



**CITY OF MONTEBELLO AND MONTEBELLO
HOUSING SUCCESSOR AGENCY**

REQUEST FOR QUALIFICATIONS (RFQ)

**POTENTIAL
MEDIUM TO HIGH DENSITY
URBAN MIXED USE DEVELOPMENT
PROJECT**

500 BLOCK OF WEST WHITTIER BOULEVARD

**RFQ RESPONSE DUE:
December 19, 2016
5:00 p.m.**

Introduction

The City of Montebello and Montebello Housing Successor Agency, through its Department of Planning and Community Development (“City”), is soliciting Statement of Qualifications (“SOQ”) from qualified developers or development teams (“Developer”) to partner with the City in the potential development and revitalization of a portion of the 500 Block of West Whittier Boulevard. The development site (“Project”) as defined in this RFQ includes several parcels owned by the City of Montebello Housing Successor Agency and a parcel of which the City of Montebello has in escrow. The desire of the City is to consolidate these parcels into a single development site to encourage comprehensive development ideas and maximize the utilization of land.

The development site begins at the northeast corner of North 6th Street and West Whittier Boulevard which includes a vacant lot with two existing (unoccupied) buildings, an alley at the rear, a large vacant parcel of land along North 6th Street, which expand to North 5th Street, a vacant residential building on North 5th Street and lastly, a vacant parcel at the corner of North 5th Street and Emmett Willams Way. Collectively, the land area of the development site is approximately 1.16-acre. Exhibit A illustrates the development site.

This segment of Whittier Boulevard is experiencing an economic revitalization with new development projects either under review and/or entitled for development. For example, across Whittier Boulevard on North 6th Street,, the City Council and the Planning Commission have approved a major mixed-use development project consisting of a six-story hotel with 130 rooms, 45 residential condominium units, 8,500 square feet of retail and restaurant space, and a 316 stalls subterranean parking structure. This \$40 to \$45 million privately funded development is slated to break ground in mid-2017. Other notable projects in the immediate area include: an 80-unit townhome project at the 100 block Whittier Boulevard (currently in entitlement stage); 64-unit multiple family residential project at the 2100 block Whittier Boulevard (in plan check); and two townhome projects on Olympic Blvd. (in construction & plan check). Opportunity now exists for any developer interested in the proposed development site as it will capture the synergy of the new developments that are happening within walking distance of the development site.

The purpose of this Request for Qualifications (“RFQ”) is to seek interest from qualified Developers to partner with the City and the Housing Successor Agency on this exciting Project to revitalize this corner of North 6th Street and Whittier Boulevard. The responses to this RFQ will give the City the opportunity to identify the most qualified Developer by means of experience, financial capability and motivation to engage in this development effort and the ability to complete the Project in a timely manner. Once a Developer is identified, the City intends to enter into a 180-day Exclusive Negotiation Agreement (plus mutually agreeable extension periods) with the selected Developer. The City reserves the right to accept or reject any or all submittals or proposals without cause.

Timeline for the release and submittal of interest are defined later in the RFQ.

The City looks to achieve two (2) objectives in this RFQ process. First, to select a qualified Developer with a development vision for this segment of Whittier Boulevard that complements the change in the character of surrounding areas brings about a change of land uses that will create new job opportunities in the area, as well as generate new revenue in the form of business license, sales and property taxes. Second, to select a Developer that has the experience to develop a plan, and the ability to finance and construct the plan that is acceptable to the City.

The City is interested in unique development ideas and land uses including mixed use development of market rate housing, retail, and restaurant opportunities. The City is not interested in Proposals that will result in tax exemptions for non-profit uses, nor will it be supportive of Proposals that advocate an undesirable use. Undesirable and/or restricted uses are addressed later in the RFQ.

Once a Developer is selected and the City has entered into an Exclusive Negotiation Agreement, the Parties will enter negotiations for the preparation of a Development Agreement in accordance with the terms and conditions outlined below, as well as any other terms and conditions proposed, which are accepted by the City.

ABOUT MONTEBELLO

The City of Montebello, with a population of about 63,000 based on the 2010 Census, is located in the heart of Los Angeles County and just 15 minutes from Downtown Los Angeles. Three major freeways border the City (i.e. Interstate 5 and 605, and State Route 60). Access to Interstate 10 and 710 are just minutes away. Businesses in Montebello benefit from the ease of accessibility to and from the freeways, as recent traffic counts illustrate high traffic volume on the City's thoroughfares. Exhibit B is a Traffic Count Map showing the average daily traffic volume. The average daily traffic volume on Whittier Boulevard is above 27,000 trips and will increase sufficiently as new development occurs.

Opportunity for Development

SITE DESCRIPTION

As touched on earlier, the development site begins at the northeast corner of North 6th Street and West Whittier Boulevard, which includes a narrow vacant lot at the corner with two existing (unoccupied) buildings to the east of the vacant lot, an alley at the rear, a large vacant parcel of land along North 6th Street, which expand to North 5th Street, a vacant residential building on North 5th Street and lastly, a vacant parcel at the corner of North 5th Street and Emmett Willams Way. The following is a list of addresses and Assessor Parcel Map Numbers (APN) which defined the entire proposed development site:

- 520 West Whittier Boulevard, APN# 6346-025-911;
- 522 West Whittier Boulevard, APN# 6346-025-912;
- 528 West Whittier Boulevard, APN# 6346-025-913;
- 114 North 6th Street, APN# 6346-025-910;
- 116 North 6th Street, APN#s 6346-025-908 & - 909;
- 117 North 5th Street, APN# 6346-025-906;
- 121 North 5th Street, APN# 6346-025-016 (*property in escrow*); and
- 125 North 5th Street, APN# 6346-025-907.

An aerial map of the development site is illustrated on Exhibit A.

While not part of the development site or this RFQ process, the City would support further expansion of the development site if the selected Developer is successful in negotiating with adjacent property owners along Whittier Boulevard to either join in or sell their property to create a larger scale project. The City is interested in “creative ideas” on the part of the Developer to forward the goals of revitalizing this segment of Whittier Boulevard.

DESIRED DEVELOPER

The purpose of the RFQ is for the City to identify the qualifications and qualify the Developer and/or the team that the Developer plans to assemble to participate in this development process. The desired outcome is for the City to enter into an Exclusive Negotiation Agreement and eventually lead to a Development Agreement for a project or a phased project with a selected Developer. It is too early at this point to define the overall scope of the project. The City sees this RFQ process as an opportunity for the public entity (the City) partnering with a private development entity (the Developer) to create a viable Project for this development site.

In order for the City to select the ideal Developer, it is important for the interested Developer to provide the following information as part of the SOQ submission:

- Name(s) of the development entity;

- Name of the principal assigned to this Project;
- If the principal is not the contact, than the name of the contact person;
- Developer experience and qualifications;
- Financial capacity and/or experience is structuring financing; and
- Public/private partnership experience.
- A list of completed projects.
- Experience developing a mixed-use project.
- Specific experience and success in developing a quality sit down restaurant.
- Narrative of the Developer's vision and goal of the Project.

The City will accept any additional information from the Developer that would assist the City in selecting a Developer for the development of this potential development Project.

Allowable Uses

The site has the potential for mixed use development with emphasis toward Transit Oriented uses. Ideally, the City foresees residential and commercial mixed uses with medium to high density as suiting the development pattern of the area. In order to maximize development potential of the development site, the City is encouraging the use of structured parking as part of the development plans. City records show that various blocks on Whittier Boulevard were subject to “block by block” specific plans. For example, records show that the 600 Block of Whittier Boulevard, which is one block east of this development site, was part of a specific plan adopted in the mid-80s. City staff believes that the subject development site could also be part of a “block by block” specific plan and the City is open to changes in land use or development that complements today’s demographic and desirable uses.

Proposed Use(s):

One of the objectives of the City is to select a development project that complements the surrounding land uses, creates new job opportunities, and generates new revenue such as business license, sales and property taxes for the City. Proposers should note that, if a zone change or any other entitlement is required to accommodate the Project, obtaining any such discretionary entitlement would be the responsibility of the Proposer.

Restricted Uses:

The City will not support any development proposal that would result in business and/or property tax exemption for any use (i.e., governmental, non-profit, etc.). In addition, the following uses are restricted for the property:

1. Adult oriented businesses or adult entertainment establishments;
2. Manufacturing, industrial or warehouse uses; and
3. A use not specifically permitted by Federal, State and Local laws; and
4. Others to be determined by the City at a later point.

Housing Successor Agency Property Disposition Process

As mentioned in the RFQ, most of the properties within the development site are owned by the Housing Successor Agency. While the requirement for disposition of Housing Successor Agency properties is different than the disposition process of properties owned by the Successor Agency, as such that it does not require further approval beyond the City Council of the City of Montebello, it does require compliance with Californian laws governing the disposition of properties acquired with “tax increment” monies. This process requires a public hearing, and a finding that either the property disposition furthers affordable housing purposes, or eliminates blight. The City anticipates that any proposal will further either or both of these purposes, but focus on blight remediation through the creation of economic development opportunities. Though the City of Montebello supports affordable housing, proposals should reflect the City’s view that this segment of Whittier Boulevard has a high possibility of promoting economic development. As a result, the City is looking projects that further all aspects of economic development (including job, revenue, and commerce generation), while meeting the requirements of the Housing Successor Agency. Proposals are invited (but not required) to include an affordable housing component that satisfies not more than the minimum affordability requirements of state law.

Selection Process

The City will assemble a team, to include the City's Economic Development Ad-Hoc Committee and staff, to represent the City in the Proposal review and Developer selection process (the selection team). At any time during the selection process, the selection team reserves the right to request clarification or additional information from potential Developer(s). This includes the possibility of requesting potential Developer(s) to make presentations of their proposal to the selection team.

The City understands and is sensitive to the resources, costs and time it takes for Developers to prepare a full development proposal package. To address this, the City wishes to streamline the overall selection process into three (3) separate tiers or rounds. The first round seeks a SOQ in order to "pre-qualify" the Developer/Development Team based on experience, financial capacity, vision for the Project, etc. This would ensure that the City moves forward with only the most qualified Developer/Development Team. After reviewing Proposals, the second round will consist of the City inviting selected Developer(s) to submit a development proposal package. After the City reviews development proposal packages, the third-round will consist of Developers presenting their proposal to the City and/or City Council. It will be the City Council that makes the final selection of a Developer/Development Team. Following is a brief description for each round of the selection process.

First Round (RFQ/SOQ)

The selection team will evaluate all submissions received and evaluate Proposals for responsiveness to this RFQ, including a narrative of the Developer's development concept for the Project. The Developer's project narrative shall clearly identify whether the concept for the Project includes: (1) only the properties facing Whittier Boulevard, meaning the vacant corner lot and the two unoccupied buildings; (2) the above plus portion of the rear alley and the vacant lots along North 6th Street, which extends to North 5th Street; (3) all of the above plus the remaining properties along North 5th Street; and/or (4) the desire to develop all of the properties identified in the RFQ, but development in phases. If the Developer's proposal is to develop in phases, it is important for the Developer to clearly define the timing for the development of each of the phases as part of the submittal. At their discretion, a Developer's proposal may include a project narrative for each of these four (4) options.

The selection team will also review the qualification of the development entity based on this RFQ. This first round will be judged based on the above and the selection team will rate the submissions either pass or fail. The submissions that pass will move on to the next round of the selection process. The City reserves the right to reject any and all Proposers submitted after the First Round.

Second Round (Development Proposal)

Developer(s)/Development Team(s) determined by the selection team as qualified will be invited to submit a proposal for the Project. The selection team will focus its review of the submission

on the proposed project and the timeliness of the project. The ability of the Developer to implement and complete the project is the critical aspect in this round. The Selection Team will apply the following point system in its review:

- | | |
|---|-----------|
| 1. Conceptual plan or project. | 30-points |
| 2. Financial capacity to start and completion of the project. | 30-points |
| 3. Timeline to complete the project. | 20-points |
| 4. Samples of similar project experience. | 10-points |
| 5. Public/Private partnership experience. | 10-points |

The top scoring Proposer or Proposers, not to exceed three (3), will be invited back for the third and final round of the selection process. The City reserves the right to reject all Proposals after completing this second round review.

Third and Final Round

Only the top scoring Proposer or Proposers, not to exceed three (3), will be evaluated in the final round by the selection team. During this round, the selection team may call for an interview or presentation of a developer's or developers' proposal. There is no point system applied in this round. The selection team may recommend one (1), two (2), or all three (3) proposals to the City Council, the selection team may make no recommendation to the City Council, or the selection team may recommend that the City Council reject all proposals. The City Council will make the final selection.

General Statement and Inquiries

After a proposal has been selected and an Exclusive Negotiation Agreement has been awarded by the City Council, all proposals submitted in response to the RFQ become the property of the City and are subject to disclosure under the Public Records Act (Government Code Sections 6250 et. seq.). Any information deemed to be private, such as personal or financial must be labeled as “confidential” and will be treated as such. Proposers are cautioned that even materials marked or labeled as “confidential” may be subject to disclosure under applicable law. The City reserves the right to make determinations as to whether any such documents must be disclosed, and by submitting a Proposal in response to this RFQ, Proposers agree to be bound by such determination. The City shall not be liable for any expenses incurred by Developers in response to the RFQ.

The selection team will accept written questions from the Developer up to 48-hours before the submittal date and time. The initial contact person on the selection team is Mr. Ben Kim, Director of Planning and Community Development. If, in the City’s discretion, a written question requires a response, a written response will be provided via an Addendum to this RFQ.

At the issuance of the RFQ, the deadline for submitting Proposals in response to this RFO is 5pm on December 19, 2016. The City reserves the right to extend the submittal deadline for proposals.

All requests for information, clarification or suggestions from any Developer shall be in writing via email to Ben Kim, Director of Planning and Community Development, bkim@cityofmontebello.com.

In order to ensure fairness and avoid misunderstandings or the appearance of conflicts of interest, Proposers shall have no communication, either in writing or verbal with any elected local officials. To do so may lead to disqualification from consideration.

Terms and Conditions

The City of Montebello shall not be liable for any pre-contractual or proposal preparation expenses incurred by any respondent to this RFQ or by any selected Developer. Each respondent shall protect, defend, indemnify, and hold harmless the City of Montebello from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, the entity participating in the preparation of its response to this RFQ. Pre-contractual expenses are defined as expenses incurred by respondents and the selected Developer, if any in:

- Preparing and submitting information in response to this RFQ.
- Negotiations with the City of Montebello on any matter related to this RFQ.
- Costs associated with interviews, meetings, travel or presentations.
- All other expenses incurred by a respondent.

The City reserves the right to amend, withdraw and cancel this RFQ. The City reserves the right to reject all responses to this request at any time. The City reserves the right to request or obtain additional information about any and all responses to this RFQ.

The proposers are cautioned from copying, photographing, printing, or otherwise reproducing the City seal or logo in their proposal, as federal copyright laws protect these symbols.

Any submission of proposals received after the due date and time specified in the RFQ will not be considered.

Any proposer believing that any part of the RFQ, including the specifications and/or the evaluation procedures, is discriminatory against the proposer or precludes the proposer from being given reasonable consideration in the evaluation process, such proposer must submit a letter twenty (20) days prior to the scheduled closing date of this RFQ stating the specific objection and the areas of concern to the proposer and including a proposed method for resolution of such objections. Proposers are cautioned that any such objections not timely raised in the manner specified herein shall not be considered. The City, upon timely receipt of any such letter of objection, shall consider the proposer's objection and, when in the opinion of the City, a modification of the RFQ shall serve the best interest of the City, revisions to the RFQ, in the form of a written addendum, shall be issued to all proposers.

The RFQ does not commit the City of Montebello or Montebello Housing Successor Agency to enter into any Agreement or Contract. The City reserves the right, at its sole discretion, to reject any or all proposals without penalty, to waive irregularities in any proposals or in the RFQ procedures, and to be the final judge as to which is the responsible, qualified proposal. Any proposal that contains items not specified, items that are incorrect, that does not complete all the items scheduled, or does not respond to items in the manner specified in this RFQ, and proposals received by telephone, facsimile or telegraph, may be considered non responsive and may be rejected on these bases in the sole discretion of the City. Proposals offering less than 30 days for acceptance from the proposed closing date may be considered non-responsive and may be rejected. Non-acceptance of any proposal will not imply any criticism of the proposal or convey any indication that the proposal was deficient. Non-acceptance of any proposal will mean that another proposal was deemed to be more advantageous to the City of Montebello or Montebello Housing Successor Agency, or that no proposal was deemed acceptable.

Submittal of Proposal and Schedule

All RFQ/SOQ submissions are due by or before 5 p.m. on December 19, 2016. All submissions must be hand-delivered or by carrier to the following by the due time and date to:

City of Montebello
City Hall, Planning and Community Development Department
Attn: Ben Kim, Director of Planning and Community Development
1600 West Beverly Boulevard
Montebello, CA 90640-3932

Five (5) hard copies of the proposal and one (1) CD containing the proposal are required to be submitted. All plans must be reduced or folded to fit into a standard 3 ring binder.



Exhibit A



Exhibit B

