a minimum of 15 feet; depth should be at least 40 feet.
- Any public open space is required to have commercial uses adjacent to it and provide direct entrances to the open space from the commercial uses.
- The public open space cannot be more than 3 feet above or below the grade.
- The project should integrate the pedestrian, bicyclist and vehicular traffic providing all with access and safety.
- Right-of-way and on-site improvements are to be consistent with the recommendations of the Palm Avenue Commercial Corridor Master Plan.

AGENCY PARTICIPATION

The Agency seeks to limit further Agency investment in the Site. If Agency assistance is provided, the assistance can be in the form of a land "write down". Financial assistance shall be based upon such factors as market conditions, type of financing, scope of development, conveyance of right-of-way, cost of development, risks incurred, estimated or actual profit, estimated or actual sales prices or rental rates for development to be constructed, public purpose, and other matters relevant to establishing the fair market value for the uses permitted to be developed.

TERMS AND CONDITIONS

- The Agency retains the right to reject all submissions.
- Issuance of this RFQ/P does not commit the Agency to enter into a development agreement or to pay any costs incurred in the preparation of a response to this request
- Selection is also dependent upon the negotiation of a mutually acceptable agreement with the successful respondent.
- Pursuant to the Redevelopment Plan, the Agency may exercise its power of eminent domain to acquire sites to cause their redevelopment. By issuing this RFQ/P, neither the Agency nor the City is committing itself or agreeing to undertake any activity requiring the subsequent exercise of discretion by the Agency or City, or any department thereof, including, but not limited to, the provision of financial assistance for the development of any public or private interest in real property; the authorization or obligation to use the Agency's or City's eminent domain authority; or any other such activity.

ENVIRONMENTAL

Issues & Concerns

There are no known environmental issues at the Site. With respect to any known contamination, the Agency will deliver the Site in the following manner: Abated and Remediated.

CEQA Documentation

The redevelopment of the Site does not require Coastal Commission review. The Agency has adopted a Program Environmental Impact Report for the Redevelopment Project area. The selected development team will be required to provide traffic and parking studies before the approval of any Disposition and Development Agreement.

SELECTION CRITERIA

The Agency intends to select the developer based on the following criteria: development experience, financial resources, design expertise, and economic benefits. The Agency will evaluate completed projects, review the development team's experience, and contact references. The Agency reserves the right to request additional information during the evaluation of responses and to reject any or all proposals. The Agency may conduct interviews and/or require public presentation of the proposed projects.

Demonstration of Experience

- Currently under-construction and recently completed projects in a redevelopment area and/or developed projects in a public/private partnership
- Completed commercial and/or mixed-use developments

Financial Resources and Transaction Terms

- Demonstrated ability to provide project funding, including current relationships with major lenders and past funding experience with projects
- Ability to provide sufficient project equity to demonstrate commitment to the success of the project and to satisfy conventional lender requirements
- Appropriateness of the business transaction proposed by the developer or development team

Project Architecture/Planning/Design

- Architectural, landscape architecture, and urban design experience on projects similar in scale to the proposed project
- Experience with development sites that require working with significant site design and

engineering constraints

- Transitions to and integrates the adjacent residential neighborhood
- Ability to generate development concepts for the project that will minimize the impacts to the quality of life in the community
- Meets the goals of the General Plan, the Redevelopment Plan, and the 5-Year Implementation Plan
- Compliance with the Imperial Beach Zoning Code
- Design and construction incorporate “green building” and broadband technologies
- Integrates and considers concepts and proposals outlined in Palm Avenue Commercial Corridor Master Plan

Economic Benefits

- Maximizes retail/commercial opportunities
- Demonstrated commitments from national and/or regional brand names for leasing space
- Committed to a good faith effort to solicit and/or contract with Imperial Beach-based sub-contractors, vendors and suppliers for materials, goods, and services
- Provide residents a mix of local, regional, and recognizable national brands
- Provide a net benefit to the City of Imperial Beach through an increase in tax increment and sales tax

SELECTION PROCESS

The Agency's selection of proposals will take the form of the Agency's approval of an Exclusive Negotiating Agreement (“ENA”) between the selected developer and development team. It is anticipated that the ENA will provide for a 120-day exclusive negotiation period within which to prepare a Disposition and Development Agreement (“DDA”) with up to a 30-day extension of the negotiating period at the sole discretion of the Agency.

Upon approval by the Redevelopment Agency Board and prior to the signing an Exclusive Negotiation Agreement, the Developer(s) will be required to provide a \$75,000 deposit to the Redevelopment Agency to offset consultant costs. The unused portion of the deposit is refundable if negotiations with the Agency are conducted in good faith, whether or not a transaction is consummated.

SUBMITTAL REQUIREMENTS

A concise, professional, and complete response to this RFQ/P will help the Agency identify the most qualified developer or development team and will be indicative of the level of the respondent's commitment to the project. Completeness, quality, and the veracity of required content are important. The initial proposal must include, and only include, the following information:

Development Team - Identify the Development Team, Project Architect(s) and other members of the development team or consultants who would be responsible to implement the proposed project(s) (name of individual, firm address and telephone number).

Development Team Experience – Provide concise narrative identifying any development team experience in developing projects in a redevelopment area and/or developing projects in a public/private partnership, include type of project, project address, unit count by type and size of unit, completed value, lenders involved (with contact references), and construction/completion date.

Development Team Financial Resources - Provide a very concise narrative addressing the availability of local resources, sources and amount cash available to developer to meet equity requirements of the proposed project. Provide three business references.

Development Team References – Provide three public/partnership references with full names, address, email address, and telephone number.

Development Concept - Provide a project description and a site plan of the ground level only, two exterior elevations, off-site improvements and two cross-sections of the project at scale of one-inch (1") equals fifty-feet (50'); a very concise narrative identifying any aspect of the project's design that does not meet any minimum development program specified in this RFQ/P or the requirements of the City of Imperial Beach Municipal and Zoning Code.

Development Pro-Forma - (See Pro - Forma Form - Exhibit A)

PROPOSED SCHEDULE FOR DEVELOPER SELECTION

The Agency staff will review and evaluate all responses to this RFQ/P. Staff may meet with any or all of the developers or development teams. Staff may seek additional information from developers, conduct site visits and reference checks as appropriate, and may request that teams make presentations to a Selection Committee.

The solicitation, receipt and evaluation of proposals, and selection process are anticipated to observe the following:

Distribute RFQ/P	February 19, 2009
Pre-submission Conference & Site Walk through	Wednesday, March 25, 2009 @ 10:00 am – 735 Palm Ave. (Development Site)
Proposals Submitted	May 6, 2009
Evaluation by Staff	June
Recommendation to Agency	July

Note: Dates are subject to change.

Six (6) copies of the proposal shall be delivered not later than 1:00 p.m. on Wednesday, May 6, 2009 to:

Jerry Selby, Redevelopment Coordinator
Imperial Beach Redevelopment Agency
825 Imperial Beach Blvd.
Imperial Beach CA 91932

Questions concerning this RFQ/P should be directed to Jerry Selby by telephone at (619) 424-2226 or email at jsselby@cityofib.org

DUE DILIGENCE

The information provided in this RFQ/P is to assist respondents with information the Agency has assembled as of this preliminary stage in the process. Any respondent that is selected will be expected to conduct its own due diligence prior to commencement of development. The Agency will make no representations or warranties with respect to these matters.

CONFLICTS OF INTEREST

Please note that State law makes it illegal for public officials or their employees to participate in the making of a contract in which he or she is financially interested. The law defines the making of a contract to include responding to RFQ/Ps. The law further defines a public Official very broadly to include members of advisory boards that are not actual parties to the contract. Prospective respondents who are aware of circumstances that could create a conflict of interest if a proposal were submitted are urged to contact the Agency immediately.

List of attached Exhibits:

Pro - Forma Form - Exhibit A

Exhibit A
Pro-Forma Sample Form

Direct Costs	Totals	Per Unit	Comments
Off-Site Improvements			
On-Site Improvements			
Parking - Structured/at grade			
Parking - Below-grade			
Shell Construction - Residential			
Shell Construction - Retail			
Tenant Improvements			
Amenities			
FF&E			
Subtotal Direct Costs			
Contingency			
Total Direct Costs			
Indirect Costs			
Architecture & Engineering			
Permits & Fees			
Legal & Accounting			
Taxes & Insurance			
Developer Fee			
Marketing/Sales - Residential			
Marketing/Lease-Up - Retail			
Subtotal Indirect Costs			
Contingency			
Total Indirect Costs			
Financing Costs			
Loan Fees			
Interest During Construction			
Interest During Sales			
HOA Dues on Unsold Units			
Subtotal Financing Costs			
Total Development Costs			
Residential Product Mix:			
Total			
Parking Mix:			
Parking Ratio - Residential			
Parking Ratio - Commerical			
Total			
Average SF/Space			
Parking - Structured/at grade			
Parking - Below-grade			
Total			

Exhibit A
Pro-Forma Sample Form

<u>Gross Sales Proceeds</u>	<u>Average Unit Size (SF)</u>	<u># of Units</u>	<u>Price Per SF</u>	<u>Price Per Unit</u>	<u>Gross Sales</u>
One Bedroom	(SF)				
Two Bedroom	(SF)				
Three Bedroom	(SF)				
Total/Average Gross Sales Proceeds					
Net Operating Income	SF		Rent/SF		Total Amount
Retail Gross Scheduled Income (GSI)	SF				\$0
(Less) Vacancy					<u>\$0</u>
Effective Gross Income (EGI)					<u>\$0</u>
(Less) Unreimbursed Operating Expenses					<u>\$0</u>
Net Operating Income (NOI)					\$0

Exhibit A
Pro-Forma Sample Form

Gross Sales Proceeds - Residential
(Less) Cost of Sale
(Less) Developer Profit

Warranted Investment - Residential

Net Operating Income - Retail
Target Return on Investment @

Warranted Investment - Retail

Warranted Investment
Warranted Investment - Residential
Warranted Investment - Retail

Warranted Investment - Total
(Less) Total Development Cost

Residual Land Value
Per Unit
Per SF Site Area

(Less) Acquisition Costs
(Less) Relocation Costs
Total Acquisition and Relocation Costs

Financing Surplus/(Deficit)
Per Unit
Per SF Site Area