



City of Daly City, California

Request for Developer Qualifications and Proposals

Hotel Development Opportunity Site

1837 Junipero Serra Blvd.

RFQ/P Issued – Friday, July 16, 2021

Deadline to Submit – Friday, August 27, 2021 by 5:00 PM PST

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DEADLINE FOR SUBMITTAL: Friday, August 27, 2021 at 5:00 PM PST



1. Introduction and Background

Overview of Site

The City of Daly City (“City”) invites experienced developers to submit qualifications and proposals for the development of the City-owned site (“Site”) described as follows.

Suited for Hotel: Development opportunity located at 1837 Junipero Serra Boulevard is approximately 1.26 acres of vacant land immediately adjacent to Daly City BART and the 280 freeway. The Site is comprised of one (1) parcel (APN: 002-292-310) and is bounded by an existing parking lot and BART tracks to the north, Junipero Serra Boulevard to the west, single family housing along Niantic Avenue to the east, and an existing parking structure to the south (please see Figure 2).

The City envisions that the Site be developed primarily as a hotel project (“Project”) in the context of transit-oriented development (TOD) with quality design as the final phase of the Pacific Plaza project (approved under PD-54 and DA and DDA in 1999) with the initial two phases (20-screen movie theatre, an initial office tower and two parking garages) built as part of Phase I and II. As entitled, the Project would consist of an approximately 10-story hotel with up to 300 rooms and up to 25,000 square feet of meeting and banquet space. The Site is designated Retail and Office Commercial pursuant to the City’s General Plan and is zoned PD-54 (Planned Development 54).

Located immediately south of San Francisco in San Mateo County, Daly City is a well-educated and relatively affluent community of approximately 109,000 residents with accessibility to the I-280 freeway. The population within 3 and 5 miles of the Site is approximately 266,000 and 674,000, respectively.

The City envisions development of the Site as an economic opportunity and an integral component of meeting a number of City goals including the creation of quality, living-wage jobs and support of economic development on Junipero Serra Boulevard.

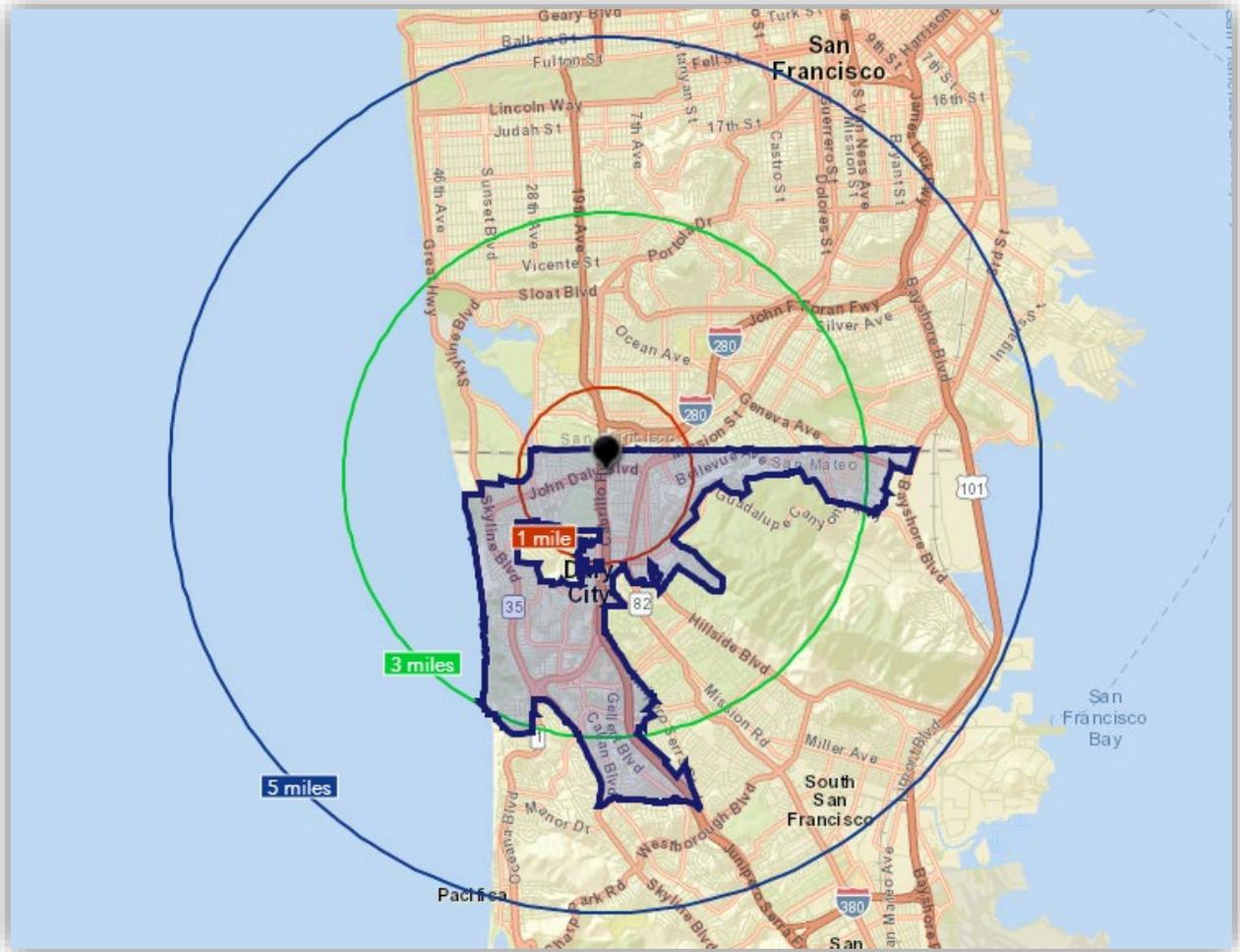
Overview of Development Considerations

The City desires that the selected developer take into account the following considerations:

1. Project should be consistent with the approved DDA in the context of TOD and appropriate phasing / mix of uses as appropriate. Variations from the approved 1999 project concept should be substantiated with market data, economic analysis, and/or other supporting information.
2. Project should involve and reflect community outreach, involvement, and input.
3. Project should serve as an attractive entry and gateway from the I-280 freeway and BART.
4. Project must exemplify attractive architecture and sustainable design and construction, as well as generate street-level activity. Shortlisted developers should meet directly with staff to exchange priorities and details about the expected design, quality, and mix of the Project as well as proposed offsite improvements that may impact this Project. These priorities will ultimately need to be considered in addition to the financial pro forma, valuation estimates, financial returns, and estimates of project fiscal impacts that serve as the basis for an eventual Letter of Intent (“LOI”).
5. Project should provide vehicle and pedestrian connectivity.
6. The Site is currently owned by the City (previously transferred from the Former Redevelopment Agency Successor Agency) and has been designated for future development as approved in the SA’s Long Range Property Management Plan.
7. Conveyance of the Site will be subject to receipt of all entitlements, permits, and evidence that construction financing is in place, which may be agreed upon in an approved DDA.

Copies of a Regional Map and Site Aerial are provided on the following pages.

Figure 1: Regional Map and Demographics



| 2020 | Radii | | | City of Daly City | County of San Mateo | State of CA |
|-----------------------|-----------|-----------|-----------|----------------------|------------------------|-------------|
| | 1 Mile | 3 Miles | 5 Miles | | | |
| Population | 53,968 | 266,477 | 674,493 | 108,767 | 746,752 | 39,648,525 |
| Households | 16,850 | 83,837 | 236,455 | 31,657 | 267,098 | 13,300,367 |
| Avg. HH income | \$105,619 | \$137,800 | \$159,052 | \$119,109 | \$174,617 | \$110,857 |



Figure 2: Site Aerial with Zoning Information



| Size | APN | Zoning |
|------------|-------------|---|
| 1.26 acres | 002-292-310 | Retail and Office (General Plan); PD-54 (Zoning) |

2. Submittal Requirements

Submittal Overview

The City reserves all rights to amend or modify this RFQ/P, reject all proposals, extend any dates, or extend the submittal deadline until responses are received.

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

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

Qualifications and Proposal Content

The City's top priority is to select a development partner to acquire the Site and design and build a development Project that will be synergistic and supportive of adjacent and other nearby land uses. The evaluation criteria will consider a prospective developer's experience in successfully working on projects of similar size, scope and quality, hotel industry relationships and financial wherewithal.

Respondents shall provide the information that follows in this Section. Once the Evaluation Committee has the opportunity to evaluate each response, some or all respondents may be invited to make specific Project presentations and/or be invited for personal interviews.

Respondents selected to advance to interviews will be notified via email. Based on interview results, next steps may include, but not be limited to, additional submittals, financial references, and a preliminary LOI which would include a detailed description / site plan of the proposed Project, purchase price and terms with supporting financials / proforma, and specific Project delivery and performance benchmarks.

For the Submittal, at a minimum, please include the following information:

1. **Letter of Interest / Proposal** – Include a summary of the respondent's basic qualifications, experience, past and current project experience of similar nature and size, and reasons for interest in this opportunity. The letter must be signed by a principal or



authorized officer including a statement that the officer may make legally binding commitments for the entity.

2. **Description of Potential Conceptual Project** – Include sufficient detail and definition as to proposed use, brand/flag, and/or concept to give City Council and Staff enough information to have an idea of what the final development could contain. Supporting market data, concept plan, and collateral materials are encouraged to provide support for the proposed Project.
3. **Team Members** – Identify members of the Project development team and provide a brief description of each team member’s role including the following:
 - Principals involved in the Project.
 - Resumes of key team members.
 - A description of team member’s proposed role and relevant experience with projects of similar nature and size and experience in and familiarity with development in Daly City or surrounding areas.
 - An organizational chart.
 - Designation of lead contact for the team.
4. **Relevant Project Experience** – A summary of current and previous experience of the team with regard to projects comparable both in size and uses. As appropriate, this information should include a project description, photos or site plans if available, land uses, dates completed, developer role, cost/value, financing sources, duration of development processes, role of current employees in the project, and existing status as to ownership of current developments, percentage owned since project completion, and volume sold. Additionally, please identify, and provide name and contact information, in connection with similar completed projects in the area that can be visited.
5. **Project Approach** – A high level summary of the team’s approach and anticipated timing related to planning, design, approvals, financing, phasing, development, construction, and operation. Provide examples of processes employed in other similar projects. The City’s preference for conveyance structure is a fee simple sale. The response should identify the type of conveyance structure(s) typically preferred by and/or acceptable to the respondent.
6. **Financial Data** – A summary of the potential developer/development entity’s capability to source the capital necessary to successfully fund and/or finance the proposed concept. Eventually, a description of the anticipated financing structure to be employed to finance the anticipated Project and specific evidence will need to be provided to support proof of the ability to fund a Project of this size.
7. **References** – An accurate list of no less than three references (name, title, entity, telephone number and contractual relationship to respondent) that may be contacted with



respect to current and past project experience. Additionally, please provide a reference list of, and contact information for, five to ten public sector elected officials and executive staff involved in the previous projects identified as examples of Relevant Project Experience.

8. **Litigation History with Public Agencies** – Provide information as to any litigation that any developer/development entity that comprises the overall team has had with public agencies over the last ten years.

Submittal Date

Please return RFQ/P responses for review by **Friday, August 27, 2021 at 5:00 p.m. Pacific Standard Time** to the contacts listed below. The City may continue to solicit qualifications and proposals beyond the above date if the City, in its respective sole determination, is not satisfied with the number and quality of submittals received.

Submittal Quantities and Contact

Please provide one (1) printed copy of the submittal and one (1) electronic version via email, on a thumb drive, CD, or DVD to:

Ken K. Hira, President
Kosmont Companies
1601 N. Sepulveda Blvd. #382
Manhattan Beach, CA 90266
khira@kosmont.com



3. Evaluation Criteria, Procedures, and Tentative Timeline

Evaluation Criteria

The following criteria will be used as the primary basis for evaluating developer responses:

- **Experience:** Does the developer team possess the experience to deliver the targeted development Project? (e.g., similar projects, nearby/similar markets, team member experience, hotel industry relationships, no litigation)
- **Concept:** Is there a clear Project concept provided and does it meet the City's vision? (e.g., proposed scale, quality and uses)
- **Financial Wherewithal:** Does the developer team demonstrate access to capital for proposed Project development including equity for initial architecture, engineering, consultants and other due diligence costs? (e.g., evidence of equity and debt financing for total Project costs, references)
- **Proposal Responsiveness:** Completeness, organization, timeliness, etc.

The order of presentation of the above criteria does not necessarily denote the specific importance of the same. Following in-person interviews, eventual selection of a preferred developer will be based on additional factors, such as LOI terms (e.g., financial structure, Site/Project valuation, initial financial pro forma), supportive market data, quality of design and development, fiscal impact to the City and other taxing entities, and as applicable, Site deliverables to be provided by the City. In its consideration of the response to this RFQ/P, the City may request additional information.

Award Procedures

1. City Staff will evaluate and rank responses to this RFQ/P based on which proposals best satisfy the objectives expressed by the City in this RFQ/P for recommendation to the City Council.
2. All respondents will be notified of evaluation results, particularly those firms that have been selected for in-person interviews. City Staff shall present the recommendations to the City Council. The City Council may conduct in-person interviews with developers before the final selection.
3. The City will pursue negotiations with the top-ranked respondent with the goal of entering into an Exclusive Negotiation Agreement ("ENA") and negotiating a mutually acceptable LOI within 90 days of selection. If a satisfactory ENA cannot be negotiated with that respondent, the City will formally end negotiations with that respondent and may pursue negotiations with the respondent that next best satisfies the objectives and goals expressed by this RFQ/P, as determined by the City, or in its sole and absolute discretion proceed on alternative basis, or terminate process.



4. The purpose of the ENA will be to negotiate a mutually acceptable binding Disposition and Development Agreement (DDA). Through the ENA process, the City will agree not to negotiate with any other developer regarding the Site.
5. The City reserves all rights to modify or terminate the selection process, go outside of the selection process to select a developer, or not select a developer at all. This RFQ/P and selection process does not constitute any type of offer and creates no contractual or other liability to the City. There is no guarantee that a sale will be consummated, or that any Project will be reviewed pursuant to this RFQ/P.

Tentative Timeline

- RFQ/P released Friday, July 16, 2021
- Responses to RFQ/P due on Friday, August 27, 2021
- City review of responses and invitations for interviews sent in September 2021
- Interviews expected to be held in September / October 2021
- City to consider ENA with preferred developer by November / December 2021



4. Additional Documentation and Contact Information

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

City of Daly City

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Daly City CA, 94015

Tatum Mothershead
Director of Economic
& Community Development
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Appendix:

Assessor Map:

