

CITY OF SAN DIEGO

REAL ESTATE ASSETS DEPARTMENT
1200 Third Avenue, Suite 1700
San Diego, CA 92101
Fax: (619) 236-6706

ADDENDUM "B"

Revised Proposal Deadline Date: 4:00 p.m., October 14, 2015

**REQUEST FOR PROPOSALS
FOR THE LEASE OF THE CITY-OWNED
PROPERTY COMMONLY KNOWN AS "THE POLO FIELDS" LOCATED AT
14555 EL CAMINO REAL/14955 VIA DE LA VALLE
SAN DIEGO, CA 92101**

The following responses are provided to questions that have been received regarding the RFP:

1. After visiting the site, many previously unconsidered questions have arisen. Additional information is needed to assemble a viable proposal. The answers and information provided by the City will significantly affect the proposal submission. We request that the proposal due date be extended at least an additional thirty (30) to sixty (60) days.

The proposal deadline will be extended for an additional thirty (30) days from September 14, 2015 to October 14, 2015.

2. Please describe in detail the requirements of Site Development Permit No. 618626 that were not completed by the previous lessee or were not in compliance with the permit. And will the successful Proposer be responsible for completing these requirements?

Site Development Permit No. 618626 (SDP) is in part to resolve outstanding code violations at the Property. The violations resulted from illegal development (grading) and wetlands impacts. The Property needs to be brought into compliance with applicable laws, and the SDP includes restoration and mitigation specifications for compliance. One set of specifications is the "San Diego Polo Club Trail Restoration Biological Technical Report," which is available for review at the City's Development Services Department located at 1222 First Avenue, 2nd Floor. The SDP runs with the land and the successful proposer will be responsible for the trail restoration and other SDP requirements. The SDP currently has been inactive and is at-risk of being expired, in which case a new applicable permit would be needed for the Property. See attached letter dated August 19, 2015.

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3. It is our understanding that plans and a site development permit (NOT sure if this was an amendment to the existing permit or a new one?) has been approved for the Coast to Crest Trail (trail). It is unclear if this has been constructed? Please confirm if the trail has been built per plans/permits or if it will be built and by whom? Please also provide the site plans and site development permit for the trail as well as any accompanying documents. Lastly, please confirm that habitat maintenance/vegetation removal is a requirement of the lease and any documents guiding this effort (restoration plan, maintenance plan or other).

The portion of the public trail located on the Property was constructed, damaged, and now needs restoration. The restoration/enhancement plan is available at the City's Development Services Department located at 1222 First Avenue, 2nd Floor. Certain habitat restoration, mitigation, and maintenance including weed removal will be included in the next lease agreement to the extent required by the SDP and the requirement to resolve the previous grading and wetland impact violations.

4. The RFP states that the tenant will be accepting the property "as is" this is somewhat ambiguous. The site visit revealed many visible structures, outbuilding, corrals, and equipment scattered about the property in many various locations and condition. By cursory visual inspection it is impossible to identify which of these fore mentioned items are tenant property or City property and to ascertain their true condition. Please identify all items that are tenant owned and all items that are City property. Further identify, which items will remain on the property to be utilized by future tenants and which items would be removed by the current tenant if they were to vacate the property. Furthermore, there may be other unseen items, debris and or hazards that cannot be identified during a short cursory site visit. Does the City intend to hold future tenants responsible for the unseen conditions, damages, negligence, or hazards caused or created by past tenants on the property?

Section 6.10 Ownership of Improvements and Personal Property of the lease provides the following:

Lessee shall have the right to remove any and all its improvements, trade fixtures, structures and installations or additions to the premises constructed on the premises by Lessee at lease termination or expiration except for landscaping, irrigation systems, the club house, storage facilities and perimeter fencing which shall be deemed to be part of the premises and shall become at City's option the City's property, free of all liens and claims except as otherwise provided in this lease.

If the City elects not to assume ownership of all or any improvements, trade fixtures, structures and installations, City shall so notify Lessee thirty (30) days prior to termination or 180 days prior to expiration and the Lessee shall remove all such improvements, structures and installations as directed by the City at Lessee's sole cost on or before lease expiration or termination. If the

Lessee fails to remove any improvements, structures and installations as directed, the Lessee agrees to pay City the full cost of any removal.

It is anticipated that the remaining items may include the clubhouse, the southern permanent fencing, and irrigation. At City's option, the City has the right to cause removal of such, and the City, in its sole discretion, could exercise this right depending on the details relating to the RFP proposals and any new lease agreement. The City will work with Lessee and it will depend on the circumstances

5. Should the current or incumbent tenant be asked to leave the property, what responsibility will they have in regards to clean-up? Will they be required to remove old equipment, hazardous and nonhazardous materials, debris, etc.? This is important and pertains to the ambiguous "as is" condition of the property.

Lessee will be responsible for the condition of the property either for known or unknown conditions. The City will work with Lessee and it will depend on the circumstances. The City reserves the right to pursue enforcement and remedies using all available means.

6. Have all the structures permanent or temporary that are to remain on the property for future tenants been constructed or installed to code and permitted? If not will the next tenant be required to bring these up to code? Are earthen dams associated with water storage, wells, earthen bridges, drainage culverts etc., under and above ground utilities (water, sewer, electrical) been inspected and permitted by the City or County? Please provide all of the City or County permits associated with the Property. Will the awarded tenant be required to bring any existing structures, conditions, or hazards the City allowed previous tenants to produce up to code and permitted?

The Real Estate Assets Department does not have any information related to any permitting of structures on the property. Any requirements for the next Lessee of the property will be dependent on the City's approval of the proposed use. Proposers should consult with the City's Development Services Department for any and all permitting of structures on the property.

7. Language in the RFP indicates that new uses can be requested. It appears that, the request needs to be approved by the deed holder. What additional approvals would be necessary to allow a new use and who would be the party responsible for obtaining those approvals? If environmental review is needed/required, would the City be the Lead Agency or the leaseholder? Should these approval processes be conducted prior to submitting a proposal? The approval or disapproval of potential uses for the property could have a significant effect on the content of a proposal and the financial offer to the City. Should the proposer submit multiple proposals contingent upon the acceptance or rejection of the use and the associated financial offer?

Any proposed "new use" would have to be approved by the City as landlord under the lease, and by the Property's grantor if any "new use" is not permitted under the applicable Grant Deed and its subsequent allowances. If the City approves a proposed use, if necessary the City would

submit a written request to the grantor requesting approval for the new proposed use. Any additional approvals would be contingent.

Any change in use would require appropriate environmental review. The leaseholder would be the applicant and the City would be the Lead Agency for California Environmental Quality Act (CEQA) purposes. Any change in use would need to be consistent with the underlying zone/land use designation or would require a plan amendment and rezone. Proposers are encouraged to investigate the required approval processes and to obtain preliminary input from applicable agencies and bodies regarding any proposed changed uses, to best inform their proposals.

Proposers are encouraged to submit their best proposal, including if that proposal may entail multiple proposals as deemed appropriate by proposers. See RFP, section F: "Proposers are advised to submit thorough, complete proposals, since there will be no auction or competitive negotiation, and the City reserves the right to make a selection based solely on the information contained in submitted proposals." Proposers should not expect or rely on the possibility of a second-chance or contingency submittal opportunity.

8. Does the Planning Commission need to approve the successful bidders proposed use and development of the property?

It depends on the scope of the proposed use/development proposal.

9. Are there any restrictions or conditions for parking, lighting or traffic at any time or date during the year? Are there any restrictions for parking, lighting, or traffic in absence of an event on the property?

Various applicable restrictions and conditions are stated throughout the RFP, including without limitation in RFP section 18 and in the applicable Grant Deed and SDP. Any additional restrictions or conditions will be in accordance with the San Diego Municipal Code.

10. Does the city have available for review any site documents, plans, as built drawings, descriptions, manuals or specifications etc. of any and all utilities, buildings, structures and or equipment?

The City's Real Estate Assets Department does not have this information. Proposers are encouraged to visit the City's Development Services Department located at 1222 First Avenue, 2nd floor, to inquire about any site documents, plans, or as built drawings.

11. Can the City provide a recent year of utility use and costs for the property?

The City does not have this information.

12. Has the City or the current tenant received any complaints regarding any use of the property? If yes please provide up to a five year history.

*Yes, the City and the current tenant have received complaints regarding certain use of the property. The nature of complaints have been related to alleged traffic, noise, open space issues, and limitations on event days.*¹³.

13. Will the City entertain offers that stipulate a lease term greater than ten (10) years? Would this be considered advantageous or undesirable when evaluation a proposal?

Yes, the City will entertain offers of lease terms greater than ten (10) years. Term will be one of many factors in assessing the overall strength of the proposal.

14. The City's responses to the above questions and/or questions submitted by other proposers may lead to further questions; will there be an opportunity to submit additional questions?

The City retains discretion as to whether and how to respond to any future questions.

15. The Site Development Permit (Permit No. 618626) allowing restoration of the public trail was approved on July 11, 2011 and has an original expiration date of 36 months. Was this Permit ever extended? If so, please provide a copy of the documentation authorizing the extension.

The applicant has until September 21, 2015, to provide the City's Development Services Department the necessary documents to extend the permit. If the City does not receive the required documents by September 21, 2015, the permit may expire. If the permit should expire, future lessees will be required to submit a new application for a SDP, followed by a subsequent ministerial Grading Permit application to restore the previous grading violation as well as to develop proposed trail improvements. See attached letter dated August 19, 2015.

16. We understand the some of the property is located with the Special Flood Hazard Area. Please confirm which portions of the property are located within the floodway, which portions are located within the flood fringe, and which portions are not within the Special Flood Hazard Area.

Please contact the Federal Emergency Management Agency for the most current floodplain maps.

17. We understand up to six groundskeepers are permitted to live on the property. Please confirm whether permanent structures for the groundskeepers to live in are permitted on the property.

The City's Development Services Department located at 1222 First Avenue can confirm the allowed uses based on zoning regulations.

CITY OF SAN DIEGO REAL ESTATE ASSETS DEPARTMENT

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ADDENDUM "B"
August 24, 2015