

Request for Proposals for Development of City-Owned Property

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Moreno Valley City Hall
14177 Frederick Street
Moreno Valley, CA 92552-0805

ISSUED:
PROPOSALS DUE:

March 13, 2019
5:00 P.M.
April 10, 2019

TABLE OF CONTENTS

SECTION 1:	PROJECT SUMMARY	3
	Property Highlights	
	Development Vision	
SECTION 2:	PROJECT INTRODUCTION	3
	Community Overview	
	Site Overview	
	Available Analysis	
	General Project Comments / Standard Conditions of Approval	
SECTION 3:	PROPOSAL QUESTIONS	6
SECTION 4:	TIMELINES.....	7
SECTION 5:	INQUIRIES	7
SECTION 6:	DEVELOPER’S RESPONSIBILITIES	7
	Entitlements	
	Predevelopment Costs	
	Deposit	
	Legislative Action	
	Financing	
	Construction	
SECTION 7:	PROPOSAL INSTRUCTIONS.....	9
SECTION 8:	STANDARD TERMS AND CONDITIONS	10
	Contractor Indemnification	
	Additional Indemnity Obligations	
	Intellectual Property	
	Public Record	
	Assignment	
	RFP Addenda	
	Civil Rights Compliance / Equal Opportunity Assurance	
APPENDIX A:	Property Profiles	
APPENDIX B:	General Development Comments / Standard Conditions of Approval	
APPENDIX C:	March Air Reserve Base / Inland Port Airport Land Use Compatibility Plan	
APPENDIX D:	Request For Proposal Submittal Cover Sheet	

Section 1 PROJECT SUMMARY

The City of Moreno Valley (“City”) is seeking development proposals (“Proposals”) from qualified firms (“Developers”) for the opportunity to purchase and develop City-owned property at the northeast corner of Alessandro Boulevard and Day Street.

Because of its proximal location to Interstate 215, the City Council considers this property (“Site”) an important site that offers unique industrial, business park, and/or commercial development opportunities. Currently, the property is zoned residential. The site, however, is impacted by the March Air Reserve Base / Inland Port Airport Land Use Compatibility Plan for March Air Reserve Base, which severely restricts residential use. The City will consider rezoning the property to generate the highest economic and financial benefit to the City.

DEVELOPMENT VISION

The vision for the property’s development is still emerging and the City will look at Developer proposals and prioritize them according to job creation potential, market demand, and highest economic and financial benefit to the City. The City will consider rezoning to maximize the economic and financial benefits. Note: all land use changes will require Planning Commission and City Council approval.

Section 2 PROJECT INTRODUCTION

COMMUNITY OVERVIEW

Situated in the fastest-growing region of the United States, Moreno Valley in California’s Inland Empire is only an hour away from Los Angeles, Orange and San Diego counties and less than three hours from Nevada, Arizona and Mexico. The City’s ideal southern California location makes it simple to access sophisticated and convenient transportation systems. Moreno Valley’s own March Inland Port Airport, part of the March Air Reserve Base, allows for air cargo and private corporate flights, while passengers can choose from five international airports within an hour’s drive. The City also offers multiple highway, rail and bus options.

At an annual growth rate of 4.99%, Moreno Valley’s population of 212,000 is booming. 2.3+ million people live within a 20-mile trade radius and form a strong workforce of 1.1 million. This solid growth has propelled the City to becoming the second largest population in Riverside County and the twenty-first in California.

Moreno Valley led the region in industrial absorption with more than 8.4 million square feet of new industrial corporate facilities constructed and absorbed in the past two years.

Recent industrial attraction successes include distribution facilities for Aldi Foods, two Amazon buildings, Deckers Outdoor, Fisher & Paykel, Floor & Decor, Harbor Freight Tools, Harman Kardon, Legrand North America, Lowe's Home Improvement, Medline, Procter & Gamble, ResMed, Ross Dress For Less, Skechers USA, Serta Simmons Bedding, Sherman Williams Paint, Solaris Paper, United Material Handling, United Natural Foods, Walgreens, and others. In addition, the approved World Logistics Center offers another 40.6 million square feet on 2,600 acres – the largest industrial corporate business campus in California.

Moreno Valley is also emerging as a destination for advanced manufacturers. Karma Automotive (formerly Fisker Karma) occupies a 555,000 square foot facility in which they build the Karma Revero, and AMRO Fabricating Corporation manufactures missiles, launch vehicles, and spacecraft.

Riverside County's hospital headquarters (Riverside University Health System Medical Center) is located in Moreno Valley, along with Kaiser Permanente. Both campuses are expanding their facilities to meet strong regional demand. Several post-acute care / supportive medical facilities are developing as well.

The City has a strong workforce of more than 88,000, with more than 1.1 million in a 20-mile radius. March Air Reserve Base is the City's largest employer with 9,600 full-time employees. The second largest is Amazon with 7,500. Many of the largest employers work closely with the City's Employment Resource Center for assistance filling their hiring needs.

Moreno Valley provides ample shopping opportunities with 2 regional shopping destinations and 40 shopping plazas. Major tenants include Costco, SuperTarget, Home Depot, Lowe's Home Improvement, Macy's, Burlington, TJ Maxx/HomeGoods, Ulta, BevMo and more. Moreno Valley's chain restaurants outperform the national average by as much as 25.6%.

The housing market is booming, too. Residential construction is adding new housing with more than 7,000 single and multi-family units under development.

Three colleges – the University of California, Riverside, California Baptist University and Moreno Valley College – attract more than 40,000 students to the community each year. In total, 44 universities and community colleges educate 225,655 undergraduates within 50 miles of the City. Visit www.morenovalleybusiness.com for more information on the City.

SITE OVERVIEW

The City-owned Site consists of twelve adjoining lots that offer a combined 8.19 acres at the northeast corner of Alessandro Boulevard and Day Street in Moreno Valley, CA. The Site was previously identified for development of affordable housing. However, provisions of the current March Air Reserve Base / Inland Port Airport Land Use Compatibility Plan prevent housing development of more than three (3) residential units per acre, necessitating consideration of alternative land use types.

- 8.19 acres, see Appendix A for Property Profiles
- Near March Air Reserve Base, Centerpointe Business Park and City Hall
- Alessandro Boulevard is an arterial that connects to Interstate 215
- Day Street connects to State Route 60
- Substantial traffic count: 32,000 cars per day (Alessandro Boulevard)



AVAILABLE ANALYSIS

The City completed substantial technical analysis of the Site to allow for the previously proposed residential project. The information is provided as reference only. The City does not warrant or represent the accuracy or relevance of these studies to the Developer's proposed project. The selected Developer may need to amend and/or pursue new studies to support the Developer's proposed project.

The site analysis information listed below is available on the Economic Development Department's website at <https://www.morenovalleybusiness.com/opportunities/>:

- Air Quality & Greenhouse Gas Emissions Quantification Report, September 2018
- Multiple Species Habitat Conservation Plan (MSHCP) Consistency Analysis, September 2018
- Right of Way Exhibit
- Phase I Environmental Assessment, July 2018
- Traffic Impact Analysis, August 2018
- Cultural Resources Assessment, September 2018
- Arborist Report, September 2018
- Preliminary Geotechnical Report
- Soil Vapor Investigation Report, September 2018

GENERAL PROJECT COMMENTS / STANDARD CONDITIONS OF APPROVAL

The intended outcome of this Request for Proposals (“RFP”) process is the development of an Exclusive Right to Negotiate agreement (“ERN”) that will establish terms and conditions, and further define the scope, design, overall use and development of the Project upon which the selected Developer can purchase and develop the preferred project on the City Parcels.

During the RFP period, Developers and their employees, agents or representatives, shall have the right of reasonable access to the City Parcels during normal business hours for the purposes of inspecting the City Parcels, undertaking any necessary soils tests and otherwise conducting due diligence to ensure that the City Parcels are suitable for Developer’s intended use. Notwithstanding anything else in this Request for Proposals, Developer shall defend, indemnify and hold the City, its employees, officers and agents, harmless from any injury, property damage or liability arising out of the exercise by Developer of this right of access, other than injury, property damage or liability relating to the gross negligence or willful misconduct of the City or its officers, agents or employees.

The City also submits general comments / standard conditions that Developers should be mindful of as proposals are prepared. Please refer to Appendix B.

Section 3: PROPOSAL QUESTIONS

To evaluate the alternatives and select the appropriate Developer, the City is requesting development proposals that will help the City finalize its vision and move ahead with property disposition and development. Proposals must respond to the following questions:

1. Description of the Developer’s proposed project:
 - a. Size in acres and/or square feet of building space
 - b. Type of use(s) planned (e.g. commercial, industrial, business park, or a mixed-use combination)
 - c. Conceptual design

2. Description of the Developer’s experience developing the proposed type of project elsewhere:
 - a. Name and location of project(s)
 - b. Description of project(s)
 - c. Completion date of project(s)
 - d. Experience in dealing with other City projects and/or have experience in purchasing government property for private development

3. Explanation of the role the Developer’s organization will play in the proposed project and a list of other partners and their roles (if any).
4. The proposed general timeframe for the development of the Developer’s proposed project. If multiple components or phases are planned, a list of all.
5. Description of the benefit(s) your proposed project brings to the City including:
 - a. Land sale price offer to purchase the site
 - b. Projected property tax revenues from the project
 - c. Projected sales tax and other revenues from the project (if applicable)
 - d. Projected number of direct jobs
 - e. Other benefits to the City

Section 4: TIMELINES

Release Request for Proposals.....	March 13, 2019
Deadline for Submittal of Proposals	5:00 p.m., April 10, 2019
Evaluation of Submission by City	April 10-May 10, 2019
Preliminary presentations to City Council.....	June 4, 2019
City Council Considers Exclusive Right to Negotiate	July 2, 2019

Section 5: INQUIRIES

Please direct all inquiries concerning this RFP to:
City of Moreno Valley
Attn: Michele Patterson, Economic Development Manager
14177 Frederick Street
Moreno Valley, CA 92552-0805
Telephone: 951.413.3030
Email: michelep@moval.org

Section 6: DEVELOPER’S RESPONSIBILITIES

Following Developer selection and execution of an Exclusive Right to Negotiate agreement, Developer shall proceed with detailed due diligence, pre-development, and entitlement activities while working with City to negotiate a Purchase and Sale Agreement for the property.

The City anticipates that the general scope of the successful Developer team’s responsibilities would include, but not be limited to:

Entitlements

The Developer shall be responsible for all aspects of the Project including pre-development planning, environmental review and design. The selected Developer shall be responsible, at its sole expense, for obtaining all land use entitlements and other government approvals required for its proposed Project.

During the Negotiation Period, the selected Developer shall prepare and process an Initial Study and undertake all other actions required under CEQA for City approval of the Project, at Developer's cost. In addition to the Initial Study, Developer may, during the Negotiation Period, without any guaranty of approval therefor, seek City approval of a General Plan amendment, zone change, and any subdivision entitlements that may be required for the development of the Project.

Predevelopment Costs

The selected Developer shall bear all predevelopment costs relating to this project. All fees or expenses of engineers, architects, financial consultants, attorneys, planning or other consultants or contractors retained by Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, surveys, planning and/or design activities, drawings, specifications or other activity or matter relating to the Project shall be the sole responsibility of and undertaken at the sole cost and expense of Developer and no such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of, or in reliance upon the City.

Deposit

The selected Developer shall reimburse the City for the actual out-of-pocket costs and expenses incurred (consultants' fees, title reports, and appraisal costs) in negotiating and preparing the Purchase and Sale Agreement and fulfilling its obligations under this Agreement ("Reimbursable Costs"). Developer shall deposit with the City the sum of One Hundred Thousand Dollars (\$100,000.00) ("Deposit Funds"). The Deposit Funds shall be used and applied from time to time by the City to pay itself for the Reimbursable Costs.

Legislative Action

City and Developer acknowledge that the City must exercise its independent legislative authority in making any and all findings and determinations required of it by law concerning the City Parcels. Developer selection does not restrict the legislative authority of the City in any manner whatsoever and does not obligate the City to enter into the Exclusive Right to Negotiate Agreement or to take any course of action with respect to the Project.

Financing

The Developer shall be responsible for providing funding for the Project, whether it be in the form of debt financing, equity, tax credits or a combination of these methods. If debt financing is used, no financial risk or credit risk shall be imposed upon or borne by the City.

Construction

The Developer shall be responsible for demolition, construction and commissioning of the Project including obtaining all permits, fees, and approvals necessary for construction of the Project.

Section 7: PROPOSAL INSTRUCTIONS

A complete, concise and professional response to this RFP will enable the City to identify the Developer who will provide the highest benefit to the City and will be indicative of the level of the Developer's experience and commitment to the proposed project. Proposals must demonstrate that the approach, design, and financing plan for the proposed project will allow the project's successful development and delivery.

The following minimum information should be provided in each proposal and will be utilized in evaluating each proposal submitted. To expedite the evaluation of proposals, submittals should be no more than thirty pages. Proposals should include the following items:

- Request For Proposal Submittal Cover Sheet (see template – Appendix D).
- Detailed completion of Questions 1 thru 6 in Section 3: Scope of Development which shall include the following:
 - The firm / team's statement of qualifications.
 - A narrative description that expresses the firm / team's understanding of the project and vision for development. The narrative should reflect the respondent's development design intent, strategy and implementation expertise, and understanding of the scope of work.
 - Resumes with related expertise of the specific Developer and any other consultant or subcontractor resumes with relevant expertise and experience.
 - Descriptions of the firm's / team's last three completed projects that demonstrate the Developer's:
 - Experience in working with municipalities and/or other public agencies to develop either industrial, business park, commercial, or a mixed-use combination.

- Ability to complete projects of a similar size, scope, and purpose in a timely manner.
- Description of any other completed projects (representative examples) of similar types of projects. Include current addresses, telephone numbers, and the names of reference contacts for each project. Similar project descriptions should be submitted for all subcontractors.
- Proposed offer price to purchase the Site.
- Analysis of the proposed job creation potential, market demand, and the economic and financial benefits of various potential uses proposed for the Site.
- A proposed approach for undertaking this development, including
 - Detailed scope of work and
 - Schedule for predevelopment analysis, entitlement review, construction, etc.
- Standard statements:
 - A statement that this RFP shall be incorporated in its entirety as a part of the Developer's proposal.
 - A statement that this RFP and the Developer's proposal will jointly become part of the "Exclusive Right to Negotiate" ("ERN") agreement for this project when the ERN is fully executed by the Developer and the City Manager of Moreno Valley,
 - A single and separate section "EXCEPTIONS TO THE CITY'S REQUEST FOR PROPOSAL" containing a complete and detailed description of any/all of the exceptions to the provisions and conditions of this Request for Proposal upon which the Developer's proposal is contingent and which shall take precedent over this RFP,
 - A statement that the Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

The City will not be liable for any expenses incurred by Developers responding to this solicitation. All material submitted will be kept by the City.

Section 8: STANDARD TERMS AND CONDITIONS

The City has the sole authority to select a Developer for this project and reserves the right to reject any and all proposals and to waive any informality or minor defects in proposals received.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal, regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposing Developer of the conditions contained in this Request for Proposals, unless clearly and specifically noted.

The City will not pay for any information requested, nor is it liable for any costs incurred by the Developers in preparing and submitting proposals.

CONTRACTOR INDEMNIFICATION

Developer shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Developer's performance of the work contemplated by this RFP. Submitting a response to this RFP signifies that the Developer is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Developer shall be fully responsible for such coverage. Developer's obligation to indemnify shall survive expiration or termination of this RFP and shall not be restricted to insurance proceeds, if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.

ADDITIONAL INDEMNITY OBLIGATIONS

Developer shall defend, with counsel of City's choosing and at Developer's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as a result of this RFP. Developer shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Developer shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Developer shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

INTELLECTUAL PROPERTY

Any system or documents developed, produced or provided in response to this RFP, including any intellectual property discovered or developed by Developer in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in the RFP response. The Developer may retain copies of any and all material, including drawings, documents, and specifications, produced by

the Developer in performance of this proposal. The City and the Developer agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.

PUBLIC RECORD

Proposals received will become the property of the City. All proposals, evaluation documents, and any subsequent contracts will be subject to public disclosure per the “California Public Records Act,” California Government Code, sections 6250 – 6270. All documents related to this solicitation will become public records once discussions and negotiations with proposers have been fully completed and an award has been announced.

Appropriately identified trade secrets will be kept confidential to the extent permitted by law. Any proposal section alleged to contain proprietary information will be identified by the proposer in boldface text at the top and bottom as “PROPRIETARY.” Designating the entire proposal as proprietary is not acceptable and will not be honored. Submission of a proposal will constitute an agreement to this provision for public records. Pricing information is not considered proprietary information.

ASSIGNMENT

Developer selection includes consideration of the merits of the firm / team. Assignment of the proposal is discouraged and the City reserves the right to cancel the contract if the contract is assigned without City’s written consent.

RFP ADDENDA

The City may determine it is necessary to revise any part of this solicitation. Revisions will be made by written addenda and it is the Developer’s responsibility to understand and comply with any addenda to this solicitation. Addenda may be posted on the City’s website, www.moval.org, under Bids / RFPs or vendors may contact EDD:

City of Moreno Valley
Attn: Michele Patterson, Economic Development Manager
14177 Frederick Street
Moreno Valley, CA 92552-0805
Telephone: 951.413.3030
Email: michelep@moval.org

CIVIL RIGHTS COMPLIANCE/EQUAL OPPORTUNITY ASSURANCE

Developer will be in compliance with the applicable provisions of the Americans with Disabilities Act of 1990, and will be an equal opportunity employer as defined by Title VII of the Civil Rights Act of 1964, including the California Fair Employment and Housing Act of 1980. As such, Developer will not discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, age or sex with respect to hiring, application for employment, tenure or terms and conditions of employment. In addition, the City of Moreno Valley, as defined in Resolution NS-20,137 and Ordinance 92-11, further prohibits discrimination on the basis of sexual orientation, height, weight and physical characteristics. Developer agrees to abide by all of the foregoing statutes, regulations, ordinances and resolutions.

SEE APPENDICES – IN SEPARATE DOCUMENTS