

REQUEST FOR PROPOSALS
FOR A DEVELOPMENT OPPORTUNITY FOR THE
HILLTOP PROPERTY

Issued by:

Southeastern Economic Development Corporation



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Prepared by:

Keyser Marston Associates, Inc.

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**REQUEST FOR PROPOSALS
FOR A DEVELOPMENT OPPORTUNITY FOR THE
HILLTOP PROPERTY
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION**

SECTION I. INTRODUCTION AND PURPOSE OF THIS REQUEST FOR PROPOSALS

The purpose of this Request for Proposals (RFP) is to give qualified developers an opportunity to prepare and submit a development proposal to the Southeastern Economic Development Corporation (SEDC) for the property known as the Hilltop property. The Board of Directors of SEDC has authorized the circulation of this RFP. The responses to the RFP will be evaluated and one developer selected. This is the only document that will be issued by SEDC other than possible addenda to elaborate and clarify the RFP.

Please read carefully and completely follow the instructions outlined in this document.

Southeastern Economic Development Corporation (SEDC)

SEDC is a California non-profit corporation created by the San Diego City Council in 1981. SEDC has a nine (9) member Board of Directors appointed by the Mayor and City Council. SEDC represents the City of San Diego and the City of San Diego Redevelopment Agency (Agency) pursuant to an Operating Agreement, in the management, financing, planning, developing, developer selection, and negotiations and the implementation of all development projects in its Sphere of Influence, Southeastern San Diego. Southeastern San Diego is generally bounded by Martin Luther King, Jr. Freeway (SR 94) on the north, 69th Street on the east, the City of National City on the south and Interstate 5 on the west. Execution of any legal binding documents are entered into and executed by the Agency.

Southeastern San Diego is comprised of 15 neighborhoods within four adopted redevelopment project areas, each with its own distinctive history and character. Currently, about 58,000 people call Southeastern San Diego home with a total of 70,000 people expected to live in Southeastern San Diego by the year 2030. According to Century 21, median incomes within the immediate zip codes (92102 and 92113) range between \$39,700 and \$55,900.

SECTION II. DEVELOPMENT OPPORTUNITY

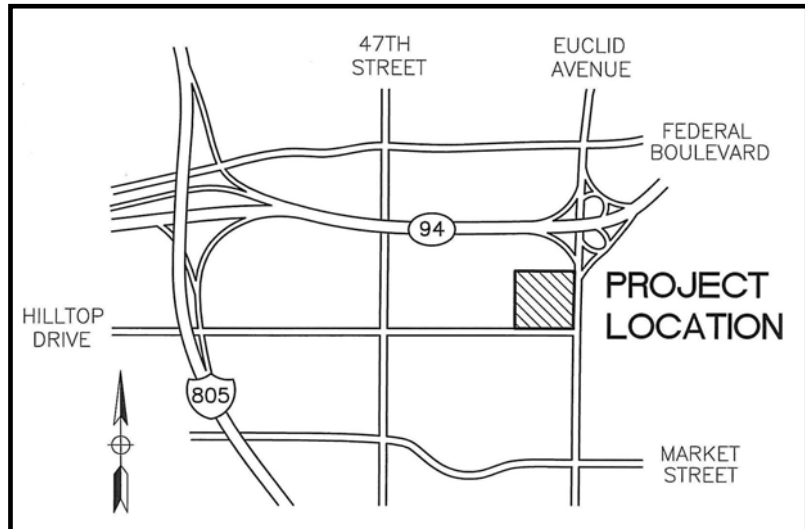
A. Property Description

The site is located in the Central Imperial Redevelopment Project Area of San Diego directly south of the Martin Luther King (MLK) Freeway and west of Euclid Avenue. The

site contains 372,081 square feet (SF), or 8.54 acres, and is located in Southeastern San Diego (Property). The Property is generally situated within the area bounded by the MLK Freeway on the north, Euclid Avenue on the east, and Hilltop Drive on the south (see Attachment A for a vicinity map).

The Property is owned entirely by the City of San Diego Redevelopment Agency (Agency) and is comprised of eight (8) separate parcels.

The Property is currently zoned as SF-5000, which allows for single-family residential with a minimum 5,000 SF lot. Under the current zoning, the maximum floor area ratio (FAR) is 0.50 with a maximum of two stories, not to exceed 30 feet in height.



B. Development Guidelines

It is the intent of SEDC to seek a qualified developer to plan, finance, and develop the site with either retail, commercial, residential or a mix of retail/commercial and residential. Retail services and amenities are needed in the area and may seem as an appropriate use given its proximity, accessibility, and visibility to the MLK Freeway. SEDC does not have a preference as to the ultimate use of the Property.

SEDC is currently in the process of preparing a fifth (5th) amendment to the Central Imperial Redevelopment Plan for the purpose of updating land use designations and zoning codes. If a zoning change to the Property is required, SEDC would include such changes in the amendment. The Central Imperial Redevelopment Plan and four amendments are available from SEDC's website at: <http://www.sedcinc.com/reports.html>.

The City of San Diego's Municipal Code, Chapter 15 – Southeastern San Diego contains the development standards that will apply to the Property, depending on the land use proposed. A copy of this section of the Municipal Code is available as part of the Developer's Package on the Keyser Marston Associates, Inc. website at: www.keysermarston.com.

As previously mentioned, the Property is located within the Central Imperial Redevelopment Project Area, therefore, if any housing is constructed on the Property, it may be subject to Redevelopment Agency affordable housing requirements. Detail on the Agency's affordable housing requirements is found within the Central Imperial Redevelopment Plan. Information on the City of San Diego's Inclusionary Housing Program is also included in the Developer's Package on the Keyser Marston Associates, Inc. website.

C. Responsibility of the Developer

It is the responsibility of prospective developers to propose a realistic development program for the Property that addresses the community's need for shopping facilities and residential. The selected developer will have the responsibility for demolition and site clearance and implementing all private development on the Property.

D. Purchase Price for the Property

SEDC has not established a minimum land value or price for the Hilltop Property. This RFP is designed to provide qualified developers with the opportunity to propose an approach for development of the Site that maximizes the economic value of the Property, and addresses the urban design aspects of concern to SEDC, the community, and the City.

E. Development Approvals for the Property

Please see the City of San Diego's Development Services website for information on the development process and required development approvals. The City's website is as follows:

<http://www.sandiego.gov/development-services/>

The Property is subject to Development Impact Fees (DIFs). The Fiscal Year 2007 DIF schedule is included in the Developer's Package.

F. Environmental Analyses for the Property

Developers will need to coordinate with SEDC and the City of San Diego, where required, in order to obtain environmental approvals for any project proposed.

A series of reports related to the environmental site assessment are included in the Developer's Package.

G. Method of Conveyance

The method of conveyance for the Hilltop Property will be sale in fee.

SECTION III. SUBMISSION REQUIREMENTS AND PROCESS

A. Time and Place for Submission of Proposals

All proposals are to be delivered to Keyser Marston Associates, Inc. **no later than 5:00 p.m. (PST) Friday, July 20, 2007**, as follows:

Three (3) originals and one (1) electronic version on a CD to:

Attn: Gerald M. Trimble, Managing Principal
Keyser Marston Associates, Inc.
1660 Hotel Circle North, Suite 716
San Diego, CA 92108

Proposals should be clearly marked: ***“Request for Proposals: Hilltop Property”***.

Late proposals will not be accepted and will be returned unopened to its sender.

B. Required Proposal Contents

1. ***Development Entity:*** Identify the developer or development entity that would undertake development and contract with the SEDC, including all joint venture partners, limited partners and the respective percentage of ownership interests. Include a complete listing of names of principals, names of companies, addresses, phone numbers, email addresses and fax numbers for everyone listed.
2. ***Name of the Principal-in-Charge and Project Manager:*** Identify the individual who will execute documents for the development entity and basis of authority.
3. ***Role of Development Partners:*** Explain the intended role of each development entity or partner and the responsible party in each entity.
4. ***Financial Capacity:*** As part of this RFP, please submit only public financial documentation such as annual reports or other public financial data, which represents the development entity's financial capability and capacity for bonding. Do not submit any confidential financial information at this time. After review of the submissions, SEDC will request the following detailed financial information only from selected development teams. Do not submit this information unless specifically requested by SEDC. However, all developers submitting proposals in response to the RFP must be prepared to submit the following information upon request.

- a) Two copies, not bound or stapled, of audited financial statements (i.e. balance sheet and income statement) for the last two (2) years.
 - b) Provide evidence of liquid assets sufficient to cover predevelopment costs.
5. **Description of the Development Program:** Provide a narrative and visual description of the proposed development including:
- a) A detailed development program for the Property, including a financial pro forma. A pro forma template has been provided in the Developer's Package.
 - b) A proposed site plan. Please do not submit detailed architectural renderings or models.
 - c) The approach for implementation commencing with selection of the developer and approval of the Exclusive Negotiation Agreement (ENA) between the developer and the SEDC.
 - d) Provide an estimated schedule for the proposed development from developer selection to completion including predevelopment, entitlements, financing, design, and development activities.
6. **Purchase Price:** Provide SEDC with a purchase price offer for the Hilltop Property.
7. **Deposit:** Provide a deposit in the amount of \$50,000 with the submission of the proposal. In the event that a developer submitting a proposal is NOT selected for exclusive negotiations, the deposit will be immediately returned without interest. Upon selection of the developer by the Board of SEDC and the Redevelopment Agency, and approval of an Exclusive Negotiation Agreement (ENA), the \$50,000 deposit submitted to SEDC will become non-refundable. The deposit is not a credit against land price for the Property. SEDC and the Agency commit to negotiate in good faith with the selected developer, and make this commitment in the ENA, but in the event that an agreement cannot be reached, then the \$50,000 deposit is non-refundable. The deposit should be in the form of a cashier's check or certified check, naming the City of San Diego Redevelopment Agency as Payee.
8. **Development Team:** Identify key members of the development team, including consultants, their role in the implementation process, and their experience relevant to this specific project. Prepare a one-page organizational chart for inclusion with this item.

9. **Experience:** List recent experience (last 5 years) in developing comparable projects detailing the predevelopment activities, financing approaches, dates and, an explanation of any public sector involvement.
10. **Resumes:** Provide resumes of key individuals proposed to be involved in the development process.
11. **Litigation History:** Provide a summary of all litigation, judgments, claims, or disputed amounts over one million dollars (\$1 million) for the developer and partners for the previous five (5) year period.
12. **References:** Three references, one of which must be a bank or financial institution reference, including name, title, company or agency and telephone numbers and project connection.
13. **Exclusive Negotiation Agreement (ENA):** An example ENA is included in the Developer's Package for your information. An ENA with the appropriate business terms will be drafted upon selection of a developer.
14. **Acknowledgement that Deposit is security for developer's obligations:** All developers submitting proposals should understand that by signing the ENA they are agreeing to provide SEDC with a \$50,000 non-refundable deposit. Such deposits shall be held as security for the developer's obligations under the DDA.
15. **Disposition and Development Agreement (DDA):** A form of a DDA is included in the Developer's Package for each proposed developer to review. Please indicate your acceptance of the terms of the DDA or indicate any significant changes in the document that would be required in the event that you are selected for this project.

C. Preliminary RFP Schedule (The following are outside dates and subject to change.)

Issuance of RFP by SEDC	05/22/07
Deadline for submission of proposals to SEDC	07/20/07
Consideration by Redevelopment Agency Board	August/September 2007
Execution of ENA	August/September 2007

D. Developer's Package

A Developer's Package of documents relevant to the Property and the development process is available and can be downloaded from the Keyser Marston Associates, Inc. website, as follows:

- Go to: www.keysermarston.com
- Click on: Browse RFPs
- Download contents under Developer's Package in the SEDC Hilltop Property RFP Section

The Developer's Package contains useful background information and documents related to the Property, development and RFP process, and includes attachments that are required to be submitted with your proposal, such as the development pro forma and ENA. It may include addendums, should any be issued, and may be updated periodically as new information becomes available.

Hard copies of the Developer's Package can be purchased for \$50, by contacting Reena Arvizu, Senior Analyst, Keyser Marston Associates, Inc., by telephone at (619) 718-9500, by fax at (619) 718-9508, or by email at earvizu@keysermarston.com.

SECTION IV. PROPOSED PREDEVELOPMENT PROCESS FOR THE PROPERTY

The following are the sequential events for the selected developer:

1. A developer is selected by SEDC and designated as the developer for the purposes of completing negotiations of a DDA.
2. ENA approved and executed by the developer and Agency.
3. Negotiations on DDA commence. The DDA will describe, in detail, the conditions of property transfer and development of the property.
4. Board of SEDC considers DDA for approval. Conditions of property transfer and development of property are described in detail in DDA. SEDC Board makes a recommendation on the DDA to the City Council sitting as the Redevelopment Agency.
5. Developer, with the assistance of SEDC, commences entitlement planning and other predevelopment work.
6. Design, entitlement, and financing arrangements completed.

7. Conditions precedent to conveyance include design approval by SEDC, developer's building permits attained, and developer's submission of evidence of financing to SEDC.
8. SEDC conveys title of the Property to the developer, after conditions precedent are satisfied, financing closes, and construction of improvements commences.

SECTION V. SELECTION PROCESS AND CRITERIA

A. Selection Process

After proposals are submitted, SEDC's selection of a developer for the Property will involve a three-step process:

Step One: Evaluation of all proposals by SEDC staff, Selection Committee, and consultants.

Step Two: Possible interviews with one or all of the proposers by the Selection Committee, SEDC staff, and consultants.

Step Three: Recommendation to the Board of SEDC for selection of a developer for exclusive negotiations.

During the exclusive negotiation period, SEDC and the developer will negotiate the terms of a DDA. The completed DDA and any related documents, when executed by the developer shall be considered for approval by the Board of Directors of SEDC and the Agency after conducting a noticed public hearing on the transaction. The DDA will specify the developer's responsibilities in detail.

B. Selection Committee

The President of SEDC may appoint a selection committee to review the proposals and make a selection recommendation to the SEDC Board of Directors.

C. Selection (Evaluation) Criteria

SEDC staff, consultants and the potential Selection Committee will evaluate proposals submitted by developers. The evaluation will be based on criteria that includes the following:

1. **Experience:** The developer's experience in developing projects of comparable size, scale and complexity. This will include the physical and financial size and scale of

the comparable projects. An important consideration here is the current status of the comparable project and an assessment as to the extent to which the project was completed on time and on budget.

2. **Public/Private Projects:** The developer's experience in working with the public sector in public/private real estate development projects.
3. **Development Team:** The experience of the developer's team in working together.
4. **Financial Capacity:** The developer's proven ability to raise debt and equity capital for development of projects of a comparable size. This includes the developer's or development team's financial net worth.
5. **Proposal for Private Uses:** The developer's proposal for private uses for the Hilltop Site is one of the critically important aspects of the RFP.
6. **Urban Design:** The high quality urban design aspects of the developer's previous projects will be considered.

SECTION VI. SEDC GENERAL CONDITIONS

The following general conditions apply to this submittal:

1. **General Guidelines for Content:** The response to the RFP shall be clear, concise, and detailed enough to enable the selection committee to make a thorough evaluation and arrive at a sound determination as to whether the proposed development concept and development team meet SEDC's requirements.
2. **Duty to Inquire:** Before submitting a response to the RFP, respondents must carefully read all sections of this RFP and fully inform themselves as to all conditions and limitations. Should a respondent find discrepancies in or omissions from the RFP documents, or should the respondent be in doubt as to their meaning, the respondent shall at once notify Keyser Marston Associates, Inc., SEDC's real estate consultant. Such notifications and questions must be in writing, and must be received by Keyser Marston Associates, Inc., 1660 Hotel Circle North, Suite 716, San Diego, California 92108, Attn: Gerald M. Trimble, Managing Principal at least ten (10) calendar days before the submission of proposals deadline.
3. **Explanation to Respondents:** SEDC reserves the right to interpret or change any provision of this RFP at any time prior to the submission data. Such interpretations shall be in the form of an addendum and will be made available on KMA's website. Verbal explanations will not be binding. SEDC, in its sole discretion, may determine that a time extension is required for submission of proposals in response to the

RFP. In such a case an addendum shall detail the new proposal submission deadline.

4. ***Right to Judge Representation:*** SEDC shall be the sole judge of the acceptability of a respondent's written or oral representation.
5. ***Failure to Conform/Proof of Representation:*** Any response to the RFP that modifies or fails to conform to the essential requirements or specifications of the RFP will be considered non-responsive and unacceptable. SEDC may require whatever evidence is necessary relative to the respondent's financial stability. SEDC also reserves the right to request further information from the authorized representative of a respondent, either orally or in writing. A written request for additional information will be addressed to the authorized representative of the respondent.
6. ***Truth and Accuracy of Representations:*** False, incomplete, or non-responsive statements will be cause for rejection of the response to the RFP. The evaluation and determination of the fulfillment of the above requirements will be SEDC's responsibility and its judgment will be final.
7. ***Rights to RFP Information:*** Information disclosed in the response to the RFP and attendant submissions will become the property of SEDC.
8. ***Protest Procedures:*** All protests resulting from this request shall be in writing and shall state the grounds and relief sought and should be transmitted to the President, Southeastern Economic Development Corporation, 4393 Imperial Ave, Suite 200 San Diego, CA 92113. The President, within five (5) working days, will respond with a written determination concerning the matters protested.
9. ***Disclaimer:*** This solicitation does not commit SEDC to select one of the proposals or developers, to award a contract or to pay costs incurred in the preparation of a response to this RFP or to procure a contract for any services. SEDC, in its sole discretion, may reject any and all submittals. SEDC is not responsible for any fees or developer's costs incurred though the final DDA approval. SEDC is not responsible for any non-refundable deposits paid to SEDC, should SEDC terminate the period of negotiations prior to the execution of the DDA.
10. ***Board of Directors of SEDC Contact:*** Development team members shall not contact Board Members of the Agency, SEDC, or any of their staff regarding this solicitation. *Any such contact may be cause for rejection of a proposal.*

SECTION VII. QUESTIONS IN RESPONSE TO RFP

Any questions related to this RFP should be submitted in writing either e-mailed or faxed to:

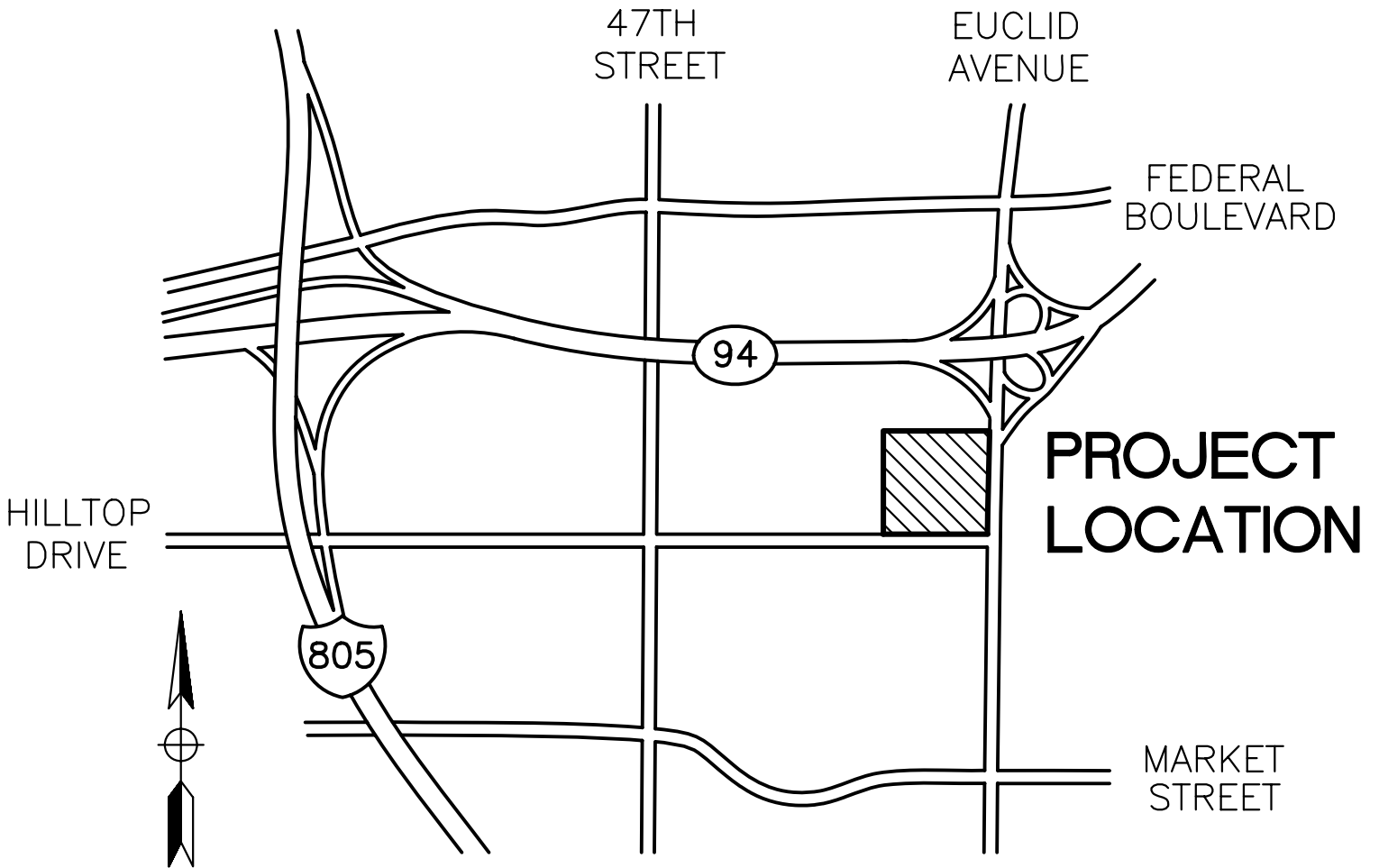
Attn: Gerald M. Trimble, Managing Principal
Keyser Marston Associates, Inc.
1660 Hotel Circle North, Suite 716
San Diego, CA 92108
Fax: (619) 718-9508
E-mail: gtrimble@keysermarston.com

List of Attachments

ATTACHMENT A: Vicinity Map

ATTACHMENT B: Parcel Map


ATTACHMENT C: Registration of Interest



VICINITY MAP

NOT TO SCALE

Martin Luther King Jr. Fwy
(94 Fwy)

Project Site 

Lance Place

Carolina Place

Hilltop Drive

Hal Street

Euclid Avenue

Geneva Ave

Hilltop Drive

542-480-20
1038 & 1040 Euclid Ave.

542-480-18
1034 & 1036 Euclid Ave.

542-480-03

542-480-10

542-480-12
5012 Hilltop Drive
5012 1/2 Hilltop Drive

542-480-14
942 Euclid Ave.

542-480-09
932 Euclid Ave.

542-480-16
922 Euclid Ave.



No Scale



Under Redevelopment
Agency Ownership

Hilltop & Euclid Project Site



**ATTACHMENT C
REGISTRATION OF INTEREST**

Prospective respondents to this Request for Proposals (RFP) are requested to complete the following information and return the form Keyser Marston Associates, Inc., 1660 Hotel Circle North, Suite 1660, San Diego, CA 92108, or submit your statement of interest electronically to gtrimble@keysermarston.com or earvizu@keysermarston.com. Registrants will be informed of any addendums to this RFP or provided with any additional information of interest prior to the deadline for submission of proposals.

SUBJECT: Request for Proposals to Acquire and Develop the Hilltop Property

Name: _____

Firm: _____

Address: _____

Telephone: _____

Fax: _____

E-Mail: _____

I/my firm has an interest in responding as a developer or co-developer/owner.

I/my firm has an interest in responding as a consultant as part of a development team.

Signature: _____

Return this form to:

Gerald M. Trimble, Managing Principal
Keyser Marston Associates, Inc.
1660 Hotel Circle North, Suite 716
Fax: (619) 718.9508
E-mail: gtrimble@keysermarston.com