Request for Proposals

74 Acres For Sale in Whittier, CA

For Sale by

The State of California
Department
of General Services

August 17, 2009

Deadline for submittals is
5:00 p.m., November 20, 2009

www.surplusproperty.dgs.ca.gov/

To Be Developed As A Mixed-Use Master Plan

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Note: The underlined words in this document indicate links on the website.

Introduction and Background

The State of California, Department of General Services ("State"), is selling approximately 74 acres ("Sale Property") located in the City of Whittier ("City"), California. The Sale Property, which was formerly the Fred C. Nelles California Youth Authority facility, is located at 11850 E. Whittier Boulevard, at the southeast corner of Whittier Boulevard and Sorensen Avenue. The Sale Property is an infill site located in Los Angeles County, less than 20 miles from major job centers in downtown Los Angeles and central Orange County.

The property was offered for sale in 2005 but was withdrawn by the State. Some information in this solicitation was developed for the 2005 sale and has been included for reference purposes.

The State is now soliciting offers to purchase the Sale Property. The State may establish a minimum price, which will be posted on the website under "RFP Updates" no later than one month before the submittal deadline.

Please carefully note the Exchange Property for a Secure Community Reentry Facility (SCRF) language on page 17.

Interested parties must submit proposals in accordance with this solicitation not later than 5:00 p.m. PST on November 20, 2009. Proposals received after specified date and time will be rejected. All proposals must include ten copies addressed to:

Jon Heim,
Project Manager
Dept. of General Services
Real Estate Services Division
Asset Management Branch
707 3rd Street, 6th Floor
West Sacramento, CA 95605

Faxed proposals will not be accepted.

Parties interested in submitting a proposal are encouraged to refer regularly to the property web site at www.resd.dgs.ca.gov/listing for links to additional information related to the sale of the property, as well as for updates to this Request For Proposals ("RFP").

Description of Area

Transportation – The Sale Property is approximately 1.7 miles from Highway 605. The adjacent roadways consist of Whittier Boulevard to the north, a mostly four-lane highly traveled roadway with one traffic signal at Sorensen Avenue and one traffic signal at Philadelphia Street. The other roadway adjacent to the property is Sorensen Avenue, which is a two-lane collector road to the west.

Jurisdiction over a portion of the original Nelles property fronting on Whittier Boulevard was transferred on June 19, 1946, to the California Department of Transportation for freeway purposes. It is the understanding of the Department of General Services that the California Department of Transportation has abandoned the proposed freeway segment. The Department of General Services will work with its selected buyer to obtain the use of the frontage strip.

Shopping – The Sale Property is located across Whittier Boulevard from a 170,000 sf retail center that includes a Ralph's supermarket, CVS Pharmacy, and other specialty retail and dining establishments. The property is also located six blocks from Whittier's Uptown central business district, and 1.5 miles west of The Quad at Whittier, which includes 433,000 sf of regional and neighborhood retail space. The 2005 commercial market is further described in the Retail Market Analysis and Office Market Analysis, both dated April 2005. *As stated earlier this information does not reflect current market conditions and is provided for reference only.*

Housing – The neighborhood immediately surrounding the Sale Property to the south is exclusively single-family detached homes. The 2005 residential market is further described in the Residential Market Analysis, dated May 2005.

Hospital – Presbyterian Intercommunity Hospital, a regional medical center is adjacent and immediately south of the subject site.

Potential Historic Resources

The Sale Property includes approximately sixty-four buildings, of which eight may be considered historically significant and constitute a Historic District, according to the State's Historic Resource Assessment. The cultural/scientific resources section of the certified EIR for the First Amendment to the Whittier Commercial Corridor Redevelopment Plan also includes a discussion of the potential impacts of redeveloping the Sale Property. The amended Redevelopment Plan and the related EIR are available from the Whittier Redevelopment Agency by contacting Jeff Collier, Director of Community Development at (562) 464-3380. At a minimum, the Administration Building and the Superintendent's Residence, will be retained. For purposes of this RFP, the proposed plan and price in the offers should include the preservation and adaptive reuse of the Superintendent's Residence and Administration Building.

Administration Building 2005

Superintendent's Residence 2005

Infrastructure

The general topography is relatively flat with minor gradients of 2.5% - 3.0% across the site. The existing onsite infrastructure consists of sewer, water, storm drain, and dry utilities intertwined in complicated patterns and alignments. The water line sizes range from 4” to 10”, the sewer lines range in size from 4” to 8” and the storm drain lines range in size from 4” to 36”. All utility lines will most likely need to be removed with the exception of some connection points to the offsite infrastructure. There are asphalt roadway systems circulating throughout the site to access the various buildings. New sewer and storm drainage facilities from the site to Washington Boulevard to the south are a likely requirement.

The Sale Property is an “in fill” site and accordingly the existing offsite infrastructure consists of adjacent roadways, sewer, water and storm drain facilities. The following offsite sewer, water, and storm facilities have been identified to be adjacent to or nearby the project:

Sewer	***Water***	***Storm Drain***
There is an existing 10” sewer line in Sorensen Avenue. Also an 8” sewer line in Townley Drive is currently stubbed to the site. A network of sewer lines to the west tie into an existing 18” sewer line in Colbar Avenue and Washington Boulevard.	8”, 12”, and 14” water lines are located within Whittier Boulevard. A portion of this includes a 4” stub to the site. A 12” line exists on the southerly side of the project that also supports a 4” stub to the site.	An existing 36” storm drain exits on the Sale Property to the west. This storm drain is close to Paul Drive and runs underneath an adjoining single family residence.

Onsite Infrastructure (PDF)

FRED C. NELLES
CORRECTIONAL FACILITY
CITY OF WHITTIER, CA
ONSITE EXISTING
UTILITIES EXHIBIT

Offsite Infrastructure (PDF)

FRED C. NELLES
CORRECTIONAL FACILITY
CITY OF WHITTIER, CA

OFFSITE EXISTING
UTILITIES EXHIBIT

Traffic: 2005 Study

Based on a 2005 traffic analysis of a hypothetical project that includes 300 detached residential units, 400 town homes, 20,000 sf of specialty retail and 20,000 sf of general office, the redevelopment of the Sale Property will require improvements to intersections along Whittier Boulevard, Pickering Avenue and Washington Boulevard. The analysis also explored the potential impacts of a discount super store measuring 150,000 sf, but not the total 25 acres of commercial space initially desired by the City in 2006.

2005 Offsite Traffic Mitigation Costs

Intersection	Year 2005 Existing Traffic		Year 2015 Traffic Without Project		Year 2015 Traffic With Market/Big Box Project		Is Intersection Deficient, and Does Project Add More Than 2 Percent to ICU, and Is Project Therefore Responsible for Participation in Mitigation?	Project's Pro Rata Share of Future Increase in Evening Peak Hour ICU	Estimated Mitigation Cost	Project's Share of Mitigation Cost
	Morning Peak Hour	Evening Peak Hour	Morning Peak Hour	Evening Peak Hour	Morning Peak Hour	Evening Peak Hour				
	LOS	LOS	LOS	LOS	LOS	LOS				
Whittier Boulevard and										
I-605 Southbound Ramps	B	D	C	E	C/C	E/E	NO/NO	.19804/.25430	$0/$0	$0/$0
I-605 Northbound Ramps	D	C	E	C	E/E	C/D	NO/NO	.25063/.34362	$0/$0	$0/$0
Norwalk Boulevard	F	F	F	F	F/F	F/F	YES/YES	.13688/.17966	$2,236,000 /$2,236,000	$306,062/$401,710
Hadley Street	D	C	D	C	E/E	D/D	NO/NO	.18279/.28132	$0/$0	$0/$0
Sorensen Avenue	D	D	E	E	E/E	E/E	NO/NO	.29843/.39390	$0/$0	$0/$0
Philadelphia Street	D	D	E	D	F/F	E/F	YES/YES	.36559/.76601	$1,118,000/$ 1,118,000	$408,727/$856,397
Santa Fe Springs/Washington	E	F	F	F	F/F	F/F	NO/YES	.09478/.19633	$0/$2,236,000	$0/$439,003
**Mitigated	D	F	E	F	/E	/F		/.17884	$0/$2,236,000	$0/$399,880
Greenleaf Avenue	E	D	E	E	F/F	E/F	YES/YES	.21983/.36952	$2,236,000/$ 2,236,000	$491,543/$826,244
Painter Avenue	E	F	F	F	F/F	F/F	NO/YES	.08461/.16782	$0/$2,236,000	$0/$375,235
Pickering Avenue and										
Philadelphia Avenue	B	B	C	C	C/D	D/E	NO/NO	.56615/.75122	$0/$0	$0/$0
Washington Boulevard and										
Sorensen Avenue	C	D	E	E	D/D	E/E	NO/NO	.11806/.19574	$0/$0	$0/$0
Lambert Road	B	C	C	C	C/C	C/C	NO/NO	.06750/.12646	$0/$0	$0/$0
									$5,590,000/$12,298,000	$1,206,332/$3,298,469

Hazardous Materials

A preliminary assessment of the soil and groundwater conditions indicate some isolated contamination that will require remediation. The buyer will be expected to perform a Phase II investigation as part of the Specific Plan EIR.

Potential Contaminants Based on the Phase I	***Potential Remediation Alternatives***	***Implications of Remediation Alternatives***
Pesticides and metals in shallow soil in former agricultural areas at the Site	Mix shallow contaminated-soils with deeper clean soil OR dispose of contaminated soil offsite	Adds additional cost to development and could potentially impact development schedule depending on the volume of contaminated soil
Petroleum-related contaminants in soil and/or ground water near the former boiler room	Excavate petroleum contaminated soil and dispose of offsite. Unlikely that ground water is significantly impacted. Ground water may require monitoring if impacted	Adds additional cost to development. Although unlikely, could potentially impact the development schedule depending on the volume of contaminated soil. Long-term ground water monitoring will require set up of institutional controls, cause uncertainty regarding environmental site closure and require financial assurances for long-term monitoring
Volatile organic chemicals in soil vapor from offsite ground water plume that may be migrating onto a portion of the Site	Install vapor barriers and ground water and soil vapor monitoring wells in affected area	Costs for remediation could be recovered from offsite property owner. Long-term monitoring and maintenance of vapor barriers will require set up of institutional controls, cause uncertainty regarding environmental site closure and require financial assurances for long-term monitoring

Tree Survey

The Sale Property includes a variety of trees of varying degrees of size, species, and health, which are identified in a Tree Survey. A storm in 2005 destroyed a number of trees identified in the survey since it was completed.

The removal or relocation of the trees will be one subject of the EIR for the Specific Plan for the Sale Property.

Note: photos are vintage 2005

City Regulations

Current Zoning

The Sale Property is currently subject to the zoning and development standards of the Workplace District under the Whittier Boulevard Specific Plan (WBSP), which is available from the City by contacting Jeff Collier, Director of Community Development (562-464-3380). The WBSP requires that the Sale Property be approved as a master plan with its own Specific Plan that is compatible with regulations found in the Workplace District. Although the WBSP includes a certified EIR, a new EIR will be required for the proposed Specific Plan. The WBSP establishes broad land uses that would be considered for the Sale Property, including retail, office, and housing.

Redevelopment Project Area

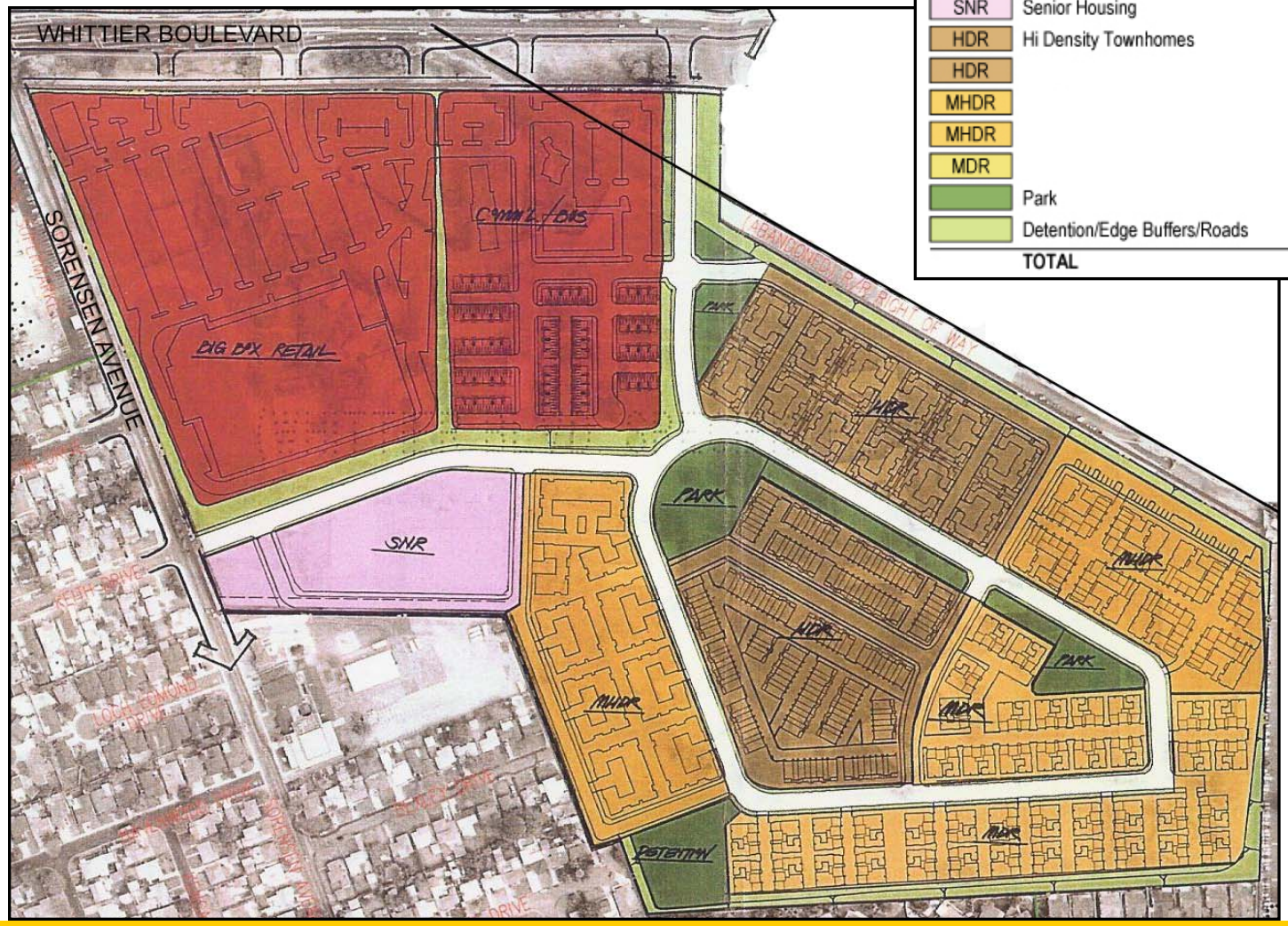
The Whittier Redevelopment Agency amended the Whittier Commercial Corridor Redevelopment Plan to include the Sale Property. The selected buyer should anticipate redevelopment requirements, such as 15% affordable housing. The Sale Property is expected to generate significant tax increment for the Redevelopment Agency because there is no current tax base from the Sale Property due to State ownership. Interested parties are advised to contact Jeff Collier, Director of Community Development (562-464-3380) at the redevelopment agency for information about the amended project area and related EIR.

City Concept Plan Dated 2005 – a historical perspective

Note: this plan may not reflect the City Council's expectations for 2009

LEGEND

	LAND USE	ACREAGE	DENSITY	DU
	Big Box Retail	14.4		
	Office/Historical	8.5		69
SNR	Senior Housing	4.0	25.0	100
HDR	Hi Density Townhomes	7.1	23.4	166
HDR		5.9	20.3	120
MHDR		5.6	20.4	114
MHDR		4.4	17.5	77
MDR		8.7	14.5	126
	Park	3.1		
	Detention/Edge Buffers/Roads	12.1		
	TOTAL	**73.8**		**772**



City 2005 Concept

Proposed City Concept Plan. The City's proposed plan included a smaller parcel to the northeast of the Sale Property along Whittier Boulevard that is not owned by the State.

City's 2005 Preferred Land Uses – a historical perspective

Note: this Land Use may not reflect the City Council's expectations for 2009

The City previously entered into an Amended and Restated Memorandum of Understanding ("MOU"), dated September 2005, that includes the following City objectives in the reuse of the Sale Property:

1. Provide for a comprehensive plan for the 73.8-acre site through the Specific Plan process.

2. Incorporate a mixture of residential and commercial uses generally as follows:
   - Commercial: A minimum of 25 acres, located along the Whittier Boulevard frontage, with 15 acres at the corner of Whittier Boulevard and Sorensen Avenue set aside for a big box retail use, and additional mixed use (retail and office on the ground floor and office or residential lofts on upper floors) along the balance of the Whittier Boulevard frontage.
   - Open Space: Appropriate for the uses proposed, as determined by the City Council.
   - Residential: There shall be a variety of residential densities, which range from a minimum of 10 units per acre to a maximum of 35 units per acre, with a maximum overall average density of 22 units per acre within residentially areas (estimated maximum of 650 units). Home ownership opportunities are preferred for the Development site.

3. Generate between $1,000,000 and $2,000,000 per year in sales tax revenue and a minimum improvement value of $250,000,000 so as to provide needed property tax revenue to the City of Whittier and the Whittier Redevelopment Agency. These revenues are needed to pay for public services to residents and users of the site and city-wide services and facilities, including but not limited to
   - Police services
   - Park and recreation facilities and programs
   - Public infrastructure and street maintenance services (i.e. sewer, storm drains, street maintenance, street tree maintenance, general governmental services, etc.)
   - Library services

City's Preferred Land Uses (continued)

4. Incorporate the preservation of the former Administration Building and Superintendent's home consistent requirements of the City of Whittier and the State of California's Office of Historic Preservation.

5. Utilize architectural designs that will complement and be compatible with the historic resources on the site.

6. A minimum of 15% of all residential units built as part of the project shall be made available to families that qualify as "very low income", "low income", and/or "moderate income", consistent with the requirements of the City's Housing Element and Regional Housing Needs Assessment requirements. Preference will be given to first time homebuyers in these categories.

7. The project is not intended to include tax-exempt uses.

8. Fund its fair share of costs for off-site improvements, including but not limited to, the street widening and signal improvements on Whittier Boulevard, improvements to Sorensen Avenue, and the connection of storm drains and sewage lines to facilities in Washington Boulevard.

9. Meet the project's park and open space requirements on-site or through payment of in-lieu fees to be used for enhancement or expansion of existing City open space facilities.

10. The City/RDA is open to consider innovative public financing techniques. Further, the City will also consider assisting in the coordination of required improvements with Caltrans, the County of Los Angeles, and various utility companies.

11. The City will process the necessary project entitlements and environmental review in an expedited manner.

12. It is anticipated that vehicular access will be limited to driveway access on Whittier Boulevard and Sorensen Avenue.

13. Incorporate as much of the existing landscape material into the new project as feasible.

2005 Community Forums

The City hosted a community forum on March 17, 2005, and another community forum on May 12, 2005, to identify important issues of neighbors and other community stake holders relating to the redevelopment of the Sale Property.

State 2005 Conceptual Site Plan

Interested buyers are encouraged to study the concept plans developed in 2005 from a historical perspective only. The City's evolution of thought regarding the final densities and land uses appropriate going forward are likely different from those of 2005. The Conceptual Site Plan and Preliminary Product Test Plan developed by the State were not approved by the City; they should be viewed only as a historical perspective.

Content of Offer

Except for offers of cash with no conditions relating to land use approvals, the State will be best able to consider offers that include, but are not limited to, the items described below.

A. Qualifications

Team Structure and Management — Describe the composition, principals, and legal form of the entity submitting the offer. This section should include the responsibilities and experience of key individuals, both in-house staff and consultants, including financial analysts, attorneys, planners, builders, cost estimators, etc. Identify which team member(s) will be responsible for which product type if a group of builders or developers have organized under a single agreement. A team of different developers/builders submitting a single proposal should identify the party that will represent all members of the team.

Relevant Project Experience — The party's experience in planning, entitling, and developing comparable projects to the extent necessary to satisfy the conditions of the offer. This information shall include:

- name and location of the project(s)
- project description including land uses and intensity of development
- special circumstances (e.g. mixed use development, specific plan, etc.)
- original permitted land use(s) and the outcome of the entitlement process
- brief description of planning process

Financial — Capability to acquire and develop the Sale Property commensurate with the offer. The financial role, responsibility and strength of each financial principal should be made clear.

B. Commitment to Entitlement Approvals

Offers shall describe the extent to which the offeror is willing and able to cooperate in the entitlement process, in particular the approval of a Specific Plan. Selected parties will be expected to participate in varying degrees with all City approvals, including: the Specific Plan, planned or site development permits, tentative map, final map, development agreement, and other project approvals.

C. Conditions

Describe all conditions in detail relating to the transaction, including but not limited to the necessary entitlements and any agreements with the City pertaining to the use of tax increment funding.

Content of Offer (continued)

D. Schedule of Performance

Interested parties who make a conditional offer shall provide a time schedule and key benchmarks for meeting such conditions. The State expects to close escrow in the Winter of 2010, subject to the City's approval of the rezone application, Development Agreement, Owner Participation Agreement (if necessary), and certification of the EIR.

E. Proposed Plan

Offers shall include as much detail as possible about the intended site plans for the land to be acquired. The proposed plan and development program shall include the number, size, density and type of residential units, intended commercial uses, adaptive reuse of at least the Superintendence Residence and Administration Building, and public amenities. The proposal shall describe how the State will receive highest and most certain return within a reasonable period of time.

F. Compliance with the City's Interests

The State intends to cooperate with the City's interests that are consistent with the State's objective of receiving the highest and most certain return in a timely manner.

G. Financial Terms

The offer shall specify the price for the land to be acquired, the amount of profit participation above the base price, and the maximum cost of any deductions or exactions beyond those identified in the State's land residual analysis where applicable. The selected buyer and State will negotiate a mutually agreeable methodology for calculating the profit participation. In addition to cash offers, proposals may include a range of pricing options based, for example, on (1) the satisfaction of various conditions such as different phases of the entitlement process, or (2) installment sales with reasonable terms and conditions such as payments geared to takedown.

Content of Offer (continued)

H. Exchange Property for a Secure Community Reentry Facility (SCRF)

In addition to seeking the highest and most certain return from the sale of the Property, the State would prefer to enter into a purchase and exchange agreement whereby a portion of the Nelles property will be exchanged for a property that will meet the requirements of the California Department of Corrections and Rehabilitation (CDCR) to build a Secure Community Reentry Facility (SCRF) in an urbanized area of Los Angeles County, the balance of the purchase price to be comprised of cash or equivalent. The State will give consideration to proposals that include (1) suitable land, as described in Attachment [LINK], and (2) a letter of interest for hosting a SCRF from the city in which the exchange land is located, or from the County if the property is located in an unincorporated area. Within ninety (90) days of the successful proposer's receipt of the notice from the state to enter into exclusive negotiations, the proposer will be required to deliver to the state a resolution of support from the city in which the proposed exchange property is located, or from the County if the property is located in an unincorporated area. The resolution should be similar to Attachment [LINK] .

The value of the proposed exchange property for an SCRF will be established through an appraisal contracted and approved by the State and paid for by the proposer, and will be credited against the price offered for the Nelles property. The Department reserves the right to determine in its sole and absolute discretion if a proposal or proposals that provide for an exchange for a portion of the value of the Nelles site are in the best interest of the State and to determine which exchange sites to perform further evaluation.

RFP Process

Selection
Within approximately 45 days following the submittal deadline, the State will notify interested parties of its selection. During this time, the State may request additional information from interested parties.

The State will select an interested buyer to negotiate and enter into a purchase agreement. The State will select the buyer who, at the sole discretion of the State, offers the best opportunity to meet the State's objective of receiving the highest and most certain return within a reasonable time. The selection process should not be interpreted as a bid process. The State reserves the right to make its selection based on its sole and absolute discretion. In addition, the State reserves the right to reject any or all offers at any time.

Execution of Purchase Agreement and Due Diligence
The State will allow 60 days following the selection of the buyer to execute the purchase agreement. During this 60-day period, the selected buyer will be required to complete its due diligence. At the end of this 60-day period, the State reserves the right to select an alternative buyer or terminate the sale of the property if the State and selected buyer fail to agree on the terms of the sale.

Deposit
Upon the State selecting the buyer, the buyer will be required to submit a deposit equal to 1% of the purchase price that is offered in the proposal. One half of the deposit shall become nonrefundable upon the execution of the purchase agreement. The buyer will be required to deposit an additional 1% of the purchase price in installments upon completion of certain performance benchmarks agreed to by the selected Buyer and State.

SUBMITTAL DEADLINE:

All proposals must be submitted **by of 5:00 p.m. on November 20, 2009.** Interested buyers are required to submit ten copies of their proposal to:

Jon Heim,
Project Manager
Dept. of General Services
Real Estate Services Division
Asset Management Branch
707 3rd Street, 6th Floor
West Sacramento, CA 95605

For additional information not contained in this RFP, please call Jon Heim at (916) 376-1812.

Additional Information

Information Session

The State will conduct a ~~mandatory~~ information session in Whittier prior to the submittal deadline. Interested buyers should refer regularly to the website at http://www.surplusproperty.dgs.ca.gov/detail.aspx?id=628 for the date, time, and location, which will be posted at least two weeks prior to the meeting.

Questions for DGS

All questions that are not addressed in this RFP must be emailed to Jonathan Heim at jonathan.heim@dgs.ca.gov.

RFP Updates

THE STATE RESERVES THE RIGHT TO UPDATE THE WEBSITE. THE STATE ENCOURAGES INTERESTED PARTIES TO CHECK THE WEBSITE REGULARLY FOR NEW INFORMATION.

Disclosures, Representations, and Warranties

The State obtained the enclosed information and the information contained on the Sale Property web site from sources deemed reliable, including but not limited to public documents that were provided to the City as part of its due diligence under the terms of the MOU. However, the State makes no guarantees, warranties, or representations nor expresses or implies any opinion concerning the accuracy or completeness of the information provided. It is furnished solely as an aid to parties interested in purchasing the Sale Property. Interested parties are responsible for undertaking all necessary investigations on and off the Sale Property. The State will allow interested parties an opportunity to conduct "on-site" investigations of the Sale Property in accordance with the section immediately below.

Inspection of the Sale Property

Interested parties who want to visit the Sale Property must receive an executed Right of Entry form from the State by contacting Jon Heim at (916) 376-1812. Such request must include the identity of the contractor(s) or entity(ies) conducting the inspection and the nature and scope of the inspections. Subject to the terms of the Right of Entry, the interested party, its representatives, authorized agents, or contractors, may enter on the Sale Property to make such inspections of the Sale Property, provided that the interested party keeps the Sale Property free of liens, repairs all damage to the Sale Property resulting from such inspection, and indemnifies and holds the State harmless from and against all liability, claims, demands, damages, or costs of any kind whatsoever (including attorney's fees) arising from or connected with the inspections. Entry onto the Sale Property without the State executing and returning the Right of Entry form to the interested party is prohibited.

Closing Costs

All closing costs shall be paid by the buyer, including but not limited to any applicable documentary transfer taxes, premiums for any title policy, escrow fees and costs, and document recording charges for the Deed and Deed of Trust. **In no event shall the State be responsible for any real estate brokerage fees.**