

**Council Meeting: March 19, 2013****SUBJECT: Discussion and Possible Action Regarding the Draft Request for Proposals for the Sale of the Raynor Activity Center****BACKGROUND**

With the declaration of Raynor Activity Center as surplus property for sale by City Council on May 18, 2012 (RTC 12-113), staff initiated the required 60-day public agency notification period to affordable housing sponsors, park districts and public school districts pursuant to California Government Code §54222, et. seq. on October 9, 2012 which concluded on December 11, 2012. The City received three expressions of interest - the Fremont Union High School District, Los Altos School District, and the Morgan Autism Center. The City determined that neither of the school districts qualified because the property is not within their district boundaries. The Morgan Autism Center requested that the City consider them as a public agency, but after review, the City determined that they are not a public agency.

In January 2013, the City hired CB Richard Ellis to provide real estate brokerage services (RTC 12-272) and offered the property for sale on the public market. CB Richard Ellis, recommended a two-step Request for Qualifications (RFQ) and Request for Proposals (RFP) process for offering the Raynor Activity Center to prospective buyers. Interested parties have been informed that proposed uses must conform to Public Facility zoning and that residential or commercial development proposals will not be considered. City Council is the final approval authority for the sale of this property.

EXISTING POLICY

Council Policy Manual 7.1.1, Fiscal—Long Range Goals and Financial Policies D.1.4: The purchase, sale or lease of real property where the purchase or sale price or lease cost is more than \$75,000, per the Sunnyvale Municipal Code, shall be approved by the City Council.

DISCUSSION

The City initiated the first step of sale process and released the RFQ on February 7, 2013. The City received seven responses, all of which proposed school use for the property. Staff determined one submittal did not qualify because the proposer did not respond fully to the information requested in the RFQ.

The next step in the sale process is to issue an RFP to those six RFQ respondents who qualified. CB Richard Ellis and staff have developed the attached draft RFP (Attachment A) and submit it to Council for review prior to release. With input from Council, staff will ensure that the RFP requires all necessary information from proposers for Council to make an informed decision regarding the RFP finalist and potential buyer.

FISCAL IMPACT

There is no fiscal impact in reviewing the draft Request for Proposals.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Approve the draft Request for Proposals for the Sale of the Raynor Activity Center as submitted.
2. Provide further direction to staff in preparing and finalizing the draft Request for Proposals for the Sale of the Raynor Activity Center.
3. Provide other direction to staff regarding the sale process.

RECOMMENDATION

Staff recommends alternative No. 1, Approve the draft Request for Proposals for the Sale of the Raynor Activity Center as submitted.

By approving the draft RFP as submitted, staff may initiate the next step in the sale process without delay.

Reviewed by:

Kent Steffens, Director, Public Works

Prepared by: Amy Fonseca, Administrative Analyst

Approved by:

Gary M. Luebbers
City Manager

Attachments

- A. Draft Request for Proposals for the Sale of the Raynor Activity Center



The City of Sunnyvale **DRAFT Request for Proposals**

for the sale of
Raynor Activity Center
1500 Partridge Avenue, Sunnyvale, CA
Surplus Property Purchase Opportunity

**Proposals Due 5:00 p.m. PST, April 12th,
2013**





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I. EXECUTIVE SUMMARY

On behalf of the City of Sunnyvale (“the City”), CBRE Group, Inc. has been retained as the City’s consultant in the implementation of a formal Request For Proposals for the sale of the Raynor Activity Center (the “Property”) located in Sunnyvale, California. This Request for Proposal (RFP) document describes the process that will be used to select a Purchaser of the Property.

The Property is located at 1500 Partridge Avenue in Sunnyvale and is bordered by Dunford Way on the North, Quail Avenue on the East, Inverness Way on the South and Partridge Avenue on the West. The Property consists of an older school facility (circa 1960) situated on a level, rectangular-shaped parcel. Educational and/or community uses are viewed as the highest and best use of the site, and for which the City is supportive provided that such uses and programming are consistent with the surrounding neighborhood.

This RFP is the second step in a two-step process. The first step was a submittal of qualifications as a pre-qualification process from which a list of qualified proposers was selected. Further details about the property and pre-qualification can be found in the RFQ document. Only those proposers who have completed the RFQ process and approval will be considered.

Goals and Objectives

For purposes of this RFP, the City’s objectives are as follows:

1. Obtain market value for the fee simple sale of the Raynor Activity Center,
2. Find a buyer who will invest in the site and upgrade the building structures,
3. Provide a public and economic benefit to the Sunnyvale Community.

Salient Property Data:

- 1500 Partridge Avenue, Sunnyvale, CA
- APN: Portions of # 313-24-03—approximately 3.45 acres, does not include Raynor Park (see Attachment A Preliminary Tentative Map)
- Approximately 34,000 square feet of usable space (22 classrooms in 8 buildings)
- Zoning: P-F (Public Facility)
- General Plan Designation: Parks

Site Description

Raynor Activity Center is located at 1500 Partridge Avenue, adjacent to Raynor Park in a residential area. The Center consists of 8 single story buildings, totaling approximately 34,000 square feet which were built circa 1962. Raynor Activity Center contains 22 classrooms, a playground area, multipurpose room and administration building. The buildings have a slab on grade foundation with wood framing or concrete masonry blocks, finished with paint and plaster. The finished roof material is built up roll roofing covered with aggregate-surfaced built up roofs. Exterior doors and windows are steel.



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The property will be sold in “as is” condition. The age of the buildings may indicate the potential presence of construction materials containing asbestos and/or lead but the City has no confirmed knowledge of any hazardous materials existing on the property.

Supplemental information on Raynor Activity Center is available at the following website: <https://www.cbremarketplace.com/listings/12403/default.aspx>. Architect drawings, a property condition assessment, a Phase I Environmental Report, and other reports are available on the site. See Attachment C for a full list of documents available.

Deposit

All proposers must submit a **cashier’s check** payable to the City of Sunnyvale in the amount of Fifty Thousand Dollars (\$50,000). Deposits will be returned to unsuccessful proposers upon selection of the finalist. Upon execution of an Exclusive Purchase and Sale Agreement (PSA), the selected proposer’s initial Fifty Thousand Dollar (\$50,000) deposit will be deemed non-refundable. The successful proposer’s deposit will be applied toward the purchase price (see page 6 for details).

Permitted Uses

Residential and commercial development will not be considered for this site. Uses that are allowed in the P-F zoning district and are compatible with the community uses identified in this RFP, will be considered. Generally, this may include such uses as private schools, day care providers, medical, recreational, athletic facilities, places of assembly uses (e.g. religious institutions or social organizations). Highest and best uses are those that make good use of and improve upon the site, benefit the community, and are compatible with the neighborhood.

All private uses in the P-F zoning district will require a use permit. The complete list of uses which may be considered under P-F zoning as described in the municipal code, other than residential, are available on the City of Sunnyvale website at:

<http://sunnyvale.ca.gov/Departments/CommunityDevelopment/NonResidentialInformation.aspx>.

Planning & Entitlement

A staff-level Preliminary Review (PR) application is highly encouraged. The PR process allows staff to advise the applicant of requirements and issues that may impact the proposed use of the property and/or redevelopment before submitting a formal application for land use entitlements. In addition, a more precise determination of procedures and fees is made. The PR process generally takes two to four weeks and the fee is \$341.50. At a minimum, an application (see City of Sunnyvale website above), project description letter and nine copies of conceptual plans must be submitted.

If it is determined that a Use Permit (UP) is required, which will be likely for most uses under consideration, a formal application may be submitted. Environmental review is also conducted during the UP process. The UP process generally takes six months and involves a public hearing which neighboring residents may attend. The intensity of the proposed use or development and level of environmental review will dictate if the Zoning Administrator or Planning Commission will be the decision-making body on the UP. Conditions may be placed on the property or use to enhance the project and/or reduce effects on surrounding properties. UP and environmental review fees generally range from approximately \$1,500 to \$9,000.



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Questions, Correspondence, and Deadlines

All questions regarding the acquisition opportunity or selection process must be delivered, faxed, or emailed by March 29th, 2013. Responses to questions will be sent to all RFP recipients by April 5th, 2013. Questions should be directed to the City's consultant and contact person:

Bruce M. Paris
First Vice President
CBRE Group, Inc.
950 Tower Lane, Suite 870
Foster City, CA 94404
T 650 577 2933 | F 650 577 2980
bruce.paris@cbre.com

The RFP schedule is listed below for your reference, but is subject to change at the discretion of the City:

March 22, 2013	RFP issued to qualified proposers
March 29, 2013	RFP questions and request for clarifications due
April 5, 2013	Response to RFP questions and clarifications
April 12, 2013	RFP responses due
Late April, 2013	Clarification and follow-up of proposal terms and ranking
Early May, 2013	Finalist selection



II. SELECTION PROCESS

EVALUATION OF PROPOSALS

Each proposal will be evaluated on the following:

1. Purchase price and terms proposed and contingencies
2. Capacity and intent to close the transaction expeditiously
3. Qualifications and expertise of Proposer and its team
4. Compatibility of the proposed use with the City's objectives for the Property, including intensity of use, quality, and impacts, and public benefit to the Sunnyvale community
5. Overall quality of response

A short list of respondents may be invited to clarify the terms of their proposals. The most favorable proposal will be recommended to the City Council.

CITY COUNCIL'S DECISION

Council will determine the finalist and authorize staff to enter into good-faith negotiations to finalize a purchase agreement.

City Council retains the final authority to approve any purchase agreement. Until the purchase agreement is executed, the City retains its rights to reject any and all proposals, to waive irregularities in the process and to withdraw any and all of the described real property from the market (see full list of reserved rights on page 12).

Selection for Exclusive Negotiations

Upon City Council approval of the RFP finalist, the City shall award the right to exclusively negotiate for a period of 30 days. Upon execution of the Exclusive Purchase and Sale Agreement (PSA), the selected Proposer's initial Fifty Thousand Dollar (\$50,000) deposit will be deemed non-refundable. Proposer shall have 45 days to conduct due diligence regarding the condition of the property. Proposer shall remove any contingencies on the property within 45 days and shall submit additional Fifty Thousand Dollar (\$50,000) non-refundable deposit. Then the Proposer shall have a reasonable amount of time (up to six months) to procure a Conditional Use Permit (CUP). Close of escrow shall occur 15 days following the receipt of a CUP. These terms are subject to change upon mutual agreement. Upon close of escrow, all deposits will be applied to the final purchase price.

If the City and the selected Proposer are unable to reach agreement on the PSA during the exclusive negotiating period, the City may, in its sole discretion, terminate further negotiations and select another Proposer.

The City wishes to close escrow as soon as possible.



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NO COMMISSIONS

This RFP is made directly to interested buyers. The City will not pay a real estate commission to the buyer's broker. If the respondent desires to use the services of a broker, that respondent should make separate arrangements for compensating said broker.

SITE TOURS

If desired, interested proposers can contact the City Property Administrator, Amy Fonseca, at 408-730-7416 to schedule a tour of the property.

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III. SUBMITTAL COMPONENTS

The following components will be required in your proposal. Please provide clear and concise responses to all of the information requested in the format listed below below:

A. Transmittal Letter

The following information is requested in a transmittal letter:

- Acquisition summary, including narrative of proposed project;
- Proposed site use through full-build out;
- Project timetable;
- Purchase price and contingencies;
- Identify name(s) of negotiator(s).

B. Purchase Offer Summary Sheet

Complete the Purchase Offer Summary Sheet included as Attachment B.

C. Company Information

- Name, address, phone and fax numbers, etc. for the lead Purchasing Entity Legal structure of lead Purchasing Entity (e.g., corporation, joint venture, limited partnership, etc.) and date of legal establishment;
- Name, title, address, telephone number, fax number, and e-mail address of the person designated as the primary contact for the Purchasing Entity;
- Names and relationships of all companies and/or entities included in the submittal (e.g., affiliates, consultants, operators, investors, etc.) and a description of relationship.

D. Description of Business

Provide a description of your business and relevant experience, including relevant entities, partners, and vendors. Please include the following:

- Present and past facilities name and location;
- Facility type (i.e., school, religious entity, community service, etc.);
- Operational magnitude in terms of square footage, number of employees, students, etc;
- A description of each component (i.e., age group, curriculum, programs, etc.);



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- Current facility and/or program photos (if available);
- Current status of the facility;
- Community support for past and/or present facilities.

E. Operational Concept

Please describe in definitive narrative form, with supporting materials as needed, your proposed operational concept for the Property. Include physical changes to the buildings, site plans, and any illustrations. In addition, provide the following details:

- Indicate the location and approximate square footage of each use;
- Timetable of activities on-site;
- Proposed physical improvements, renovations, additions, and demolitions;
- An estimated construction schedule, including all predevelopment activities, and any phasing plans;
- Parking requirements.

F. Construction and Contractors

Identify all the consultants who will be involved in the project (e.g., architect, general contractor, etc.). Also, provide the following information, where applicable, for each development team entity:

- Description of core business activities;
- Number of years in business;
- Number of employees;
- A description of the roles of key team members and examples of past projects.

If the entity is a joint venture, please provide complete information on each partner and a description of prior and current working relationships.

G. Demonstration of Financial Capacity and Related Information

Provide the following and any other relevant information to demonstrate the financial capacity to undertake and complete the proposed Purchaser of the Property in a timely manner:

- Provide a complete statement of how you plan to purchase this property. Provide all sources of debt and equity, including investors and amounts;
- Lender pre-approval letters;
- Financial statements for the previous three fiscal years for the Proposer's team members. Certified statements are preferred;



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- Financial statements for the previous three (3) fiscal years. Certified statements are preferred;
- Most recent annual report(s), (if applicable);
- List of any current non-performing or loan defaults in the past five years;
- Description of any instances in which a member of the Proposer or any named individual has been involved in litigation or other legal dispute during the past five years. Include information regarding the outcome of the litigation or dispute;
- Information about instances in which any member of the Proposer or any named individual has ever filed for bankruptcy or had property lost to foreclosure or deed in lieu of foreclosure.

If included, this financial information should be submitted separately and labeled “Confidential.” The City and its outside real estate consultant will review the materials and return them to the respondent. These materials will be used solely for purposes of evaluation under the RFP and will be treated as confidential, to the extent permissible by law.

H. References

Please submit references with sufficient information to ensure easy contact. This should include company/organization names, titles, telephone numbers, and e-mail addresses for individuals who can provide information related to the following items:

Financial Sources: Identify at least three (3) contacts that have provided the Proposer with debt or equity financing likely to be required for the proposed project.

General: Provide the names of up to two (2) other contacts that could provide information about the experience and capability of Proposer and team members.

I. Proposer Declaration

Each proposal must include a signed copy of the Proposer Declaration below:

I, the undersigned Proposer, declare that I have carefully reviewed the Raynor Activity Center Request for Proposals and these Proposer Instructions. I have satisfied myself as to the nature and location of the Property, and have fully informed myself as to all conditions and matters which may in any way affect the purchase price of the property. I further declare that I have conducted an independent investigation, inspection, and analysis of the property and I am not relying in any way upon any information provided by the City. I declare that this Proposal is genuine and not collusive.

Executed this ____ day of ____ at _____, California

Signature of Bidder



J. Optional Supplemental Materials

Please include any additional supplemental materials in this section, such as brochures, marketing materials, letters of support, etc.

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IV. SUBMISSION OF PROPOSALS

Respondents shall submit proposals (seven (7) bound and one (1) unbound copies) to:

Bruce M. Paris
First Vice President
CBRE Group, Inc.
950 Tower Lane, Suite 870
Foster City, CA 94404
T 650 577 2933 | F 650 577 2980
bruce.paris@cbre.com

All proposals must be received at the above address no later than April 12th, 2013 at 5:00 p.m. Proposer shall be responsible for the timely delivery of proposal. Proposals received after the deadline for receipt of proposals shall not be accepted and shall be returned to the Proposer unopened unless opening is required for identification purposes. Individual submittals, except for the financial information submitted separately and labeled as "Confidential" materials, will not be returned.

In addition, all proposers must submit a **cashier's check** payable to the City of Sunnyvale in the amount of Fifty Thousand Dollars (\$50,000). Deposits will be returned to unsuccessful proposers upon selection of the finalist. The successful Proposer's deposit will be applied toward the purchase price (see page 6 for details).

Rights Reserved by the City

Until the purchase and sales agreement is executed, the City retains its rights to:

1. Reject any and all proposals;
2. Reject conditional or incomplete proposals or any proposal containing alterations of form or additions not called for, or irregularities of any kind;
3. Determine which proposal, if any, is best for the City;
4. Waive any irregularity in any proposal;
5. Withdraw any and all of the described real property from the market.

The Sunnyvale City Council retains the authority to approve the final purchase and sales agreement. The issuance of this RFP, does not commit the City to select any proposer, to pay any costs incurred in the preparation of a response to the RFP, to award any contract or rights, or take any further actions with regard to the sale of the Property.

Information Disclaimer

The information contained herein is in summary form. It is believed to be accurate. However, no warranties are expressed or implied. Interested parties should familiarize themselves with the property and the zoning information.



V. DISCLAIMER

CBRE Group, Inc., Inc., a Delaware Corporation has been retained as exclusive consultant by the City of Sunnyvale regarding the sale of The Raynor Activity Center pursuant to its disposition of surplus real estate.

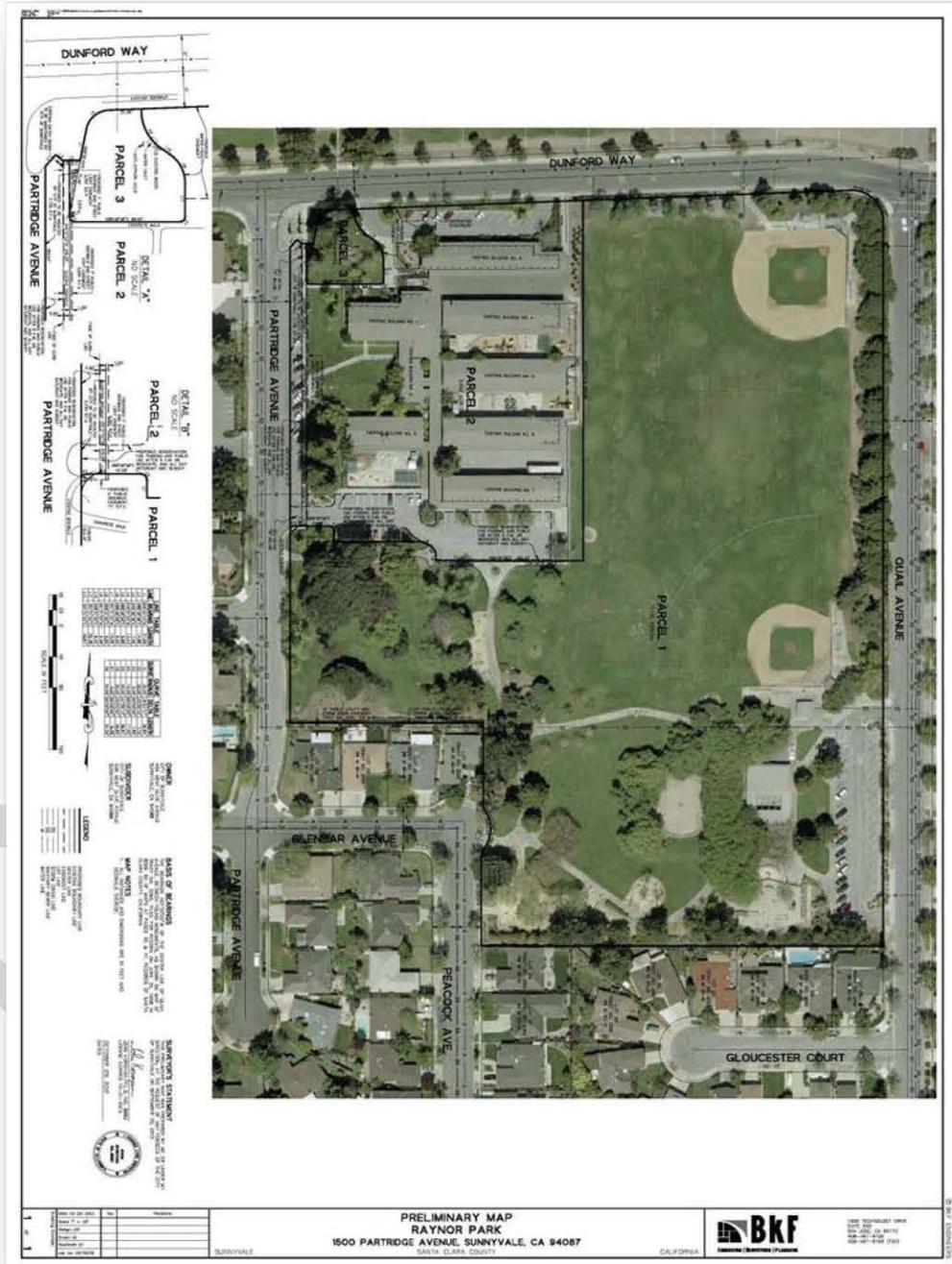
This Request for Proposals (RFP) has been prepared by CBRE Group, Inc. and the City for the purpose of receiving purchase proposals from prospective Proposers and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information that prospective Proposers may need or desire. All materials and/or information available as part of this RFP have been developed by CBRE Group, Inc., the City and third party consultants and designated sources. No representation is made by CBRE Group, Inc. or the City as to the accuracy or completeness of the information contained herein, and nothing contained herein is or available as part of this RFP, or shall be relied on as, a promise or representation as to the current condition or future performance of the Property. Although the information contained herein is believed to be correct, CBRE Group, Inc., the City and its employees, disclaim any responsibility for inaccuracies and expect prospective Proposers to exercise independent due diligence in verifying all such information. Further, CBRE Group, Inc., the City and its employees, disclaim any and all liability for representations and warranties, expressed and implied, contained in, or for omissions from, the RFP documents or any other written or oral communication transmitted or made available to the recipient. The RFP does not constitute a representation that there has been no change in the Property since the date of preparation of the RFP. Analysis and verification of the information contained in the RFP is solely the responsibility of the prospective Proposer.

The City expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or proposals regarding the Property and/or terminate discussions with any entity at any time without notice or cause and shall have no legal commitment or obligations to any entity reviewing the RFP or submitting a proposal to purchase the Property unless and until such proposal is approved by the City, a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the City and its legal counsel, and any conditions to the City's obligations there under have been satisfied or waived. YOU AGREE YOU ARE RESPONSIBLE FOR ALL COSTS YOU MAY INCUR RESPONDING TO THIS REQUEST FOR PROPOSAL AND THAT NEITHER YOU NOR YOUR AGENTS HAVE RELIED ON ANY PREVIOUS DISCUSSIONS OR CORRESPONDENCE WITH THE CITY OR CBRE GROUP, INC. IN MAKING DECISIONS REGARDING USE OF THE PROPERTY.



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ATTACHMENT A—BKF CIVIC ENGINEERS, SURVEY AND PRELIMINARY MAP





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ATTACHMENT B—PURCHASE OFFER SUMMARY FORM

FOR THE PURCHASE OF REAL PROPERTY FROM THE CITY OF SUNNYVALE, THE SUBJECT PROPERTY DESCRIBED AS: THE RAYNOR ACTIVITY CENTER

BUYER	
Name of BUYER [Company or Individual]	
Name of Contact Person	
Contact's Title	
Street Address	
City, State and Zip Code	
Telephone Number	
FAX Number	
e-mail Address	
TOTAL PURCHASE PRICE	\$

Brief Description of Proposed Use:

Summary of Proposed Terms (including parking):



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[Please check one of the following two boxes and fill-in the related information:]

- This is **an all cash non-contingent offer [purchase “As Is”], consisting of a FIFTY THOUSAND DOLLARS (\$50,000) Deposit** paid with this purchase offer form which shall be credited towards the total purchase price. The purchase price, minus the deposit, to be paid into escrow not more than seven (7) calendar days following City Council approval of sale.

TOTAL PURCHASE PRICE: \$ _____
 _____ DOLLARS (\$ _____)

- This is **a contingent offer, all cash consisting of a FIFTY THOUSAND DOLLARS (\$50,000) Deposit** paid with this purchase offer form. The remaining balance of the purchase price, minus the deposit, shall be paid into escrow not less than _____ (_____) calendar days following BUYER’s approval of satisfactory compliance/completion of all contingencies as listed below:

TOTAL PURCHASE PRICE: \$ _____
 _____ DOLLARS (\$ _____)

CONTINGENCIES:

1. _____
2. _____
3. _____
4. _____
5. _____



ATTACHMENT C—LIST OF SUPPLEMENTAL DOCUMENTS ON LISTING WEBSITE

More background information about the Property and copies of the following documents are available at the following website or can be provided in hard copy form upon request to Bruce Paris at CBRE.

<https://www.cbremarketplace.com/listings/12403/default.aspx>

- AEI Property Condition Assessment
- Existing Improvements “As Built” Drawings
- Child Care - Facility Standards
- Commercial Use Zoning Standards
- General Plan Executive Summary
- Parking Guidelines
- Parking Standards
- PF Zoning and Related Ordinances
- Raynor Activity Center Floor Plans
- Raynor Activity Center RFQ Questions and Responses
- Raynor Bldg Drawings
- Raynor Phase I Environmental Report
- Sunnyvale Resident Guide 2010
- Transportation Analyses