

CITY OF SAN DIEGO

REAL ESTATE ASSETS DEPARTMENT

1200 Third Avenue, Suite 1700

San Diego, CA 92101

Fax: (619) 236-6706

ADDENDUM B

Proposal Deadline Date: 4:00 p.m., November 21, 2016

REQUEST FOR PROPOSALS

LEASE FOR THE REDEVELOPMENT, OPERATION AND MAINTENANCE OF THE CITY-OWNED TORREY PINES GLIDERPORT, 2800 TORREY PINES SCENIC DRIVE, SAN DIEGO, CA 92037

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 Addendum A Request for Proposals cover sheet and replace with the attached Addendum B Request for Proposals cover sheet.
2. Delete page 4 of the RFP and replace with the attached page 4 of Addendum B. The changes are printed in bold.
3. Delete page 16 of the RFP and replace with the attached page 16 of Addendum B. The changes are printed in bold.

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

1. **Question:** Are you looking for bids to execute that specific plan or can the GDP be altered, added to, subtracted from, etc.?

Response: *The Torrey Pines City Park General Development Plan (GDP) is a guiding document which sets out the programmatic elements of the Torrey Pines City Park. All proposals must be in conformance with the GDP.*

2. **Question:** Can the development be completed in phases over several years?

Response: *Yes, as long as any phased construction is fully funded.*

3. **Question:** What is the desired finish date for the improvements being conducted by the lessee?

Response: *The finished date is not specified in the GDP. The City may consider development to be completed in fully funded phases.*

4. **Question:** What does the City expect to happen with the Gliderport while the improvements and building construction is occurring? Will the site be closed?

Response: *Operations during construction will be dependent on the construction phasing and projected impacts and shall be specified in proposals submitted.*

5. **Question:** Is the City of San Diego prepared to financially contribute to improvements of the park, (landscaping, habitat restoration, installing electrical & water service, remodeling the flight operations center, etc.) as outlined in the general development plan approved on June 21, 2012?

Response: *Currently there is no funding identified for park improvements.*

6. **Question:** What has been the yearly gross revenue of the current concessionaire for the past 5 years? What percentage of that yearly revenue is; tandem flights, instruction, retail sales, pilot fees, meal concession, etc.? What is the average monthly breakdown of revenues? How many hang gliding and paragliding tandem flights are conducted each year and what is the monthly statistical data?

Response: *Please see attached Profit & Loss Statement from January 2010 through December 2012.*

7. **Question:** Will the leaseholder apply for permits in the name of the City of San Diego, or in its own name?

Response: *The leaseholder will apply for permits in its own name.*

8. **Question:** Will the City fast track any City-reviewed permits required for the leasehold?

Response: *Development Services is an Enterprise fund and will process all permit applications in accordance with all applicable laws and regulations.*

9. **Question:** Will permanent structures be allowed?

Response: *Yes.*

- 10. Question:** Improvements to the property may include buildings, storage, or permanent facilities. Will the leaseholder have the ability to sell those facilities to a succeeding leaseholder or to the City after the lease term expires?

Response: *Leasehold improvements installed by lessees shall be removed at the lease termination without cost to the City, or will revert to the City at the City's option.*

- 11. Question:** Why does the City request \$5,000,000 of CGL and auto liability insurance?

Response: *The insurance requirements were reviewed by the City's Insurance Broker and determined the appropriate limits for the proposed authorized allowed uses of the Property.*

- 12. Question:** Why does the City request flight insurance of \$2,000,000 in aggregate and \$1,000,000 per occurrence, versus \$1,000,000 aggregate?

Response: *A \$2,000,000 aggregate is requested to augment the total limit for the policy in the event there are multiple incidents per policy term.*

- 13. Question:** If permitting agencies, such as the California Coastal Commission, will not approve permits for any or all of the GDP renovations, will the City agree that any lease is still valid, though complete performance by the leaseholder of those requests has been rendered impossible? In other words, will the City absolve the leaseholder of responsibility to continue to pursue the stated renovation?

Response: *Obtaining all required permits is a requirement/condition of the lease. The lease will provide a time period (for example one-year) for obtaining all required permits. If the proposer/lessee is unable to obtain permits during the required time period, then the lease would automatically terminate.*

- 14. Question:** Given this, why is the City Park and Recreation Department apparently not at all involved with the management of a lease within the Park? Are there any other parks in San Diego where the City Real Estate Assets Dept administers a lease within a Park without any oversight by the City Park and Rec Dept?

Response: *The Real Estates Assets Department administers lease agreements in City parks on behalf of and with the direction and cooperation of the Park & Recreation Department.*

- 15. Question:** The City requests that the operator is to have a "high level of service." How is the level of service to be measured? What requirements will the City put in place to monitor, document, and ensure that a high level of service is maintained?

Response: *The RFP states that each proposal should reflect the City's desire to provide a high level of service. The City will evaluate each proposal with respect to its ability to provide a high level of service. The City will enforce the terms of the negotiated lease.*

- 16. Question:** What are the ramifications for the lessee if a high level of service is not maintained, and will the City seek to immediately remove the lessee if such high levels are not adequately maintained?

Response: *The City will enforce the terms of its lease. If lease terms are violated, the City may pursue all legally available remedies.*

- 17. Question:** Why not include a City representative on the Soaring Council to ensure that the Lessee is upholding all Lease requirements at all times and that the rules are enforced fairly and properly with penalties for offending pilots that are not arbitrary or capricious?

Response: *This question is not relative to the RFP and therefore is not considered for response.*

- 18. Question:** Who at the City will directly oversee the performance of the Flight Director in the area of rules and regulations enforcement?

Response: *The Real Estate Assets Department will administer the lease. The Park & Recreation Department recently expanded its park ranger program in Shoreline Parks, and currently includes a Senior Park Ranger who will have oversight of day to day operations at the Gliderport.*

- 19. Question:** Please explain what new steps will be taken by the City to ensure the safe and effective management of the rules and regulations and their enforcement by the Flight Director/Lessee.

Response: *The City will enforce the terms of the lease agreement.*

- 20. Question:** Is the RFP focused solely on development and maintenance of just the Lease and Licensed portions of the Gliderport?

Response: *Yes.*

- 21. Question:** The City requests annual compensation of \$3,412.50. How was this very specific value calculated and what will it cover? Why not require rent to be either a fixed cost in addition to a percentage of the Leases' revenues (if any)?

Response: *The Gliderport is a public amenity and the Flight Director will provide a public service for which the City does not have the expertise/ability to perform, such as ensuring flight safety by enforcing flight rules and regulations and making sure sufficient insurance is carried by all users of the Gliderport. The lessee will be responsible for maintaining the leashold, as well as the license area by keeping the property clean and clear of refuse, weeds, and obstructions, by providing and maintaining portable toilet facilities for its customers and the general public, and by providing adequate trash and recycling receptacles, and dispose of all garbage, trash and rubbish. The \$3,412.50 annual Administrative Rent will in part offset City responsibility to manage the Gliderport.*

22. Question: The City requests equity participation. Please explain the rationale for this equity and why it is required. Doesn't equity ownership place the City in a position of having considerable liability for the operations including flight-related accidents?

Response: *Seciton D.7, Equity Participation of the RFP refers to the City's participation in the event the lease is assigned, subleased or a loan or encumbrance above the initial finance of improvements.*

23. Question: Does every proposal have to include flight instruction or is it possible to submit a viable proposal that has no flight instruction at the Gliderport?

Response: *It is possible to submit a viable proposal that does not include flight instruction at the Gliderport.*

24. Question: The RFP suggests that prices will be comparable to prices for other similar services offered in San Diego County. That is nice but the Torrey Pines Gliderport is truly unique. There are no other similar venues in the County. How then can similarity be used as an adequate means to establish pricing?

Response: *The proposer may use comparables from other geographic regions as well.*

25. Question: Are they to be the same as currently described in the lessee Web Site and referred to as the "Site Rules"? How are accidents to be reported to the City? What is the punishment to the Lessee for not reporting an accident? What is the punishment to the Lessee for not having adequate personnel for rules enforcement at all times of operation? What is the punishment to the Lessee for subjective rules enforcement or enforcement of specific rules only at specific times rather than all rules 100% of the time?

Response: *The lessee shall notify the City of all accidents. The City will enforce the terms of its lease.*

26. Question: What is the process moving forward if either no proposals are submitted or if no proposals are deemed to have sufficient quality? Is the City going to continue the month-to-month arrangement with Air California Adventures, or would the City close the Gliderport until a better solution can be found? Or does the City intend to simply extend the deadline until a suitable proposal is identified?

Response: *The City will determine and evaluate all of its options following the results of the RFP process.*

27. Question: What specifically is the purpose of the Licensed Area as opposed to the Leased portion especially given there is no mention of a "licensed" portion at all in the GDP

Response: *The lease area is subject to a lease and all the rights and obligations therefor. The license area is subject to a right to use and obligation to maintain by the lessee as set forth in the RFP.*

28. Question: Why would the monument signage be placed in the Licensed Area and not within the Leased area near the concession office?

Response: *The placement of monument signs is determined by the General Development Plan (GDP) which was developed with help of the Torrey Pines City Park Advisory Board, City of San Diego staff, and various stakeholders.*

CITY OF SAN DIEGO REAL ESTATE ASSETS DEPARTMENT

Roswitha Sanchez
Proposal Coordinator
(619) 236-6721



**CITY OF SAN DIEGO
PURCHASING & CONTRACTING DEPARTMENT
1200 Third Avenue, Suite 200
San Diego, CA 92101-4195**

REQUEST FOR PROPOSALS (RFP) (COVER SHEET)

ADDENDUM B

Goods and Services: Lease for the Redevelopment, Operation and Maintenance of the City-owned Torrey Pines Gliderport, 2800 Torrey Pines Scenic Drive, San Diego, CA 92037

Solicitation Number: RFP No. 2800

Solicitation Issue Date: July 19, 2016

Proposal Due Date and Time (Closing Date): 4:00 p.m. Pacific Time on November 21, 2016

City Contact: Roswitha Sanchez, roswithas@saniego.gov, phone (619) 236-6721

Recommended Site Inspection: August 3, 2016 at 10:00 a.m. at Torrey Pines Gliderport, 2800 Torrey Pines Scenic Drive, San Diego, CA 92037. Contact City Contact by August 1, 2016, if you are planning to attend.

Questions and Comments Due: No later than August 29, 2016 at 5:00 p.m. P.S.T

Duration of Offer: By submitting a proposal, the proposer guarantees that the offer is firm for ninety (90) calendar days commencing the day following the Closing Date. Proposer agrees to accept a resulting contract subject to the terms and conditions stated herein. If an award is not made during that period, proposer's offer shall automatically extend for another ninety (90) calendar days unless the proposer indicates otherwise in writing thirty (30) calendar days prior to the end of the first ninety (90) calendar day period to the City Contact.

Proposer _____

Street Address _____

City _____

Telephone No _____

E-Mail _____

ADDENDUM "B"
September 29, 2016

PROPOSER'S AUTHORIZED REPRESENTATIVE. Proposer is required to sign this document and return three (3) originals and five (5) copies of their proposal in sealed envelopes or cartons to the City Contact. Proposer shall also include an electronic copy of their proposal. Proposer agrees to furnish and deliver all goods and/or provide all services set forth or otherwise identified above subject to the terms and conditions specified herein. An original signature below is required. 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

develop, lease and use the Property in accordance with the GDP for the benefit of the general public, users and visitors of the Property and the surrounding community.

Proposals must include a conceptual development plan for the Property, along with the proposed changes or additions to the existing facilities. Proposals should identify the services to be provided at the Property. Proposals shall include, at a minimum, detailed responses for the following requirements (Development/Operating Plan):

1. A preliminary site and floor plan showing the general location of all of the existing and any proposed capital improvements and/or major equipment on the Property, including a development schedule, a description of any demolition proposed, and a projection of construction costs. Drawings do not need to be detailed construction drawings but should be drawings to a consistent scale in sufficient detail to clearly show the types, dimensions and locations of all proposed improvements and facilities. See attached **Exhibit D** for a list of required improvements within the Lease Area and within the License Area, such as a flight operations building and a minimum of thirty (30) parking spaces in designated areas.
2. **A description of the projected impacts to the Gliderport operations during any and all proposed construction.**
3. The necessary trade fixtures and equipment to be provided by the Proposer needed to provide the level of service to be required under the Lease. Title to those fixtures and equipment would remain vested in the selected Proposer unless negotiated otherwise.
4. A proposed term of the Lease and a statement justifying the proposed term of the Lease.
5. A proposed operating plan which shall include at a minimum the following: proposed uses; hours of operation; fees and charges, if any; proposed services; and/or benefit to the community.
5. Proposed rules and regulations (Rules and Regulations) which shall govern Flight Activities (as defined below in Section D.28.a.) and personal conduct so as to create a safe and enjoyable flight park on the Property and shall be subject to prior City approval.
6. A proposed financing plan.

All aspects of the Development/Operating Plan, including proposed uses, fees, improvements, and demolition, must be consistent with the GDP and are subject to approval by the City. Proposals shall consider all applicable laws and available industry guidelines as they apply to liability, public health standards, recreational operations, Americans with Disabilities Act (ADA) access, and the highest standards of maintenance of all facilities and equipment. Proposals must address any required off-site improvements, including but not limited to, curbs, gutters, sidewalks, utilities, landscaping, and ADA compliance for the Property.

the selected Proposer throughout the entire term of the Lease without expense to the City. Maintenance and repairs shall include, but not be limited to, the roof, heating and air conditioning, plumbing, and electrical. The selected Proposer shall maintain the Property and all improvements, fixtures, and installations thereon in a clean, safe and well-maintained condition throughout the term of the Lease, to the satisfaction of the City and in compliance with all applicable laws.

25. Ownership of Improvements. All improvements, except trade fixtures and equipment installed by the selected Proposer, shall become the property of the City, at the City's option, upon termination of the Lease. If the City elects, all improvements shall be removed from the Property at the termination or expiration of the Lease, at the selected Proposer's sole cost and expense. If the City elects to retain the improvements, the selected Proposer must remove all trade fixtures and personal property upon termination without cost to the City or damage to the Property.
26. Hours of Operation. A regular schedule of days and hours of operation shall be established by the selected Proposer to best serve the public. The schedule shall be subject to prior approval by the City.
27. Rate of Charges. All prices of merchandise, equipment, and services shall be comparable with the prices of like merchandise, equipment, and services offered in the San Diego County area. **If no other similar venues are found within San Diego County, comparables from similar venues of other geographic regions may be used to determine pricing.** All prices charged must be approved in writing by the City; provided, however, that selected Proposer shall not be required to sell any merchandise or offer any services at a loss.
28. Special Provisions.
 - a. Flight Rules and Regulations. The selected Proposer shall serve as, or otherwise designate and provide for, an on-scene flight director (Flight Director) for all times Flight Activities take place at the Property. "Flight Activities" shall mean all human or mechanized flight, soaring, gliding, and remote-flying activities at, on, over, or from the Property. The selected Proposer shall preserve the flight operations for access by motor less Flight Activities. In compliance with all applicable laws, including San Diego Municipal Code section 63.0201, and the terms and conditions of the Lease, the selected Proposer or the Flight Director, or the representatives of such, shall exercise general control and direction over all Flight Activities, and shall institute, enforce and administer all Rules and Regulations. The Rules and Regulations shall include provisions regarding emergency operations in recalling gliders via radio, reporting of accidents, interactions with emergency personnel, and accidental beach landings. The Rules and Regulations shall be posted in plain view on the Property at all times. All pilots must observe all posted rules at all times or be subject to a misdemeanor in accordance with San Diego Municipal Code section 63.0201.

Torrey Pines Gliderport
Profit & Loss
January 2010 through December 2012

	Jan - Dec 10	Jan - Dec 11	Jan - Dec 12	TOTAL
Ordinary Income/Expense				
Income				
Services	725,597.62	862,227.82	858,818.16	2,446,643.60
Kitchen	197,175.26	231,098.13	276,058.04	704,331.43
Retail Sales	189,596.03	196,238.16	226,888.77	612,722.96
Interest Income	4.66	0.00	0.00	4.66
Total Income	1,112,373.57	1,289,564.11	1,361,764.97	3,763,702.65
Cost of Goods Sold				
Purchases - Cost of Goods Sold	334,168.40	391,868.85	371,718.79	1,097,756.04
Total COGS	334,168.40	391,868.85	371,718.79	1,097,756.04
Gross Profit	778,205.17	897,695.26	990,046.18	2,665,946.61
Expense				
Advertising and Promotion	18,814.88	32,578.42	10,856.78	62,250.08
Automobile Expense	4,039.66	4,035.00	5,233.51	13,308.17
Bank Service Charges	21,852.42	26,496.31	25,675.04	74,023.77
Cash Over and Short	-509.91	5,256.17	2,039.68	6,785.94
Charitable Contributions	1,300.00	1,763.00	275.00	3,338.00
Computer and Internet Expenses	0.00	256.44	1,740.44	1,996.88
Depreciation Expense	33,324.00	70,605.00	33,690.00	137,619.00
Disposal	245.00	0.00	0.00	245.00
Dues and Subscriptions	6,839.71	5,786.21	14,269.50	26,895.42
Equipment Rental	0.00	0.00	1,012.13	1,012.13
Insurance Expense	65,788.08	47,565.15	92,638.08	205,991.31
Licenses & Permits	1,961.70	800.25	2,627.00	5,388.95
Meals and Entertainment	0.00	0.00	403.00	403.00
Miscellaneous Expense	0.00	193.00	380.00	573.00
Office Expense	11,680.49	3,617.40	1,932.80	17,230.69
Operational Expenses	15,360.11	11,383.49	10,214.96	36,958.56
Payroll	382,982.55	401,162.52	465,335.48	1,249,480.55
Payroll Taxes	32,869.78	38,015.34	42,327.36	113,212.48
Postage and Delivery	3,262.39	8,249.73	10,426.47	21,938.59
Professional Fees	8,959.20	9,065.00	23,500.00	41,524.20
Repairs and Maintenance	1,080.19	4,822.74	16,020.72	21,923.65
Security	0.00	359.40	359.40	718.80
Small Tools and Equipment	0.00	0.00	5,727.26	5,727.26
Staff Development	405.00	199.95	695.00	1,299.95
Subcontractor	76,978.63	104,752.02	80,879.46	262,610.11
Taxes	2,382.54	2,517.20	4,194.95	9,094.69
Telephone Expense	10,504.81	7,229.52	5,773.95	23,508.28
Training/Education	0.00	0.00	1,000.00	1,000.00
Travel Expense	0.00	0.00	728.30	728.30
Utilities	12,691.96	12,891.93	6,067.46	31,651.35
Total Expense	712,813.19	799,601.19	866,023.73	2,378,438.11
Net Ordinary Income	65,391.98	98,094.07	124,022.45	287,508.50
Net Income	65,391.98	98,094.07	124,022.45	287,508.50

ADDENDUM "B"
September 29, 2016