

# **REQUEST FOR PROPOSALS**

**FOR REDEVELOPMENT OF THE**

**PERALTA SCHOOL SITE  
2190 NORTH CANAL STREET  
ORANGE, CALIFORNIA**



**ISSUED BY THE**

**ORANGE UNIFIED SCHOOL DISTRICT  
FEBRUARY, 20 2012**

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# **1. EXECUTIVE SUMMARY**

## **1.1 BACKGROUND AND CONTEXT**

The 19.57-acre Peralta School site was acquired by the Orange Unified School District (OUSD) in 1961. The existing school facility was constructed in 1965 as a junior high school. It was closed in November, 1985 and was declared to be surplus prior to the award of the lease in 1994. Since 1994 the site has been leased by Peralta Golf Partners, whose lease expires in 2015. Current uses include a daycare center, gym, dance studio, private elementary school, private recreational facilities, and parking lots.

## **1.2 OUSD OBJECTIVES**

The District's objectives include: redeveloping the Peralta School site with income-generating uses under a ground lease; maximizing an income stream to supplement its annual operating and capital project budget; and preserving the ownership to the Peralta School site. The District anticipates a ground lease structure that allows it to participate in an increasing revenue stream over the lease term. The RFP does not limit the type of development project and encourages proposals that will achieve the above objectives of the District while also obtaining community support. For purposes of developing this RFP, it is contemplated that multi-family residential is the primary use proposed for the site in order to meet the goals of maximizing annual revenue to the District over the long term. However, proposers may also propose commercial and/or retail uses which generate equivalent or greater lease revenue.

## **1.3 SITE DESCRIPTION**

The Project Site is located at 2190 North Canal Street in Orange, extending north and west from the intersection of Meats Avenue and Canal Street. It is basically rectangular in shape with flat topography. Current zoning is R-1-8 (single family residential); however, this zoning is inconsistent with the City of Orange's 2010 General Plan land use designation for Public Facilities and Institutions. While a zone change is likely to be needed for any other private use, it is likely that to accommodate multi-family development a General Plan amendment will be required, generally consistent with existing residential neighborhoods bordering to the west, north and south of the subject property, and throughout the extended neighborhood.

## **1.4 DEVELOPMENT OPPORTUNITY**

The District will require the successful proposer to maximize multi-family residential, commercial and/or retail development of the property. The developer may choose to include various categories of multi-family product, including conventional market-rate units, senior units, assisted living facilities, or live/work space.

## **1.5 TRANSACTION STRUCTURE**

The project shall be developed under an unsubordinated ground lease with OUSD, with Minimum and Percentage Rents. Initial Minimum Rent shall be subject to periodic adjustment based on actual total rent paid under the lease. Percentage Rent shall be paid based on total revenues collected by the lessee. The District will not accept Percentage Rents based on net income or net cash flow. Proposers are invited but not required to include a mechanism by which the District can participate in the long-term appreciation of the land value, such as through participation in capital events such as transfer or refinance.

## **1.6 SUBMISSION FORMAT, PAYMENTS, SCHEDULE AND EVALUATION PROCESS**

The proposer shall submit one original and four hard copies of a Proposal Package in 8.5” x 11” format, with one copy unbound for ease of reproduction. The complete Proposal Package shall also be submitted digitally (pdf format is acceptable). The inclusion of large-scale drawings and exhibits is discouraged; if included, these shall be limited to no more than three such pages in 11” x 17” format. Proposals must be organized following the Submission Requirements section and must include at least the requested information. Detailed requirements are listed in section 4.

Responses must be submitted to the Orange Unified School District no later than 4:00 p.m. on Monday, April 30, 2012. The District contact person for all matters regarding this RFP is Joe Sorrera, Assistant Superintendent/CBO Business Services, OUSD, 1401 North Handy Street, Orange CA, 92867, (714) 628-4059. All correspondence regarding the RFP process must be in writing or by email, and shall be made available to all proposers. No verbal questions will be answered except at the Bidders’ Conference.

A Bidders’ Conference shall be held on Monday, March 5, 2012 at 10:00 a.m. in the District Education Center, Building H, at 1401 North Handy Street, Orange CA.

All submissions must be accompanied by a cashier’s check for \$50,000 payable to OUSD. All checks except that received from the successful proposer shall be returned upon the selection of the successful proposer. This amount is required to cover the District’s costs to negotiate the ground lease, and \$25,000 shall be credited without interest against the Minimum Rent due under the ground lease.

The District shall review the proposals, request written clarification from proposers if necessary, and may select two or more proposers as finalists. The District plans to appoint a proposal review committee to review the proposals received and make recommendations to the Board. The review process may include requests for clarifications and one or more presentations by the proposers. At the conclusion of the review process, the Board plans to select one proposer with whom to enter into an agreement for exclusive negotiation rights. The District reserves the right to terminate this process at any point prior to the selection of a proposer and solicitation of proposals in no way obliges the District to proceed with any development.

## **2. BACKGROUND AND SITE DESCRIPTION**

### **2.1 SITE BACKGROUND**

The 19.57-acre Peralta School site was acquired by the Orange Unified School District (OUSD) in 1961. The existing school facility was constructed in 1965 as a junior high school. It was closed in November, 1985 and declared to be surplus in 1994. Development of the site is governed by the 2010 City of Orange General Plan.

Since 1994 the site has been leased by Peralta Golf Partners and is operated as Super Sports and Rec Center whose street address is 2190 North Canal Street. The existing lease will expire on April 1, 2015. There is no access to the site prior to the expiration of the lease, except as may be arranged with Peralta Golf Partners. The only buildings remaining from the time the property was operated as a school are one classroom building and the multi-purpose/gymnasium building. The classroom building and enclosed playground serve as a daycare center, and the gymnasium houses an office for the facility, gym, and dance studio. Portable classrooms have been moved onsite to house a private elementary school. The remainder of the site is improved with private recreational facilities including a golf driving range and pitching course, two tennis courts, two arena soccer courts, a miniature car racing track, a softball diamond, and parking lots.

### **2.2 OUSD OBJECTIVES**

The District acknowledges the appraiser's determination that the highest and best use for this property would be if developed with single family residential homes; however, the District desires to maximize an ongoing income stream to supplement its operating and capital project budgets while also preserving its ownership of the property. Based on discussions with interested parties, including the current lessee, it appears that multi-family residential, possibly with ancillary local-serving retail, would be compatible with the adjacent uses and consistent with the District's revenue goals. Notwithstanding, as previously noted, this RFP does not limit the type of development, and encourages proposals with short as well longer terms which will facilitate the District in meeting its objectives. The District remains open to other uses that can obtain community approval and which would generate equivalent or greater lease income.

In the event a multi-family project is contemplated, the proposer may choose to include more than one type of multi-family product in the proposal, consistent with realistic zoning expectations and projected market demand. Possible product types include but are not limited to conventional market-rate apartments, assisted living facilities, senior housing, and live/work spaces. The proposer may include affordable housing in the plans, in which case, the proposer should clearly demonstrate that including such a use is required for legal or financial reasons and will in no way reduce revenue to the District.

### **2.3 LOCATION AND BRIEF PROPERTY DESCRIPTION**

The former Peralta School property is roughly rectangular, extending north and west from the corner of Meats Avenue and Canal Street in the City of Orange. The only buildings remaining from the time the property operated as a school are one classroom building and the multi-purpose/gymnasium building. The classroom building and enclosed playground serve as a daycare center; and the gymnasium houses an office for the facility, gym, and dance studio. Portable classrooms have been moved onsite to house a private elementary school. The remainder of the 19.57-acre land parcel is improved with private recreational facilities including a

golf driving range and pitching course, two tennis courts, two arena soccer courts, a miniature car racing track, softball diamond, and parking lots.

The size of the property at nearly 20 acres represents an unusually large infill land parcel in a built-out suburban neighborhood. The parcel is felt to be a particularly attractive development opportunity because of its setting within a desirable residential neighborhood of detached homes, close proximity to the Tustin Street commercial corridor, and convenient access to freeway routes.

Presently, the property's zoning and General Plan land use designation are not internally consistent. The General Plan designation for Public Facilities and Institutions use is consistent with the former school and current recreational facility use, while the R-1-8 zoning is consistent with the adjoining residential neighborhoods. This is discussed further below.

## **2.4 AREA/NEIGHBORHOOD CHARACTERISTICS**

The school property is located in the northeast sector of the city of Orange, west of the Newport-Costa Mesa (55) Freeway. See Exhibit A for an area map and Exhibit B for a site map. East of the freeway are found the communities of Villa Park and Anaheim Hills. One long block east of the subject property is the Tustin Street commercial district. This is one of the major commercial and retail districts within the city of Orange. All typical commercial and shopping services are available, including regional and neighborhood retailers, supermarkets and drugstores, auto service and gas stations, restaurants of every variety, movie theaters, medical and professional offices, banks and financial institutions, and car dealerships. Katella Avenue is the next major commercial cross street to the south, about one mile from the subject neighborhood. This is a primary commercial thoroughfare leading to the major entertainment and sporting venues a short distance west in the city of Anaheim.

Immediately east of the subject site, across Canal Street, is the back side of The Village at Orange Shopping Center, formerly known as the Mall of Orange. The mall occupies a 61.2-acre site, and offers 860,000 square feet of retail and restaurant space, with anchor tenants Sears, Wal-Mart and J.C. Penney. This property serves as the main draw anchoring the north end of the Tustin Street commercial district. Bordering north and west, and across Meats Avenue south of the subject land, the character of the neighborhood is residential, with detached homes on large lots. Prevailing zoning for these neighborhoods is R-1-8, specifying minimum lot sizes of 8,000 square feet. Elsewhere, particularly to the east in the short block between Tustin Street and the freeway, are primarily older apartment buildings, some of which exhibit rundown and crowded conditions. The mixed demographics of the trade area within one mile surrounding the property reflect these two divergent neighborhoods. In general, the area is slightly above average for the City of Orange population overall in terms of the percentage of home ownership, median household income and median home value levels. In the immediate subject neighborhood, recent home sales indicate typical properties to be 45 to 50 years old; containing from 2 to 4 bedrooms, with 2 to 3 baths; lot sizes of 8,500 to 10,000 square feet; with median sale price of \$470,000, about 13% more than for the city of Orange overall. Homes in the neighborhood are well cared for, and overall, the subject district is considered a desirable residential neighborhood. See Appendix A-1 for an aerial photo of the site and its surroundings.

## 2.5 ZONING

The subject land is zoned R-1-8, a single-family residential district with a minimum lot area of 8,000 square feet. This zoning classification is consistent with the nature of existing development within the residential neighborhoods surrounding the property. The General Plan land use designation for the site is PFI, Public Facilities and Institutions, providing for public, quasi-public and institutional land uses, including schools, colleges and universities, City and County facilities and hospitals. Housing related to an institutional use, such as dormitories, employee housing, assisted living, convalescent homes, and skilled nursing facilities, would also be in compliance with the General Plan land use designation.

The current R-1-8 zoning is inconsistent with the 2010 General Plan land use designation for PFI, Public Facilities and Institutions. The PFI land use designation provides for Public Facilities and Institutions, providing for public, quasi-public and institutional land uses, including schools, colleges and universities, City and County facilities and hospitals. Housing related to an institutional use, such as dormitories, employee housing, assisted living, convalescent homes, and skilled nursing facilities, would also be in compliance with the General Plan land use designation. This situation is experienced by many properties throughout the City, and is the focus of a consistency study just being started by the City of Orange Planning Department to reconcile such discrepancies. Since the first priorities of the study will be for mixed-use development zones and then the Old Towne district, it is expected to take some time before the process works its way to address the inconsistency with the subject property. If application for development of the property is made, a General Plan amendment would have to be processed to bring the General Plan in line with zoning allowing the particular use sought. In the case of R-1-8 zoning, the appropriate General Plan land use is likely to be LDR (low density residential) with target development of 2 to 6 dwelling units per acre. This land use designation currently applies to existing residential neighborhoods bordering to the west, north and south of the subject property, and throughout the extended neighborhood.

It should be noted that there are single family uses immediately adjacent to the site to the north at a slightly lower density of R10. This could impede the ability to obtain LDR zoning, as the case could be made that the new development should be compatible with this lower density. At the same time, there is a pattern of higher density residential uses (R3) to the south and east, behind the Tustin Boulevard commercial uses; thus, the case could be made that this use is as typical as the R8 or R10 use.

There may also be the possibility of developing the site at a higher residential density, for instance 10 to 15 DUs/acre as is typical in Orange County.

It will be the proposer's responsibility to develop a feasible and supportable zoning plan, and the District recognizes its legal obligation to join in any application as the fee owner of the land. At the same time, the District is sensitive to its role in the community and will require the developer to review carefully all such applications with the District and secure the District's consent prior to any public action.

## 2.6 LAND DESCRIPTION

**2.6.1 Location:** The subject site extends north and west from the northwest corner of Meats Avenue and Canal Street in Orange. Property address is 2190 North Canal Street, Orange, California. See Appendix A-2 for a parcel map.



**2.6.2 Shape/Land Area:** Shape of the land parcel is basically rectangular. Along the Meats Avenue frontage, three existing home parcels interrupt the continuous nature of the site, and realignment of the intersection of Canal Street and Meats Avenue results in a bulging irregular shape at this end of the property. Site area is approximately 852,469 square feet, or 19.57 acres, per Orange County Assessor's map.

**2.6.3 Utilities:** All customary public and private utilities are available and presently servicing the subject site.

**2.6.4 Streets:** The site has potential to take direct access from two streets. Interior tract layout for residential development could be aligned with other existing residential streets in the neighborhood. Meats Avenue is a primary access route for the neighboring residential district to Tustin Street, and provides a bridge point over the 55 Freeway to the communities of Villa Park and Anaheim Hills. The street is fully improved with asphalt paving; and concrete curb, gutters, and sidewalks. There are four lanes of travel. Canal Street is a local residential access street extending north of Meats Avenue. It also provides a means of access to parking lots on the back side of The Village at Orange shopping mall. This is a two-lane, paved neighborhood street with concrete curb, gutters and sidewalks along both sides. In its current usage, the property takes access only from Canal Street.

## **2.7 BUILDINGS AND IMPROVEMENTS**

The 19.57-acre site has been cleared of most of the previous permanent school structures. Other site improvements described are in use for the present sports and recreation facility. It is anticipated that the development proposal will require the demolition of all existing improvements. See Appendix A for site photographs. A description of existing improvements is provided in Appendix B.

### 3. TRANSACTION TERMS

The District will accept proposals only for development under an unsubordinated ground lease. Following are terms and conditions which should be incorporated in the proposals.

#### 3.1 RENT<sup>1</sup>

Proposals shall include both Minimum Rent and Percentage Rent. Proposers are invited but not required to include some mechanism by which the District can participate in the long-term appreciation of the site, possibly through participation in capital events.

3.1.1 **Minimum Rent:** Full Minimum Rent shall be set at 7% of the market value of land in the use proposed by the selected lessee; value shall be set by a letter appraisal commissioned by the District during the exclusive negotiation period. Since there may be interest in commercial development this appraisal shall explicitly consider all uses. Proposers may request partial relief from full Minimum Rent during construction and initial occupancy. In lieu of CPI adjustment or revaluation, this Minimum Rent shall be adjusted at regular intervals to be equal to 75% of the average of the prior three years' total annual rent payments, but in no event less than the prior Minimum Rent amount. Minimum Rent shall be payable monthly in advance.

3.1.2 **Percentage Rent:** Percentage Rent(s) shall be based on gross revenue by use, and shall be at least equal to market rate percentage ground rents for similar uses. Percentage Rent shall be based solely on revenues received by the lessee, and in no event shall there be any rental payments based on net income or net cash flow. Percentage Rents shall be paid to the extent that they exceed Minimum Rent for the same period. Percentage Rent(s) shall be payable monthly in advance based on estimated amounts, with an annual reconciliation within 90 days of the calendar year-end.

3.1.3 **Participation Rent:** Proposers are strongly urged to propose some form of Participation Rent that would allow the District to participate in the realization of land appreciation during the lease term. One possible approach to doing so would be participation in capital events including transfer and refinance. While this provision is not set as a requirement it is certainly relevant to the absence of a requirement to revalue the property for purposes of setting Minimum Rent during the term of the lease.

#### 3.2 ADDITIONAL LEASE TERMS

The following payment and review provisions will also be incorporated into the final lease document and proposers are invited but not required to include the following terms in their proposals as a prelude to more detailed negotiations during the term of the Exclusive Negotiating Agreement:

- Late payment penalties
- Security deposit
- Reserve fund for major capital investment
- Reserve fund for demolition at lease expiration

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<sup>1</sup> Although the rental terms set forth below represent firm targets for the District, the District will consider modifications to the terms shown if the proposer clearly demonstrates that any revised terms yield equivalent or greater revenue to the District with no increased risk.

- District rights for approval of transfer and financing
- Disclosure of beneficial ownership
- Maintenance standards and liquidated damages for failure to adhere to these standards
- General liability insurance coverage and periodic readjustment of insurance requirement

Proposers are invited to include other terms based on their prior experience with ground leases.

### **3.3 PROPOSER’S RESPONSIBILITIES**

The selected proposer will be responsible for payment of all costs and expenses in connection with the project including, but not limited to: costs associated with securing necessary entitlements and environmental documentation; ground clearing, site preparation and construction of new buildings; maintenance; underground utilities; insurance and taxes; permits and inspection fees; costs and mitigation fees associated with the development including school fees; and architectural, environmental, engineering and other related work. Proposer will be responsible for all brokerage fees, if any. The District will not pay any broker’s fees or finder’s fees.

The selected proposer will be required to:

- Select the necessary multi-disciplinary team;
- Coordinate the zone change process, subject to prior review and consent to all applications and communications by the District;
- Obtain all necessary entitlements and permits;
- Coordinate, manage and facilitate the review of the project by the City of Orange;
- Manage the work effort of the entire development team, the architect, the general contractor, and construction manager (if any) during construction;
- Market the project; and
- Subsequent to completion, manage the daily operations of the facilities in a professional manner to maintain high standards of operational quality, including contractual agreements with experienced operators if necessary to do so.

## **4. PROPOSAL REQUIREMENTS AND REVIEW PROCESS**

The proposer shall submit one original and four hard copies of a Proposal Package in 8.5” x 11” format, with one copy unbound for ease of reproduction. The complete Proposal Package shall also be submitted digitally (pdf format is acceptable for text; Excel is required for financial information, as indicated below). The inclusion of large-scale drawings and exhibits is discouraged; if included, these shall be limited to no more than three such pages in 11” x 17” format. All must be in 8½” x 11” format except for up to three 11” x 17” foldouts.

All proposals will have ten required sections and in the order as set forth as shown below. Please label each section and number all pages.

- SECTION 1 - LETTER OF INTENT
- SECTION 2 - DEVELOPMENT PROGRAM
- SECTION 3 - PROJECT TIMETABLE AND CRITICAL ENTITLEMENT ISSUES
- SECTION 4 - COST ESTIMATE<sup>2</sup>
- SECTION 5 - FINANCIAL PROPOSAL AND PROJECTIONS
- SECTION 6 - KEY DEVELOPMENT TEAM MEMBERS, PAST EXPERIENCE, AND FINANCIAL INFORMATION (ONE SET FOR EACH KEY MEMBER)
- SECTION 7 - STATEMENT OF FINANCIAL QUALIFICATIONS
- SECTION 8 - DISCLOSURE OF BENEFICIAL OWNERSHIP

### **4.1 SECTION 1 – LETTER OF INTENT**

This section shall include the proposal contact and responsible party information. Identify the lead proposing entity, and list the key team members (see Section 6). Set forth the scale of the development program and expected annual ground rent. Summarize the critical elements of expected project timeline. Any other critical information can be summarized in this section.

### **4.2 SECTION 2 – DEVELOPMENT PROGRAM**

This section shall include a narrative description of the architectural and land planning theme for the project. Identify the planned improvements including the number of buildings by use, the estimated square footage devoted to each building and use, the approximate building footprints, the proposed unit mix with average unit sizes, amenities, parking, and public uses, if any. Include a preliminary site plan. While a detailed completed site plan is not required at this time, a preliminary site plan is necessary to properly evaluate each proposal.

### **4.3 SECTION 3 – PROJECT TIMETABLE AND CRITICAL ENTITLEMENT ISSUES**

This section shall include a general development timetable showing the various planning and entitlement steps, construction duration, estimated starting period, and any phasing contemplated. As to acquiring the entitlements necessary for execution of the proposed development plan, please provide a narrative description of the issues

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<sup>2</sup> Both the cost estimate and financial projection forms provided relate primarily to multifamily residential development. Proposers who want the District to consider other primary uses, as distinguished from minor complementary uses, may adapt the format to better reflect the costs, revenues, and expenses of the alternative use but should retain the same summary measures of income and return.

the proposer has identified as critical. Also, please be sure that the timetable of approximate dates for obtaining these entitlements is realistic – in requesting both the narrative and timetable, the goal of the District is to assess the proposer’s understanding of the entitlement process rather than solicit an impossibly tight schedule for this process.

#### **4.4 SECTION 4 – COST ESTIMATE**

For each component of the proposed development, please include an estimate of development costs and a consolidated cost estimate. Please do not include detailed cost estimates at this time. The District is interested in the approximate cost as indicative of general levels of quality and amenities. The required cost estimate format is included in Appendix C, and can be downloaded from the District’s website.

#### **4.5 SECTION 5 – FINANCIAL PROPOSAL AND PROJECTIONS**

Provide a description of proposed lease terms including suggested Minimum and Percentage Rents for the entire project. Provide a preliminary operating pro forma for each product type included, with projections of revenue, expenses and District rents for the first 10 years of project operation. Also include a consolidated pro forma. This information must be submitted in the format specified in Appendix D, and can be downloaded from the District’s website. Proposers must use Microsoft Excel to create their financial projections. Projections must be submitted both in hard copy and in electronic format with all formulas preserved. While the District acknowledges that the format provided will not meet the exact needs of each proposer, proposers are urged to adapt their financial information to the formats provided, including generous use of footnotes or explanatory comments if needed. Any deviations not treated in notes or comments must be thoroughly explained and justified. Proposers are advised that any changes to the financial formats may impair the District’s ability to compare the proposal appropriately to other submissions.

#### **4.6 SECTION 6 – KEY DEVELOPMENT TEAM MEMBERS, PAST EXPERIENCE, AND FINANCIAL INFORMATION (ONE SET FOR EACH KEY MEMBER)**

Provide the following information for each key member of the development team. It is anticipated that key members would include the development entity, the architect and/or land planner, entitlements counsel, equity partner, and property management entity. Other team members such as civil engineer, traffic planner, or landscape architect, may be identified if the proposer believes that to do so would enhance his proposal, but there is no requirement to do so.

Specifically, provide the following information for each key team member:

- Firm name, location, website
- Project Manger and key participants for this project, with resumes
- History of relationship with lead entity
- Experience with developments similar in use and scale to the project proposed
- Experience with public entities, preferably public land owners
- Three similar projects with project name, location, size, use, approximate cost, date opened, ownership, financing structure, and references with phone numbers (use format in Appendix E).

#### **4.7 SECTION 7 – STATEMENT OF FINANCIAL QUALIFICATIONS**

Provide the following information for the lead team member:

- Is the developer a subsidiary of, or affiliated with, any other corporation, corporations, partnerships or firms? If so, please specify. If the developer is a subsidiary, please indicate the extent to which the parent entity will guarantee performance by the subsidiary;
- Names and addresses of three financial references, including a primary bank (for each such reference please provide the release form shown in Appendix F);
- Has the developer entity or its officers, principal members, shareholders or investors, or any of its parent, subsidiary or affiliated entities or other interested parties been adjudged bankrupt, either voluntary or involuntarily, within the past ten years? If so, explain; and
- Is there pending litigation against the developer entity or its officers, principal members, shareholders or investors, or any parent, subsidiary or affiliated entities or other interested parties other than minor personal injury suits involving claims under \$250,000? If so, explain.
- Audited financial statements for the previous three years for the proposed entity with whom the District will contract or, in the likely event that the contracting entity is a newly formed special purpose entity, the member or members of that entity who will be responsible for financial obligations and on whom the District should rely for financial performance whether or not the final formal documentation calls for guarantees.

Item(s) submitted should be sufficient to permit the District to determine the proposer’s financial capacity for undertaking the development project and operating the facilities. The proposer may wish to mark his financial statements, as “CONFIDENTIAL” or “PROPRIETARY.” As such, it will be treated as confidential by the District to the full extent permitted by law.

#### **4.8 SECTION 8 – DISCLOSURE OF BENEFICIAL OWNERSHIP**

The developer must indicate the names of all beneficial owners of 10% or more of the proposed lessee entity; corporate names will not suffice.

#### **4.9 SECTION 9 – OTHER REQUIRED FORMS**

Proposer must complete a Financial Information Release Authorization form as provided in the Appendix F.

#### **4.10 SUBMISSION LOCATION AND DEADLINE**

Responses must be submitted to the Orange Unified School District no later than 4:00 p.m. on April 30, 2012. The contact person for all matters regarding this RFP is:

Joe Sorrera, Assistant Superintendent, Business Services  
1401 North Handy Street  
Orange, California 92867  
(714) 628-4059  
Joes@orangeusd.org

A bidder's conference shall be held on Monday, March 5, 2012 at 10:00 a.m. in the District Education Center, Building H, at 1401 North Handy Street, Orange CA.

All correspondence regarding the RFP process must be in writing. No verbal questions shall be accepted after the bidder's conference. All questions and responses, including those addressed at the conference, shall be made available in writing to all proposers who attend the conference or who send written notification of interest.

#### **4.11 REQUIRED PAYMENTS**

All submissions must be accompanied by a cashier's check for \$50,000 payable to OUSD. All checks except that received from the successful proposer shall be returned upon the selection of the successful proposer. This amount is required to cover the District's costs to negotiate the ground lease, and \$25,000 shall be credited without interest against Minimum Rents due under the ground lease.

#### **4.12 EVALUATION COMMITTEE**

The evaluation of the proposal responses will be conducted by an "Evaluation Committee" selected by OUSD. The Evaluation Committee may include OUSD staff members, representatives of other public agencies and departments, and/or non-District personnel who may have demonstrated expertise.

The Evaluation Committee will rank and recommend proposals to the Superintendent who will, in turn, make his recommendations to the OUSD Board of Education. Neither the Superintendent nor the OUSD Board of Education is bound by the recommendations of the Evaluation Committee. The OUSD Board of Education has the ultimate authority and responsibility for the selection of a developer, if any, for proposed project.

#### **4.13 EVALUATION CRITERIA**

The District's evaluation criteria include but are not limited to: (1) revenue enhancement; (2) implementability; and (3) development team credentials and experience. The objective is to maximize potential District revenue within the limitations of the City's development envelope. Implementability means that the District must be satisfied that the responding development team can and will actually complete the development.

The District will include in its consideration the following elements:

- Proposer experience and reputation;
- Entitlement risk;
- Financial risk;
- Project quality;
- Design and construction capability;
- Project management capability;
- Property management capability; and
- Experience in public/private projects.

#### **4.14 EVALUATION PROCESS**

The initial review will compare all proposals for compliance with the submission requirements. Any proposals with significant omissions may be rejected and the proposers will be notified of their failure to comply with the requirements of the RFP process. The District reserves the right to request that proposers bring their submissions into compliance within a very short time period after notification.

A detailed, point-by-point comparison will be made of all complete proposals. Requests for clarification may be sent to certain proposer. Proposers may be asked to attend a preliminary interview by the Evaluation Committee.

Based on the evaluation criteria, the proposals will be rated by the Evaluation Committee. The Evaluation Committee may elect to choose several finalists who will be asked to an interview. The Evaluation Committee will recommend the selected proposer to the Superintendent, who will in turn make his recommendations to the OUSD Board of Education. One or more of the finalists may be requested to present their development proposals to the OUSD Board of Education.

At the June 7, 2012 OUSD Board of Education Meeting, to be held at 7:00 p.m. in the District Education Center, Building H, at 1401 North Handy Street, Orange, CA, the proposals which have been received will be examined and declared by the Board. One or more of the finalists may also be requested to present their development proposals at this meeting.

The final selection of the successful proposer will be made at a scheduled Board Meeting not less than 30 days or more than 60 days following the June 7, 2012 Board Meeting.

#### **4.15 CONDITIONS AND LIMITATIONS**

This RFP does not represent an offer or commitment by OUSD to enter into an agreement with a proposer or to pay any costs incurred in the preparation of a response to this request. The responses and any information made as part of the responses will not be returned to proposers. This RFP and the selected proposer's response to this RFP, may, by reference, become a part of any formal agreement between the proposer and the District resulting from this solicitation.

The proposer shall not collude in any manner or engage in any practices with any other proposer(s) that may restrict or eliminate competition or otherwise restrain trade. Violation of this instruction will cause the proposer's submittal to be rejected by the District. The prohibition is not intended to preclude joint ventures or subcontracts that are identified in the proposal.

All proposals submitted must be the original work product of the proposer. The copying, paraphrasing, or otherwise using of substantial portions of the work product of another proposer is not permitted. Failure to adhere to this instruction will cause the proposal to be rejected.

The District has sole discretion and reserves the right to reject any and all proposals received with respect to this Request for Proposals and to cancel the Request for Proposals at any time prior to entering into a formal lease agreement. It should be noted explicitly that there is no "bidding" process intended with this submission review process, and this invitation is not an offer by the District to enter into an agreement to negotiate or any other agreement, nor is a response by an interested party to be considered as an offer that may be accepted by the



District. Neither the District nor any respondent will be bound to any agreement unless that agreement is in writing and executed by both the interested party and an official authorized by OUSD.

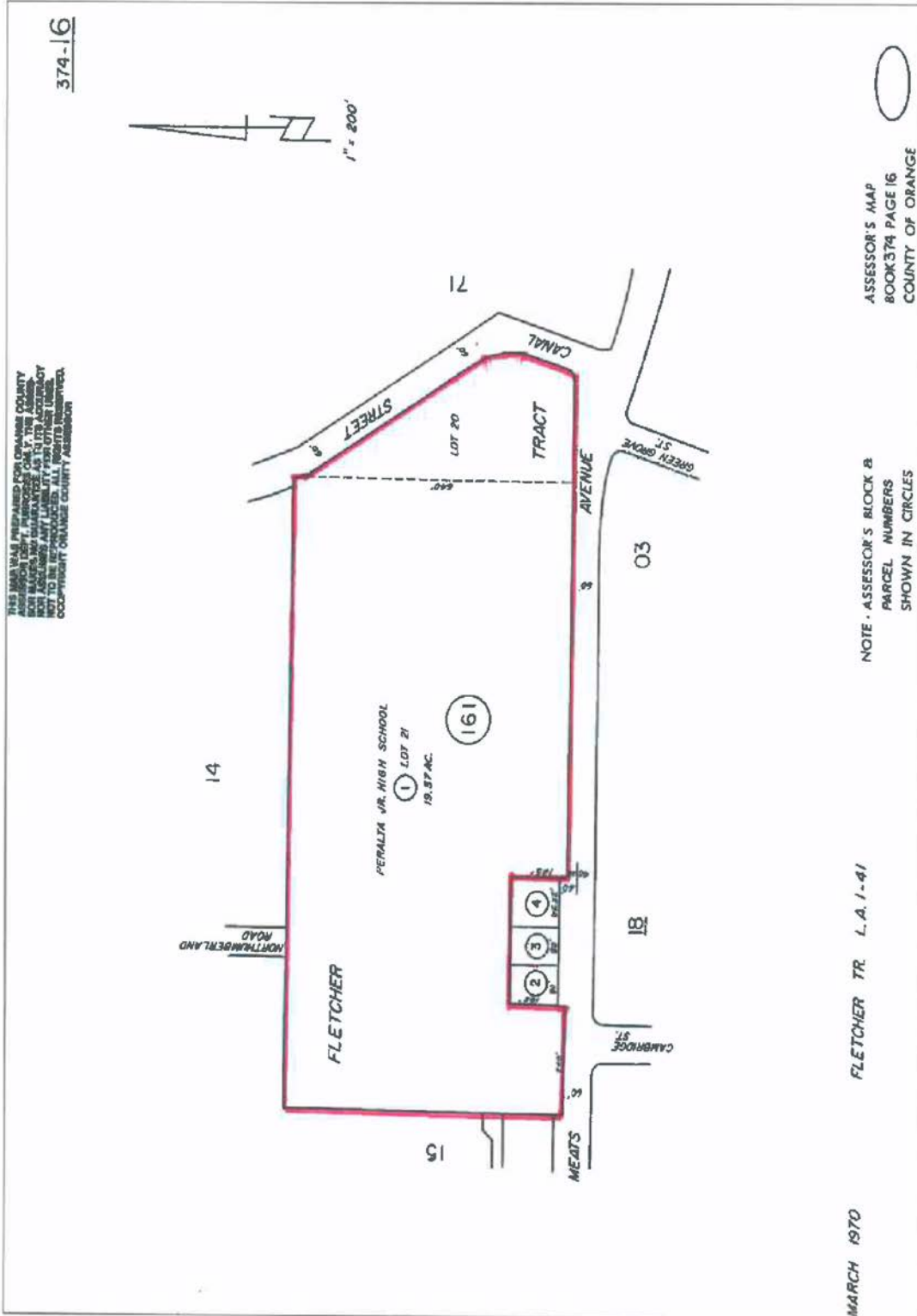
The District reserves the right to request clarification of the RFP or additional data without changing the terms of the RFP. The District reserves the right to reject any response or all responses, to terminate discussions and to select any party with whom to deal, whether or not that party has responded to this RFP. The District may entertain or make a proposal that may not conform to this RFP or the Term Sheet and may adopt terms or plans that may have been proposed by a party not selected. Decisions of the District may be based on subjective as well as objective evaluations.

# Appendix A-1 – Aerial Property Photograph



# APPENDIX A-2-PARCEL MAP

## PARCEL MAP



## Appendix B – Existing Improvements Description

**Building Area Summary:** A summary of permanent buildings follows:

Classroom Building H	6,729 square feet
Multi-Purpose Bldg G	10,920 square feet
Total Building Area	17,649 square feet

**Classroom Building H:** This is a wood frame building with masonry veneer siding. It was designed with 6 classrooms, two restrooms, mechanical equipment room and supplies room for the science classroom. Presently, it is used as a daycare center and has an enclosed play yard.

**Multi-Purpose Building G:** The gymnasium/multi-purpose room is a concrete-block structure, a portion of which has a high ceiling to accommodate the gymnasium. The building has a stage, kitchen, restrooms, and what was formerly the faculty dining room. Currently, the building houses office functions for administration of the recreational facility, a dance studio and gymnasium.

**Golf Driving Range and Pitching Course:** A majority of the west half of the parcel is planted in turf and is used as a golf driving range and golf pitching course. High netting outlines the perimeter of the driving range. A modular building has been brought in to serve as the pro shop.

**Tennis Courts:** There are two tennis courts used for private tennis lessons.

**Soccer Arenas and Model Car Race Course:** Two soccer arenas are used for practice and arena soccer league play. These hard surface courts have synthetic grass surface, low wall enclosures around the playing area, and grandstand viewing areas. An asphalt-paved area adjacent to the soccer areas is available for use as a miniature race track for model cars.

**Softball Diamond:** The southwest corner of the parcel, adjoining the far end of the golf driving range immediately west of the private homes fronting on Meats Avenue, is improved as a softball field. It has dirt infield, grass outfield, and customary fencing.

**Paving:** Concrete sidewalks link the various recreational facilities on the property. Three paved parking lots are positioned to conveniently service the daycare center, soccer areas, and the driving range and private elementary school.

**Property Condition:** As noted, most of the school buildings from previous use of the site have been removed, leaving only one classroom and the gymnasium. Physically, the structures, paving and landscaping are being well maintained and are in good condition.

## **Appendix C – Cost Estimate Format**

In reviewing proposals submitted in response to this RFP, District staff and consultants will prepare a comparison chart summarizing the proposals. This form and others are intended as an aid to the District in completing such a chart. Final wording in the comparison chart will be that of the District and its consultants.

The following worksheets are provided to illustrate the cost estimate format that respondents will be required to submit with their completed proposals. The District will provide a set of completed worksheets at the Proposer's Conference. Electronic versions of these forms will be available for download at the District's web site at:

<http://orangeusd.k12.ca.us>

Completed electronic files must be submitted to the District on disk as well as in hard copy format. Please note that the electronic versions must contain live formulas in the appropriate cells, not merely hard-coded values.

## **Appendix D – Financial Projection Format**

The following worksheets are provided to illustrate the financial projection format that respondents will be required to submit with their completed proposals. The District will provide a set of completed worksheets at the Proposer's Conference. Electronic versions of these forms will be available for download at the District's web site at:

<http://orangeusd.k12.ca.us>

Completed electronic files must be submitted to the District on disk as well as in hard copy format. Please note that the electronic versions must contain live formulas in the appropriate cells, not merely hard-coded values.

## **Appendix E: Comparable Project Format**

The following worksheets are provided to illustrate the comparable project format that respondents will be required to submit with their completed proposals. The District will provide a set of completed worksheets at the Proposer's Conference. Electronic versions of these forms will be available for download at the District's web site at:

<http://orangeusd.k12.ca.us>

Completed electronic files must be submitted to the District on disk as well as in hard copy format. Please note that the electronic versions must contain live formulas in the appropriate cells, not merely hard-coded values.

## **APPENDIX F – Financial Information Release Authorization**

Contact Person  
Financial Institution  
Address

Dear \_\_\_\_\_,

(Proposer's or appropriate name) has submitted a proposal to the Orange Unified School District to enter into a ground lease for the purpose of development of certain real property in Orange, California. As part of the screening process, the District may need to contact you about our banking relationship. I (we) authorize you to provide the District or its consultants with the information they require, with the understanding that all information provided will be kept confidential to the extent permitted by law.

Sincerely,

\_\_\_\_\_