

REQUEST FOR PROPOSALS

City of Palm Springs

Disposition and/or Development of Real Property

Near Southwest corner of W. Stevens Road and
North Palm Canyon Drive
Palm Springs, CA 92262

APN 505-182-004: 0.75 acres of vacant land
APN 505-182-010: 1.0 acre of vacant land

**SALE/DISPOSITION OF PARCEL 505-182-004 IS SUBJECT
TO APPROVAL BY THE RIVERSIDE COUNTY OVERSIGHT
BOARD AND CALIFORNIA DEPARTMENT OF FINANCE**

Proposals due by 5:00 p.m., February 27, 2020

I. INTRODUCTION

The City of Palm Springs is seeking proposals from interested parties for purchase and / or development of two contiguous City-owned parcels in the Uptown area of Palm Springs, California (see Attachment A with map and legal description). The parcels are located near the southwest corner of N. Palm Canyon Drive and W. Stevens Road, Assessor Parcel Numbers 505-182-004 and 505-182-010 (“property”).

The City welcomes development concepts from individual proposers provided that the developer is qualified, has the necessary project experience and meets the proposal submittal requirements outlined in Section VII for each concept submitted. If a project is being proposed where City assistance is required, including but not limited to land write down, financial, land-use, tax rebates, and entitlement, a development proposal will be required detailing the proposed development concept and costs (see Section VII Proposal Submittal Requirements).

Entities wishing to purchase the properties for fair market value or greater do not need to submit the Proposal Submittal Requirements other than the proposed Purchase Price at or above the fair market value, and terms, as contained in this Request for Proposals, and other terms.

The City will consider any proposals allowed by the land use designations, such as “commercial-only” (including office) and “residential-only” projects. The City reserves the right to determine which proposal, if any, shall advance to the negotiations phase.

Upon selection of the successful proposal, projects requesting City assistance may enter into an Exclusive Agreement to Negotiate (EAN) for a period of six (6) months that will culminate in a Disposition and Development Agreement (DDA) with the successful respondent. Should the City determine an outright sale of the property is best the City will enter into a purchase and sale agreement with successful proposer.

WHETHER THE CITY DECIDES TO PROCEED WITH AN EAN/DDA OR OUTRIGHT SALE, DISPOSITION OF PARCEL 505-182-004 WILL BE SUBJECT TO APPROVAL BY THE RIVERSIDE COUNTY OVERSIGHT BOARD AND CALIFORNIA DEPARTMENT OF FINANCE.

II. DUE DATE AND TIME

Proposals are due **February 27, 2020, by 5:00 P.M.**

III. BACKGROUND

The City of Palm Springs is a Charter City and was incorporated in 1938. Palm Springs is nestled at the base of the San Jacinto and Santa Rosa Mountains, approximately 60 miles east of Riverside. The City is a well-known resort destination with a year-round population of approximately 47,900 and a seasonal population that nearly doubles. Palm Springs not only prides itself on its resort amenities, but also on the village character it has been able to maintain. At the same time, Palm Springs has many major amenities typically found in cities with much larger populations, such as the Palm Springs International Airport, Convention Center, Palm Springs Art Museum, Aerial Tramway, Desert Regional Medical Center, a broad range of public services, and

diverse residential neighborhoods. Open space and mountainous areas comprise almost half of the City's total area and provide treasured natural recreation opportunities and habitat areas.

The parcel with APN 505-182-004 is owned by the City acting as Successor Agency to the former Redevelopment Agency (RDA) of the City of Palm Springs. The former RDA purchased the parcel in 1987 and owned the Property until the Redevelopment Agency was dissolved pursuant to ABX1 26 amended by AB 1484 and SB 107 (collectively the "Dissolution Law") and codified in the California Health and Safety Code. Redevelopment agencies in California were dissolved as of February 1, 2012. The Successor Agency is now responsible for disposing of the Property which was included in the Successor Agency's Long Range Property Management Plan. The parcel with APN 505-182-010 is owned by the City of Palm Springs and was gifted by the O'Donnell estate as part of the O'Donnell Golf Course donation. The parcel contains an unused irrigation reservoir of approximately 100' x 100' by 12' deep, formerly used to store water for the O'Donnell Golf Course nearly a mile away.

The property is located in a split C-1/R-2 zone and is situated near developed single-family home residential areas to the southwest and condominiums directly to the west. Property directly north along North Palm Canyon Drive is developed with commercial uses, including the Draughtsman Restaurant across Stevens Road to the north and the Arrive Hotel complex. Properties across North Palm Canyon Drive to the east are a mix of commercial uses and residential condominiums. To the west of the Property is the Vista Las Palmas neighborhood.

There is an undeveloped 48,000 square foot parcel immediately to the south of the Property, and a multi-story office building south of that parcel. Neither of these properties is included with this request for proposals; however, the acquisition of adjoining properties would allow for a larger development and is preferred.

The City review of proposals submitted in response to this RFP will focus on the proposals' fulfillment of the following major policy objectives:

- To provide needed affordable housing for low income individuals;
- To provide a high-quality design with a strong aesthetic component along North Palm Canyon Drive;
- To maximize the quality and marketability of the commercial space and residential space being developed, including offering a product type not found elsewhere in the marketplace; and
- To maximize the financial return to the City. The City recognizes the trade-off in financial return to the City that would result from restricting the sale or rental price of residential units to ensure affordability for low income households and reserves the right to determine which proposal, if any, best meets the City's needs.

While it is not a requirement of this RFP, developers are encouraged to plan and develop the City's property with the adjacent 48,000 square foot parcel if they can demonstrate site control over the adjacent property.

IV. DEVELOPMENT CONCEPT

The City is seeking a developer that will meet the City's objectives stated above and enhance the overall quality of the surrounding neighborhood through quality building design and landscaping. As stated above, the City's preference would be to have the developer maximize the development potential of the City's parcels as well as the adjacent parcel, and propose a multi-story (i.e. two-story) project in one of the stated configurations suggested: (1) boutique hotel; (2) mixed use market-rate residential; (3) commercial building including offices; or (4) mixed-use affordable housing residential project.

If the developer elects to propose a residential-only project, they should be aware that the City of Palm Springs has a General Plan policy that requires commercial frontage along Palm Canyon Drive. The policy can be amended for this site, but it creates an additional development requirement.

V. DEVELOPMENT GUIDELINES

The following development guidelines for the properties are intended to serve as general parameters for design of the proposed project. The guidelines are also meant to ensure that appropriate amenities are incorporated into the proposed design and to promote completion of the project while meeting the highest standards for quality.

- The proposed land use and design shall meet the provisions of the City's Zoning Code for the C-1 and R-2 standards in the areas of building height, setbacks, lot coverage, parking, and other relevant standards. The split zone allows a "residential-only" project on the entire site to be developed at the R-3 zoning standards.
- The architectural standards and construction quality of the units must be commensurate with or higher than the City's established standards.
- Construction shall be consistent with City building codes. The use of alternative materials and/or construction methods to reduce costs is encouraged, provided there is no reduction in the overall quality of design or construction.

It shall be the sole responsibility of the developer to refine the RFP development guidelines for their specific development through further research and discussions with City staff (i.e. Planning, Engineering, Building and Safety, and Fire) to ensure full compliance with all applicable State, County and City Codes, while achieving the highest degree of quality development. Development proposals shall be based on current municipal codes, standards and policies and not on the necessity for adjusting existing development standards in order for the development proposal to be viable (with the exception of potentially seeking relief from the General plan policy requiring commercial frontage on Palm Canyon Drive).

VI. PROPERTY DATA

The Property is located at 1479 N. Palm Canyon Drive, Palm Springs, California, 92262.

The Property consists of Assessor Parcel Number 505-182-004, which is approximately 0.75 acres in size; and Assessor Parcel Number 505-182-010, which is approximately 1.0 acre in size.

The Property with APN 505-182-004 is zoned CU (Civic Uses) with a Resort Combining Zone Overlay, while the parcel with APN 505-182-010 is zoned C-1 (Commercial). Proposers shall familiarize themselves with all City of Palm Springs' zoning and entitlement issues relating to the Property and make an independent determination of whether the Property can be developed for the purpose intended by the Proposer.

Zoning and Planning Ordinances can be found in the Palm Springs Municipal Code and which, along with the General Plan may be accessed using the following links:

<http://www.palmspringsca.gov/government/departments/planning/zoning-code-and-zoning-map>

<http://www.palmspringsca.gov/government/departments/planning/general-plan>

VII PROPOSAL SUBMITTAL REQUIREMENTS

Entities wishing to purchase the properties for fair market value or greater do not need to submit the Proposal Submittal Requirements other than the proposed Purchase Price at or above the fair market value, and terms, as contained in this Request for Proposals and other terms. An appraisal of the fair market value of both parcels was recently completed with an effective date of October 19, 2019 and the value of the combined properties is \$2,033,000.

As noted previously under the City's objectives, the City welcomes a variety of development concepts from individual proposers provided that the developer is qualified, has the necessary project experience and meets the proposal submittal requirements below for each concept submitted.

Proposals to purchase or acquire the properties at less than fair market value must provide the following information with their proposal:

A. DEVELOPER QUALIFICATIONS

1. Development Entity. Name and address of developer; phone, fax and email address. Identification of all joint venture or limited partners with whom the Agency would contract for development. Is the developer a subsidiary of, or affiliated with, any other corporation(s) or firms? If yes list each such corporation or firm by name and address, specify its relationship to the developer and such other corporation or firm.
2. Development Team. Identify the role of each development partner in the implementation of the development. Identify and describe role of key individuals in the development team (architects, engineers, project manager, and others), who would be involved in the implementation, including their relevant experience. Also identify the party who will be responsible, and who has the authority to make decisions for the development team. Include resume of developer describing the

qualifications of the developer as well as recent development experience. If the proposal is based upon a development team, the resumes of each team member and their respective roles should be submitted.

3. Developer Experience. The developer's previous relevant project experience for projects of this type and size: A description of three similar projects (date, location, land uses, size, architectural features, role of development entity in the project, etc.) Include photographs of recently completed projects with information on location and basic project details.
4. Public/Private Partnerships. Include the names and contact information of municipal references, if the developer has completed a project with the assistance of another public entity. Include information regarding experience in development and operation of joint public/private partnerships, and time schedules from the three most recent projects. Provide business references and two financial references. For each reference list the name of a specific contact person, address, phone, email and nature of relationship.
5. Developer's Financial Capability. Include a statement of the developer's financial qualification. Proposers should describe their ability to raise equity/debt dollars including current relationships with major lenders, and names and addresses of bank references. Provide information regarding financing and equity arrangements for the three projects listed as developer's relevant experience.

B. DEVELOPMENT PROFORMA

1. Include a detailed proforma outlining the proposed hard, soft and financing costs associated with the proposed development.
2. Identify all sources of financing, including developer equity, construction and permanent financing, as well as any proposed City assistance.
3. Identify all other forms of proposed City and other governmental assistance.
4. Identify all anticipated non-financial assistance such as street utility, parking or other improvements that the developer would seek to be done at the City's expense.
5. Identify, if possible, the maximum feasible home price that a buyer would/could pay for the type of product in the neighborhood in today's housing market and if an affordable component is proposed, identify grants, subsidies and funding anticipated from City, and other funding agencies.

C. SITE PLAN

1. Include a basic typical site plan showing the footprint and layout of all proposed building on the property, parking areas, and the location of any proposed amenities (such as pools, courtyards, social gathering areas, etc.) All site plans shall be clearly dimensioned.
2. The site plan can be typical and does not need to be specific to the identified lot for the purposes of the RFP.

D. FLOOR PLAN AND ARCHITECTURAL DRAWINGS

1. Include a narrative description of each proposed residential model indicating total square feet and number of bedrooms or in the case of a hotel development the number of rooms and description of all amenities.
2. The proposal does not need to contain an architectural elevation of the project but if the developer has completed a similar project, a photograph may be substituted.

E. SUPPORTING TEXT

1. Include a concept summary of the proposed development.
2. Include a proposed construction schedule.
3. Identify any particular constraints or other barriers to developing this project, how the Developer should respond to those barriers, and what the City should be expected to do during the project to address those.

VIII EVALUATION CRITERIA

A review committee will review all proposals received by the City and proposals will be evaluated on the basis of the following criteria:

A. DEVELOPER CONCEPT

A strong development concept for the site, especially one that provides affordable housing units and/or maximizes revenue to the City is an important consideration.

B. DEVELOPER QUALIFICATION

The developer must demonstrate sufficient experience and resources to obtain private financing, public financing, and implement their proposal in an expedient manner.

C. ARCHITECTURAL AND LANDSCAPING DESIGN

An attractive high-quality development is desired. The aesthetic character of the proposal and the developer's ability to create attractive finished products, as demonstrated through examples of previous work similar to this proposal, will be given careful consideration.

D. ECONOMIC FEASIBILITY

The likelihood of success is a very important consideration for each proposal. The economic feasibility of the proposals should be primarily based on the developer obtaining construction and permanent mortgage financing from private and other public sources, rather than relying solely upon City financial assistance.

E. PURCHASE PRICE

The proposed purchase price of the property will be an important consideration. Price offers at or above the fair market value based on highest and best use of the property would allow the City to sell the property under a standard Purchase and Sale Agreement rather than an Exclusive Agreement to Negotiate (EAN) and subsequent Disposition and Development Agreement (DDA). Price offers below fair market value will require City participation through an EAN and DDA. If the proposed development concept includes an affordable housing component, the value of the property would form an integral part of the City's contribution towards the project.

Staff will notify all applicants of the selected proposal within ten (10) days after approval by City Council. The City retains the right to reject all proposals. Upon selection of proposal, the City will enter into an EAN followed by a DDA with the successful

proposer.

IX. MATERIALS REQUIRED TO BE SUBMITTED

The prospective Proposer shall:

- Submit four (4) original mailed or delivered Proposals to:

Office of Procurement and Contracting
City of Palm Springs
3200 E. Tahquitz Canyon Way
P. O. Box 2743
Palm Springs, CA 92263-2743

- The proposal should not exceed 25 pages, single sided (8 ½ " x 11") including all site and building plans, staff resumes and references, and cover letter.
- The proposal should include the name of the Developer submitting the proposal, mailing address, telephone number, email and the name of the individual to contact for further information.
- The prospective Developer shall designate the name of the project manager to be employed. Substitution of the project manager by the selected Developer will not be allowed without prior approval by the City of Palm Springs.
- In order to be considered responsive, the mailed and/or delivered copy must be received by **5:00 P.M. Local Time, February 27, 2020. Offers shall be clearly marked as "Proposal for Purchase and Development of Property with APN 505-182-004 and APN 505-182-010"**. It is the responsibility of the Proposer to see that any offer sent through the mail, or via any other method, shall have sufficient time to be received by this specified date and time. No Proposal will be considered unless it is properly executed, enclosed in a sealed envelope bearing the name of the Proposer, Proposal due date and Proposal title. The receiving time in the Procurement Office will be the governing time for acceptability of Proposals. Telegraphic, telephonic, faxed or emailed Proposals will not be accepted. Late Proposals will be returned unopened.
- Specific questions regarding this Request for Proposals should be directed in writing (see Section XIII) to:

Jay Virata
Director of Community and Economic Development
City of Palm Springs
P. O. Box 2743
Palm Springs, CA 92263-2743
Jay.virata@palmspringsca.gov

- Each proposal must include:
 - Technical proposal – describe your project, including plans and

- specifications, renderings, project schedule and costs;
- Resumes and related experience; include relevant experience date, name of agency, and reference name/contact information;
- The maximum feasible price that can be paid for each parcel and still meet the test of affordability;
- Identify City financial assistance required for affordable housing development (if applicable).

X. RESPONSIBILITY OF PROPOSER

All Developers shall be responsible. If it is determined that a Developer is found irresponsible (e.g. has not paid taxes, is not a legal entity, does not have a business license, submitted a proposal without an authorized signature, falsified any information in the proposal package, etc.), the proposal shall be rejected.

XI. DEVELOPER SELECTION

- Each proposal will be reviewed by an evaluation group to determine if it meets the proposal requirements. Failure to meet the requirements of the Request for Proposals may be cause for rejection of the Proposal.
- The evaluation committee may ask for formal oral presentations by the selected Developers. The City reserves the right to waive the requirement for formal presentations, and to make final selections determined upon review of the work proposals only.
- A final selection of the Developers will be determined following review of all work proposals and/or formal oral presentations.
- The selected Developers will work closely with City staff throughout the duration of the contract. A development firm will be selected for final negotiation of a contract based upon the following factors:
 - Project Understanding: Degree of understanding of infill housing development, affordable housing development, if applicable, municipal government and development activities (20%).
 - Development Concept: Maximize the development potential of the City's parcels as well as the adjacent parcel, and propose a multi-story (i.e. two-story) project in one of the stated configurations suggested: (1) mixed use; (2) commercial building including offices; or (3) a residential project (affordable housing preferred) (20%)
 - Scope of Work: Quality of proposed project, including proposed floor plans, architecture, landscaping and amenity package (20%).
 - Firm Qualifications/References: Past experience in municipal government-sponsored projects and other infill projects in urban neighborhoods (20%).

- Project Managers/Staff Qualifications: Qualifications of the staff assigned to manage and administer the project (20%).

XII. RIGHTS RESERVED

The Successor Agency and Oversight Board retain the right to:

- Reject any and all proposals;
- Reject conditional or incomplete proposals or any proposal containing alterations of form or additions not called for, or irregularities of any kind;
- Determine which proposal, if any, is the best;
- Waive any irregularity in any proposal;
- Withdraw any and all of the described real property from the market;
- Approve the final Purchase and Sale Agreement; and
- Negotiate terms and conditions of a proposal with one or more Proposer(s).

Issuance of this RFP does not commit the City to select a proposer, pay any costs incurred in the preparation of a response to the RFP, award any contract or rights, or take any further actions regarding sale of the Property.

XIII. QUESTIONS/CORRESPONDENCE

Proposers are specifically directed **NOT** to contact any city employee, commission member, committee member, council member, or other agency employee or associate for any purpose related to this RFP other than as directed below. Contact with anyone other than as directed below may be cause for rejection of a Proposal.

Any questions, technical or otherwise, pertaining to this Request for Proposals **must be submitted IN WRITING and directed ONLY to:**

Jay Virata, Director of Community and Economic Development

Community and Economic Development Department

City of Palm Springs

3200 E Tahquitz Canyon Way, Palm Springs, CA 92263-2743

Email: jay.virata@palmspringsca.gov

Interpretations or clarifications considered necessary in response to such questions will be resolved by the issuance of formal Addenda to the RFP. **The deadline for all questions is 3:00 P.M., Local Time, February 18, 2020.** Questions received after this date and time may not be answered. Only questions that have been resolved by formal written Addenda via the Community and Economic Development Department will be binding. Oral and other interpretations or clarifications will be without legal or contractual effect.

Attachment A - Description of Property

APN 505-182-004 known as the “Casa del Camino Property” owned by the City of Palm Springs acting as Successor Agency to the former Community Redevelopment Agency of the City of Palm Springs (Gross and net parcel size: 33,215 square feet)

APN 505-182-010 known as the “Reservoir Property”, owned by the City of Palm Springs (Gross parcel size is 43,560 square feet and net parcel size is 39,384 square feet) This lot is the corner lot at the southwest corner of W. Stevens Rd. and N. Palm Canyon Drive.

Legal Description

APN 505-182-004: POR LOTS 5 & 6 BLK A AND LOT 12 BLK A MB 015/015 LAS PALMAS ESTATES

APN 505-182-010: 1.0 ACRES M/L IN POR NE ¼ OF SEC 10 T4S R4E

Zoning

The parcel with APN 505-182-004 is CU (Civic Uses) with a Resort Combining Zone Overlay.

The CU district is intended to accommodate governmental uses, facilities, services, and incidental uses necessary to support governmental facilities. (Ord. 1808 Section 2, 2012, 2004; Ord. 1294, 1988).

The parcel with APN 505-182-010 is zoned C-1 and R-2. This is a 1 acre parcel located at the southwest corner of W. Stevens Rd. and N. Palm Canyon Dr.

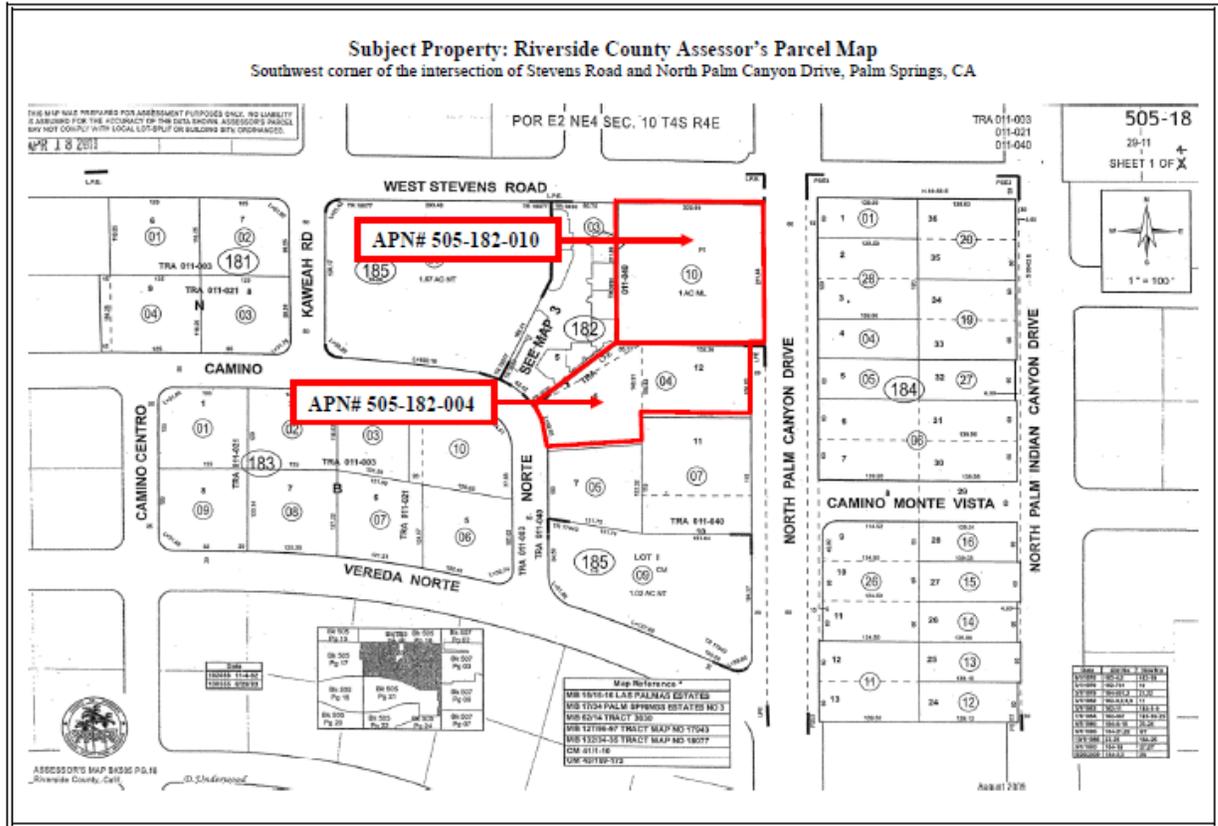
Overview of City and Subject Property Environs

Palm Springs, encompassing approximately 95 square miles, is located at the westerly end of the Coachella Valley at the base of the San Jacinto Mountains. The city is bordered to the north and south by unincorporated territory; to the east by Cathedral City and Rancho Mirage; and to the west by unincorporated territory and San Jacinto Wilderness area. Primary access is provided by Interstate 10 east-bound (bordering and traversing the northerly portion of Palm Springs) and Palm Canyon Drive (SR-111) from Interstate 10, and Highway 111 westbound. Several primary arterials provide secondary access. Palm Springs, incorporated in 1938, ranks as the fourth most populous city of Coachella Valley’s nine incorporated cities and as of January 1, 2017 contained a population of 47,917.

The subject Property is located in the northerly portion of Palm Springs within the “Uptown” district on the west side of North Palm Canyon Drive between West Stevens Road and Camino Norte, approximately 0.8 miles north of the “Downtown” district. Commercial uses along North Palm Canyon Drive within the Uptown district includes freestanding store buildings, multi-tenant retail buildings, one and two-story general and medical office buildings, motels, hotels, family and specialty restaurants, gas station and a few vacant parcels. One-half block north of the subject Property is the Arrive Hotel, a 32-room boutique hotel and approximately 0.6 miles south is the proposed 750 Lofts, a

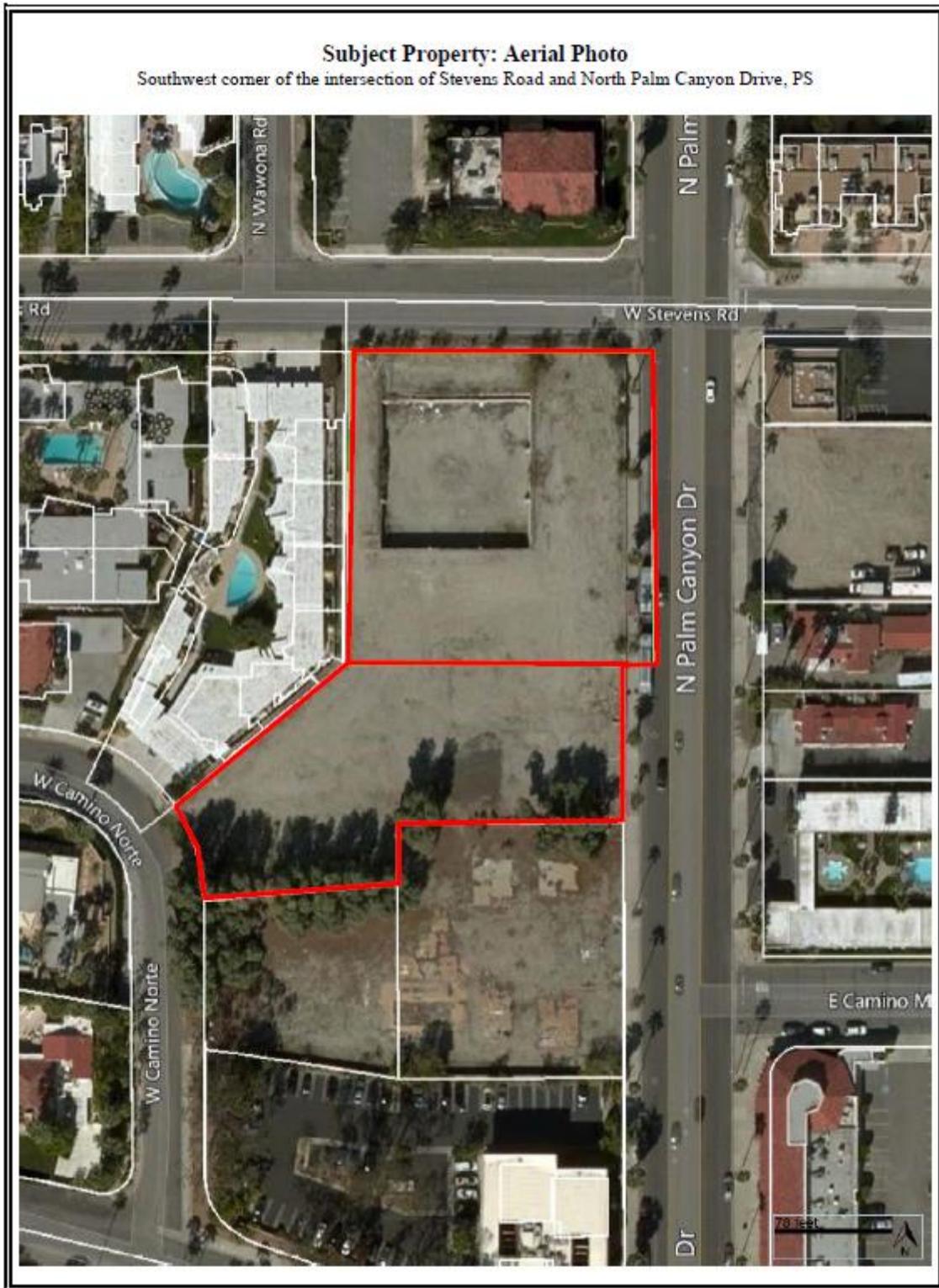
proposed 39-room boutique hotel. The Desert Regional Medical Center is located in close proximity to the southeast. Uses adjacent to the subject Property include a vacant parcel to the north (former reservoir); apartment complex to the northwest, office use, hotel and vacant parcel to the east; vacant parcel to the south; and detached single-family homes to the west.

ASSESSOR'S PARCEL MAP



North direction is pointing up.

AERIAL PHOTO



North direction is pointing up.

GROUND VIEW PHOTOS

Photos of Subject Property

Southwest corner of the intersection of Steven Road & North Palm Canyon Drive, PS



Intersection North Palm Canyon Drive and Steven Road



Entrance off North Palm Canyon to Subject B

GROUND VIEW PHOTOS

Photos of Subject Property

Southwest corner of the intersection of Steven Road & North Palm Canyon Drive, PS



Looking north across Subject B & A



Looking west along eastern boundary of Subject B

GROUND VIEW PHOTOS

Photos of Subject Property

Southwest corner of the intersection of Steven Road & North Palm Canyon Drive, PS



Entrance to Subject B, looking east from Camino Norte



Looking west along Steven Road, Subject A on left

GROUND VIEW PHOTOS

Photos of Subject Property

Southwest corner of the intersection of Steven Road & North Palm Canyon Drive, PS



Water reservoir on Subject A



Water reservoir on Subject A