



**STAFF REPORT
CITY COUNCIL AGENDA**

DATE: January 8, 2016
STUDY SESSION DATE: N/A

AGENDA ITEM: Consent A.6.1.
MEETING DATE: January 19, 2016

TITLE OF ITEM: Review of a proposal for disposition of the 400 Block of San Benito Street.

BRIEF DESCRIPTION: The City Council will review a proposal for the development of the 400 Block and consider a recommendation to extend the period for submittal of Request for Proposals by at least 45 days.

STAFF RECOMMENDATION: Staff recommends that the City Council review the proposal submitted for the 400 block, determine the submittal is incomplete and direct staff by consent to extend the Request for Proposal Period to at least 45 days and to continue the item to the March 21, 2016 City Council meeting.

DEPARTMENT SUMMARY: The City Council approved Resolution 2015-211 on November 2, 2015 authorizing staff to release a Request for Proposal for a catalyst project on the 400 Block Property at the southwest corner of Fourth and San Benito Streets. A Request for Proposal was released on November 8th with a submittal deadline of January 5, 2016. The RFP was distributed to over 40 developers and builders exchanges in the region, posted on Ebidboard.com and the City's home page. A public notice was published on December 25, 2015 notifying the public of the request for proposal, the submittal deadline of January 5, 2016 and that the City Council would review the proposals at a meeting on January 19, 2016. Two parties requested an extension during the RFP period due to the holidays. One incomplete proposal was submitted with a request for a 45-day extension to submit the required preliminary architectural or site plan. The public notice stated that the City Council may consider selection of a developer determined by the council to be in the best interest of the city, reject all proposals or continue the decision. Staff recommends that the City Council direct staff by consent to extend the Request for Proposal (RFP) period by at least 45 days and continue consideration of the RFP to the March 21, 2016 meeting.

ATTACHMENTS: Request for Proposal, Proposal from The Del Curto Group

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 CITY MANAGER AND CONCURS WITH
THE STAFF RECOMMENDATION:**

A handwritten signature in blue ink, appearing to read "W. Avera".

William B. Avera, City Manager

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) 636-4316
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**

January 20, 2016

GENERAL

The City of Hollister is requesting proposals for the sale of three 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 four story Briggs Building parking garage at 365 Fourth Street. A satellite community college campus is located on the ground floor of the building. There is potential for a pedestrian bridge to link the Project Site to the Briggs Building. The properties are located within a downtown parking assessment district and off-street parking will not be required for the development.

The northern parcel is 11,698 square feet more or less. The central 1,690 square foot parcel consists of the portion of Briggs Alley, which is no longer used for vehicular access. This central parcel must be retained open for access to utilities with a 20 foot height clearance. The south parcel 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 \$ 20 per square foot (\$390,000).

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 a 20 foot clearance over the existing right-of-way of Briggs Alley now covered by grass.
- The buildings shall be a minimum of two stories.
- The two parcels included in Appendix A and the unused section of Briggs Alley right-of-way between the two parcels 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 were 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 properties were 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 EXTENDED PROJECT SCHEDULE

- January 20, 2016 Extend Request for Proposal
- March 9, 2016 Proposals due at 3:00 p.m.
- March 21, 2016 Select Developer Proposal
- June 6, 2016 Transfer of property will occur on/or before this date

PROPOSAL FORMAT

The proposal shall not exceed twenty (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 **Wednesday, March 9, 2016, 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.

400 Block Proposal Sheet

This sheet shall be submitted with proposals and will be available to review immediately by all bidders. The City Clerk or Designee will read the information aloud to attendees. Please summarize.

Proposed Purchase Price \$_____

Proposed Terms of Purchase _____

[illegible]

This should read RECEIVED

TG **REJECTED**

JAN 5 2015

BY: tg

2:55 PM

A.6.3.

400 BLOCK PROPOSAL



The Del Curto Group



*P.O. Box 1311 Hollister, Ca. 95024
Office (831) 637-4583
Cell (831)902-5454
Fax (831)637-6940*

January 4, 2016

*The City Of Hollister
Attn: Mary M. Paxton
375 5th St.
Hollister, Ca. 95023
(831) 636-4316*

Dear Mary,

Our team is submitting a proposal for the 400 Block development of a 3 story building consisting of Commercial/Retail space with a pedestrian friendly courtyard area with fountain/garden and siting area at street level. The 2nd and 3rd level will consist of residential condominiums with open air balconies open to the central courtyard and San Benito St.

We believe our team can satisfy The City's desire for a development that will attract the community to the downtown area and provide much needed affordable housing.

Thank You

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Developer Team Biography

*Del Curto Bros. Construction Co., Darin and Derek Del Curto
JW Design Group, Jerry Whitney
Private Capital Group, Jim Petralia*

DC Bros. was established in 1988 by Derek and Darin. Since its inception they have developed in Hollister, Santa Cruz and Gilroy areas. Developments have included minor and major subdivisions consisting 4-14 lot residential home developments in Gilroy. We have experience in working with agencies such as Coastal Commission and the City of Capitola for a 4 unit development which consisted of 4-2300 square foot homes with a unique design in capturing ocean views with common areas on 2nd story. Current developments in the City of Hollister under construction are a 22 lot residential development off Hillcrest Road, 4 townhouse complex on East St. and 8 unit townhouse development at 853 San Benito St.

DC Bros. are capable of constructing the proposed project at the 400 block and have always met their deadlines and milestones with their projects in the past.

Jerry with JW design has worked on various projects consisting of residential and commercial in Monterey County, Santa Cruz County and the State of Nevada. Jerry was instrumental in the design of our 8 unit project on San Benito St. which included professional colored rendering's. Jerry is a vital asset to our team and is very capable of design/ plans for our proposed project.

Jim with Private Capital has been our lender for projects in the last 3-4 years. His company has financed our projects from \$250,000.00-\$1,800,000.00. Our 8 unit development on San Benito St. has a loan commitment of \$1,800,000.00 and is under construction at this time.