

# **REQUEST FOR DEVELOPER QUALIFICATIONS (“RFQ”)**



**The City of San Fernando is requesting qualifications for:**

**Parking Lot #3 Mixed/Blended-Use Development Opportunity  
1.44 Acres on San Fernando Mission Blvd. and Celis St.**

**RFQ ISSUE DATE: Thursday, December 19, 2019**

**RFQ SUBMITTAL DEADLINE: Friday, January 31, 2020 by 5:00 PM PST**

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**DEADLINE FOR SUBMITTAL: Friday, January 31, 2020 at 5:00 PM PST**

An electronic copy of the RFQ and supporting documentation can be accessed at the following location: [https://kosmont.sharepoint.com/:f:/s/SanFernandoCity/EuJh1YCtdWJGgobyc6PfyP4BO1-iry-qF4Uhl8Vh1DK\\_gQ?e=4VorOD](https://kosmont.sharepoint.com/:f:/s/SanFernandoCity/EuJh1YCtdWJGgobyc6PfyP4BO1-iry-qF4Uhl8Vh1DK_gQ?e=4VorOD)

## 1. Introduction and Background

### *Overview of Site*

The City of San Fernando (“City”) invites experienced mixed/blended-use developers to submit qualifications for an opportunity to develop an approximate 1.44-acre site (“Parking Lot #3” or “Site”) owned by the City within Downtown San Fernando. The Site (APNs: 2521-031-901; 2521-031-902; and 2521-031-903) is bounded by San Fernando Mission Boulevard to the northwest, Celis Street to the northeast, Pico Street to the southwest, and a set of commercial buildings fronting Maclay Avenue to the southeast (See Figures 1A and 1B). The Jack in the Box restaurant located on the northeast corner of San Fernando Mission Boulevard and Pico Street and the commercial buildings fronting Maclay Avenue are not included in this development opportunity. The Site lies within the San Fernando Corridors (“Specific Plan”) area. Although the Site is currently being used as a 144-space public parking lot, the City is interested in capitalizing on its strong and vibrant Downtown area by redeveloping the parking lot through a public-private partnership.

San Fernando is an incorporated city located in Los Angeles County’s San Fernando Valley with approximately 24,600 residents predominantly of Hispanic origin (93% of the City’s population in 2019), and with an average household income of \$72,900. Downtown San Fernando enjoys a vibrant atmosphere and is a regional draw for shopping, cultural events, and recreational activities. The City was named for the nearby Mission San Fernando Rey de España and in 1874 became the San Fernando Valley’s first organized community, earning it the title of “First City of the Valley.” Incorporated in 1911, the City comprises an area of approximately 2.4 square miles and is well connected to several major freeways (I-5, I-210, I-405, and CA-118), Metro bus routes, and a Metrolink rail station (Sylmar/San Fernando Station is just 0.75 miles north of the Site). Furthermore, Metro is finalizing California Environmental Quality Act (“CEQA”) clearance of a new light rail station at Maclay Avenue and Truman Street, which is located 0.20 miles from the Site, as part of the East San Fernando Valley Transit Corridor project (See Figure 2). The East San Fernando Valley Transit Corridor is a fully funded project included in Metro’s Twenty-Eight by ’28 Initiative of Metro projects to be completed by the 2028 Summer Olympic and Paralympic Games.

The City is surrounded by neighborhoods of the City of Los Angeles with Sylmar to the north, Lake View Terrace to the east, Pacoima to the south, and Mission Hills to the west. The City is located approximately 10 miles southeast of the City of Santa Clarita, 10 miles northwest of the City of Burbank, and 15 miles east of the City of Simi Valley. The City operates and maintains a full range of municipal services, including Administration, Community Development, Finance, Police, Public Works, and Recreation. The San Fernando Police Department is able to provide its community with response times that are far shorter than the national average police response times. The City’s fire

- Downtown San Fernando’s healthy retail and entertainment market,
- The increased demand for market rate and for sale housing and office uses,
- The presence of the existing Metrolink station and the future Metro light rail station (for future transit-oriented development), and
- Higher densities and mixing of uses (e.g., retail, restaurant, and entertainment) offered in the City’s Specific Plan.

### Figure 1A: Assessor Map

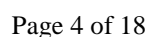
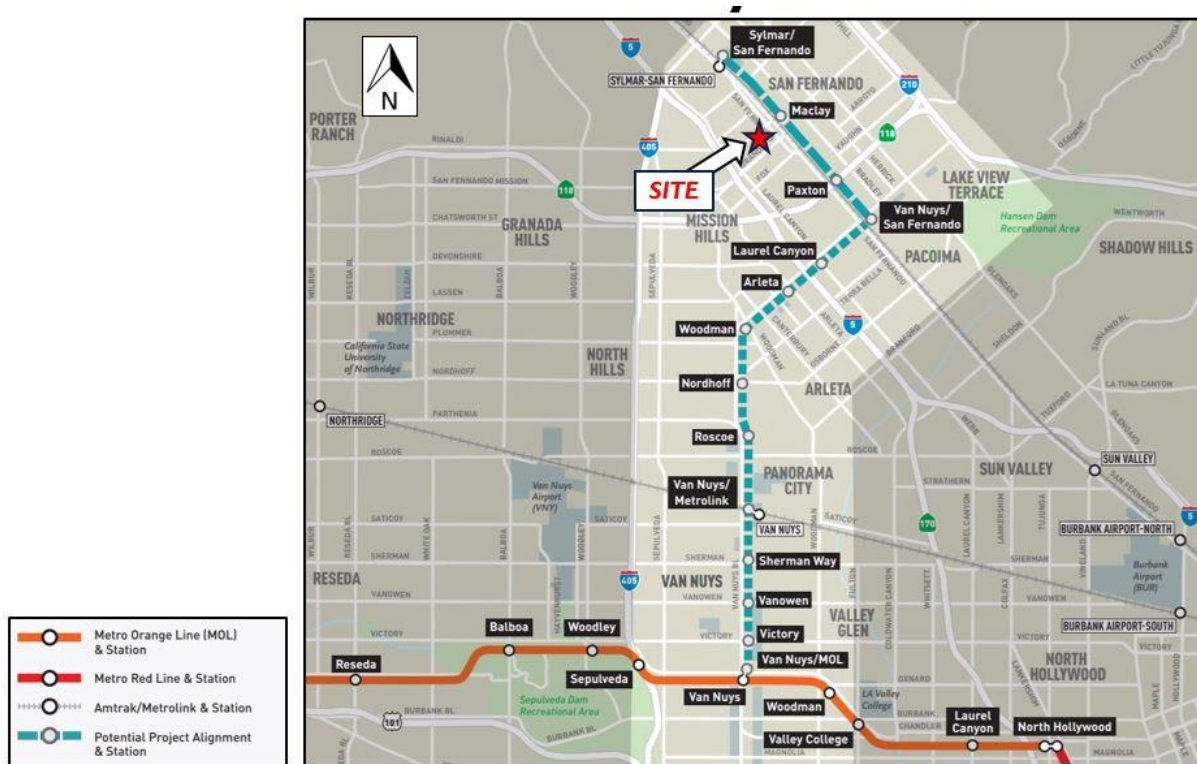


Figure 1B: Site Context Map



Figure 2: East San Fernando Valley Transit Corridor Map





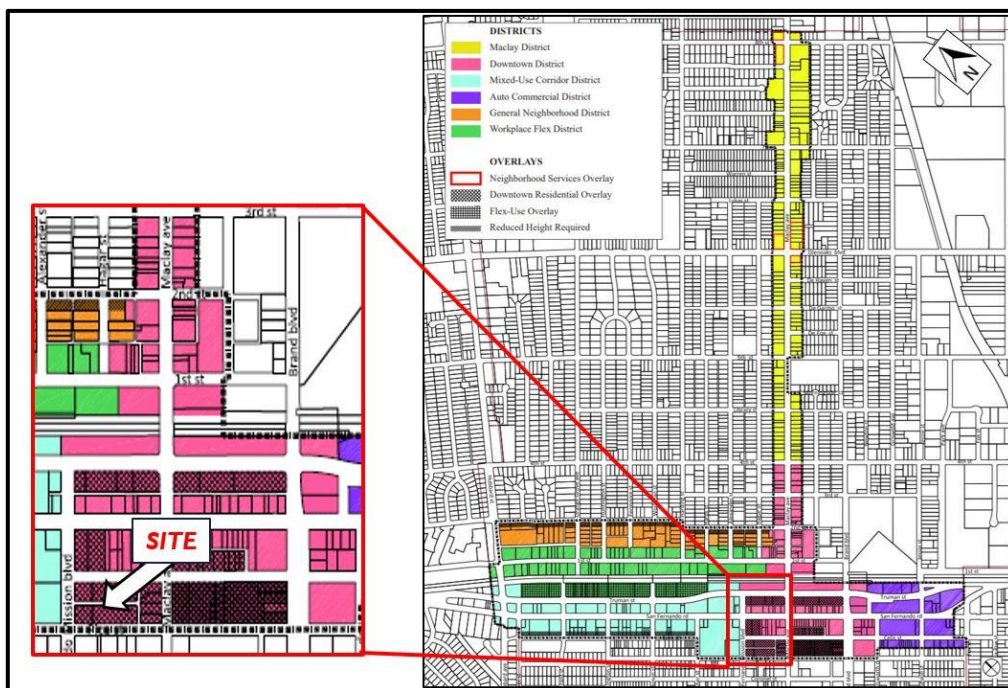
## Specific Plan and Zoning Designations

The Site is located within the San Fernando Corridors (“Specific Plan”) area (See Figure 3). The goal of the Specific Plan is to transform Truman Street, San Fernando Road, Maclay Avenue, and First Street into attractive, livable, and economically vibrant districts. These corridors provide a framework for movement and activity in the City and will accommodate the transit improvements brought by Metro’s East San Fernando Valley Transit Corridor. The Specific Plan presents a district-based zoning approach to accommodate future growth. With respect to zoning, the Site falls within the Downtown District with a Downtown Residential overlay. As outlined in the Specific Plan:

*The Downtown District is established for the purpose of creating a lively, mixed-use, transit-oriented “center of the city” where the community of San Fernando comes together. Buildings are required to be located directly at the back of sidewalk with active storefronts that generate activity and interest along the street front. Buildings that do not contribute to such activity, such as freestanding stores, automobile-oriented buildings, and drive-up service windows, are not permitted.*

Additionally, the Downtown Residential overlay allows an increased maximum floor area ratio (“FAR”) of 3.0 for non-residential (3.5 for residential/mixed-use), permits an extra story of development to 4 stories (50 feet), and allows upper floor residential uses, subject to a conditional use permit. The Specific Plan is available on the City’s website ([linked here](#)). The Specific Plan Boundaries and District Map is provided below.

**Figure 3: Corridors Specific Plan Boundaries, Land Use Districts, and Overlays Map**



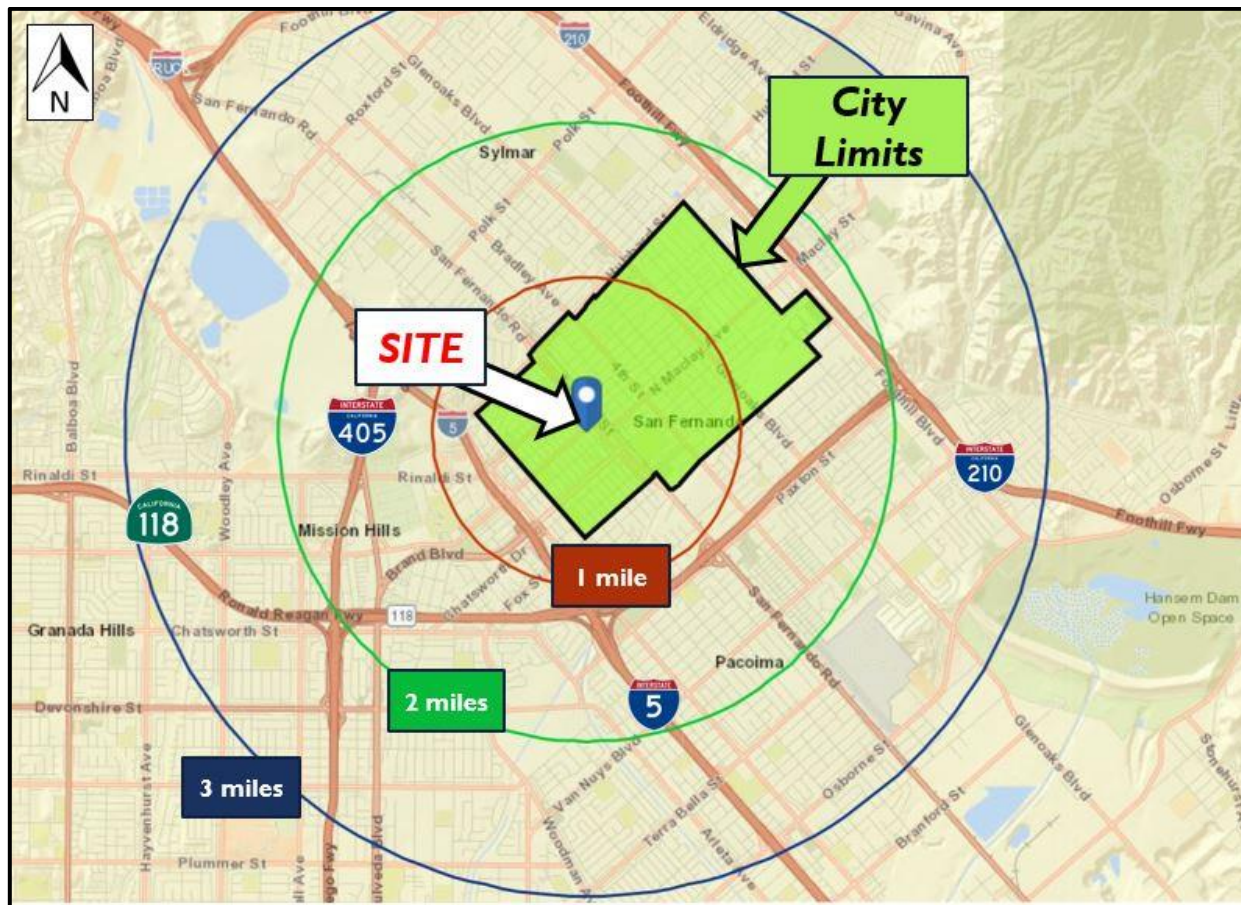
## ***Overview of Development Opportunity***

The City desires that the selected qualified developer(s) should consider the following:

1. Potential uses identified by the City Council, City staff, and local constituents include:
  - a. Retail, restaurant, and entertainment uses
  - b. Residential uses primarily above street level commercial uses
2. Development project needs to be a synergistic, experiential destination complementary to the Downtown area.
3. Projects must meet the standards identified in the City's Specific Plan ([linked here](#)) and the City's Municipal Code ([linked here](#)).
4. Projects must provide an equivalent replacement of the existing public parking spaces either on-site, off-site, or by alternative means or value as may be negotiated with the City.
5. Projects should involve and reflect community outreach, involvement, and input.
6. Projects must exemplify attractive architecture and sustainable design and construction. The developer(s) will meet directly with City staff to exchange priorities and details about the expected design and quality as well as proposed offsite improvements that may impact this project. These priorities will ultimately need to be considered and as part of the financial pro forma, valuation estimates, financial returns, and estimates of project fiscal impacts that serve as the basis for the Letter of Intent ("LOI") in the future Request for Proposal phase of the developer selection process.

Copies of a Regional Map, Site Aerials, and Street Perspectives for the Site are provided on the following pages. Map sources: ESRI (regional and traffic count maps) and Google Maps (aerial maps and street perspectives).

**Figure 4: Regional Map and Demographics**



| 2019           | Radii    |          |          | City of San Fernando |
|----------------|----------|----------|----------|----------------------|
|                | 1 Mile   | 2 Miles  | 3 Miles  |                      |
| Population     | 31,101   | 119,550  | 246,865  | 24,593               |
| Households     | 7,610    | 27,656   | 58,806   | 6,170                |
| Avg. HH income | \$72,277 | \$75,622 | \$80,149 | \$72,918             |

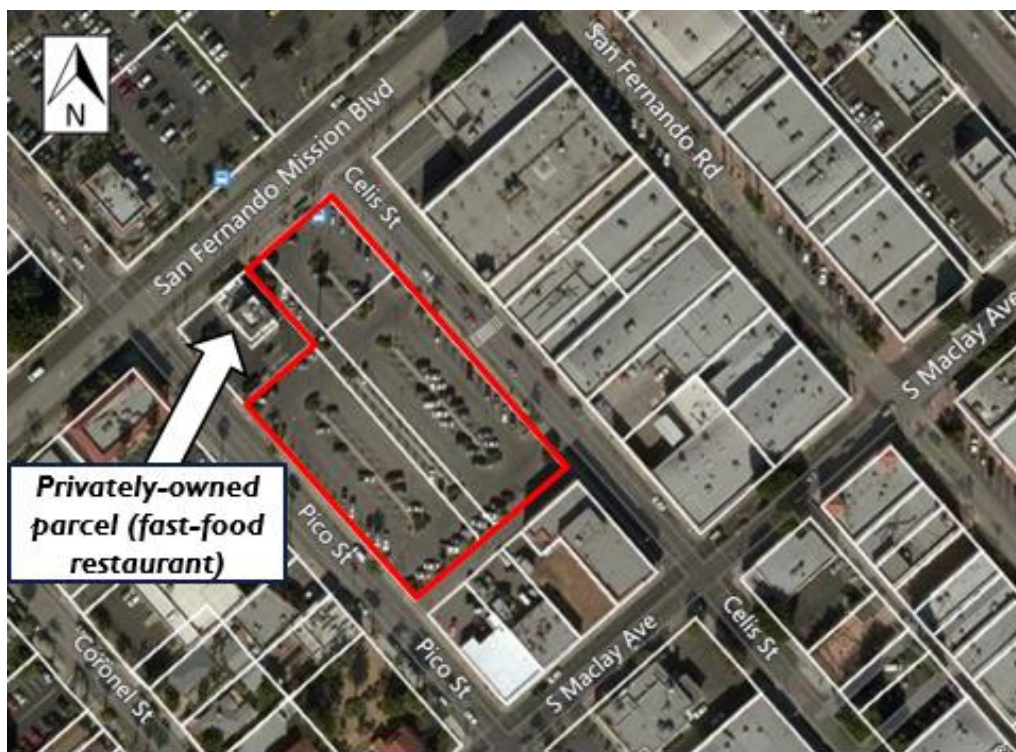
Average Daily Traffic count at San Fernando Mission Blvd. and Truman St. = 27,148



**Figure 5A: Site Aerial**

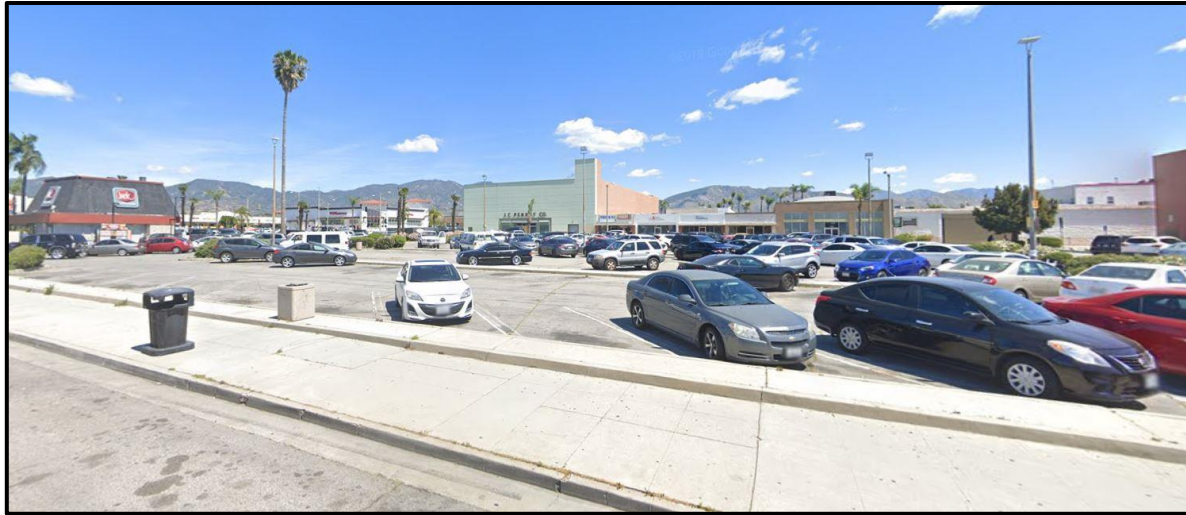


**Figure 5B: Aerial with Site Outlined**





**Figure 6A: Street Perspective #1**



View looking northwest along Pico St.

**Figure 6B: Street Perspective #2**



View looking southeast along Celis St.

## 2. Submittal Requirements

### ***Submittal Overview***

The City reserves all rights with regard to this solicitation, including, but not limited to, the right to amend or modify this Request for Qualifications (“RFQ”), reject all proposals, or extend any dates. Should the City not receive qualified proposals of interest by a submittal deadline, it reserves the right to extend that deadline until qualified proposals of interest are received.

Respondents are responsible for ensuring submittals are actually received. All materials submitted during any part of the selection process become the property of the City. The respondent may designate portions of its submittals that contain proprietary data as “confidential,” but the City cannot guarantee that it will be able to legally enforce such confidentiality.

The City shall not be responsible for any costs and/or obligations incurred by and/or on behalf of a potential developer in preparing, submitting, or otherwise participating in any part of this RFQ, the selection, documentation, or the development process in its entirety. The City reserves the right to request clarification or additional information from respondents. Information included in this RFQ is believed to be accurate, but should be independently verified by potential respondents prior to reliance upon.

### ***Qualifications and Proposal Content***

The City’s top priority is to select a qualified development partner(s) to design and build a quality mixed/blended-use development project that will be synergistic and supportive of adjacent and other land uses near the Site. The evaluation criteria will consider a prospective developer’s recent experience in working on projects of similar size, scope, and quality. Section 4 of the RFQ describes the evaluation criteria in greater detail.

The evaluation and selection process will include two rounds as follows:

1. **Round One** – Respondents shall provide all of the information that follows in this Section. Once the Review Committee has the opportunity to evaluate each response, some or all respondents may be invited to participate in **Round Two**.
2. **Round Two** – Respondents selected to advance to **Round Two** will be notified via email. This round may include, but is not limited to, additional submittals, financial references, an in-person interview, and a preliminary Letter of Intent (“LOI”) that includes a description of the

proposed development, pricing or financial terms, project delivery, and performance benchmarks.

Respondents shall provide the following:

1. **Letter of Introduction** – Include a summary of the respondent’s basic qualifications, development experience, past and current project experience of similar nature and size, and reasons for interest in this opportunity. The letter must identify the respondent’s interest for development and be signed by a principal or authorized officer including a statement that the officer may make legally binding commitments for the entity.
2. **Detailed description of potential conceptual project** – Include sufficient detail and definition as to proposed uses, tenants, and/or concept to give a review committee enough information to have an idea of what the final development could contain and look like from a proposed architectural standpoint. Supporting market data, concept plan, and collateral materials are encouraged to provide support for the proposed concept.
3. **Team Members** – Identify members of the development team and provide a brief description of each team member’s role including the following:
  - Principals involved in the Project.
  - Resumes of key team members.
  - A description of team member’s proposed role and relevant experience with projects of similar nature and size and experience in and familiarity with development in San Fernando or surrounding areas.
  - An organizational chart.
  - Designation of lead contact for the team.
4. **Relevant Project Experience** - A summary of current and previous experience of the team with regard to projects comparable both in size and uses. As appropriate, this information should include a project description, photos or site plans if available, land uses, dates completed, developer role, cost/value, financing sources, duration of development processes, role of current employees in the project, existing status as to ownership and leasing of current developments, percent owned since project completion, and volume sold/leased. Additionally, please identify similar completed projects in the area that can be visited and provide a name and contact information as well.
5. **Project Approach** - A high level summary of the team’s approach and anticipated timing related to planning, design, approvals, financing, phasing, development, construction, and

operation. Provide examples of processes employed in other similar projects. The City is open to considering either a fee simple sale or ground lease of the Site.

6. **Financial Data** - A summary of the potential developer/development entity's capability to source the capital necessary to successfully fund and/or finance the proposed concept. If selected to advance to **Round Two**, a description of the anticipated financing structure to be utilized to finance the anticipated project and specific evidence will need to be provided to support proof of the ability to fund a project of this size.
7. **References** - No less than three references (name, title, entity, telephone number and contractual relationship to respondent) that may be contacted with respect to current and past project experience. Additionally, a reference list with contact information for public sector officials and staff involved in the previous projects identified as examples of Relevant Project Experience.
8. **Litigation History with Public Agencies** – Provide information as to any litigation that any developer/development entity that comprises the overall team has had with public agencies over the last 10 years.

### ***Submittal Date***

Please return qualifications by **Friday, January 31, 2020 at 5:00 p.m. Pacific Standard Time** to the contact listed below. If the City is not satisfied with the number and quality of submittals received, the City may issue a notification to developers to continue to submit or resubmit qualifications.

### ***Submittal Quantity and Contact***

Please provide five (5) bound, printed copies of the submittal and one (1) electronic version on a thumb drive to:

**Mr. Ken K. Hira**  
**President**  
**Kosmont Companies**  
**1601 N. Sepulveda Blvd. #382**  
**Manhattan Beach, CA 90266**



### 3. Disclosures

1. The City reserves all rights to modify or terminate the selection process or not select a developer at all. This RFQ and selection process does not constitute any type of offer and creates no contractual or other liability to the City. There is no guarantee that a ground lease or sale will be consummated, or that a project will be reviewed or accepted pursuant to this RFQ.
2. Approvals of future conveyance agreement may be subject to approval by City Council.
3. The development standards provided in the RFQ are subject to change.
4. Additional due diligence information and materials can be found here:  
[https://kosmont.sharepoint.com/:f:/s/SanFernandoCity/EuJh1YCtdWJGgobyc6PfyP4BO1-iry-qF4Uhl8Vh1DK\\_gQ?e=4VorOD](https://kosmont.sharepoint.com/:f:/s/SanFernandoCity/EuJh1YCtdWJGgobyc6PfyP4BO1-iry-qF4Uhl8Vh1DK_gQ?e=4VorOD)

## 4. Evaluation Criteria, Procedures, and Tentative Timeline

### *Evaluation Criteria*

The following criteria will be used as the primary basis for evaluating developer responses as part of **Round One**:

- The respondent's applicable experience and expertise.
- The respondent's experience in formulating and implementing successful mixed/blended-use development projects of similar scope and character.
- The respondent's demonstrated ability to implement projects that retain and authentically reflect local character.
- The respondent's track record, experience and financial capacity to start and complete projects and uses similar to those requested in the RFQ.
- The respondent's demonstrated ability to structure development and financial transaction structures, which minimize the City's risk while maximizing the public's return on assets and other public benefits.
- The respondent's demonstrated ability to access capital for the proposed scope of development.
- Experience of key project team members with similar projects.

The following criteria will be used as the primary basis for evaluating selected developer responses as part of **Round Two**:

- The criteria above, as well as the respondent's development proposal, including the proposed land uses/tenant mix, massing, financial structure, project valuation, initial financial pro-forma, supportive market data, quality of design and development, fiscal impact to the City and other taxing entities, and, as applicable, project/site components to be provided by the City. In its consideration of the response to this RFQ, the City may request additional information.

The order of presentation of the above criteria does not necessarily denote the specific importance of the same.

### ***Award Procedures***

1. A committee, comprised of City staff and City consultants (the “Review Committee”), will evaluate responses to **Round One** of this RFQ.
2. Next, a community/stakeholder meeting will provide responding developers an opportunity to showcase their plans to the public. Then, the Review Committee shall make selections for respondents to advance to **Round Two** based on the Committee’s evaluation of the respondents’ submittal.
3. The Review Committee will notify all respondents but confirm with those that have been selected to advance to **Round Two**. Those selected to advance to **Round Two** will be given the opportunity to meet with staff to discuss project approach and execution and to better understand the City’s expectation in terms of design, quality, and offsite improvements before submitting a response as part of **Round Two**. Staff will clarify what the preliminary and non-binding LOI shall cover. City Council members may also participate in the discussion.
4. The Review Committee will rank project concepts and the LOI responses to **Round Two** of this RFQ based on their judgment as to which proposals best satisfy the objectives expressed by the City, as well as provide a desired potential development project and financial return for the City. The Review Committee shall present the evaluation results to the City Council. The City Council will then make the final selection decision with the top-ranked qualified respondent with the goal of entering into an Exclusive Negotiating Agreement (“ENA”) within 90 days of selection.
5. As appropriate, the selected development team must comply with statutory and administrative requirements pertaining, but not limited to, zoning ordinances, subdivision requirements, fee schedules, and other applicable City, County, State, and Federal codes and ordinances.

### ***Tentative Timeline***

- RFQ released on Thursday, December 19, 2019.
- Responses to **Round One** of RFQ due on Friday, January 31, 2020 at 5:00 p.m. PST.
- Evaluation of **Round One** responses and **Round One** interviews with potential development candidates expected to be held February 2020.
- In March 2020, prior to **Round Two** developer selection, a community/stakeholder meeting will provide responding developers an opportunity to showcase their prospective development plans to the public. Participation in the community/stakeholder meeting is

suggested, but not mandatory and respondents will not be disqualified from the selection process if they are unable to participate. **Round Two** interviews expected to be held late March 2020.

- Evaluation of **Round Two** responses and Review Committee recommendation to City Council to occur in late March/early April 2020.
- City Council to consider ENA with preferred developer by April 2020.

## 5. Additional Documentation and Contact Information

An online directory has been established containing additionally relevant information outlined below:

[https://kosmont.sharepoint.com/:f:/s/SanFernandoCity/EuJh1YCtdWJGgobyc6PfyP4BO1-iry-qF4Uhl8Vh1DK\\_gQ?e=4VorOD](https://kosmont.sharepoint.com/:f:/s/SanFernandoCity/EuJh1YCtdWJGgobyc6PfyP4BO1-iry-qF4Uhl8Vh1DK_gQ?e=4VorOD)

- This RFQ
- Site information and maps prepared by Kosmont Companies (December 2019)
- City of San Fernando Community Meeting – Downtown Development Opportunity Presentation (September 24, 2019)
- City of San Fernando Community Meeting Summary Memorandum prepared by Kosmont Companies (October 28, 2019)
- City of San Fernando Annual Fee Schedules
- A link to the City of San Fernando Municipal Code
- San Fernando Corridors (“Specific Plan”) and City Zoning Map

Prospective respondents should feel free to reach out to the City and Consultant contacts included below for questions regarding this submittal. Thank you for your consideration.

### **City of San Fernando**

117 Macneil St.  
San Fernando, CA 91340

Nick Kimball  
City Manager  
Phone: (818) 898-1202  
Email: [nkimball@sfcity.org](mailto:nkimball@sfcity.org)

Timothy T. Hou  
Deputy City Manager &  
Director of Community Development  
Phone: (818) 898-7316  
Email: [thou@sfcity.org](mailto:thou@sfcity.org)

### **Kosmont Companies (Consultant to City)**

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