



**STAFF REPORT  
CITY COUNCIL AGENDA**

**DATE:** October 22, 2015  
**STUDY SESSION DATE:** N/A

**AGENDA ITEM:** Resolution *F1, #10*  
**MEETING DATE:** November 2, 2015

- **TITLE OF ITEM:** A resolution authorizing staff to issue a Request for Proposal for disposition of the 400 Block.
- **BRIEF DESCRIPTION:** This Resolution will authorize staff to issue a Request for Proposal to sell the 400 Block property at the southwest corner of Fourth and San Benito Streets for the development of a catalyst project.
- **STAFF RECOMMENDATION:** Staff recommends that the City Council receive the report and approve Resolution 2015-<sup>211</sup> A Resolution of the City Council of the City of Hollister Authorizing staff to issue a Request for Proposal for a catalyst project on the 400 block property.

**DEPARTMENT SUMMARY:** The Dissolution Act that eliminated California Redevelopment Agencies requires the disposition of the property pursuant to the Hollister Successor Agency's Long Range Property Management Plan (the "Plan"). The City of Hollister Successor Agency's (the "SA") approved Plan directed the SA to negotiate an agreement with the City of Hollister for a first option to transfer the 400 Block Property (the "Property") to allow the City of Hollister to continue the use of the grassy lot for non-profit activities open to the public until an agreement could be negotiated for a keystone commercial or mixed use development on the 400 Block. Two potential developers recently approached staff about development of the 400 Block. Staff is requesting authorization to issue a Request for Proposal ("RFP") for development of the 400 Block with at least a two story building that substantially conforms to the Design Guidelines adopted by the City Council in the 2007 Downtown Strategy Plan, the Redevelopment Plan and the City of Hollister General Plan. Legal descriptions of the 400 Block properties are included in Appendix A of the RFP. Staff recommends that the RFP require purchase of the entire parcel and a minimum purchase price. The Property was valued at \$220,000 in a 2013 appraisal. A more current appraisal will be available on November 2<sup>nd</sup> and added to the RFP.

**ATTACHMENTS:** Request for Proposal, Resolution

**FINANCIAL IMPACT:** None

**CEQA:** Pending

**DEPARTMENT:** Development Services Department

**CONTACT PERSON:** Mary M. Paxton

**DEPARTMENT HEAD:** William B. Avera

**PHONE NUMBER:** (831) 636-4316

**THIS REPORT WAS REVIEWED BY THE EXECUTIVE DIRECTOR AND CONCURS WITH THE STAFF RECOMMENDATION:** \_\_\_\_\_

William B. Avera, Executive Director

CITY OF HOLLISTER

REQUEST FOR PROPOSAL FOR THE  
SALE OF THE 400 BLOCK OF  
SAN BENITO STREET IN  
DOWNTOWN HOLLISTER

HOLLISTER, CA



CITY OF HOLLISTER

DEVELOPMENT SERVICES DEPARTMENT  
375 FIFTH STREET  
HOLLISTER, CA 95023

WILLIAM B. AVERA  
DEVELOPMENT SERVICES DIRECTOR  
(831) 636-4360  
BILL.AVERA@HOLLISTER.CA.GOV



**REQUEST FOR PROPOSAL  
FOR THE SALE OF PROPERTY LOCATED AT  
THE NORTHWEST CORNER OF FOURTH AND SAN BENITO STREETS  
IN THE CITY OF HOLLISTER**

**November 2, 2015**

**GENERAL**

The City of Hollister is requesting proposals for the sale of two parcels located at the northwest corner of Fourth Street and San Benito Street in the City of Hollister. The site is centrally located in the heart of Downtown Hollister and is commonly referred to as the "400 Block". The Project Site is located adjacent to the City's Briggs Building parking garage at 365 Fourth Street. There is potential for a pedestrian bridge to be constructed to connect the Project Site to the Briggs Building. A portion of Briggs Alley, which is no longer used for vehicular access, traverses between the two parcels on the Project Site. The parcel north of Briggs Alley is 11,698 square feet more or less and the parcel south of the alley is about 6,285 square feet (see attached "APPENDIX A"). The site has access to all city services, is vacant, and ready for development. The zoning for the Project Site is Downtown Mixed Use.

**PROJECT GOALS**

The City's goal is to sell both parcels to a private developer and construct a new keystone commercial or mixed/use development as a catalyst for economic development in Downtown Hollister.

The minimum proposal amount must meet the appraised value of the property of \$ \_\_\_\_\_ per square foot.

**The City is encouraging new development proposals to respond to this Request for Proposal. The City of Hollister's selection team will review all submittals.**

Specific goals of the Project include:

- Consistent with the City's General Plan.
- Consistent with the Goals in the former City of Hollister Redevelopment Agency Plan.
- Consistent with the Design Guidelines in the 2007 Downtown Strategy Plan <http://www.downtownhollister.org/downtown-strategy-plan/>
- Construction of a catalyst project to stimulate new economic development activity in Downtown Hollister.
- Construction of a well-designed development.
- Increase private investment in the City of Hollister.
- Construction of a pedestrian oriented development.

- Maintain an 18 foot clearance of the existing right-of-way of Briggs Alley now covered by grass.
- The buildings shall be a minimum of two stories.
- Both parcels included in Appendix A shall be sold.

### **PROJECT BACKGROUND**

The 400 Block property is located at the busiest intersection in Downtown Hollister within the Downtown National Historic District.

Ground shaking from the 1989 Loma Prieta Earthquake severely damaged several unreinforced masonry buildings on the 400 Block along with other parts of downtown Hollister. A 1991 Downtown Strategy and Plan was prepared to guide reconstruction. The 1991 Plan identified the vacant lots on the 400 Block as an opportunity to assemble property and facilitate development of a large development project with a multi-use building. The former Redevelopment Agency purchased and assembled the 400 Block properties between 1994 and 1995 in order establish a larger development area for a catalyst development for economic revitalization.

The former Redevelopment Agency entered into negotiations for a variety of types of keystone projects which are listed below:

- Two-story mixed use building 34,000 sq. ft. building with a theater, restaurant, and retail and office space.
- Hotel
- Performing Arts Center

Development of the 400 Block was stymied by a state imposed sewer moratorium from 2002 to 2008, the great recession and the passage of the introduction and passage of the Dissolution Act that abolished Redevelopment Agencies in California. The Dissolution Act and amendments required the City of Hollister Successor Agency (SA) to the former Hollister Redevelopment Agency to adhere to a series of procedural requirements before the 400 Block property could be available for sale. The City of Hollister satisfied all of the requirements and the property was transferred to the City of Hollister early this year to be held until an agreement can be negotiated for a keystone commercial or mixed use development on the property.

### **PROPOSED PROJECT SCHEDULE**

- |                     |                                                        |
|---------------------|--------------------------------------------------------|
| – November 3, 2015  | Issue Request for Proposal                             |
| – November 24, 2105 | Proposals due at 3:00 p.m.                             |
| – December 2, 2015  | Select Developer Proposal                              |
| – December 31, 2015 | Transfer of property will occur on/or before this date |

## **PROPOSAL FORMAT**

The proposal shall not exceed 20 (20) single-sided printed pages excluding cover sheet, table of contents, resumes and index sheets. Resumes included with the proposal shall not exceed one single-sided printed page per person listed in the table of organization. The proposal shall include the following as a minimum:

1. Transmittal letter. The transmittal shall include the legal name of your firm, address, contact person, and telephone number.
2. Developer team biography – If appropriate provide a detailed discussion of the development team including a description of the company history.
3. Project Approach – Provide a brief, written description presentation of the general approach to the commercial development.
4. Preliminary architectural and or site plan renderings or drawings intended to introduce staff to possible approach to project.
5. A list of potential tenants / types of uses.
6. An estimated total project costs, broken down by each of the following tasks: Preliminary Design, Final Design and Construction Support Services.
7. Financial Capacity – Provide experience of developer to equity capital and financing resources to carry out the proposed project, supported by most recent financial statements.
8. Project Schedule - Include a preliminary schedule for the development of the Project identifying milestones defined by the conceptual approach.
9. Statement of Qualifications - Include descriptions of relevant example projects completed within the past 10 years that are comparable in scope to the proposed project. Identify key staff, including sub-consultants and their responsibilities in the example projects and how they will be utilized on the Agency's proposed project.
10. References - Provide at least three (3) references, including names, addresses and telephone numbers that may be contacted by Agency staff.
11. The proposal sheet attached to the RFP must be completed and returned with proposal. (Page 6)

## **PROPOSAL SUBMITTAL**

Five (5) hard copies and one (1) electronic copy of the developer's proposal shall be submitted by **Tuesday, November 24, at 3:00 pm**, addressed as follows:

City of Hollister  
Attn: Mary M. Paxton  
375 Fifth Street  
Hollister, CA 95023  
(831) 636-4316

**Faxed proposals or proposals received after the deadline will not be accepted.**

**SELECTION PROCESS AND PROPOSAL EVALUATION PROCEDURES**

All proposals received by the deadline will be presented to the City Council with a report and recommendation from City Staff.

**COSTS INCURRED IN RESPONDING**

This Request for Proposal does not commit the City to pay any costs incurred by any individual, firm, partnership or corporation in the submission of the proposals or to make necessary studies or designs for the preparation thereof, or to procure or contract for any articles or services.



**KELLEY**  
**ENGINEERING & SURVEYING**

400 PARK CENTER DRIVE, SUITE #4. HOLLISTER, CA 95023-2546  
OFFICE: (831) 636-1104 FAX (831) 636-1837

EXHIBIT "A"

**LEGAL DESCRIPTION**  
**PORTION OF 400 BLOCK**  
**PARCEL 2 95-03336**

All that certain property situate in the City of Hollister, County of San Benito, California, being all of lots 1 and 2 and a portion of lot 3 of Block 14 as shown on that certain map filed in Book 1 of Maps at Page 54, San Benito County records and also described as Parcel 2 in the Lot Line Adjustment filed under instrument No. 95-03336 San Benito County Records, being more particularly described as follow:

Beginning at the southwest corner of the intersection of Fourth and San Benito Streets, said point also being the north east corner of Lot 1 as shown on the aforementioned Map;

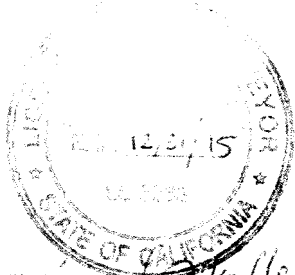
Thence from said Point of Beginning South 2°54'16" West 139.92 feet along the westerly right-of-way of San Benito Street to the northerly right-of-way of Briggs Alley;

Thence North 87°05'09" West 83.62 feet along the northerly right-of-way of Briggs Alley;

Thence leaving said right-of-way, North 2°54'51" East 139.92 feet to the southerly right-of-way of Fourth Street;

Thence easterly along said south right-of-way of Fourth Street, South 87°05'09" East 83.60 feet to the Point of Beginning;

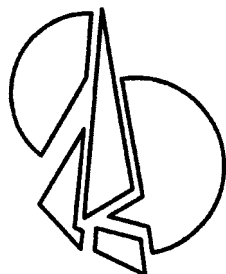
Containing 11,698 square feet more or less.



*Kelley*  
1/1/2015



**FOURTH STREET**



PARCEL 1  
95-03336

S87° 05' 09"E

83.60

POINT OF BEGINNING

139.92

139.92

**Parcel 2  
95-03336  
11698 SF**

**SAN BENITO STREET**

N02° 54' 51"E

S02° 54' 16"W

N87° 05' 09"W

83.62

**BRIGGS ALLEY**

PARCEL 2  
2014-0004333

**KELLEY  
ENGINEERING & SURVEYING**

400 PARK CENTER DRIVE, SUITE #4  
HOLLISTER, CA 95023  
OFFICE (831) 636-1104 FAX (831) 636-1837

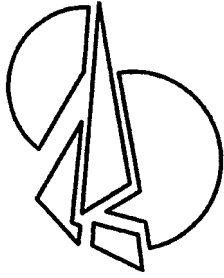
PLAT TO ACCOMPANY LEGAL DESCRIPTION  
**PARCEL 2 95-03336**  
EXHIBIT "B"

Job No.:	14032
Designed:	MJK
Scale:	1" = 20'
Date:	1/1/2015
Sheet:	1

APPENDIX A 1

*12/31/15*  
*1/1/2015*  
*Kelley*

**FOURTH STREET**



**PARCEL 1**  
**95-03336**

S87° 05' 09"E

83.60

POINT OF BEGINNING

139.92

139.92

**Parcel 2**  
**95-03336**  
**11698 SF**

**SAN BENITO STREET**

N02° 54' 51"E

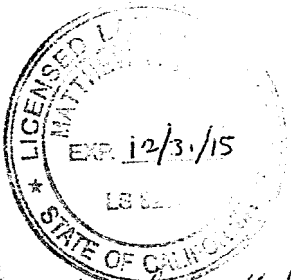
S02° 54' 16"W

N87° 05' 09"W

83.62

**BRIGGS ALLEY**

**PARCEL 2**  
**2014-0004333**



*Matthew Kelley*  
1/1/2015

**KELLEY**  
**ENGINEERING & SURVEYING**

400 PARK CENTER DRIVE, SUITE #4  
HOLLISTER, CA 95023  
OFFICE (831) 636-1104 FAX (831) 636-1837

PLAT TO ACCOMPANY LEGAL DESCRIPTION  
**PARCEL 2 95-03336**  
**EXHIBIT "B"**

Job No.:	14032
Designed:	MJK
Scale:	1" = 20'
Date:	1/1/2015
Sheet:	1

**APPENDIX A** 1

EXHIBIT "A"

BEING A PORTION of Lots 29, 30, 31 and 32 of Block 14 of the Town of Hollister, according to the map thereof recorded March 23, 1870 in Volume 1 of Maps, page 54, San Benito County

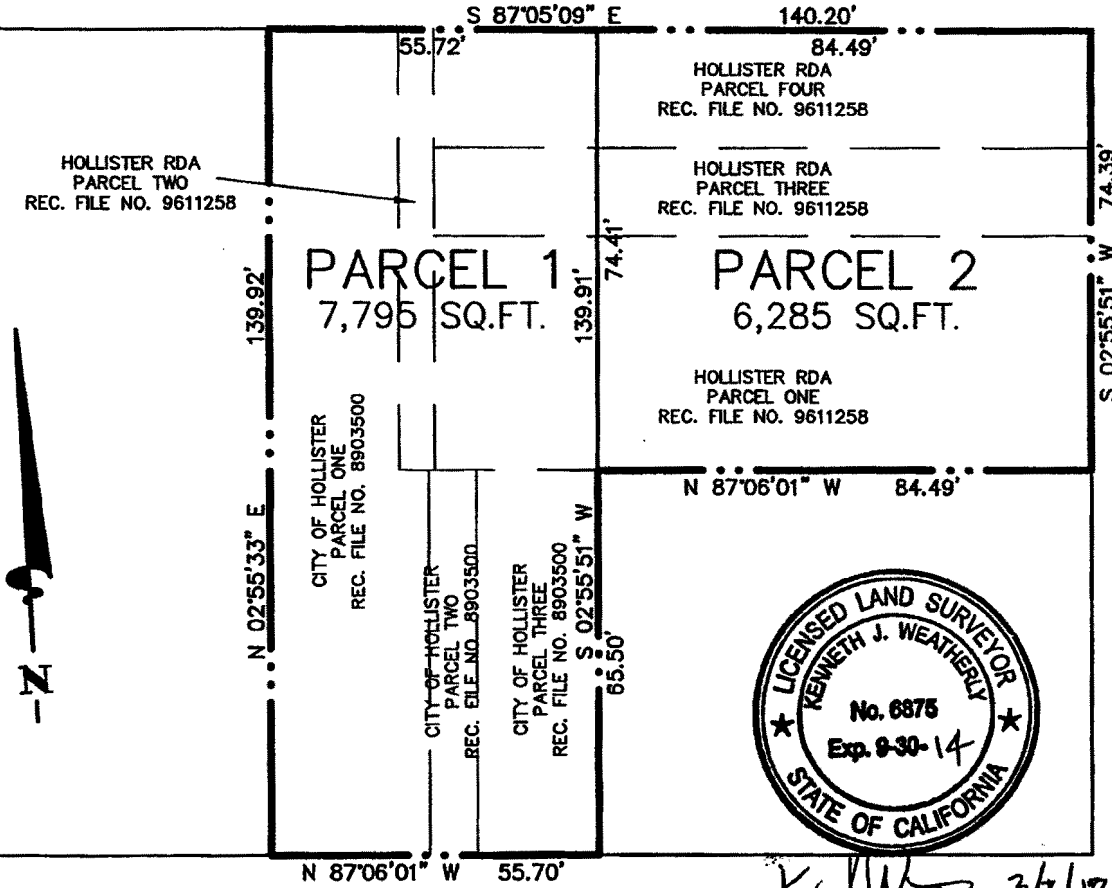
Records, bounded by a line more particularly described as follows:

Beginning at the intersection of the westerly line of San Benito Street at the southerly line of Briggs Alley and thence running along the said westerly line of San Benito Street South 2° 55' 51" West 74.39 feet, more or less, to the southeasterly corner of that certain Parcel One described in the Final Order of Condemnation recorded November 25, 1996 as Instrument Number 9611258, San Benito County Records; thence along the southerly line of said Parcel One and parallel with the northerly line of Fifth Street North 87° 06' 01" West 84.49 feet; thence leaving said southerly line of Parcel One and running parallel to the westerly line of San Benito Street North 2° 55' 51" East 74.41 feet, more or less, to a point in the southerly line of Briggs Alley; thence along said southerly line South 87° 05' 09" East 84.49 feet to the point of beginning.

Parcel 2 = Portions of APN 054-11-16 and  
Portions of APN 054-11-30

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# BRIGGS ALLEY



SAN BENITO STREET

KJ/WJS 3/1/13  
 FIFTH STREET

## EXHIBIT MAP

PORTION OF LOTS 28-32, BLOCK 14  
 PER VOLUME 1 OF MAPS, PAGE 54

FEBRUARY, 2013 SCALE 1" = 30'  
 SAN BENITO ENGINEERING & SURVEYING, INC.  
 502 MONTEREY STREET  
 HOLLISTER, CA 95023  
 831-637-2763

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER  
AUTHORIZING STAFF TO ISSUE A REQUEST FOR PROPOSAL FOR  
A CAPSTONE PROJECT AT THE 400 BLOCK PROPERTY AT THE  
SOUTHWEST CORNER OF FOURTH AND SAN BENITO STREETS  
(APN 054-011-036 AND PORTIONS OF 054-011-016 AND 030)**

**WHEREAS**, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

**WHEREAS**, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Hollister Redevelopment (the "Former RDA"), were dissolved on February 1, 2012; and

**WHEREAS**, on January 9, 2012, the City Council (the "City Council") of the City of Hollister (the "City") adopted Resolution No. 2012-06 accepting for the City the role of successor agency to the Former RDA (the "Successor Agency"); and

**WHEREAS**, upon dissolution of the Former RDA on February 1, 2012, the ownership of all Former RDA properties transferred to the Successor Agency pursuant to Health and Safety Code Section 34175(b); and

**WHEREAS**, the real property and specified other assets of the Former RDA were transferred to the ownership and control of the Successor Agency as of February 1, 2012, pursuant to Health and Safety Code Section 34175(b), including an approximately 17,983 square foot grassy lot located at 400, 410, 414, 420, 422, 426, 430, 434 & 438 San Benito Street to the extent not a portion of Briggs Alley (the "400 Block Property"); and

**WHEREAS**, by Ordinance No. 976, adopted on June 17, 2002, the City Council adopted the Second Amendment to the Hollister Community Development Plan (the "Redevelopment Plan") for the Hollister Redevelopment Project Area (the "Project Area"), which Redevelopment Plan was being implemented by the Dissolved RDA up until its dissolution; and

**WHEREAS**, the 400 Block Property is one of the properties that was acquired by the Former RDA for redevelopment with uses consistent with, and for projects identified in the Redevelopment Plan; and

**WHEREAS**, on April 26, 2013, the Successor Agency received a "Finding of Completion" from the California Department of Finance (the "DOF") pursuant to Health and Safety Code Section 34179.7, confirming that the Successor Agency had made specified required payments under the Dissolution Acts; and

**WHEREAS**, pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency then prepared a Long-Range Property Management Plan in October 2013, as supplemented in the Supplement Long-Range Property Management Plan dated December 27, 2013 (as so supplemented the "LRPMP"); and

**WHEREAS**, the LRPMP was submitted by the Successor Agency to the Oversight Board and was approved by the Oversight Board by resolution on January 2, 2014; and

**WHEREAS**, the LRPMP was then submitted to the DOF and was approved by the DOF by letter of February 21, 2014; and

**WHEREAS**, the LRPMP provides for the disposition and use of the Properties in a manner consistent with and to implement projects identified in the Redevelopment Plan; and

**WHEREAS**, the LRPMP provides for the 400 Block Property to be conveyed by the Successor Agency to the City for further redevelopment activities by the City consistent with the Redevelopment Plan and the LRPMP, such conveyance to the City to occur upon satisfaction of the following conditions (the "Conveyance Conditions"):

1. The full execution of a compensation agreement (the "Compensation Agreement") between the City and the affected taxing entities (as listed in the Compensation Agreement, the "Affected Taxing Entities") pursuant to Health and Safety Code Section 34180(f);

**WHEREAS**, the City of Hollister negotiated and executed a Compensation Agreement with the affected taxing entities on August 4, 2014 that is on file with the City Clerk for the transfer of the 400 Block to the City of Hollister to be held for future redevelopment for a keystone commercial or mixed use project; and

**WHEREAS**, the Successor Agency recorded Deeds to transfer the 400 Block Property to the City of Hollister pursuant to the LRPMP; and

**WHEREAS**, the approved LRPMP allowed the transfer of two parcels described Appendix A of the Request for Proposal attached to the Staff Report to the City of Hollister in order to allow the continued use of 400 Block Property for non-profit activities open to the public until an agreement can be negotiated for a keystone commercial or mixed use development on the property; and

**WHEREAS**, the staff report (the "Staff Report") accompanying this Resolution contains additional information and analysis upon which the findings and actions set forth in this Resolution are based.

**WHEREAS**, there is no present or future municipal use for the Parcel which is zoned Downtown Mixed Use; and

**WHEREAS**, an appraisal has been completed establishing a value of \$\_\_\_\_\_ per square foot of land for the fee simple interest of the Parcel, for a total of \_\_\_\_\_; and

**WHEREAS**, a Legal Description and Maps of the two Parcels included in the staff report and are available in the City Clerk's Office; and

**WHEREAS**, in connection with adoption of the Redevelopment Plan and to comply with the requirements of the California Environmental Quality Act and the implementing of state and local guidelines (collectively, "CEQA"), the City Council and the Board of the Dissolved RDA (as predecessor to the Successor Agency) considered, certified and made findings (the "CEQA Findings"), including adopting the required mitigation monitoring program, as fully set forth in concurrent City Council and Dissolved RDA Resolutions 2002-134 and 2002-09R, respectively, dated June 3, 2002), related to the Environmental Impact Report (the "EIR") prepared for the Redevelopment Plan; and

**WHEREAS**, because the proposed disposition and use of the Properties called for in the PMP is consistent with the projects and programs under the Redevelopment Plan evaluated in the EIR and the CEQA Findings, and because none of the conditions requiring further CEQA documentation pursuant to State CEQA Guidelines Section 15162 have occurred, the EIR and the CEQA Findings may serve as the CEQA documentation for consideration of approval of this Resolution and the PMP, and the subsequent implementation of the PMP, as further set forth below; and

**WHEREAS**, because the proposed disposition of the 400 block property for redevelopment activities properties will and use of the Properties called for in the PMP is consistent with the projects and programs under the Redevelopment Plan evaluated in the EIR and the CEQA Findings, and because none of the conditions requiring further CEQA documentation pursuant to State CEQA Guidelines Section 15162 have occurred, the EIR and the CEQA Findings may serve as the CEQA documentation for consideration of approval of this Resolution as further set forth below; and

**NOW, THEREFORE BE IT IS RESOLVED BY THE HOLLISTER CITY COUNCIL** as follows:

1. The Council finds and declares that the 17,983 square foot properties at the southwest corner of Fourth Street and San Benito Street is no longer necessary for municipal purposes and for this reason, the Council intends to sell the land.
2. The Council directs staff to release a Request for Proposal to sell the entire 400 Block Property for a commercial or mixed use project that is consistent with the Redevelopment Plan, the City of Hollister General Plan and Zoning Ordinance and substantially conforms to the Design Guidelines in the 2007 Downtown Strategy Plan.
3. The Council further finds and declares that the minimum cash price acceptable for the sale of the fee simple interest of the Parcel is \$\_\_\_\_\_ per

- square foot of land, for a total of \_\_\_\_\_.
4. The terms and conditions for the sale of the Parcels are specified in the Request for Proposals.
  5. The sealed proposals shall be opened, examined, and read at 3:00 pm on November 24, 2015, at City Hall. The Council will review and consider all Proposals from bidders to select the successful bidder at a noticed meeting of the City Council.
  6. The City Clerk is hereby ordered to publish a notice of adoption of this resolution in the Free Lance, a newspaper of general circulation within the City, not less than seven days before the opening of the proposals, or no later than November 20, 2015.

**PASSED AND ADOPTED**, on this 2nd day of November, 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ignacio Velazquez, Mayor

**ATTEST:**

\_\_\_\_\_  
Tom Graves, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney



**PASSED AND ADOPTED** on this 5th day of October, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Mayor, Ignacio Velasquez

ATTEST:

\_\_\_\_\_  
City Clerk, Tom Graves