



## REQUEST FOR QUALIFICATIONS FOR:

# Chow Alley @ Courthouse Piazza Development in Downtown Riverside between Market & Main Streets between 10<sup>th</sup> & 11<sup>th</sup> Streets

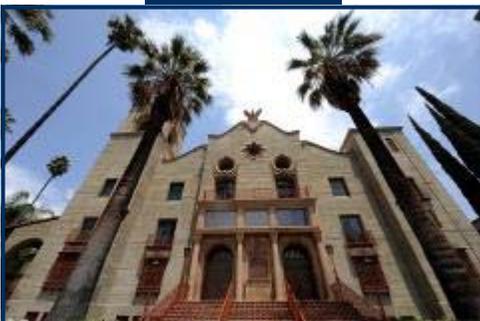
## A Unique Long-Term Ground Lease Alley Development Opportunity in Downtown Riverside

Issued by: City of Riverside, Community & Economic  
Development Department

Issue Date: December 22, 2015  
Proposal Due Date: February 1, 2016



[RiversideCA.gov](http://RiversideCA.gov)



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Incorporated in 1883, Riverside is a Charter City with a unique blend of historic charm and modern city features. While rich in history, Riverside has invested billions of dollars in infrastructure improvements to serve residents and businesses well into the future. The uniqueness of Riverside comes from its people, "Riversiders", and the strong collaborative partnerships that exist among civic, cultural, educational, and business leaders.

The award-winning City of Riverside is located approximately 60 miles (97 km) east of Los Angeles. The City is ranked #1 among all Inland Southern California cities in virtually every economic indicator; including number of jobs, number of businesses and assessed valuation. With a population of 317,307 people, the City is ranked the 59<sup>th</sup> largest city in the United States. It is the 12<sup>th</sup> largest city in California, the 6<sup>th</sup> in Southern California, and the largest city in the Inland Riverside-San Bernardino-Ontario metropolitan area of Southern California. The City continues to be recognized for its ongoing achievements and has received numerous awards.



**Some of the recent awards and recognitions that Riverside has received include: Number 1 City for Small Business by Inc. Magazine (2014), Number 2 Millennial Boomtown in America by Forbes (2014), Number 8 Coolest City in America by Forbes (2014), Number 1 for Job Growth in 2013 (ASU), Number 2 Spot for Tech in the United States (2013), 2012 Intelligent Community Site of the Year, and 2011 Can-Do City (Newsweek).**

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Riverside has seen tremendous investment over the last 10 years resulting in an increasingly affluent and educated population and diversified industry clusters; all vital qualities for economic stability and long-term prosperity. As an important financial and professional center, Riverside offers the support of many legal, accounting, brokerage, architectural, engineering and technology firms as well as banking institutions.

Riverside is home to four internationally recognized universities and colleges which support an estimated 50,000+ students. The University of California, Riverside, California Baptist University, La Sierra University, and Riverside Community College, offer specialized training, research partnerships, and a high-technology environment to support emerging and innovative companies. Businesses in Riverside benefit from excellent freeway and rail access, high-speed fiber optic telecommunications, reasonable land and building costs, City owned electrical and water systems and a large general aviation airport.

Riverside enjoys a rich heritage which is reflected in the City's architecture, cuisine, culture, and civic life. Riverside has evolved from a quiet agricultural colony into a dynamic, active city and is a hub for higher education, technology, commerce, law, finance and culture. Riversiders enjoy many artistic venues from excellent film, dance and symphony to art, museums, and theater which add a layer of depth to the City experience.

## Downtown Riverside Description



The Downtown area is home to many state government offices, the Riverside County Administrative Center and a system of county, state and federal courts serving the Inland Southern California area. However, Downtown is also steeped in culture, anchored by the Fox Performing Arts Center and the Historic Mission Inn Hotel and Spa, earning Downtown Riverside a reputation as the “Downtown of the Inland Empire.”

Local land uses in the immediate area range from low-density residential to high-density apartments and from small commercial buildings to large office sites. About a quarter of this region is devoted to natural open space and nearby Fairmount Park is a main attraction for picnicking and outdoor recreation. Lake Evans presents water recreation and its proximity to the heart of Downtown makes it unique among cities of today.

Many of the Downtown buildings maintain local and national historical significance and are exemplary of a variety of architectural styles. The heart of Downtown, Main Street Riverside (pedestrian mall), presents dozens of unique shops and restaurants. There are many historic districts that neighbor the Downtown Area.

Its expanded convention center, multiple hotels, cultural attractions, eclectic retail and proximity to higher education make Downtown Riverside a natural gathering point for residents, visitors, students and business professionals.

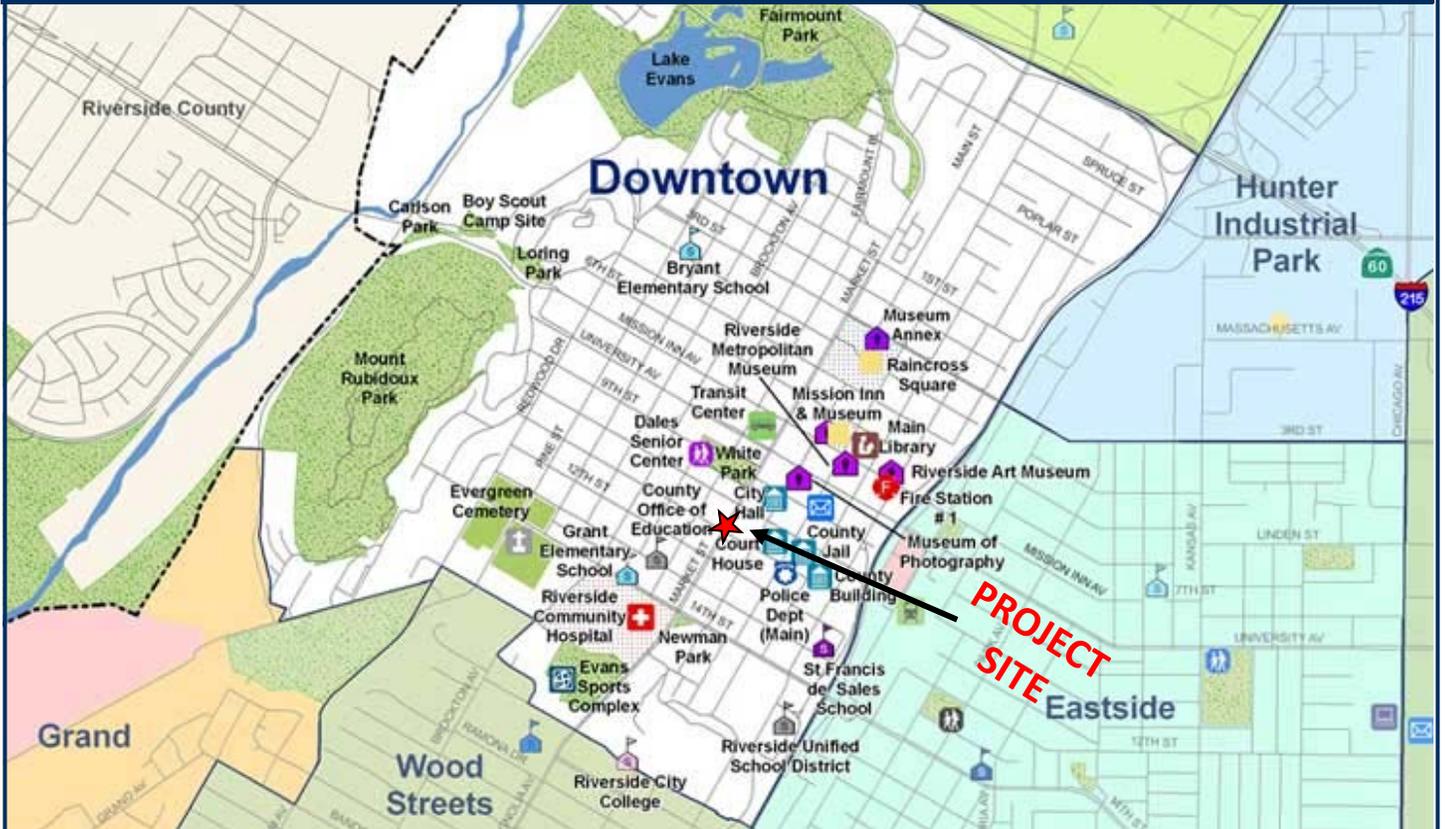
The following is a sample of Downtown events: Annual Festival of Lights (with over 300,000 in attendance); Annual Dickens Festival; Long Night of Arts & Innovation; Annual Asian Pacific Lunar New Year Festival; Show ‘N’ Go Car Show and Parade; Weekly (Saturday) Farmers Market; and Concerts in the Park.



Main Street Riverside



The Mission Inn Hotel & Spa



Riverside Convention Center

Fox Theater Performing Arts Center





## Demographic Information (Source – ESRI)

Radius	3 Mile	5 Mile	
<b>Population</b>			
2019 Projected Population:	137,808	262,664	
2014 Population:	128,643	245,513	
2014 Median Age:	30.40	31.40	
<b>Housing</b>			
2019 Projected Households:	43,103	80,404	
2010 Census Households:	37,649	70,823	
2014 Avg. Household Size:	3.00	3.10	
2014 Owner Occupied Units:	19,547	41,800	
2013 Renter Occupied Units:	20,578	33,220	
<b>Income</b>			
2014 Avg. Household Income:	\$60,088	\$65,920	
2013 Med. Household Income:	\$43,526	\$49,186	
2014 Per Capita Income:	\$20,820	\$22,698	
2014 Households Earning Over \$100,000:	6,154	13,830	
<b>Employment</b>			
2014 Daytime Jobs:	5	56,537	92,882

# The Opportunity



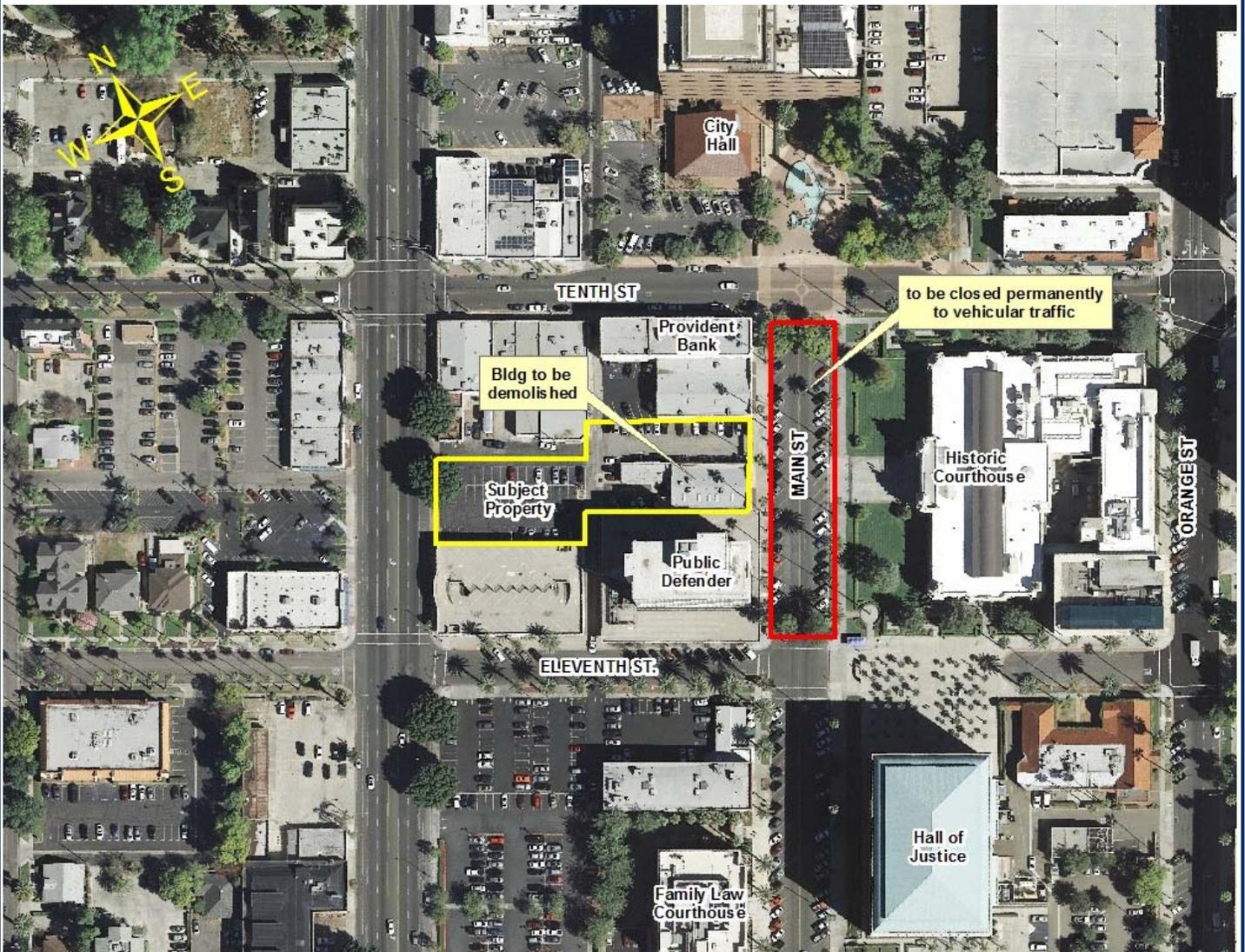
The City of Riverside (City) is making available for a long-term ground lease, approximately 0.70 acres of alley space located between Market Street and Main Street between 10<sup>th</sup> and 11<sup>th</sup> Streets (Property) in the Downtown area of the City (aerial map - page 7) for the development of an outdoor and active urban dining place.

Furthermore, the City may close Main Street between 10<sup>th</sup> and 11<sup>th</sup> Streets, to vehicular traffic in order to utilize the area for special events, which are anticipated to include: farmers' markets, concerts, art shows and the relocation of the highly successful Festival of Lights (FOL) Ice Skating Rink from its current location along Main Street between Mission Inn and University Avenues during the FOL season. The selected proposer is expected to plan for and accommodate the Ice Skating Rink and make any adjustments to the development plan for the food alley (as necessary) during the FOL season.

The City intends to execute a 30-year long-term ground lease agreement with the proposer who, at the sole discretion of the City, meets the development objectives for the Property (see page 8). The selection process will not rely on a single monetary figure (i.e. high bid) but rather will reflect the consideration of both economic and non-economic factors including compliance with the City's preferred use of the Property (see page 9). The selection of a proposer will be based on the process, submittal requirements, and selection criteria set forth in this solicitation. Furthermore, the selected proposer may elect, while not required as part of this RFQ, to conduct (or partner with another firm to organize) a weekly farmers' market on Main Street between 10<sup>th</sup> and 11<sup>th</sup> Streets.

The specific business terms and conditions for disposition and development of the Property will be embodied in a ground lease(s) to be considered and approved by the City Council. The successful proposer will be responsible for all costs related to the entitlement and permitting requirements for project developments.

# Site Location Map





## RFQ Objectives & Guiding Development Principles

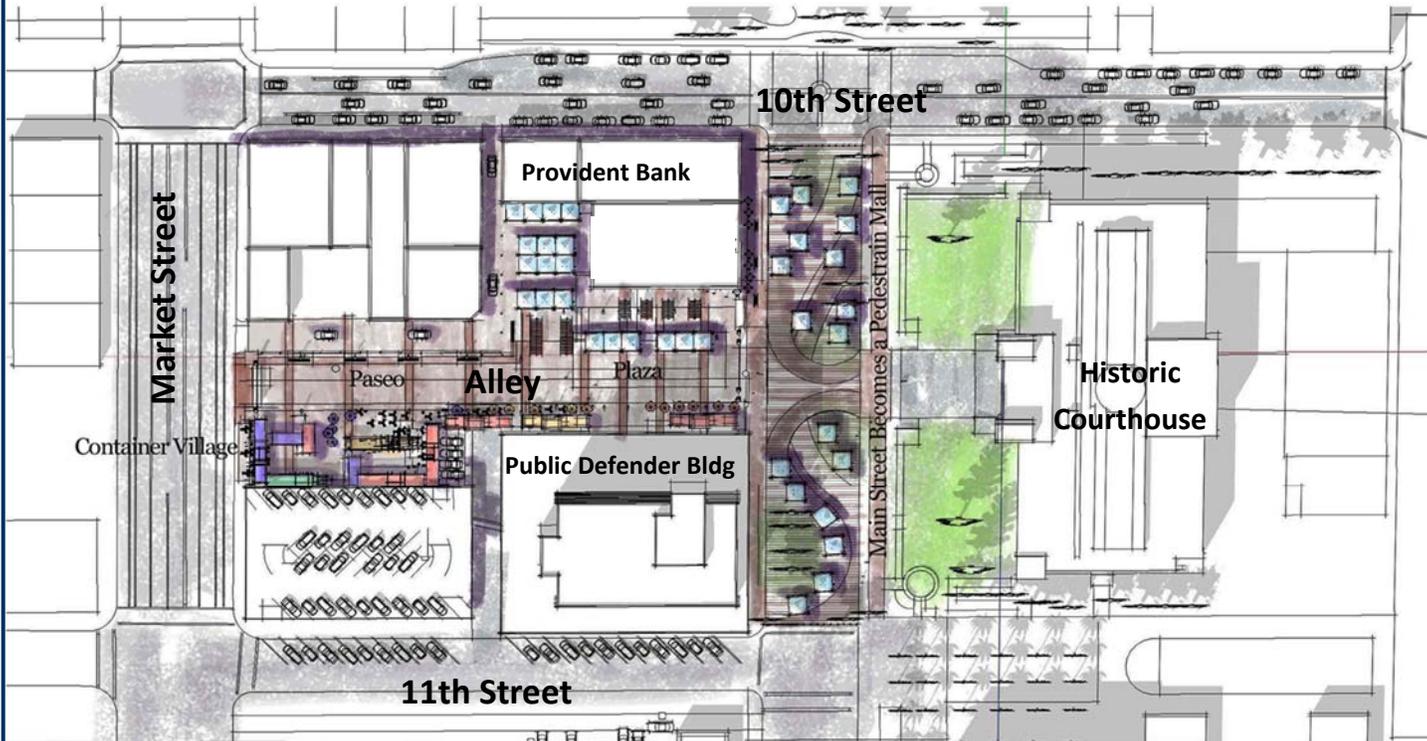
### **Objective:**

To repurpose, redevelop and activate the alleyway located between Market Street and Main Street between 10<sup>th</sup> and 11<sup>th</sup> Streets via long-term ground lease with a private developer(s) and operators for the development of a food alley.

### **Guiding Principles:**

1. One of Riverside's greatest assets, and one that continues to set the City apart from other municipalities throughout the region, is its Downtown area.
2. The Riverside County Historic Courthouse, influenced by the French Beaux-Arts style, is considered one of the most architecturally important structures in California.
3. To ensure that the Downtown area continues to be a focal point for tourism and other economic activity, it is important to create and activate new public spaces.
4. Downtown's alleys, traditionally seen as utilitarian passageways, have long been overlooked for their potential to help the area's need for activated public spaces.
5. With alleys historically perceived to be suited primarily for cars, trash, and deliveries, the City has not, until recently, seriously contemplated a role for Downtown's alleys to serve as vibrant urban spaces.
6. New Downtown developments such as the Imperial Hardware Lofts, CenterPointe Apartments, Mission Lofts, and Stalder Plaza Apartments are creating a 24/7 population Downtown, with an emphasis on millennials, that will be walking to work, shopping and eating Downtown.

# Preferred Development



The concept rendering above illustrates the overarching goals of the City's development idea, which is to:

1. Create a walkable outdoor and active urban dining venue to include multiple food and commercial vendors, which could blend individual retired and refurbished shipping containers, carts and quasi-permanent micro-kitchens with ample shared seating areas;
2. Demolition of the empty commercial building located at 4049 Main Street to extend the walkable area;
3. Limit vehicular use and emphasize a pedestrian paseo concept;
4. Extend the Main Street Pedestrian Mall between 10<sup>th</sup> and 11<sup>th</sup> Streets for special events such as farmers markets and the FOL Ice Skating Rink; and
5. Celebrate the Riverside County Historic Courthouse Beaux-Arts style architecture by creating a visual axis from Market Street.

# Additional Concept Renderings



# Submittal Requirements



The following summarizes requirements for the submittals in response to this Request for Qualifications (“RFQ”). Responses to the RFQ must be sufficiently detailed and descriptive according to the City’s sole discretion to permit the City to assess the viability of the proposal. Responses, at a minimum, must include the following:

## **1. Structure and Management of the Legal Entity Submitting the Proposal:**

Provide the legal name, address, and telephone/facsimile/e-mail information of the entity submitting a response to this RFQ. Identify the party authorized to represent and make decisions on behalf of the entity. Describe the composition, organizational structure, and legal form of the entity. Identify the responsibilities and relevant experience of key individuals, both “in-house” staff and consultants for the entity.

## **2. Relevant Experience:**

- a. Provide examples or descriptions of relevant project experience. Information should include the following: (a) name, location, and dates of the project(s) (including start and substantial completion dates and dates in which key milestones were accomplished); (b) project description, including land use, approximate size of the site on which the project(s) is located, amount and type of building space, approximate amount of equity investment, role in project, and outcome or status of project; and c) references for the cited projects.
- b. Provide a description of the proposer’s experience, qualifications, and capabilities specifically related to: (a) development experience; (b) design and planning experience, including obtaining entitlements; (c) financing (debt and equity) experience; (d) construction and project management experience; and (e) public/private project experience.
- c. Provide a description of the proposer’s experience developing, managing, and operating food/retail projects, which are similar in size and scope (to the City’s preferred development (as detailed on page no. 9).

# Submittal Requirements Cont.



### 3. Statement of Financial Capability:

- a. Provide a description and evidence of financial capability of the entity submitting the response to this RFQ including ability to: (1) provide necessary capital to fund predevelopment activities; (2) secure construction and permanent loan financing; (3) provide required equity either directly or with capital partners; and (4) provide funding for ongoing operations (including maintenance, reserves, etc.).
- b. Provide information on financial roles, responsibility, and strength of members of the legal entity.
- c. Provide a description of examples of financing sources, structures or mechanisms for projects completed by the proposer similar to the type of financing envisioned by the proposer for the proposed projects.
- d. Provide a description of current relationship with lending or financial institutions or equity sources which have demonstrated interest in providing financing for the proposed project.
- e. Provide a description of any relevant or similar projects which proposer has completed or is in the process of pursuing, acquiring, developing, or proposing to pursue, acquire, or develop.

Proposers must disclose any filings for bankruptcy, fines levied by governmental agencies, or legal proceeding against any participating organization, employees, corporate officer, or entity that might have a material effect on the proposer's ability to implement the proposed project.

# Submittal Requirements Cont.



## **4. Development Narrative:**

The proposer shall provide a preliminary development narrative, which shall include, but not be limited to, the type of uses or mix of uses for development, a proposed layout for the Property including a site plan and conceptual elevations, a pro-forma, project statistics phasing, an anticipated investment amount, community benefit including estimated annual sales tax revenue and number of jobs to be generated, a detailed list of intended vendors and projected occupancy dates, and a long-term investment strategy.

## **5. Development Timeline:**

Proposer shall provide a time schedule and key benchmarks for performance of the project, for predevelopment activities through substantial occupancy of the completed project. The timeline presented shall address, at a minimum, the following project milestones: (1) ground lease execution; (2) entitlement application to the City; (3) entitlements obtained; (4) permit application to the City; (5) permit issuance; (6) construction start; (7) construction completion; and (8) stabilized occupancy.

If the proposed project is to be phased, the timeline must include the key milestones for each phase.

## **6. Preferred Development:**

The proposer shall indicate whether its proposed development concept is compliant with the City's preferred development (as detailed on page no. 9) and if not, the proposer should indicate why its proposed development concept is better suited for the site.

# Submittal Requirements Cont.



## 7. Financial Terms:

Proposals must reflect the following understandings of the proposer: that the Property will be leased on a thirty (30) year "as-is" basis; that the ground lease will not be subordinate to any financing; that the ground lease cannot be assigned prior to completion of the proposed project; and that the Property and real property improvements shall revert to the City at the end of the lease term.

The City will consider a variety of forms of rent provisions including but not limited to the following: a base or minimum rent equal to a fixed dollar amount during the term of the lease, adjusted at specified intervals using an agreed upon formula or approach; or a participating rent defined as a percentage of the gross income generated by the development of the project or received by the ground leaseholder.

Furthermore, proposals should describe the proposed financial terms of the ground lease, including the amount of initial minimum or fixed ground rent, the timing of commencement of ground rent, and escalation of ground rent. Proposals should also describe in addition to minimum or fixed ground rent, whether percentage or participation ground rent will be paid above the minimum or fixed ground rent, and if so, on what terms and order of priority. Describe the methodology proposed to be used to calculate percentage or participation rents, if applicable.

Lastly, proposals must include a detailed cash flow pro-forma and sources and uses statement covering but not limited to the financing, development, initial lease-up, operation (including management, capital and leasing reserves), and payment of fixed ground rent plus if applicable profit participation rent. The pro-forma information must be sufficient for the City to perform an analysis of the equity returns the project is anticipated to generate and the present value and total amount of ground rent the City would receive.



## Developer Conditions

Upon City Council approval, the following conditions will be imposed as a part of the long-term ground lease:

1. Proposed Use: The proposed use(s) for the Property must be compliant with all local, state, and federal code, laws and regulations.
2. Restricted Uses: The following uses are restricted for the Property:
  - a. Adult-oriented business or adult entertainment establishment;
  - b. Convenience store;
  - c. "Off-premises" sale of alcohol. The sale of "on-premises" alcohol may be permitted by the City via a Minor Conditional Use Permit (MCUP) and approval by the State of California - Department of Alcoholic Beverage Control (ABC);
  - d. Personal services (i.e. tattoo parlor, vape store, etc.) subject to staff discretion;
  - e. Sale of weapons; and
  - f. Sale of marijuana or marijuana related products.
3. Site Maintenance: The selected proposer will, at his or her sole cost and expense, maintain the appearance and safety of the Property; remove all graffiti from the Property within 72 hours of its appearance; and promptly remove and replace all dead and diseased landscaping material on the Property.

# Selection Process



The City will conduct the selection process. During the selection process, the City reserves the right to request clarification or additional information from individual proposers and to request some or all proposers to make presentations to City staff or others.

1. Selection Criteria: At a minimum, all qualified proposals will be evaluated and scored based on the following selection criteria as previously described on pages 11-14:
  - (a) structure and management (10%); (b) relevant experience (30%); (c) financial capability (10%); (d) development narrative (20%); (e) development timeline (20%); and (f) compliance with the City's preferred development (10%), as detailed on page no. 9.
2. Interviews: At a minimum, the City commits to interviewing the top two responsive proposers. After the interviews, the City will re-score the interviewee's proposal using the aforementioned scoring criteria. The subsequent re-scoring of proposals shall be the basis for the selection of a proposer and a recommendation to the City Council.
3. City Council Approval: Staff is required to present the selected proposer and a long-term ground lease agreement to the City Council for approval.

All proposals submitted in response to the RFQ becomes the property of the City and under the Public Records Act (Government Code § 6250 et. seq.) are public records. As such, all proposals may be subject to public review at least ten (10) days before selection and award. If a proposer claims a privilege against public disclosure for trade secret or other proprietary information, such information must be clearly identified in the proposal. Personal information should be labeled as confidential and will remain so. Please note that under California law, price proposal to a public agency is not a trade secret.

# Inquiries



All requests for clarifications, changes, exceptions, deviations to the terms and conditions set forth in this RFQ should be submitted in writing to:

**Nathan Freeman**  
**[nfreeman@riversideca.gov](mailto:nfreeman@riversideca.gov)**

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The receipt of questions from the proposer shall be received by the City before 5 PM on January 18, 2016. To ensure fairness and avoid misunderstandings, **all communications must be in written format** and addressed **only** to the individual set forth above. Any verbal communications will not be considered or responded to. All questions received by the due date will be logged and reviewed and, if required, a response will be provided via an addendum to the RFQ. **Any communications, whether written or verbal, with any City Councilmember or City staff other than the individual indicated above, prior to award of a contract by City Council, is strictly prohibited and the proposer shall be disqualified from consideration.**

Please note: The City shall not be liable for any expenses, which may include, but are not limited to, preparation of the proposal or related information in response to this RFQ; negotiations with the City on any matter related to this RFQ; and costs associated with interviews, meetings, travel or presentations incurred by any proposer in relation to the preparation or submittal of the proposal. Additionally, the City shall not be liable for expenses incurred as a result of the City's rejection of any proposals made in response to this RFQ.

# Instructions & Schedule



All proposals are due by or before 5:00 PM on February 1, 2016. This time and date is fixed and extensions will not be granted. The City does not recognize the United States Postal Service, its postmarks or any other organization as its agent for purposes of dating the proposal. All proposals received after the deadline shown will be rejected, returned to sender and will not receive further consideration.

Questions may be submitted to [nfreeman@riversideca.gov](mailto:nfreeman@riversideca.gov) by January 18, 2016 at 5:00 PM and will be answered and posted to [www.riversideca.gov/cdd/rfp.asp](http://www.riversideca.gov/cdd/rfp.asp) by January 25, 2016.

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Mail (or hand-deliver) six (6) hard copies and one (1) electronic file of the proposal to:

**City of Riverside**  
**Community & Economic Development Department**  
**Attn: Nathan Freeman**  
**3900 Main Street, 2nd Floor**  
**Riverside, CA 92522**  
**[nfreeman@riversideca.gov](mailto:nfreeman@riversideca.gov)**

Please note: The City reserves the right to amend, withdraw or cancel this RFQ. The City also reserves the right to reject all responses to this RFQ at any time prior to an agreement being executed. Furthermore, the City reserves the right to request or obtain additional information about any and all submittals.