

Request For Purchase and Development Proposals

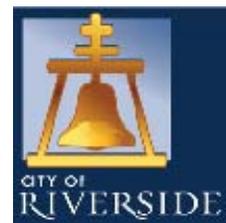
MERRILL AVENUE PROPERTIES

**Merrill Avenue between Magnolia & Riverside Avenues
A 3.17 acre project site**

**A unique mixed-use development opportunity in
the Magnolia Center area**

**Issued by: Successor Agency to the
Redevelopment Agency of the City of Riverside**

**Issue Date: APRIL 15, 2015
Proposal Due Date: JULY 15, 2015**



RiversideCA.gov



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CITY OF RIVERSIDE

Incorporated in 1883, Riverside is a Charter City with a unique blend of historic charm and modern city features. While rich in history, Riverside is investing in the future and 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 314,034 people as of January 1, 2014, the City is ranked the 59th-largest city in the United States. The City is the 12th largest city in California, the 6th 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 awards and recognition 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).

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. Riverside enjoys many artistic venues from excellent film, dance and symphony to art, museums, and theater which add a layer of depth to the City experience.



The Opportunity

The development site is approximately 3.17 acres located in the Magnolia Center area. The site is located in close proximity to Riverside Community College and is directly adjacent to the prestigious Riverside Plaza Shopping Center, which includes retail shops and high quality restaurants.

The property is located at 3661, 3645, 3631, 3607, 3605, and 3575 Merrill Avenue, also known as Assessor's Parcel Numbers 225-140-001, 002, 003, 004, 005, and 006 (Property) as shown on the attached Site Location Map (Exhibit A). A portion of the Property is currently an improved parking lot. Additionally, there are Public Works and Public Utility easements on Assessor's Parcel Numbers 216-140-001 and 216-140-006 . The Easements are described in greater detail on pages 4-5 and in Exhibit B.

The Property has been approved by the California Department of Finance (DOF) for disposition as required by Assembly Bill 1X 26 (the statewide redevelopment dissolution bill) and Assembly Bill 1484. An ideal proposer will have demonstrated relevant development experience and will construct a quality development which will enhance the surrounding neighborhood, provide job opportunities for local residents and ensure that the reestablishment of blight does not occur. Additionally, please note that the preferred development will encompass all of the parcels, and the Successor Agency prefers that these parcels be consolidated.



Easements

On July 24, 2007, the City Council approved the Riverside Avenue Grade Separation Project to grade separate Riverside Avenue at the Union Pacific railroad crossing by constructing an underpass along Riverside Avenue under the Union Pacific railroad tracks. The Riverside Avenue Grade Separation Project is located between Merrill Avenue and 400 feet north of Elizabeth Street.

With the lowering of Riverside Avenue as part of the Grade Separation Project, the existing drainage conditions were altered thus creating a local sump condition. The run-off water generated as a result of rain events will be pumped to a detention basin being built as part of the Grade Separation Project. A 20 foot wide Storm Drain Easement is required to discharge the water collected in the detention basin to the County of Riverside's Magnolia Center Storm Drain Line that is located under Merrill Avenue.

As such, the City of Riverside – Public Works Department determined the most suitable location to construct the detention basin discharge pipe is over a portion of 3575 Merrill Avenue (APN 225-140-006), and has acquired an approximately 3,377 square foot permanent easement, 20 feet wide, along its easterly property line (depicted in Exhibit B). Construction of the detention basin discharge pipe is estimated to be completed in October 2015.

A separate component of the Grade Separation Project includes the termination of Elizabeth Street at Riverside Avenue via the construction of a cul-de-sac and a 25-foot elevation change at Riverside Avenue. The Elizabeth Street reconfiguration and elevation change requires the relocation of two major 12kv feeder circuits from the Plaza Substation and run east along Elizabeth Street to Riverside Avenue. These two lines service approximately 2,000+ residential customers and nearby retail and miscellaneous businesses.



Easements Continued

To facilitate the relocation of the 12KV feeder circuits, the City of Riverside – Public Utilities (RPU) determined that the most feasible and cost effective relocation route required a 15 foot permanent underground electrical utility easement over the property located at 3661 Merrill Avenue (APN 225-140-001) and acquired a 2,539 square foot easement for the now completed project. The permanent easement is also described and depicted in Exhibit B.

Lastly, there are multiple RPU-owned guy-wires supporting two utility poles located on the westerly portion of the Property (also depicted in Exhibit B and C). The guy-wires may be relocated (at the selected developers cost) to the edge of the property line.

It is imperative that all prospective bidders closely examine the exact location of the aforementioned easements and guy-wires to determine what impacts (if any) these issues will have on the proposed development of the Property.

The Project Site



As previously described, the Property is located within the Magnolia Center area, which has been a part of the City since its foundation. Magnolia Center is built upon relatively flat land, but the eastern portion begins to rise up, marking the foot of the Victoria Hills. Its history and age are reflected in the design of its residential neighborhoods with newer subdivisions giving the area an interesting mix of modern and traditional street layouts. Commercial uses are centered upon Magnolia Avenue and Central, and the meeting of these two great streets creates one of Riverside's most unique intersections.

Over the past several years the City has promoted the revitalization of the Magnolia Center area, specifically in the Riverside Plaza shopping center. The redeveloped Riverside Plaza features 500,000 square feet of neighborhood convenience retail, restaurants, a multiplex theater complex, and retail stores situated on 35 acres. Major tenants include but are not limited to Nordstrom Rack, Trader Joe's, Jos. A. Bank, California Pizza Kitchen, El Torito, Ooka Japanese Restaurant, Islands Fine Burgers and Drinks, Panera Bread, Chipotle, Vons Supermarket, and a Regal Movie Theater.

The success of the Riverside Plaza has resulted in a resurgence of the Magnolia Center neighborhood and the creation of opportunities to expand the successful economic rejuvenation beyond the borders of the Riverside Plaza onto the immediate surrounding properties.

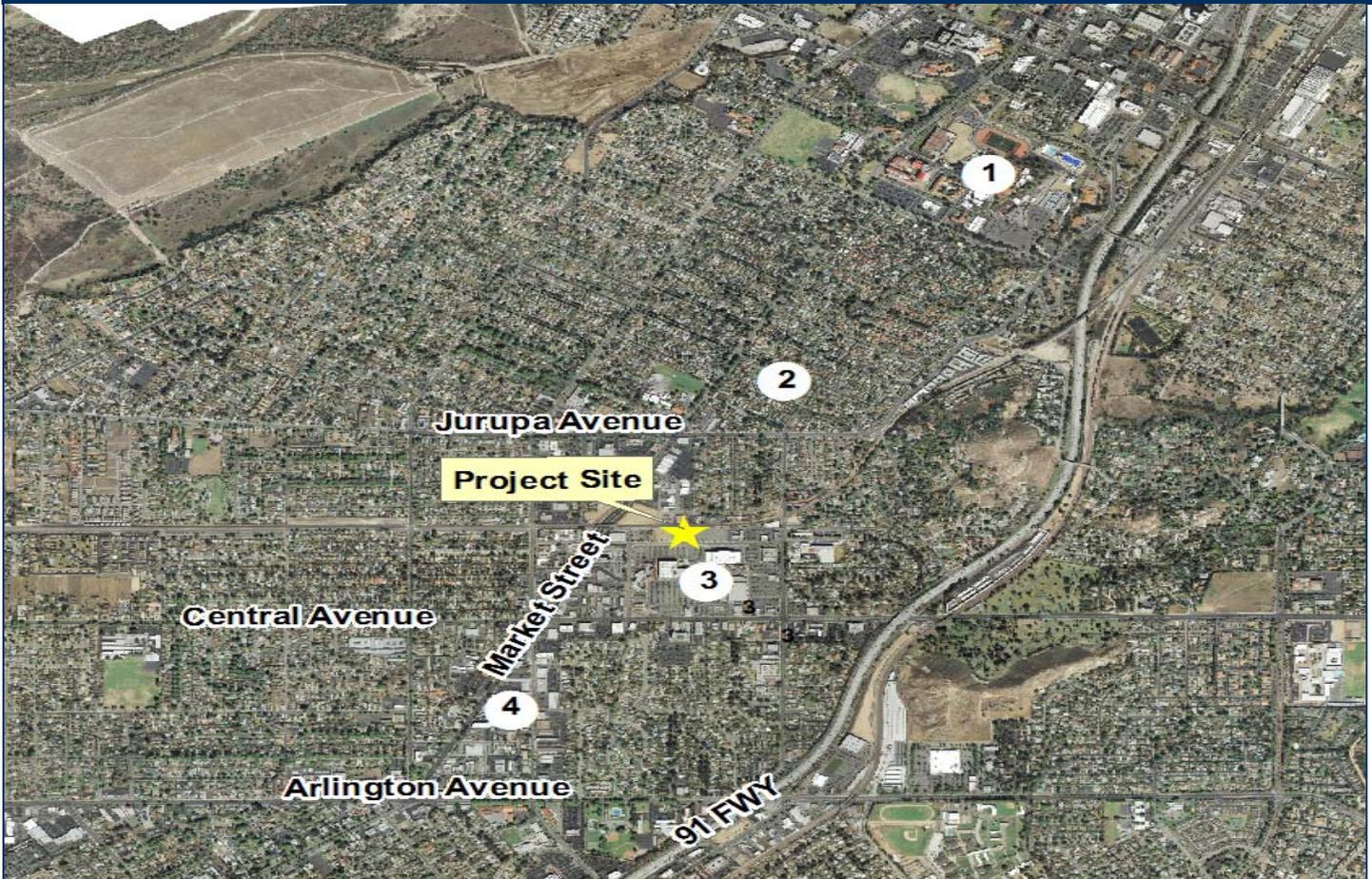
The Magnolia Center area is well served by many public facilities, and public and private schools and institutions of higher learning including Riverside Community College, University of California—Riverside and California Baptist University.



1 Riverside Community College



2 Historic Wood Streets



3 Riverside Plaza



4 Historic Brockton Arcade



Demographic Information (Source – ESRI)

Radius	3 Mile	5 Mile
Population		
2019 Projected Population:	141,921	278,875
2014 Population:	131,491	258,855
2014 Median Age:	30.3	31.4
Housing		
2019 Projected Households:	40,124	77,506
2010 Census Households:	37,704	72,891
2014 Average Household Size:	3.44	3.45
2014 Owner Occupied Units:	20,876	73,285
2014 Renter Occupied Units:	16,828	29,606
Income		
2014 Average Household Income:	\$69,841	\$72,206
2014 Medium Household Income:	\$55,320	\$56,827
2014 Per Capita Income:	\$20,458	\$21,342
2014 Households Earning Over \$100,000:	6,862	15,844
Employment		
2013 Daytime Jobs:	58,537	92,882



Purchase Price & Terms

Purchase Price: The Property will be sold "as is" and at fair market value. Please note that the DOF may require a fair market appraisal to support the sales price. The proposer will have the opportunity to consider the appropriate value prior to entering into a Purchase and Sale Agreement once a proposer has been selected by the Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency). Please also note that the Purchase and Sale Agreement is subject to the approvals of the Successor Agency, the Oversight Board for the City of Riverside as Successor Agency (Oversight Board) and the DOF.

Deposit Amount: Should the proposal be accepted by the Successor Agency, a deposit in the amount of 2% of the proposed purchase price, or \$25,000, whichever is greater, will be required. The selected proposer shall submit the required deposit amount upon execution of a Purchase and Sale Agreement. Please note that the deposit is non-refundable after 90 days from the effective date of an executed Purchase and Sale Agreement.

Closing Costs: The Successor Agency shall be responsible for one-half of the cost of escrow charges and CLTA standard form policy of title insurance. The selected proposer shall be responsible for all recording fees, transfer taxes, and cost of documentary stamps and one-half of the cost of escrow charges.



Developer Conditions

Upon Successor Agency and Oversight Board approvals, the following developer conditions will be imposed on the selected proposer in the form of a Covenant, Condition, and Restrictions agreement, which will be recorded on the Property:

Proposed Use: The proposed use(s) for the Property must be compliant with all local, state, and federal zoning code, laws and regulations.

Restricted Uses: The following uses are restricted for the Property:

- Adult-oriented business or adult entertainment establishment;
- Sale of alcohol, except as allowed by the City after review and approval and permitted by the appropriate governmental agency; and
- Sale of weapons.

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; maintain in good order all landscape irrigation systems; and promptly remove and replace all dead and diseased landscaping material on the Property.

Transfer to Government Agency: The selected proposer shall not sell, lease, convey, assign, or otherwise transfer fee interest in the Property to any governmental or non-governmental tax exempt entity that would result in the Property becoming exempt from the payment of real property taxes.



Preferred Uses

The Property is located within a diverse neighborhood with business parks, retail and a wide variety of residential development. The Successor Agency will consider a mixed use development (commercial/office/residential or any combination thereof) project which will support the adjacent Riverside Plaza shopping center, enhance the surrounding neighborhood and provide job opportunities for local residents. Moreover, a mixed use development will require a zone change and General Plan amendment, which would be the responsibility of the proposer.

The Property is located within the Commercial General Zone (CG), which is intended to allow for more intense service commercial retail, office, and repair uses. The CG Zone also allows for some outdoor retail uses. The General Plan designation for the Property is also Commercial (C).

The website link below provides additional information regarding the City's Zoning Code and General Plan. Each proposer is encouraged to review the City's Zoning Code and General Plan requirements and consult with the Planning Division to discuss proposed uses prior to submission of a proposal.

RiversideCA.gov/planning

Sample Development Concept



The Development Concept above anticipates a mixed use development, which will incorporate: 1) retail and residential or 2) retail, office and residential or 3) retail and office or 4) residential and office. Should a residential concept be considered, the proposer must disclose in its response any impacts to Pachappa Elementary School, such as overcrowding and traffic and how these impacts can be mitigated.

Other development projects may be proposed that differ from the above noted preferred uses. However, proposers should be aware that public support may or may not allow for alternative development projects to be approved by the Riverside City Council.

Furthermore, the new development will complement the adjacent Riverside Plaza shopping center and allow for: greater housing density and increased commercial opportunities; reduction of distances between housing, workplaces, retail businesses, and other destinations throughout Magnolia Center; strengthening of neighborhood character; and creation of a pedestrian and bicycle friendly environment.

The anticipated development shall not be more than 4 stories and may be set back from Merrill Avenue, however, it should be pedestrian-friendly in nature with a walkway incorporated into the landscaping and site designs.

Request for Purchase & Development Proposals



Each proposer is required to submit a proposal clearly addressing all of the requirements outlined in this Request for Purchase and Development Proposals (RFP). The details of the proposal shall be limited to twenty (20) pages and must include the single person who will be the primary contact for the proposer. Résumés and company qualification brochure data may be added to the 20-page proposal, provided this information is located in an Appendix at the back of the proposal.

Should the proposer have concerns about meeting any of the requirements, the proposer shall include a clearly labeled subsection with individual statements specifically identifying any concerns and exceptions.

Though the proposer may submit a proposal organized according to his or her preference, the proposal submitted must be clear and concise, and contain the following required information.

1. **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 with building square-footage and height, parking, phasing, an anticipated investment amount, community benefit including estimated annual sales tax revenue, property tax revenue and number of jobs to be generated, a detailed list of intended users and projected occupancy dates, a long-term investment strategy, and an anticipated duration of holding period. If no intended users have been identified, please identify the development as speculative.

Development Experience



2. Development Experience: The proposer shall provide a summary of experience in developing complex projects that required interaction with a broad range of interested parties from both the public and private sectors.

The following information is required from the proposer:

- Name(s), address(es), telephone number(s) and e-mail address(es) of the proposer and identify the single person who will be the primary contact for the proposer.
- Description of experience within the most recent ten-year period related to projects that are similar in nature to the proposed development.
- Names and addresses of the key team members including architect and general contractor. For each project reference, include the development team member's role in the completed project and the time period of his or her involvement.
- Photographs showing completed projects that are similar in nature to the proposed development including construction costs, completion dates, locations, land uses, scales, scope of services, and the role of the proposer in these projects.
- Description of experience in completing projects of the scale and complexity of the proposed development.
- Any innovative aspects of previous development experience should be described in detail.
- Any relevant property management experience.

Financial Strength & Project Timeline



3. **Financial Strength**: The proposer shall provide bank and financial statements, lender pre-qualification letters or any other financial proof that can assist the Successor Agency in determining whether the proposer has the capacity to secure the necessary financing or provide cash on hand to facilitate the purchase of the Property at the close of escrow and the subsequent development of the Property. The proposer shall also provide a list of assets for collateral he or she is willing to pledge (as necessary) for financing purposes.

4. **Project Timeline**: The proposer shall indicate whether the requirement below is acceptable or propose a different timeline for due diligence/entitlements and construction period.

- **Due Diligence/Entitlements Period**: It is anticipated that the selected proposer will review the condition of the Property within ninety (90) days after opening of escrow. For your convenience, a site map depicting the location of existing Public Utilities facilities/easements has been included as Exhibit E. The proposer shall provide a timeline for project entitlements. It is preferred that the selected proposer obtain entitlements and close escrow as soon as possible, but no later than eighteen (18) months from the execution of the Purchase and Sale Agreement.
- **Construction Period**: The proposer shall provide a timeline for the construction phase of the proposed development from the close of escrow including construction start and completion dates. It is preferred that construction of the proposed development be completed as soon as possible, but no later than two (2) years from the close of escrow.

5. **Development Concept**: The proposer shall indicate whether its proposed development concept is compliant with the City's preferred use (as detailed on page 12) and if not, the proposer should indicate why its proposed development concept is better suited for the site.

Selection Process



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

Selection Criteria: At a minimum, all qualified proposals will be evaluated based on the following criteria as previously described in numbers 1-4:

- Development narrative (40%), Development experience (30%) Financial strength of the proposer (10%), Project timeline (10%), and compliance with City's preferred use (10%), as detailed on page 12 .

Interviews: Selected proposers may be contacted for in-person interviews with the selection committee.

Successor Agency and Oversight Board Approvals: Staff is required to present the selected proposer and the fair market value as the purchase price along with a Purchase and Sale Agreement (PSA) to the Successor Agency and the Oversight Board for approvals. If these required approvals are received, staff will submit the PSA to the DOF for review and approval. Upon obtaining approval from the DOF, the Successor Agency will execute the PSA.

All proposals submitted in response to the RFP become the property of the Successor Agency 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 RFP should be submitted in writing to:

Nathan Freeman
nfreeman@riversideca.gov

The final day for the receipt of questions from the proposer shall be before 4 PM on June 22, 2015. 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. Written communications should be submitted via e-mail to the address provided above. 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 RFP. **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 Successor Agency 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 RFP; negotiations with the Successor Agency on any matter related to this RFP; 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 Successor Agency shall not be liable for expenses incurred as a result of the Successor Agency's rejection of any proposals made in response to this RFP.

Instruction & Schedule



All proposals are due by or before 4:00 PM on July 15, 2015. This time and date is fixed and extensions will not be granted. The Successor Agency 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 by June 22, 2015 and will be answered and posted to www.riversideca.gov/cdd/rfp.asp by July 6, 2015.

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

City of Riverside
Community Development Department
Attn: Nathan Freeman
3900 Main Street, 2nd Floor
Riverside, CA 92522
nfreeman@riversideca.gov

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

EXHIBIT A

ELIZABETH ST

LAWSON WY

MERRILL AV

3861 Merrill Ave

3645 Merrill Ave

3631 Merrill Ave

3607 Merrill Ave

3605 Merrill Ave

3575 Merrill Ave





Exhibit "B"

5' Steel Utility Pole Foundation
(to be relicensed to 15' easement area)

5'x60' anchor easement
(can be replaced w/ a 10'x10' easement in the NE corner of APN 225-140-002 (green box))

15' Utility Easement

20' Storm Drain Easement

MERRILL AVE.

225-140-001

225-140-002

225-140-003

225-140-004

225-140-005

225-140-006



EXHIBIT C

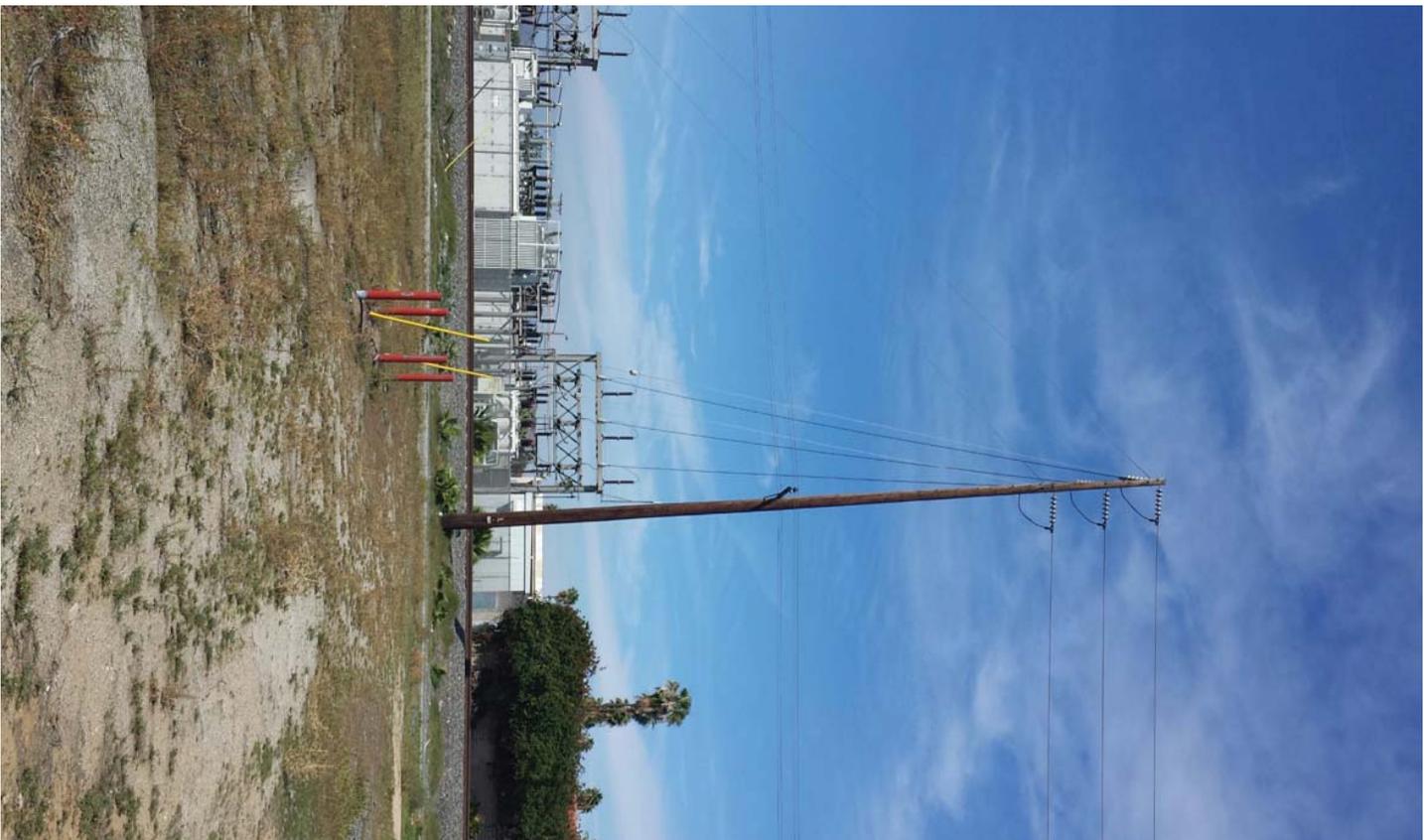
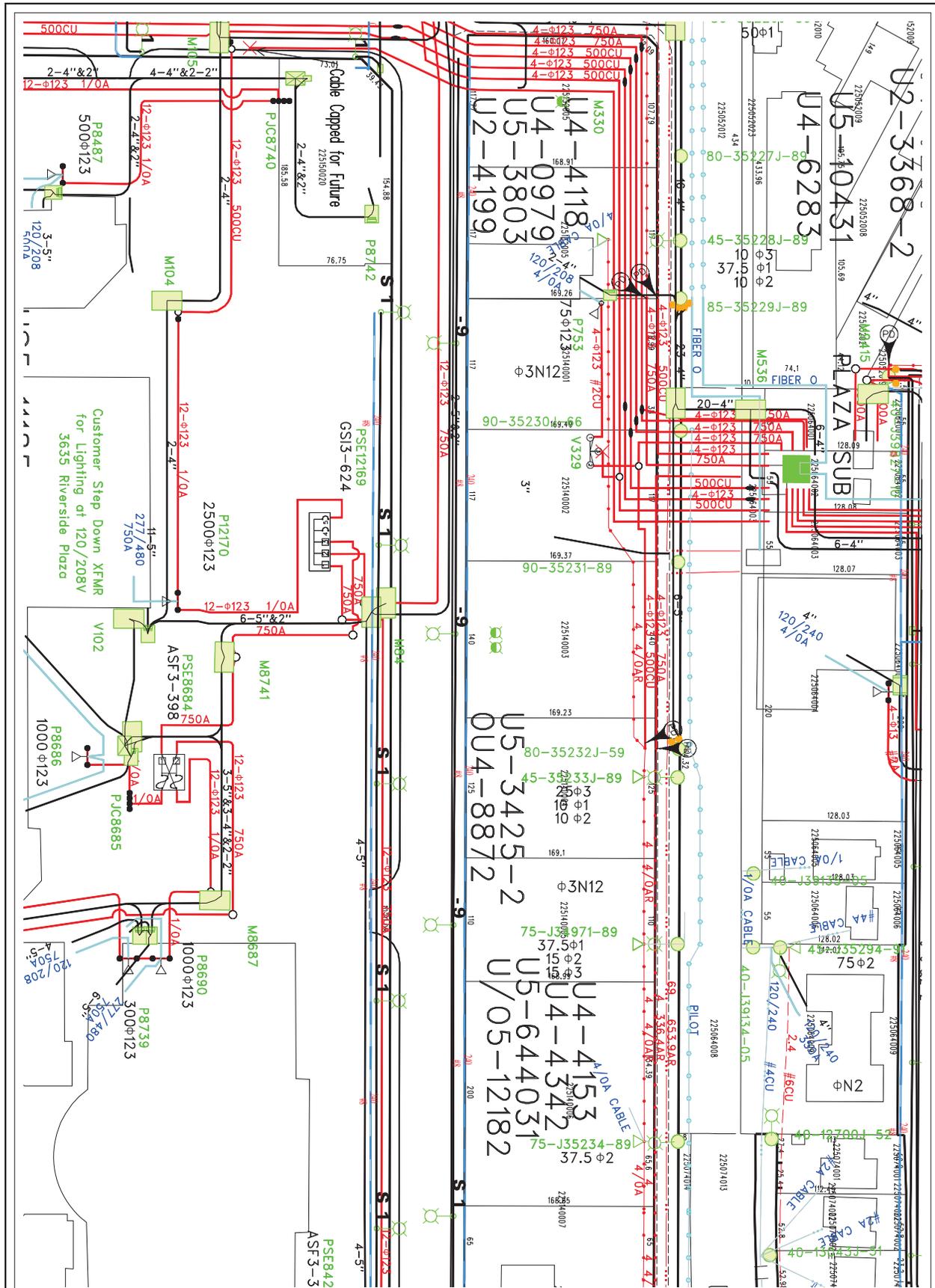


Exhibit D

Electric, Sewer and Water Maps

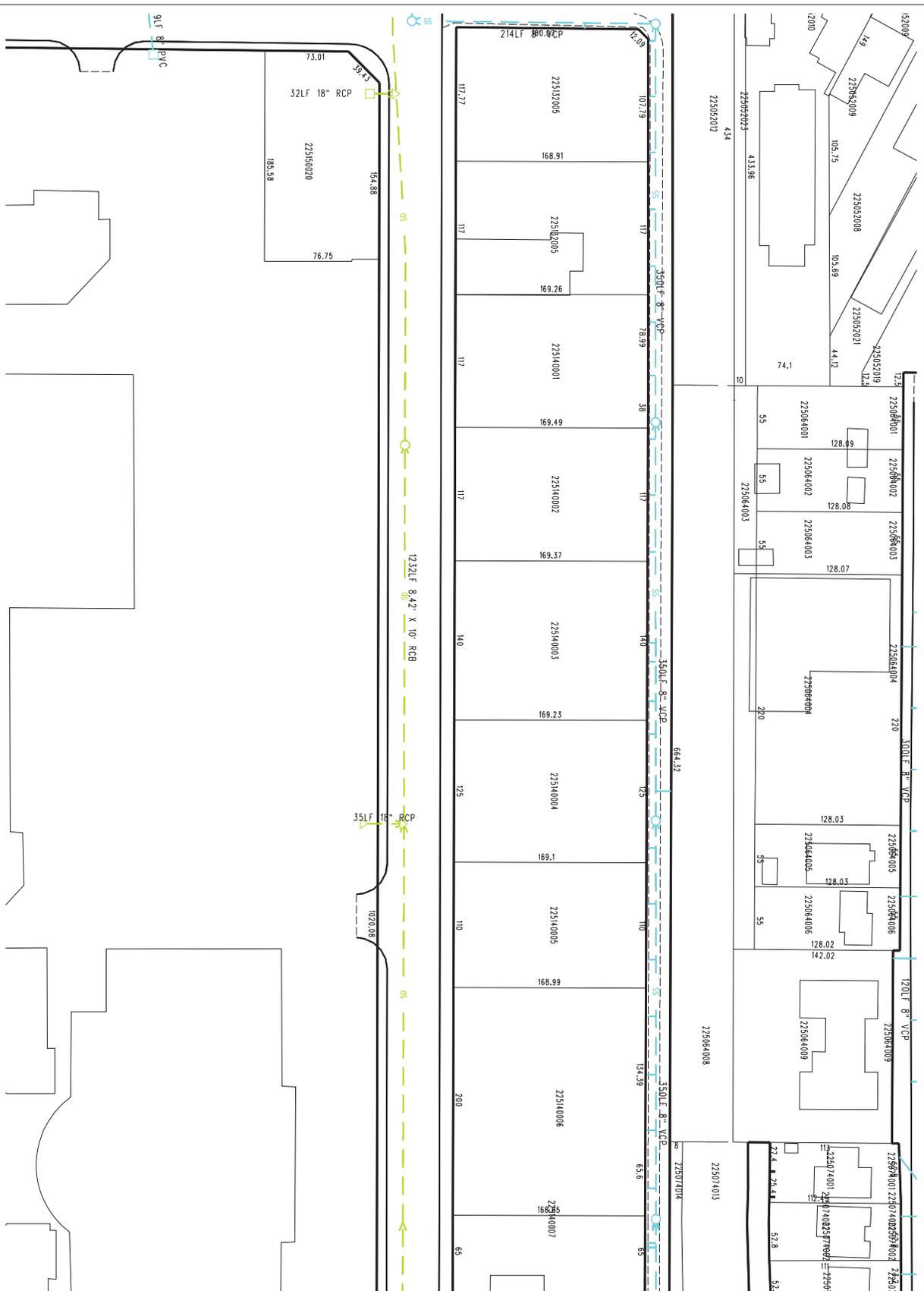


Symbolry

- Structure Outline
- Curb Face
- Edge of Pavement
- Unimproved Roadway
- Edge of Pavement / Berm
- ROW Line
- Parcel Line
- Assessor Parcel Line
- Project Limits Boundary

1 inch = 80 feet
 April 01, 2014

As of the date of February 2012, The City of Riverside reserves the right to modify the content of the data shown on this map. This document is the property of the City of Riverside, California. Prepared by: RENOVATE



- Symbology**
- Structure Outline
 - Curb Face
 - - - Edge of Pavement
 - - - Unpaved Roadway
 - - - Edge of Pavement / Berm
 - - - ROW Line
 - - - Parcel Line
 - - - Assessor Parcel Line
 - - - Project Limits Boundary
 - - - Storm Drain
 - - - Storm Drain Inlet
 - - - Storm Drain Manhole
 - - - Storm Drain Lift Station
 - - - Sewer Manhole
 - - - Sewer Force Main
 - - - Sewer Main (Non-City Maintained)
 - - - Sewer Siphon
 - - - Sewer Lateral
 - - - Sewer Lateral (Unknown Position)
 - - - Sewer Cleanout
 - - - Sewer Manhole
 - - - Sewer Lift Station
 - - - Sewer Plant
 - - - Sewer End of Line



1 inch = 80 feet
 April 01, 2014

As of the date of this report, 2012, The City of Riverside certifies to the accuracy of the information shown on this map. This certification is based on the best information available to the City of Riverside, California. Prepared by: RENZI-DYER

