

CITY OF SAN DIEGO

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

ADDENDUM A

Proposal Deadline Date: 5:00 p.m., June 26, 2017

REQUEST FOR PROPOSALS LEASE FOR THE REDEVELOPMENT, OPERATION AND MAINTENANCE OF THE CITY- OWNED VILLAGE GRILL, 1770 VILLAGE PLACE, SAN DIEGO, CA 92101

The following changes to the specifications are hereby made effective as though there were originally issued with the Request for Proposals. Proposers are reminded that all previous requirements to this solicitation remain in full force and effect.

1. Delete page 21 of the RFP and replace with the attached page 5 of Addendum A.

The following questions were asked regarding this Request for Proposals (RFP):

1. **Question:** Is there a proposed site for the Visitor Center, if so what is the location and how big is the footprint? If there is no proposed site, is the City expecting the proposer to hold space in the perimeter of the existing Village Grill lease area (as shown in Exhibit A of the RFP) and if so, how big is the footprint?

Response: Response: *The proposed Food Service Operation and Visitor Center are called for in the Balboa Park Central Mesa Precise Plan and a proposed design has been approved as part of the Park Boulevard Promenade.*

Please follow link and see page 239—North Prado Visitor Center:

<https://www.sandiego.gov/sites/default/files/legacy/planning/programs/parkplanning/pdf/bpcmpp/bpcmppfv.pdf>

Please follow link and see page 321-22 of the Park Boulevard Promenade—Spanish Village South Entry Plaza:

<http://www.ci100.org/resources/bpcmpp-r-299085.pdf>

*No specific size for the Visitor Center footprint has been articulated. However, staff believes that a redevelopment of the site could **potentially** accommodate a ground floor facility footprint of approximately 3,600 square feet and a second floor of approximately 1,700 square feet to implement what is contained in the Balboa Park Central Mesa Precise Plan. A stairway and elevator would be required to access the second floor. An outdoor dining area with plaza tables and chairs is required. Accent trees in grates would also be highly desirable. ***

****PLEASE NOTE THAT ANY SELECTED PROPOSALS WILL BE REVIEWED BY OFFICIAL BODIES OF THE CITY OF SAN DIEGO FOR CONFORMANCE WITH THE BALBOA PARK MASTER PLAN AND THE BALBOA PARK CENTRAL MESA PRECISE PLAN. THESE BODIES INCLUDE BUT ARE NOT LIMITED TO THE HISTORICAL RESOURCES BOARD DESIGN ASSISTANCE SUBCOMMITTEE, BALBOA PARK COMMITTEE, PARK & RECREATION BOARD AND SAN DIEGO CITY COUNCIL. ADDITIONALLY, ANY PROPOSALS THAT SEEK TO AMEND THE MASTER PLAN WOULD REQUIRE A PLAN AMENDMENT.**

- 2. Question:** Will Prevailing wage apply to the remodel or redevelopment of the Property?

Response: *Please refer to paragraph 25 of the RFP. The requirements for prevailing wages will be determined based upon the specifics contained within each individual proposal.*

- 3. Question:** Is the selected Proposer expected to pay percentage rent by category, or will the minimum rent with rent credits **only** be paid during construction?

Response: *The selected Proposer is expected to pay a minimum rent, or a percentage rent by category (whichever is higher). During the construction phase Proposer may receive rent credits. Depending on the amount of the investment, Proposer may receive rent credits beyond the duration of the construction phase.*

- 4. Question:** Will the annual minimum rent be adjusted on gross revenue excluding rent credits? (RFP: Minimum Rent. The annual minimum rent will be adjusted every five (5) years during the term of the Lease to eighty percent (80%) of the annual average rents paid by the Proposer during the previous five years.)

Response: *Yes, the minimum rent will be adjusted on gross revenue excluding rent credits.*

- 5. Question:** What happens if Proposer selected receives rent credit beyond five years?

Response: *Selected proposer may receive rent credits beyond 5 years. The minimum rent will be calculated based on gross revenue excluding rent credits.*

6. Question: Please explain:

Equity Participation. The City may require the Selected Proposer to pay the City two percent (2%) of the gross amount paid for the leasehold in connection with approved assignment of the Lease; two percent (2%) of any amount paid to the selected operator in consideration of a sublease of all or a majority portion of leasehold; or two percent (2%) of the amount of any increased loan or encumbrance against the Property over and above the amount of the encumbrance needed to finance the improvements. The amount upon which the two percent (2%) shall be based shall be total consideration resulting from the transaction including total cash payments and the market value of non-cash consideration, including but not limited to stocks.

Response: *The City will receive 2% of the gross amount the Selected Proposer receives from assigning, or subleasing all or majority portion of the Lease, and financing above the amount of the encumbrance needed to finance the improvements.*

7. Question: Will prevailing wage need to be paid **only if** the funds to remodel or reconstruct the property are transferred from the City or funded through a City asset?

Response: *Please refer to response to question 2.*

8. Question: Should this be understood as two separate bonds? One good faith to complete construction (at construction cost), and the second for cost of materials, fixtures, and labor? (Page 19 of RFP)

Response: *Yes, both bonds will be required.*

9. Question: How will the City define and determine what is personal property? (Page 20 of RFP)

Response: IRS Definition 1.14.4.2 (11-24-2014) states: Personal Property is generally defined as property which can include any asset other than real estate. The distinguishing factor between personal property and real estate is that personal property is movable and not fixed permanently to one location, such as land or buildings.

10. Question: This paragraph mentions “Exhibit F”, (“GCTP”). Exhibit F could not be located in the RFP, and it is not listed on the Schedule of Exhibits page. Please specify where “Exhibit F” be found?

Response: *Unfortunately, this was a City oversight. This paragraph will be removed from the RFP. Page 21 of the RFP will be exchanged.*

11. Question: Selected Proposer would have the \$5K good faith deposit applied to the Lease deposit. Please explain Lease deposit.

Response: *The \$5,000 will be applied towards the security deposit required under the Lease.*

12. Question: Since there is a storm drain that crosses the property and the Zoo drain comes into the property, who will interface with the Zoo if there any problems?

Response: *Park & Recreation will interface with the Zoo.*

10. Question: Does the City take into account DAV, Veterans or Female Contractors?

Response: *No preferences will be given.*

11. Question: Will you be releasing any financials/revenues from current operations?

Response: *If requested a past audit can be provided.*

12. Question: Is there any tenant improvement allowance, or is there a rent deferral/reduction until vendor recoups capital investments for construction/capital improvements?

Response: *Please refer to section B of the RFP. Tenant improvement allowance in the form of rent reduction may be negotiated.*

13. Question: Please confirm that City would consider mixed-use redevelopment proposals for Property, such as ground floor restaurants with commercial uses on the floors above like hotels and/or office, as long as the economics of the proposal were favorable to the City and the design of the physical structures proposed were determined by the City and various historic boards and committees that govern the Property to be fitting to the overall architectural design of Balboa Park.

Response: *Please see response to Question 1.*

CITY OF SAN DIEGO REAL ESTATE ASSETS DEPARTMENT

Roswitha Sanchez
Proposal Coordinator
(619) 236-6721

discretion of the City and the Selected Proposer shall comply with all such requests

~~26. General Contract Terms and Provisions. The General Contract Terms and Provisions Applicable to Goods, Services, and Consultant Contracts (“GCTP”), attached hereto as **Exhibit F**, shall be incorporated in to the Lease as if fully set forth in the Lease. For purposes of the Lease, the following terms used in the GCTP shall have the following meanings: (1) “Contractor” shall mean the Selected Proposer; (2) “Purchasing Agent” shall mean the Director of City’s Real Estate Assets Department; and (3) “Contract” shall mean the Lease. If the Lease conflicts with the GCTP, the Lease shall control. Varying degrees of stringency among the Lease, its exhibits and the GCTP are not deemed conflicts, and the most stringent requirement shall control.~~

E. RESPONSIBILITY OF PROPOSERS

1. Proposers are responsible for carefully examining this RFP and all documents incorporated into this RFP by reference before submitting a proposal. Selected Proposer shall be bound by same unless the City has accepted Selected Proposer’s exceptions, if any, in writing.
2. Each Proposer is responsible for making all investigations and examinations necessary for formulating proposals and developing and operating the Property. Submission of a proposal will be considered evidence that proposers have familiarized themselves with the nature and extent of the requirements and has made such investigations and examinations.
3. The Selected Proposer shall be responsible for obtaining all necessary approvals and permits to the satisfaction of the City.
4. Proposers may withdraw their proposals at any time prior to the selection of a Proposer, upon written notice to the City Contact.

F. PROPOSAL CONTENTS

All proposals must include at a minimum the information specified below. Failure to include the information shall be cause to deem a proposal non-responsive and result in its complete rejection. The inclusion of additional information that will assist the City in the evaluation is encouraged. The adequacy, depth and clarity of the proposal will influence, to a considerable degree, its evaluation, as further stated in Section K herein. Each proposal submitted must be complete, and evaluation and selection of proposals shall be strictly based on the material contained in the proposals alone. 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.