



**CITY OF SAN DIEGO
ECONOMIC DEVELOPMENT DEPARTMENT
1200 Third Avenue, Suite 1400
San Diego, CA 92101-4195**

**SUPPLEMENTAL INFORMATION REQUEST
(COVER SHEET)**

Subject: Notice of Availability/Offer to Sell Surplus Property:
7th and Market, San Diego, CA (APN 535-112-12)

Issue Date: May 5, 2023

**Last Date to Submit
Questions** June 5, 2023 at 5:00 p.m. P.S.T.

City Contact: Michael Wong, Program Manager
Phone: (619) 236-6408
Email: SDBusiness@sandiego.gov

Due Date: **July 5, 2023 at 5:00 p.m. P.S.T.**
(Please Attach Response to Letter of Interest)

INTRODUCTION

The City of San Diego (City) is requesting supplemental information from interested parties (hereinafter referred to as “Proposer(s)”) for the acquisition, development and use of the City-owned property at 7th and Market (APN 5345-112-12) in the East Village Neighborhood of Downtown San Diego (“Property”) as referenced below and within the attached Site Map (Appendix A). The City is seeking additional information to assist in evaluating Proposers, and their development concepts, for compliance with the NOA, the Surplus Land Act, and the City’s interests, including meeting its reasonable development conditions, to determine which Proposer(s) the City will seek to engage in good faith negotiations. Should the City agree to terms with a specific Proposer, the parties shall seek to negotiate a Disposition and Development Agreement (“DDA”), subject to approval by the San Diego City Council.

BACKGROUND

The Property is located in the East Village Neighborhood of Downtown San Diego, and consists of approximately 55,000 square feet (1.26 ac.). The Property is currently in use as a public surface parking lot. The balance of the block is comprised of the Clermont Hotel, a privately owned, 53 –unit single room occupancy hotel, on a 5,000 square foot parcel.

The Property is subject to the provisions of the Centre City Planned District Ordinance where it is designated under the Employment/Residential Mixed-Use category (CCPD-ER). This district provides synergies between educational institutions and residential neighborhoods, or transition between the Core District and residential neighborhoods. A variety of uses are permitted in this district, including office, residential, hotel, research and development, educational, and medical facilities.

As stated in the Notice of Availability, the Property represents a prime development opportunity in the heart of Downtown. As such, the City seeks a development that will maximize the development potential of the site while providing the greatest financial return to the City. Any proposed project must include a residential component, with a minimum 25% of the residential units affordable to lower income households at affordable rents for not less than 55 years. Net proceeds from the sale of the Property will be deposited into the City’s Low and Moderate Income Housing Asset Fund to be used to facilitate the construction of additional affordable housing.

The property will be sold “as is” with no warranties – written, implied or expressed – by the City and its agents or employees. Any future developer of the property will be solely responsible for obtaining all permits, land use approvals, and environmental clearances necessary to complete their proposed project(s).

For additional information about the City of San Diego’s planning, zoning and/or building regulations, please visit:

<https://sandiego.maps.arcgis.com/apps/instant/sidebar/index.html?appid=75f6a5d68aee481f8ff48240bcaa1239>

The developer selected will need to meet all City and other applicable local, state, and federal

requirements.

QUALIFICATIONS REQUIREMENTS

The selected developer shall demonstrate the experience and resources needed to design and develop a successful, high-quality sustainable project. Prior experience in developing similar projects in terms of size, scope, and complexity will be critical elements in evaluating qualifications. Current financial capacity or access to funding sources and the ability to complete the project in a timely manner will also be important factors in considering the most qualified respondents.

Information that is concise, professional, and complete will help the City identify the most qualified developer or development team and will be indicative of the level of the developer's commitment to the project.

SUBMITTAL REQUIREMENTS

Information must be provided in a BRIEF AND CONCISE format. Only information requested should be submitted. The City reserves the right to request additional information.

1. SIR Response

Proposer shall submit a "SIR Response" executed by an authorized representative and attached to Proposer's Letter of Interest.

2. Developer or Development Team Qualifications/Experience

Identify the primary developer and all members of the development team, including the project lead for day-to-day management of the project and consultants who will be responsible for implementing the project (name of individual, firm address, email address and telephone number). Outline the qualifications and experience that demonstrate the team's ability to execute the proposed project concept and the experience and financial capability of the team to successfully plan, design, obtain approval and construct the proposed project concept.

3. Project Concept Summary

Please provide a brief narrative outlining your proposed development concept, including the following (3 page maximum):

- Overview of the proposed development concept for the Site
 - (High-rise, mid-rise, residential, mixed-use, office, other, approximate square footage)

- Describe proposed Residential Uses
 - Total units _____
 - Affordable Units _____
 - Affordability Levels _____

- ____ units @ ____ % Area Median Income (“AMI”)
 - ____ units @ ____ % AMI
 - ____ units @ ____ % AMI
- Describe proposed Street Level Retail/Commercial Uses
 - Approximate square feet _____
 - Types/examples of intended commercial/retail uses:

 - Describe Other proposed uses
 - Type/example of proposed use:

 - _____
 - Schedule – outline proposed development schedule
 - Anticipated Financing Sources
 - Outline anticipated financing sources and current relationships with lending institutions or other funding sources that will contribute to the feasibility of the proposed project concept.

4. Pro Forma and Purchase Price

At this time, the City is not requesting submission of a development proforma nor is it asking for your proposed Purchase Price. This information will be requested once the City determines which Proposer(s) it intends to enter into further negotiations.

ENVIRONMENTAL

Previous environmental studies indicate that the 7th & Market Site’s soil and ground water are impacted with petroleum hydrocarbons from historic gas station operations on the site. The soil also is likely impacted with elevated levels of metals. In 2010, remediation activities were completed on a portion of the site. Additional remediation work likely would be required for the remainder of the site as part of a future redevelopment effort. Ultimately, the selected developer will be responsible to perform and pay for all environmental remediation necessary to implement the development project.

PREVAILING WAGES

If in its proposal, and/or during negotiations, a Proposer seeks any of the following: (1) the payment of money or the equivalent of money from the City directly to or on behalf of the Proposer; (2) transfer from the City of an asset of value for less than fair market price; (3) the payment, reduction, to be charged at less than fair market value, waiver or forgiveness of fees, costs, rents, insurance or bond premiums, loans, interest rates, or other obligations that would normally be required in the execution of the Sale; and (4) money loaned by the City that is to be repaid on a contingent basis is subject to State prevailing wage laws.

PROPOSAL SUBMISSION

- Due Date.
 - a) Proposals must be received at the address listed below no later than 5:00 p.m. as set forth in the Supplemental Information Request (SIR) Cover Sheet.
 - b) The delivery of the proposal to the City prior to the deadline is solely and strictly the responsibility of the Proposer(s). The City will in no way be responsible for delays caused by the United States Postal Service or for delays caused by any other occurrence. Proposals received after the due date will not be considered.

- Place of Delivery.
 - a) All proposals should be emailed or delivered to :

Michael Wong, Program Manager
SDBusiness@sandiego.gov

Or

City of San Diego
Economic Development Department
1200 Third Avenue, Suite 1400
San Diego, CA 92101
Attn: Michael Wong, Program Manager

QUESTIONS AND COMMENTS

Written questions and comments must be electronically mailed (e-mailed) to the City Contact no later than the date specified on the Supplemental Information Request (SIR) Cover Sheet. Only written communications relative to the SIR shall be considered. E-mail is the only acceptable method for submission of questions. It is incumbent upon Proposers to verify that the City has received their questions and/or comments. All responses to questions will be posted on the City's website at (<https://www.sandiego.gov/economic-development/successor/noasl>) as an Addendum. The City will distribute questions and answers, without identification of the inquirer(s), to all Proposers who are on record as having received this SIR. No oral communications can be relied upon for this SIR. Addenda will be issued addressing questions or comments that are determined by the City to cause a change to any part of this SIR. It is the responsibility of the Proposer to check the City's website for an Addendum to this SIR and to review it, if any.

PROPOSAL EVALUATION AND SELECTION

The City reserves the right to select the proposal that will provide the most affordable housing and best value to the City given the requirements of this SIR. The City reserves the right, based upon its deliberations and in its opinion, to accept or reject any or all proposals

at any time, including any proposals that have been scored or been the subject of oral presentations and/or interviews. The City also reserves the right to waive minor irregularities or variations to the specifications stated herein and in the solicitation process provided that such a waiver does not provide an unfair competitive advantage to the Selected Proposer.

The City has the right to accept the proposal that serves the best interest of the City, as submitted, without discussion or negotiation. Proposers should, therefore, not rely on having a chance to discuss, negotiate, and adjust their proposals. The City may negotiate the terms of the sale with the Selected Proposer based on the SIR and the Proposer's proposal

Selection of the proposal to be recommended to the City Council for award of the sale will be based on the evaluation criteria listed below:

1. Affordable Housing

The extent to which the proposal provides the most affordable housing units per Surplus Lands Act guidelines:

Entities that agree to use the site for affordable housing that meets the requirements of Government Code Section 54222.5, described as follows:

- (i) Not less than 25 percent of the total number of units developed (which number includes density bonus units) shall be affordable housing as defined by Section 102(a) of these Guidelines.
- (ii) If more than one entity proposes the same number of units that meet the requirements of Government Code Section 54222.5, priority shall be given to the entity that proposes the deepest average level of affordability for the affordable units.

INCURRED COSTS

Each Proposer is solely and fully responsible for any and all costs associated with submitting a response to this SIR. The City will not be responsible for any costs incurred by Proposers in the preparation and submission of proposals.

PUBLIC RECORDS

All proposals, and all contents thereof, received shall be considered confidential until the City's Economic Development Department recommends a proposal to the City Council. By signing this SIR and submitting a proposal, the Proposer acknowledges that any information submitted in response to this SIR is a public

record subject to disclosure unless the City determines that a specific exemption in the California Public Records Act ("CPRA") applies. If the Proposer submits information clearly marked confidential or proprietary, the City may protect such information and treat it with confidentiality to the extent permitted by law. However, it will be the responsibility of the Proposer to provide to the City the specific legal grounds on which the City can rely in withholding information requested under the CPRA should the City choose to withhold such information. General references to sections of the CPRA will not suffice. Rather, the Proposer must provide a specific and detailed legal basis, including applicable case law, which clearly establishes the requested information is exempt from the disclosure under the CPRA. If the Proposer does not provide a specific and detailed legal basis for requesting the City to withhold Proposer's confidential or proprietary information at the time of proposal submittal, the City will release the information as required by the CPRA and Proposer will hold the City, its elected officials, officers, and employees harmless for release of this information. It will be the Proposer's obligation to defend, at Proposer's expense, any legal actions or challenges seeking to obtain from the City any information requested under the CPRA withheld by the City at the Proposer's request. Furthermore, the Proposer shall indemnify and hold harmless the City, its elected officials, officers, and employees from and against any claim or liability, and defend any action brought against the City, resulting from the City's refusal to release information requested under the CPRA which was withheld at Proposer's request. Nothing in the NOA and/or SIR creates any obligation on the part of the City to notify the Proposer or obtain the Proposer's approval or consent before releasing information subject to disclosure under the CPRA.

NON-DISCRIMINATION NOTICE

It is the policy of the City not to discriminate against the disabled in employment or provision of services. The information contained in this SIR will be made available in alternative formats to disabled persons upon request. It is the policy of the City to encourage equal opportunity in its contracts and leases. The City endeavors to do business with firms sharing the City's commitment to equal opportunity and will not do business with any firm that discriminates on the basis of race, religion, color, ancestry, age, gender, gender expression, gender identity, sexual orientation, disability, medical condition, or place of birth.

REAL ESTATE BROKER'S COMMISSION

The City will not pay a brokerage commission as part of this SIR.

OTHER TERMS AND CONDITIONS

- The developer or development team shall be responsible for all expenses incurred during the information gathering and negotiation process with the City. Providing this information does not and shall not commit the City to enter into any agreement, to pay any costs incurred in preparation of the submittals, or to procure or contract for services. The City shall not incur any liability arising from the information gathering process.

All reports, responses, or other data or materials, which are submitted, shall become the sole property of the City and a matter of public record. However, to the extent permitted by law, all submittals will not be made public nor considered a public record until after the City takes action to enter into an agreement with the selected developer/team.

However, statements of financial capacity will be returned to all respondents, except for the

selected Respondent after award. Respondents must identify all copyrighted material, trade secrets, or other proprietary information that they may claim are exempt from disclosure under the California Public Records Act (California Government Code sections 6250 et. Seq.). In the event a Respondent claims such an exemption, the following statement must be included in the response:

The Proposer shall indemnify the City and hold it harmless from any claim, damage, loss, liability cost or expense and defend any action brought against the City for City's refusal to disclose materials marked "confidential", trade secrets, or other proprietary information to any person making a request therefore.

Failure to include such a statement shall constitute waiver of the Proposer's right to exemption from disclosure and authority for the City to provide a copy of the submittals or any part thereof to the requester.

All products used or developed in the execution of any contract resulting from the NOA shall remain in the public domain at the completion of the project.

Every person or organization awarded a contract by the City of San Diego must acknowledge and agree to comply with Council Policy 100-04, adopted by Resolution No. R-282153, relating to the federally mandated Americans with Disabilities Act (ADA). Consultant will be individually responsible for its own ADA program.

- California State law makes it illegal for public officials or their employees to participate in the making of a contract in which he or she is financially interested. The law further defines a public official very broadly to include members of advisory boards that are not actual parties to the contract. Prospective respondents who are aware of circumstances that could create a conflict of interest if a qualifications/proposal package were submitted are urged to contact the person identified as the Contact person for this request. A violation of these rules is grounds for disqualification of the development team.
- The City reserves the right to request information from Proposer(s) to clarify information pursuant to this SIR.

AUTHORIZED REPRESENTATIVE. Proposer is required to sign this document and submit to the City as detailed in the SIR. By signing below, the signer declares under penalty of perjury that she/he is authorized to submit and sign this proposal.

Signature of Proposer's Authorized Representative

Print Name

Title

Signature

Date

SCHEDULE OF ATTACHMENTS

Attachment A: Site Diagram

Attachment A

Site Diagram

