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COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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REFER TO FILE:

BRC-2

April 30, 2019

REQUEST FOR PROPOSALS HONOR RANCH SANTA CLARITA DEVELOPMENT OPPORTUNITY RFP NUMBER: BRC0000101

The County of Los Angeles Department of Public Works is requesting proposals from qualified firms to provide development services for Honor Ranch in Santa Clarita, California.

Due Date

Proposals must be addressed and submitted to the Department of Public Works, 900 South Fremont Avenue, Alhambra, California 91803, **CASHIER'S OFFICE, located on the Mezzanine Level, on/or before 4 p.m., July 31, 2019.** Envelopes should be marked: "Honor Ranch - RFP Number BRC0000101." **Proposals received after the deadline will not be accepted.**

Optional Pre-Submittal Conference:

A Pre-Submittal conference to answer questions concerning the project will be held on Tuesday, May 28, 2019 at 10:00 a.m., at the Public Works Building located at 900 South Fremont Avenue, Alhambra, CA 91803 in Conference Room A.

"Doing Business with DPW" Website Registration:

All interested proposers for this RFP are strongly encouraged to register at <https://dpw.lacounty.gov/contracts/Opportunities.aspx>. Only those firms registered for this RFP through the DPW website will receive automatic notification when any update to this RFP is made. **County does not have an obligation to notify any proposers other than through the DPW website automatic notification system.**

Doing Business with Small Business:

The County provides many benefits for firms that are certified through the County's Local Small Business Enterprise (LSBE) Program. Eligible firms, prime contractors and subcontractors are strongly encouraged to participate, and receive benefits available only to LSBE's such as price preference during solicitation process, when applicable, and the LSBE Prompt Payment Program, which ensures payment within 15 days of receipt of an undisputed invoice for goods or services. To learn more about the LSBE program and certification requirements follow this link: <http://osb.lacounty.gov/Certifications.htm>.

Follow-us on Twitter:

We encourage you to follow-us on Twitter @LACoPublicWorks for information on Public Works and instant updates on contracting opportunities and solicitations.

Proposers must submit questions in writing and request information for this solicitation by **July 17, 2019**. If you have any questions regarding this Request for Proposals, you may contact Mr. Matt Jerge at (626) 458-2593, or by e-mail at mjerge@dpw.lacounty.gov.

Very truly yours,

MARK PESTRELLA
Director of Public Works



JOSE QUEVEDO
Assistant Deputy Director
Business Relations and Contracts Division



Request for Proposals (RFP)

Honor Ranch Santa Clarita

Development Opportunity Request for Proposals

April 2019

The County of Los Angeles (“County”) is offering a rare and unique opportunity to develop a County-owned vacant lot in the Santa Clarita Valley, known as Honor Ranch. The large contiguous land area, freeway access, and high visibility of Honor Ranch Site offers an excellent opportunity for a high-profile, integrated, multi-use development.

Honor Ranch is 206 contiguous acres of undeveloped land immediately adjacent to the I-5 Freeway 40 miles north of Downtown Los Angeles. The Site’s two miles of I-5 freeway frontage offer abundant freeway visibility with access from an existing interchange.

Honor Ranch is located in a relatively affluent part of the County and is well-positioned to provide a local-serving commercial cluster for Santa Clarita Valley’s large and growing, but relatively separated population. With 30% projected population growth through 2040, and up to 32,000 residential units planned or proposed in the area, the County is targeting a development that provides high-quality jobs.

The Site’s generally flat topography is more conducive to development than other hillier and comparatively disjointed undeveloped Sites in Santa Clarita Valley. Value-added Site attributes also include the presence of Castaic Creek as well as the sight lines to the surrounding mountains and natural beauty of the Santa Clarita Valley.

Through this Request for Proposals (“RFP”), the County intends to identify a qualified developer that will collaborate with the County and engage community stakeholders to refine a proposal into a viable project that meets County’s objectives and developer investment requirements. The County desires to retain ownership of the Property and prefers that the proposed development will be subject to a long-term ground lease.

Included in this RFP is information about the opportunity, a survey of key demographic and market data, development activity overview, and the process for proposal submission and evaluation.

Proposals are due by Wednesday, July 31, 2019, by 4:00pm (Pacific Time).

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I. Project Overview

Background

The Honor Ranch Site was identified in 2016 by the Los Angeles County Board of Supervisors as underutilized County property with significant development potential that could provide economic development opportunities for the region. As a result, Honor Ranch was added to the County's economic development priorities as part of a high-return asset utilization strategy to stimulate regional job growth.

Located in the Santa Clarita Valley ("SCV"), Honor Ranch ("Site" OR "Property") consists of 206 contiguous acres of undeveloped land owned by the County that is currently zoned for agricultural uses. The Santa Clarita Valley encompasses 520 square miles and has a total population of 300,000, including the City of Santa Clarita which is the third-largest city in the County after Los Angeles and Long Beach.

The fast-growing SCV can capture expected County growth in infotech and aerospace, bio-medical, and electronics manufacturing, with light industrial representing the strongest market opportunity short- to mid-term.

The County's main objectives for the development are localized job creation and small business development. Therefore, developers are encouraged to submit proposals that reflect the goals and vision for the property and maximize potential benefits for the community.

Through this RFP the County desires to identify a collaborative developer to whom it will ultimately ground lease the Property to effectuate its successful development.

Location Summary

Honor Ranch consists of 206 contiguous undeveloped acres in the northern portion of the County. The Site is located just south of Castaic, California, approximately 40 miles north of downtown Los Angeles. The Site lies between the I-5 Freeway and the Castaic Creek Wash.

The Site's two miles of I-5 freeway frontage offer substantial direct views of the Site. The abundant freeway visibility and access from an existing interchange are considered key value adding attributes of the Site's location and configuration.

Figure 1: Area Map & Site Location



Timeline

The following schedule below provides an anticipated timeline for this procurement. The dates below are approximate and are not guaranteed. The County reserves the right to amend/adjust the schedule, in its sole and absolute discretion.

RFP Timeline

April 30, 2019:	Release RFP
May 28, 2019:	Pre-submittal conference
May – June 2019:	Site visits by appointment
July 17, 2019:	Last day to submit questions
July 31, 2019:	Proposals due to the County (by 4:00pm PT)
August 28, 2019:	Notifications of short-listed proposers
September 23-26, 2019 (tentative):	Project presentations
September 30 - October 22, 2019 (tentative):	Working meetings
November 5, 2019 (tentative):	LOI due to County
November 21, 2019 (tentative):	Notification of final rankings
January 2020: (Tentative)	Board approval to enter into Exclusive Negotiation
February 2019 (tentative):	Exclusive Negotiation Agreement

Transaction Summary

The County desires a mixed-used development that achieves the County's primary objective of creating diverse job opportunities in the Santa Clarita Valley. The Site will require the significant capital investment in infrastructure as part of the development program for the Property. The County will consider the potential for an Enhanced Infrastructure Financing District, which could provide tax increment financing with County participation, to assist in funding necessary infrastructure projects.

The County desires a lease structure and terms which facilitate acceptable market-based developer returns while delivering a high-quality project. Developers are responsible for predevelopment costs, entitlement, and ongoing public outreach. All construction activities will be expected to be performed under a Project Labor Agreement, and payment of Prevailing Wage rates, at a minimum, will be required.

II. Site Description

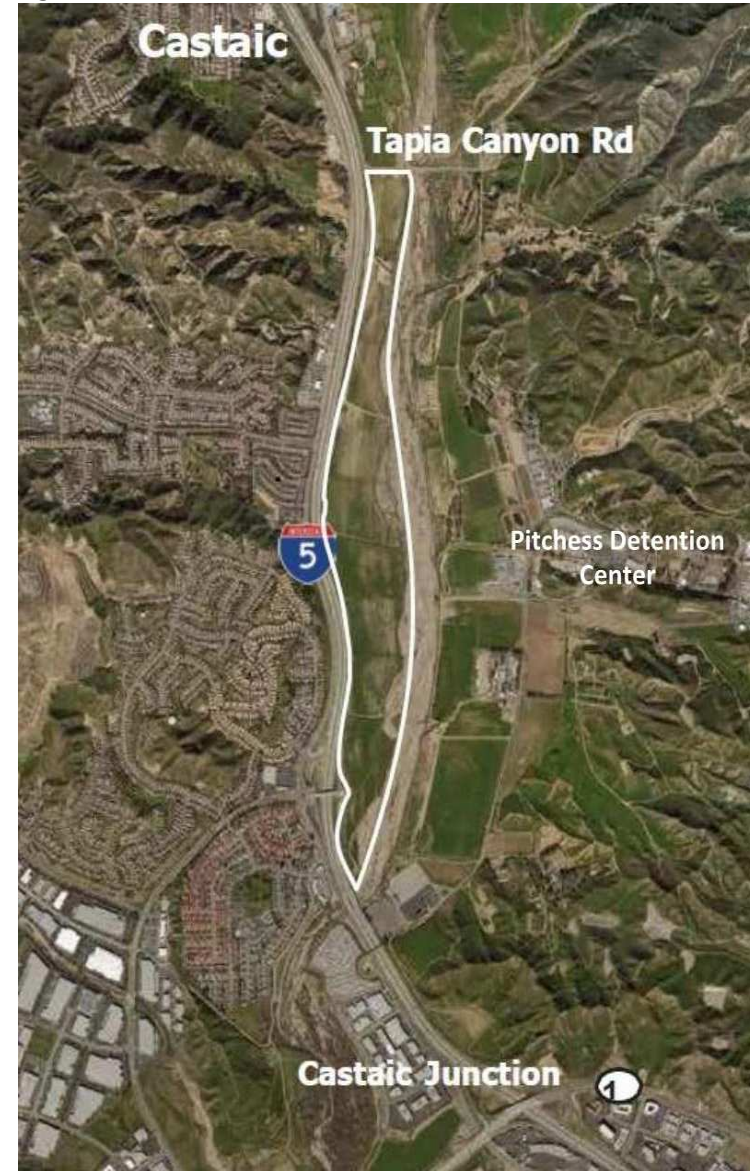
Honor Ranch consists of 206 contiguous acres of undeveloped land owned by the County and includes the following APNs: portions of 2865021800, 2865021802, 2866004906, 2865004909, 2866004911, and 2866004912. The eastern boundary of the Site is the Castaic Creek Wash, east of which is the County's Pitchess Detention Center ("PDC"), which includes a firing range. North of the Site is Tapia Canyon Road and Castaic Sports Complex. West of the Site beyond I-5 is predominately single-family residential use. Castaic Junction development is located southwest of the Site and south of the Site is Biscailuz Drive, which provides access to the PDC.

Opportunities & Constraints

The diversity of land uses surrounding Honor Ranch present both benefits and challenges for development. Nearby commercial and light industrial developments such as the Valencia Commerce Center and Southern California Innovation Park help create an existing concentration of high-salary sectors, offering increased opportunity for synergistic relationships between Honor Ranch and surrounding uses. Proposed and planned projects are anticipated to deliver up to 32,000 residential units, close to 5 million sf of commercial/retail, approximately 3 million sf of industrial, and amenities such as open space, recreation, educational facilities, and public facilities.

The Site's generally flat topography is more conducive to development than the other hillier and disjointed undeveloped Sites in SCV. Value-added Site attributes include the presence of Castaic Creek, sight lines to the surrounding mountains, the and natural beauty of SCV.

Figure 2: Honor Ranch Site



In addition to the Site's surrounding land uses, there are various aspects of the Site's physical conditions that may favorably impact, as well as pose challenges to the development of Honor Ranch.

Interested developers/proposers can review Site assessment phase technical studies which are available on the Honor Rancho RFP website for more detailed background on the Site. The technical studies include potential land uses, market analysis, utilities and easements, hydrology, geotechnical, traffic/transportation, and environmental.

The County as a long-term owner of the property, over time has conducted a series of preliminary evaluations of Site characteristics and prospective hypothetical development programs. These high-level feasibility evaluations and related documents (which the County is providing in Appendix 5C to assist with initial due diligence), are informative yet not necessarily conclusive as to specific project proposals or current market and other conditions. The analyses include dated estimates of certain technical conclusions/observations (e.g. traffic, transportation infrastructure, geotechnical/seismic, environmental) utilized in the absence of more current and project-specific analysis that would be needed for any future development project.

Prior cost estimates included next steps for further analysis that, among other potential evaluations, may be conducted by any development team during the exclusive negotiation period. Accordingly, the technical studies may or may not be applicable to proposed future development concepts for the Site and each developer is invited to conduct their own analysis.

During the County's Site assessment phase, several Site conditions were identified as summarized below.

- *Adjacent Uses.* Nearby land uses may create noise issues for Honor Ranch, particularly those associated with an existing PDC

firing range, helipad, and traffic from the I-5. Additionally, the Site's proximity to the PDC and associated perceptions concerning safety may need to be addressed.

- *Land Use.* The project Site is currently zoned as A-2-5 for heavy agricultural use. A zone change will be required to change the allowable uses for the Site.
- *Hydrology.* Although a majority of the Honor Ranch Site is impacted by the FEMA 100-year Flood Insurance Rate Map (FIRM), preliminary hydrologic modeling revealed that some of the Site immediately east of the I-5 appears to not be in the 100-year FEMA FIRM zone. The western side of the Site may lie predominantly outside of the floodplain.
- *Geotechnical Suitability.* A geotechnical suitability study dated March 1988 by LeRoy Crandall and Associates indicates that the Site is located on the alluvial plain of Castaic Creek as well as on a fault line (part of the San Gabriel Fault zone) in the northern portion of the Site.
- *Environmental.* The California Natural Biodiversity Database (July 2017) indicates a 2005 recorded sighting of a special-status wildlife species, the Unarmored Threespine Stickleback, which is protected under both the federal and state Endangered Species Acts, at the edge of the southern point of the project Site. In addition, nests of burrowing owls, which are federally protected by the Migratory Bird Treaty Act, have been found on the PDC site in close proximity to the Property.
- *Accessibility.* Honor Ranch is located directly adjacent to the I-5 with over two miles of interstate frontage. Although the Site is accessible from the I-5 via existing interchanges to the north and south, improvements to the interchanges and connecting

road networks to the planned development will likely be needed.

Figure 3: Honor Ranch Opportunities and Constraints



III. Development Concept

The County is inviting Proposals from qualified developers/development teams to develop the Site into a high-quality, office, commercial, public, cultural, residential, hospitality, and/or mixed-use facility with massing and scale appropriate to the surrounding area. The County is looking for Proposers to enter into a ground lease to develop the proposed project.

The County anticipates that the total development budget for a comprehensive development program could exceed \$400 million in development costs, excluding infrastructure which could add in the range of \$200 million depending on phasing and development concepts. Specific evidence of financial capacity and financing capability track record on similar large projects will be required as evidence of the ability to fund/finance a project of this size.

The County has the following Key Development Objectives:

Create Jobs and Provide Community Benefits

- Create jobs and provide opportunity for small businesses and local workers
- Enhance the region's employment base with high quality jobs and best-in-class workplace environments
- If residential uses, encourage a mix of housing types across categories, including workforce and affordable

Fulfill Board Priorities and Maximize Revenue to County

- Maximize multiple revenue streams
- Mitigate the current physical challenges at the Site (flood control, seismic, etc.) to allow for development
- Create sustainable development projects

Enable Development on Underutilized Site

- Realistically evaluate the wide array of Site constraints to ensure feasibility
- Exploit I-5 frontage, viewshed, and access with product types most responsive to such benefits
- Develop a phased strategy that realistically balances long-term benefits with near term economic feasibility

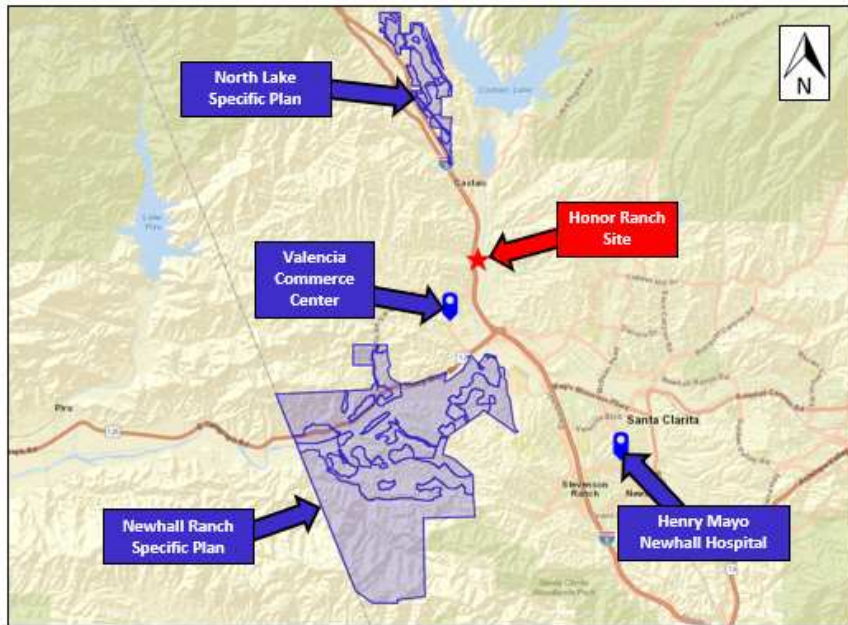
The project will be also expected to comply with County policies, including:

- Payment of Prevailing Wages for construction
- Project Labor Agreement is required for the project
- Local and Targeted Worker Program (Attachment 4)
- Los Angeles County Civic Art Policy (Attachment 5A)
- Los Angeles County policy that all new County buildings achieve at least the LEED Gold level of certification.

Development Activity

The SCV is experiencing unprecedented growth with public and private investment in the area surrounding Honor Ranch to support increased employment opportunities on the Site. Proposed and planned projects adjacent to the site are anticipated to bring up to 32,000 residential units, close to 5 million sf of commercial/retail, approximately 3 million sf of industrial, and amenities such as open space, recreation, educational facilities, and public facilities. Additional projects are planned throughout the SCV.

Figure 5: Map of Existing & Proposed Development Projects



Source: ESRI (2019)

The information presented below provides a summary of proposed development activity from data sources deemed reliable. The County makes no representation whatsoever regarding the accuracy or reliability of said data and does not guarantee that proposed

development projects will be completed. Each developer should complete their own due diligence on the subject market.

Newhall Ranch

The Newhall Ranch Specific Plan was adopted in May 2003 and is located at the I-5 and SR126 corridor in the Santa Clara Valley. The Specific Plan encompasses approximately 11,963 acres with a potential built out of 20,885 residential units and approximately 11 million sf of non-residential uses. Phases one and two described below have received entitlement approval:

- *Landmark Village (Phase One)* - 1,444 residential units (270 SFR and 1,174 MF units), 1.03 million sf of commercial retail uses, 45 acres of open space, including a 16-acre community park, trail system, and elementary school
- *Mission Village (Phase Two)* – 4,055 residential units (351 SFR and 3,704 MF), 245,000 sf of commercial retail, 1.33 million sf of office, a school, fire station, public library, open space, public and private recreational facilities, trails and road improvements. Off-Site improvements include the Commerce Drive Bridge, Magic Mountain Parkway and Westridge Parkway extensions

Future phases include Homestead Village North & South, Potrero Valley, Legacy Village, and Entrada North & South communities scheduled to be built over the next 25 years.

Figure 6: Newhall Ranch



Valencia Commerce Center Final Phase

Approximately 3.8 million sf of light industrial and commercial uses on 558 acres with project amenities (open space and public facilities). Entitlements are currently pending.

Figure 7: Valencia Commerce Center



Northlake Specific Plan

The Northlake Specific Plan was adopted in 1992 to develop up to 3,623 residential units (SF and MF), 13.2 acres of commercial retail and 50 acres of light industrial uses, and project amenities (recreation areas and public facilities) on 1,330 acres on the east side of the Ridge Route and west of Castaic Lake. Phase one (Project No. 2015-00408) to develop 2,295 residential units (288 SF and 2,008 MF), 63 acres of commercial retail and light industrial uses and supporting amenities (recreation areas, school and public facilities) is approved.

Henry Mayo Newhall Hospital

Henry Mayo is a 238-bed, not-for-profit community hospital and trauma center located at McBean Parkway and Orchard Village Road in Valencia. The 2008 Master Plan proposed a 700,000 sf campus. The Inpatient Tower currently under construction will add 142 beds.

Figure 8: Henry Mayo New Patient Tower



Five additional residential development projects totaling 2,200 housing units are located within the vicinity of Honor Ranch providing a range of housing options for potential employees.

Summary Demographic Information

The SCV has experienced significant population and economic growth over the last few decades. The City of Santa Clarita (Santa Clarita) is the largest community in the SCV and has become the third most populous city in Los Angeles County with a population of 220,000 residents in 2016 and is expected to grow 30% through 2040. The Santa Clarita residential population and employment are projected to continue to grow through 2040 along with the rest of the SCV.

Key growth characteristics for the Santa Clarita population and job sectors are summarized below:

- Projected Santa Clarita population growth of 30% by 2040 is nearly twice the overall County rate of 16%
- Projected Santa Clarita job growth of 30% compared to 21% in the overall County
- Santa Clarita jobs/household ratio is projected to drop slightly to 1.06, compared to 1.32 for the County, as the City remains a net “out commuter.”

Figure 9: Local Demographics – Santa Clarita Valley and Los Angeles County

2018	Santa Clarita Valley	County of Los Angeles
Population	292,693	10,288,937
Households	92,555	3,369,650
Average HH Size	3.06	3.00
Median Age	36.2	35.7
% Hispanic Origin	30.8%	49.0%
Per Capita Income	\$40,623	\$31,563
Median HH Income	\$101,003	\$62,751
Average HH Income	\$126,827	\$94,861
2018-2023		
Annual Growth Rate		
Population	0.66%	0.54%
Median HH Income	2.36%	3.87%

Source: ESRI (2019)

The SCV area features a relatively high concentration of goods-producing jobs and a moderate concentration of professional services. SCV has significant clustering in higher salary sectors for high-tech manufacturing, which may be tied to the area's historically strong aerospace industry. Although the aerospace industry's presence has generally declined across Southern California, the industry remains an important part of the SCV economy due to its proximity to related facilities in the Antelope Valley communities of Lancaster, Palmdale, and Edwards Air Force Base.

Figure 10: Santa Clarita Valley Submarket



Source: ESRI (2019)

The increasing diversity of the SCV is demonstrated by the types of companies that are moving to the area, including the headquarters of corporations like Princess Cruise Lines and Sunkist Growers. Other major businesses range from internet marketing company Scorpion to Boston Scientific's Neuromodulation Group. As the SCV grows, both in

population and as a choice location for a diverse set of business sectors, development Sites like Honor Ranch have great potential to capture expected growth and further enhance the economic development of the area.

Employment Trends

Santa Clarita Valley population is projected to grow substantially through 2040 at 30% compared to 21% in the County. The City of Santa Clarita jobs/household ratio is expected to drop slightly to 1.06, compared to 1.32 for the County, as the City remains a net out-commuter. This trend underscores the need for high-quality jobs in the SCV.

The City of Santa Clarita employment grew faster than the County's between 2002 and 2015 (20% vs. 12%) with strong growth in transportation/warehousing and healthcare, consistent with national trends. Santa Clarita has retained goods-producing jobs while the County lost 23% from 2002-2015. Transportation/Warehousing (499%) and Healthcare (119%) were the fastest-growing employment sectors in Santa Clarita.

Honor Ranch has an opportunity to capture the SCV's growth in a range of sectors, especially higher-salary sectors for high-tech manufacturing. There is also an opportunity to target healthcare, professional services, construction, entertainment, and info-tech. Office, light industrial, multitenant, and flex the most relevant land uses for target sectors.

Figure 11: Summary of Industry Sector Attractiveness

Industry	Projected County Job Growth (2014-2024)	Salary Level (2016)	Santa Clarita Location Concentration	Associated Scenario Land Use
Healthcare Services	High	Med-Low	Below-Avg.	Office
Professional and Technical Bus. Svc.	Medium	High	Low	Office, Flex, Multitenant
Construction	Medium	Med-Low	High	Office, Flex, Multitenant
Entertainment ²	Medium	High	Below-Average	Office
Infotech	Low	High	Low	Office
Aerospace Products and Parts Mfr.	Low	High	High	Flex, Multitenant
Bio-Medical	Low	Med-Low	High	Office
Electronic Product Manufacturing	Decline	High	High	Flex, Multitenant
Selected Manufacturing ¹	Decline	Med	High	Flex, Multitenant

Source: LAEDC; SCV EDC; EPS.

(1) Selected manufacturing includes fashion, aerospace, analytical instruments, pharmaceuticals, and medical devices.
(2) for "Arts, Entertainment, Recreation"

A preliminary market assessment for Honor Ranch was completed in 2018. The key findings regarding market opportunity are as follows:

- The fast-growing Santa Clarita Valley can capture expected County growth in infotech and aerospace, bio-medical, and electronics manufacturing
- The Site features a large contiguous land area, freeway access, and high visibility that is unique in the submarket
- Light industrial represents the strongest market opportunity in the short-to-mid-term
- Location and visibility may offer a unique opportunity for the right build-to-suit tenant/owner despite a weak office market

Area Transportation & Access

Honor Ranch is within a 45-minute commute from employment centers in Los Angeles and Ventura Counties.

15-minute drive:

- Reaches 2017 population of 150,938
- Largely confined to Castaic and the City of Santa Clarita

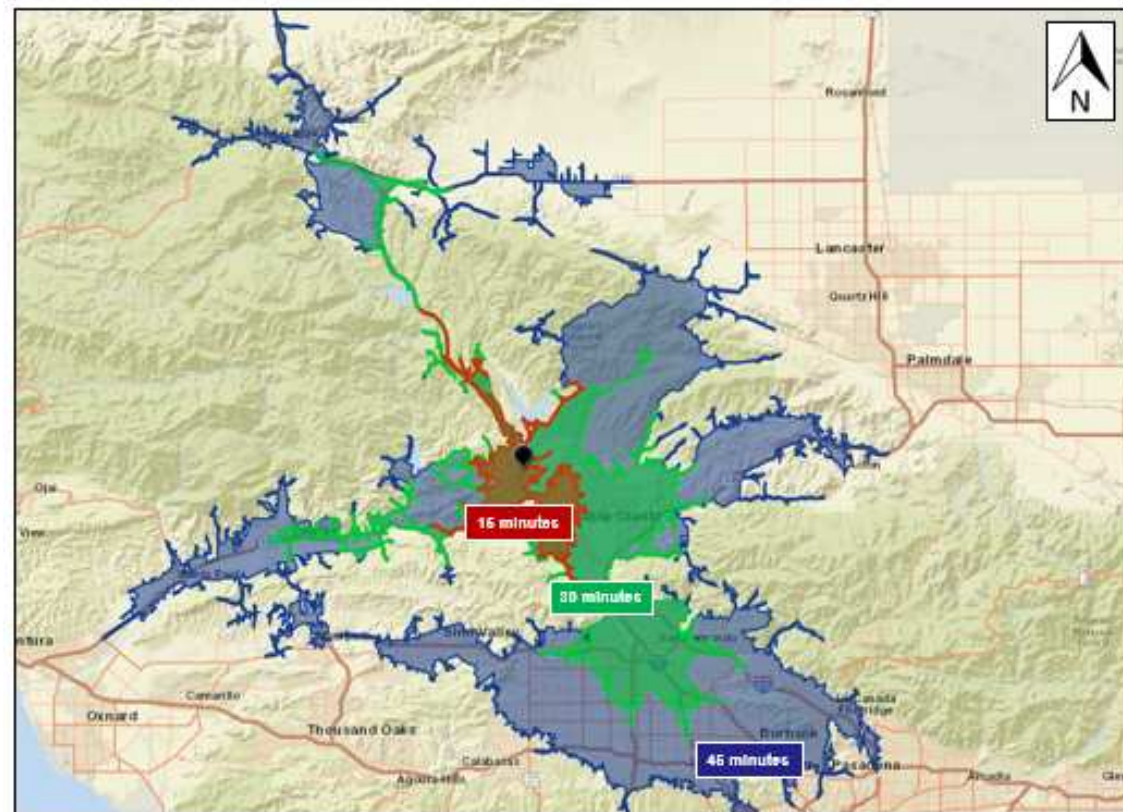
30-minute drive:

- Reaches 2017 population of 1,208,036
- Includes Central San Fernando Valley

45-minute drive:

- Reaches 2017 population: 2,933,031
- Includes the whole San Fernando Valley, Pasadena, Glendale, Hollywood, and parts of Brentwood/Westwood

Figure 13: Commute Times from Honor Ranch



Source: ESRI (2019); Drive Times centered at Honor Ranch Site

V. Public Engagement

As part of exclusive negotiations, the selected developer will need to develop a phased public-private project on County owned land. The County wants the project to reflect a high level of engagement with the existing community regarding its needs and desires. It is expected that the Honor Ranch development will be a significant and closely followed process by an active and engaged citizenry. Various stakeholders include business groups such as the Santa Clarita Valley EDC and Santa Clarita Valley Chamber of Commerce, as well as nearby landowners such as Hasley Hills Home Owners Association, Pitchess Detention Center, Castaic Sports Complex, and local schools.

A successful developer will carefully weigh these varying interests and complete a thorough public outreach process to best achieve a favorable outcome. The County will be able to provide some assistance in facilitating this process by identifying key stakeholders and provide a forum for discussion and other similar roles. However, as with any project of this nature, a successful public input and outreach process will ultimately be the responsibility of the developer.

As part of the selection process, the County will evaluate examples of previous outreach and public engagement campaigns conducted by the Proposers. In addition, the County will evaluate the Proposer's planned public outreach plan. The actual public outreach is expected to occur after a developer selection is made.

VI. Entitlements Overview

Developers will be responsible for all costs associated with obtaining entitlements and permit issuance and shall conduct their own due diligence to assess project feasibility including the identification of permitting and entitlement procedures, entitlement approvals approach and timeframes (including CEQA process). The County makes no representations whatsoever regarding the reliability or accuracy of entitlement information presented herein.

Honor Ranch is located in the unincorporated community of Castaic and within the Santa Clarita Valley Area Plan, a component of the Los Angeles County General Plan (Appendix 5B). The current zoning designation of the subject property is A-2-5 (Heavy Agriculture-Five Acres Minimum) and within the boundary of the Castaic Community Standards District. The land use designation of the property is Public and Semi-Public (P), which represents public and semi-public facilities and community-services uses. A Portion of Honor Ranch is within the Significant Ecological Area (SEA), a Special Management Areas overlay.

Entitlement Process

The County will serve as the processing agency for zoning/land use matters, including the processing of any required CEQA clearances.

The developer will be responsible to perform due-diligence and coordinate with various utility providers to determine the availability and ability to expand the utilities to serve the development. Preliminary utility research identified the following agencies or providers for the utilities for Honor Ranch:

- Water – Castaic Lake Water Agency

- Storm drain, Sewer, Box Culvert – Los Angeles Sanitation District
- Private Gas – California Resources Corp
- Private Fiber Optic – Crown Castle
- Private Communication – Charter Communications

Entitlement Summary

Development of the property will likely trigger review by County of Los Angeles, Caltrans, California Department of Fish and Wildlife (CDFW), United States Fish and Wildlife Services (USFW), United States Army Corps of Engineers (USACE) and other agencies not identified herein. The following are the likely discretionary land use entitlements that will be required from the County to implement the development:

- General Plan Amendment. Re-designation of the P classification to an appropriate land use classification will need to be initiated
- Zone Change. A change of the A-2-5 classification to an appropriate zoning classification will need to be initiated
- Conditional Use Permit. Implementation of key project components such as development within an SEA, project grading, regulate project uses and conformance with zoning standards
- CEQA Document. It is likely an Environmental Impact Report (EIR) will be needed to analyze the impacts of the proposed project.

County Political Leadership

The project Site is located within County Board of Supervisors 5th District, represented by Supervisor Kathryn Barger. The Supervisor strongly supports a development that will create jobs and provide

opportunities for small businesses and local workers, while showcasing best sustainability practices regarding renewable energy, potable water, stormwater treatment, mobility, and landscaping.

VII. Transaction Structure

Ground Lease

The County is interested in a development project structured pursuant to a long term a ground lease. The County has a preference for considering ground lease terms which do not exceed 66 years, including the original lease term and all extensions, but will consider Proposals for ground lease terms of up to 99 years.

The County anticipates that significant capital investment will be required of the selected developer. The County will consider the potential for an Enhanced Infrastructure Financing District, which could provide tax increment financing with County participation, to assist in funding infrastructure projects. The County desires a lease structure and terms which facilitate acceptable market-based developer returns while delivering a high-quality project. The selected developer will be responsible for predevelopment costs, entitlement, and public outreach.

This RFP and selection process do not constitute any type of offer and create no contractual or other liability on the County.

Project Development Terms

All construction activities will be required to be performed under a Project Labor Agreement (“PLA”). Payment of Prevailing Wage rates will be a requirement as well. Affordable housing is a Board priority, so projects that include a residential component will be expected to include, at a minimum, an affordable housing component. Projects that include hotel, restaurant or similar uses may be required to utilize a Labor Peace Agreement with the relevant labor organizations.

Pre-Development Costs

The selected developer will be responsible for all project due diligence costs. It will be expected that to the extent a project is approved, costs associated with securing all necessary entitlements and environmental approvals (including CEQA), demolition, remediation, Site preparation, construction, utilities, taxes, permits, and inspection fees and possible mitigation fees associated with the project shall be borne exclusively by the developer. The County will not pay any broker or finder fees. County makes no representations regarding the Site conditions.

Upon selection following the RFP process, the developer shall provide to the County a good faith non-refundable deposit in the amount of \$50,000. This deposit will be used toward obligations to the County to be defined in the initial Agreement.

In addition to the deposit, the selected developer will be required to reimburse the County for project-related expenses incurred by County staff and consultants for the period of time following the RFP process to project completion.

VIII. RFP Process

Moving forward, the County views this RFP as an opportunity to identify a qualified developer with a market and community appropriate concept/vision. The objective would be to enter into an Exclusive Negotiation Agreement (ENA) which would enable the County and selected development team to work collaboratively on achieving a project based on a more refined development that is specific to Site characterization and due diligence evaluation. Ultimately the work completed during the ENA period is expected to provide the basis for structuring a long-term public private transaction that could include infrastructure delivery programs supported by an Enhanced Infrastructure Financing District (EIFD).

The County understands that preparation of proposals and responses can be resource-intensive, particularly for a large-scale opportunity such as the one being presented. The County desires to select an experienced, well-capitalized development team with an appropriate vision for the Site and the capacity to engage the community in a process that generates public support. The anticipated selection process and selection steps/rounds follow.

Pre-Submittal Conference & Site Visit

Interested developers are encouraged to schedule a Site visit during available dates and times provided by Los Angeles County Department of Public Works in addition to reviewing Site assessment phase studies completed to date.

Qualifications, Vision, & Approach

Potential developers will be asked to submit a proposal package to the Los Angeles County Department of Public Works by 4:00 pm on July 31, 2019. Information requested will include a summary of similar projects completed, a high-level description of proposed land uses and tenant types/tenants, similar project experience, validation of financial capacity, and public outreach practices.

Submittal will include a description of the developer's approach and project vision for the Site, including project components and phasing provided on a concept level. Details of Site layout, massing, or refined design are optional, not required. Requested information will include developer's vision with regard to land use themes, layouts, adjacencies and conceptual design themes/styles, general tenant types, and illustrations of inspirational projects completed elsewhere that would be drawn upon in developing a proposal for the Site.

Requested information will also include a high-level summary of the developer's projections for expected market-based returns and project valuation, as well as a high-level time frame for buildout. The County is seeking a creative development with sustainability features and public and private amenities. The County is seeking an understanding of the developer's approach to community engagement with examples of how the developer's engagement process has been successfully used elsewhere.

Details of the minimum information desired for inclusion in the Proposal Package are provided in the following section. County staff,

representatives and/or consultants will evaluate the packages and invite qualified respondents to participate in the second round.

Proposal Package Evaluation

The County will assemble an evaluation committee (“Evaluation Committee”), which will review proposal packages received based upon the criteria defined in Section X, Evaluation Criteria, of this RFP. A short list of the highest-rated Proposers, based on the evaluation of the proposal packages, will be invited to participate in the next step (Presentations). The County at its sole discretion may determine the number of short-listed proposers.

Presentations

Short-Listed Proposers will be invited to present their proposals to the Evaluation Committee. The presentations will be followed by a question and answer period during which the Evaluation Committee will seek clarifications on the proposed development concepts.

Working Meetings

Short-listed proposers may also be invited to meet with the Evaluation Committee on an individual basis to discuss the Proposer’s proposal package. The Proposer will have an opportunity to present its initial concepts and will receive input on perceived strengths and weaknesses of its proposal.

Letter of Intent

Based on the presentations and working meetings, short-listed proposers will be asked to refine their proposals and to submit a non-binding Letter of Intent (“LOI”) to the County outlining their proposal, including certain proposed terms along with a high-level summary of

proposed land uses, massing, entitlements, and ground lease structure.

Selection of Developer

Based on the submittal, presentation, working meetings, and the LOI, County Department(s) will recommend the highest-rated Proposer to the Los Angeles County Board of Supervisors for selection as the developer.

Notwithstanding a recommendation of a department, agency, individual, or other, the Board of Supervisors retains the right to exercise its judgment concerning the selection of a developer and the terms of any resultant agreement, and to determine which developer (if any) best serves the interests of the County of Los Angeles. The Board of Supervisors is the ultimate decision-making body and makes the final determinations necessary to arrive at a decision to select a developer, or whether to proceed with the project at all.

Exclusive Negotiation

The developer and the County will execute an Exclusive Negotiating Agreement, which among other items, provides for an exclusive negotiation period during which specific deal terms will be identified. The initial negotiation period may be extended at the sole discretion of the County. If timely progress is not achieved during the exclusive negotiation period, the County may not extend and may subsequently enter into exclusive negotiation with the next highest-rated proposer or may elect not to proceed with the project at all.

Should the parties negotiate satisfactory terms of the project including, but not limited to, a project description, development concept, due diligence, entitlement approach, infrastructure delivery, timeline,

ground lease or acquisition terms, and compensation structure, then subsequently during the project entitlement and approval process the County and developer will formalize deal terms through a ground lease and associated agreements to guide the redevelopment of the Site. Final project documentation will be executed upon receipt of all prerequisite approvals, including without limitations compliance with CEQA, at the discretion of the County Board.

A \$50,000 deposit will be required upon selection of the developer, and additional nonrefundable deposits will be required upon subsequent milestones commensurate with the expenses to be incurred by the County through each phase of the process.

RFP Questions

Questions regarding this RFP shall be sent via email with “Honor Ranch RFP Questions” in the subject line and addressed to the individual below:

Mr. Matt Jerge
mjerge@dpw.lacounty.gov

Proposal Submission

The response to this RFP shall be made according to the requirements set forth in Section IX, Proposal Package, both for content and for sequence. Noncompliance with these requirements or misrepresentations may be cause for rejection of the Proposal.

Proposal packages shall include six complete bound copies (spiral bound or in 3-ring binder), and one electronic copy on a compact disk or USB thumb drive of the proposal and related information; and six copies of the Financial Capacity section in a separate sealed envelope.

Proposal packages shall be submitted to:

County of Los Angeles Department of Public Works
Cashier's Office
900 South Fremont Avenue, Mezzanine Floor
Alhambra, California 91803-1331
Attention: Matt Jerge
Project ID Number: BRC0000101

Proposals must be received by the date and time indicated in Section I. PROPOSALS RECEIVED BY THE DEPARTMENT OF PUBLIC WORKS AFTER THE DEADLINE WILL NOT BE ACCEPTED OR CONSIDERED.

The Department of Public Works does not assume responsibility for documents that are incorrectly submitted. It shall be the responsibility of the Proposer to confirm proper delivery and receipt by the Department of Public Works of a submitted proposal.

Proposal Package Evaluation

The County will assemble an evaluation committee (“Evaluation Committee”), which will review proposal packages received based upon the criteria defined in Section X, Evaluation Criteria, of this RFP. A short list of the highest-rated Proposers, based on the evaluation of the proposal packages, will be created and the number one ranked team invited to participate in the next round. The County at its sole discretion may determine the number of short-listed Proposers.

IX. Proposal Package

All proposals must include the following components:

Cover Letter

A maximum two-page letter including the name and address of the organization submitting the proposal; whether the proposing firm is an individual, partnership, corporation, or joint venture; the name, address, telephone number, and e-mail address of the contact person who will be authorized to make representations for the organization. Cover letter to also include an acknowledgement of the Process Integrity Guidelines.

Table of Contents

Include an outline of the proposal, identified by sequential page number, and section title as described herein.

Corporate Documentation

Include relevant information regarding organizational stability and strength, including a description/statement of the organization or legal structure (e.g.) sole proprietorship, partnership, corporation, joint venture, etc. Submit the following documentation with the Proposal:

Corporations or Limited Liability Company (LLC):

1. Copy of a “Certificate of Good Standing” with the state of incorporation/organization.
2. A conformed copy of the most recent “Statement of Information” as filed with the California Secretary of State listing corporate officers or members and managers.

Limited Partnership:

1. Provide a “Certificate of Good Standing” with the state of incorporation/organization.
2. Submit a conformed copy of the Certificate of Limited Partnership or Application for Registration of Foreign Limits Partnership as filed with the California Secretary of State, and any amendments.

Qualifications & Experience

A summary of current and previous experience of the team with regard to projects comparable both in size and uses. As appropriate, this information should include a project description, Site plans (if available), photos, land uses, dates completed, developer role, cost/value, financing structures, duration of development processes, role of proposed team members in the project, and other key information.

Project Vision & Approach

A development concept shall clearly articulate what is proposed to be developed and include a summary of the team’s approach and anticipated timing related to engaging public input, managing public outreach, planning, design, entitlement approvals (including CEQA), financing, phasing, development, construction, and operation. Include a summary of key team members expected to participate in this project and resumes for the same. Provide examples of processes employed in other projects as it relates to public engagement and project approach.

Financial Data

(To be submitted in a separate sealed envelope)

A summary of the potential developer's capability to source the capital necessary to successfully fund and/or finance the proposed concept. Additionally, a description of the anticipated financing structure to be employed to finance the anticipated project. The County anticipates that the total development budget for a comprehensive development program could exceed \$400 million in development costs, excluding infrastructure which could add in the range of \$200 million depending on phasing and development concepts. Specific evidence of financial capacity and financing capability track record on similar large projects is required as evidence of the ability to fund/finance a project of this size.

References

An accurate list of no less than a total of five financial/lending (equity and debt sources) references (name, title, entity, telephone number and description of contractual relationship to respondent) that may be contacted with respect to current and past project experience. Additionally, a reference list of, and contact information for, five to 10 public sector elected officials and executive staff involved in the previous projects identified as examples of Relevant Project Experience.

CBE Participation

Community Business Enterprise ("CBE") Participation shall include documentation of Proposer's good faith efforts to meet the CBE participation goal specified in Attachment 2, Preference Programs, Article 1, CBE Participation.

Required Forms

Proposer shall complete, sign, and submit with the proposal, the certifications and forms included in Attachment 3. Except for the Contractor Employee Jury Service Program form, these forms are required only from the prime. The Contractor Employee Jury Service Program form shall be completed and signed by the entire project team.

Other

Additional pertinent information may be provided at the discretion of the respondent. A checklist to be completed and included in the submission follows.

Proposal Package Checklist

Cover Letter

Table of Contents

Corporate Documentation

Relevant Project Experience

- ☐ Summary of current and previous experience
 - ☐ Project descriptions
 - ☐ Site plans
 - ☐ Photos
 - ☐ Developer roles and teams
 - ☐ Cost and financing structures
 - ☐ Project timelines
 - ☐ Role of proposed team members

Project Vision & Approach

- ☐ Summary of approach and timing related to:
 - ☐ Engaging public input
 - ☐ Managing public outreach
 - ☐ Planning
 - ☐ Design
 - ☐ Project approvals
 - ☐ Financing
 - ☐ Phasing
 - ☐ Development/construction
 - ☐ Project operation
- ☐ Examples of processes related to public engagement and project approach from other projects

Financial Data

- ☐ Summary of capability to source necessary capital
- ☐ Description of anticipated financing structure
- ☐ Specific evidence of ability to fund/finance \$400+ million program

References

- ☐ No less than five financial/lending references and contact information
- ☐ References and contact information for five to 10 public sector elected officials and executive staff involved in previous projects identified in Relevant Project Experience

Legal Actions

- ☐ A list and brief description of all relevant legal actions within the past ten years

Acknowledgements

- ☐ Acknowledgement and acceptance of the Process Integrity Guidelines
- ☐ This checklist, completed

CBE Participation

- ☐ Documentation of developer's good faith efforts to meet CBE participation goals

Required Forms

- ☐ Attachment 3

Other

- ☐ Six hard copies of all materials submitted
- ☐ One electronic copy of all materials submitted
- ☐ Acknowledgement and acceptance of the Process Integrity Guidelines
- ☐ This checklist, completed

X. Evaluation Criteria

The criteria in this section will be used as the primary basis for evaluating developers throughout the selection process. The highest ranked developer based on the score from Step 3 below, may be recommended for participation in the subsequent ENA. .

The County may utilize the services of appropriate experts to assist in the evaluation process.

Step 1 - Initial Screening (Pass/Fail)

An initial pass/fail evaluation will be made for each proposal package to determine whether the submittal complies with the requirements of Section IX, Proposal Package. All elements in the checklist above must be included for the proposal package to be deemed eligible for further consideration.

Step 2 - Review of Proposal Package (150 points)

Proposal packages that pass the initial pass/fail evaluation will be submitted to the Evaluation Committee for evaluation and rating. Responses will be evaluated on a weighted numerical scale for each of the criteria below.

- The respondent's applicable experience and expertise as well as alignment with the County's goals regarding the Site development concept, including job creation
- Experience, process, and demonstrated success in engaging with the public regarding project design and implementation.

- The respondent's track record, experience, and financial capacity and access to capital to start and complete projects and uses similar to those requested in this RFP.
- The respondent's demonstrated ability to structure development and financial structures, which eliminate or minimize the County's risk while maximizing the public's return on assets and other public benefits.
- Experience of key project team members with similar projects.

Responses will be evaluated on a weighted numerical scale for each of the above criteria. The order of presentation of the above criteria does not necessarily denote the specific importance of the same.

Step 3 – Interactions with Short-Listed Developers (100 Points)

Short-listed developers, based on their scores in Step 2, will be invited to present their proposed development concept, participate in working meetings with the Evaluation Committee, and submit an LOI. The County reserves the right to short-list any number of firms. The ranking may be done by either a scoring methodology or a comparative evaluation of the short-listed developers.

Presentation

- Presentation of proposed concept and project approach
- Responses to Evaluation Committee questions.

Working Meetings

- Clarification provided about proposed concept/approach

Non-binding Letter of Intent (LOI)

In selecting a development partner, the County will place considerable weight on the Proposals and terms provided by Proposers in their non-binding LOI's. Among other items, the LOI may include certain proposed developer terms and conditions related to transaction structure and project approval processing and delivery, including, but not limited to, expected financial terms and conditions, and ground lease terms and conditions. Developer may further refine their proposal packages for submission in their LOI's, which will be used for the final ranking.

XI. Disclosures

General Conditions

All Proposers must comply with the terms provided in Attachment 1, General Conditions as well as the General Process Guidelines and the Process Integrity Guidelines provided in the sections below.

General Process Guidelines

The County reserves all rights to cancel the selection process, change the selection process, or not select a developer.

This RFP and selection process does not constitute any type of offer and imposes no contractual or other liability on the County. There is no guarantee that a ground lease or other agreement will be consummated, or that anything will be developed.

The County reserves all rights with regard to this solicitation, including but not limited to the right to amend or modify this RFP, reject all proposals, extend any dates, or subject to an ENA, to initiate negotiations with the next highest rated Proposer if negotiations with the highest-rated Proposer do not result in an agreement.

Should the County not receive qualified proposals of interest by a submittal deadline, it reserves the right to extend that deadline until qualified proposals of interest are received.

Proposers are responsible for ensuring submittals are actually received.

All materials submitted during any part of the selection process become the property of County. The Proposer may designate portions of its submittals that contain proprietary data as “CONFIDENTIAL”, but

the County cannot guarantee that it will be able to enforce such confidentiality. Refer to Attachment 1, General Conditions for additional detail.

The County shall not be responsible for any costs and/or obligations incurred by and/or on behalf of a potential developer in preparing, submitting or otherwise participating in any part this RFP, the selection, documentation, or the development process in its entirety.

The County reserves the right to request clarifications or additional information from Proposers.

Information included in this RFP is believed to be accurate but should be independently verified by potential Proposers prior to reliance upon.

Process Integrity Guidelines

It shall be the policy of the County of Los Angeles to adhere to the following Process Integrity Guidelines during its selection of a developer partner for the Honor Ranch pursuant to this RFP.

Each Proposer is individually and solely responsible for ensuring compliance with the following specific Process Integrity Guidelines. This responsibility extends to the Proposer’s employees, agents, consultants, lobbyists, affiliates, and all other parties or individuals engaged by Proposer or otherwise acting in concert with Proposer for purposes of developing or supporting the selection process.

1. This policy shall be operative from release of this RFP until such time as the Board of Supervisors meeting at which the County Los Angeles Board of Supervisor’s awards a development agreement or ground lease.

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2. Collusive activities among separate Proposer teams are expressly forbidden and may result in immediate disqualification of all involved parties.
 3. Proposers are prohibited from offering promotional outreach, hospitality, gifts, or other like activities directed toward County staff, elected or appointed officials, or proposal reviewers.
 4. All communication related to the RFP with the County of Los Angeles must be directed to the County's contact(s) identified in the RFP cover letter. Contacting any other County staff member, elected or appointed officials, or proposal reviewers may result in disqualification of the Proposer.
 5. Notwithstanding the restrictions on communications set forth in Sections 3 and 4, nothing in this policy is intended to restrict or prohibit proposers from communicating with County staff and officials during an open and public County Board of Supervisors, City Council or Commission meeting, or Proposer Presentations and Working Meetings.
 6. Any and all information provided by Proposers during any part of the RFP, selection, or documentation process shall be factually correct.
 7. Proposers are informed of this policy and are required to provide written acknowledgement and acceptance of these guidelines. Any evidence, which indicates a Proposer has failed to comply with the Process Integrity Guidelines described herein may result in that Proposer's disqualification.

8. Any questions regarding the Process Integrity Guidelines shall be in writing and shall be transmitted by mail to County's contact(s) identified in the RFP cover letter.



Americans with Disabilities Act (ADA) Information

Individuals requiring reasonable accessibility accommodations may request written materials in alternate formats, physical accessibility accommodations, sign language interpreters or other reasonable accommodations by contacting our departmental Americans with Disabilities Act Coordinator at (626) 458-4081, from 7:30 a.m. to 5:00 p.m., Monday through Thursday (excluding holidays). Persons who are deaf or hard of hearing may make contact by first dialing the California Relay Service at 7-1-1. Requests should be made at least one week in advance to ensure availability. When making a reasonable accommodation request, please reference [AED-3].

XII. Attachments

- Attachment 1 – General Conditions
- Attachment 2 – Community Business Enterprise (CBE) Participation and County's Preference Programs
- Attachment 3 – Required Forms
- Attachment 4 – Local and Targeted Worker Hiring Program
- Attachment 5 – Reference Documents
 - A. Los Angeles County Arts Commission Civic Art Procedures
 - B. Santa Clarita Valley Area Plan
 - C. Site Assessment Phase Technical Studies