

CITY OF CUDAHY

November 24, 2020

Request For Proposals for the Sale of the Atlantic Avenue / Cecilia Street Commercial Property

“Site 4”

Return date for Proposals: December 4, 2020

For Additional Information contact:

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Community Development Director
City of Cudahy
RFPinfo@cityofcudahyca.gov
Dropbox address: shorturl.at/couZ3

Introduction

The City of Cudahy (the “City”) seeks to obtain proposals to purchase certain lands owned by the City. The lands which are the subject to this Request for Proposals are referred to herein as the “Atlantic Avenue / Cecilia Street Commercial Property,” or the “Property,” or “Site 4.”

The Property is identified as “Site 4” in the document entitled “2015 Long-Range Property Management Plan” prepared for the City as Successor Agency, the predecessor-in-interest, dated October 2015 (the “Cudahy LRPMP”).

A copy of the text of the Cudahy LRPMP together with certain other documents as relate to Site 4 have been posted to a Dropbox hosted by the City and may be viewed by interested persons at Dropbox address below (the “Site 4 Dropbox”): shorturl.at/couZ3

In accordance with the Cudahy LRPMP, Site 4 was transferred by quitclaim deed from the Successor Agency to the City for future development, pursuant to Successor Agency Resolution No. SA-20-05 and City Council Resolution No.20-37. The First District Consolidated Oversight Board for Los Angeles County reviewed and approved such transfer via its Resolution No. OB-2020-04.

In the interest of furthering future development under the LRPMP, the City now issues this Request for Proposals to purchase Site 4, which is referred to herein as the “RFP” or the “RFP for Site 4.”

The persons or entities who provide a timely written response to this RFP for Site 4 are referred to herein as “Bidders” or individually, a “Bidder.”

The written proposal of each particular Bidder to acquire Site 4 from the City is referred to herein as a “Proposal.”

The City is seeking a qualified purchaser of the Atlantic Avenue / Cecilia Street Commercial Property who will assist the City to realize the following objectives for sale of the Property to such Bidder:

- Assist the City to realize the highest possible compensation for a sale and completed transfer of the Property by the City to the Bidder at the earliest feasible time;
- Has the technical expertise to undertake and complete the preparation of the written documentation of the terms and conditions of its Proposal to purchase Site 4 for acceptance by the City; and
- Demonstrate the financial resources and experience necessary to achieve these objectives.

The final acceptance of any Proposal for the sale of Site 4 by the City is subject to ratification by the City Council as set forth herein.

Given the multi-phased nature of a transaction to undertake and complete the acquisition of the Property from the City, arrangements or associations between developer teams (developers, architects, etc.) and environmental consultants are welcome as part of the response of any interested person to this RFP.

Concurrently, with the release of this RFP for Site 4, the City has also issued requests for proposals for other lands which are owned by the City. These other lands are also generally described in the Cudahy LRPMP.

Although, it is not a condition or requirement under this RFP, a Bidder for Site 4 may also submit a timely response to the City for any of the other requests for proposals released by the City with respect to any of the other City owned sites in accordance with the applicable provisions of those other requests for proposals, separately from the delivery of a timely Proposal to the City under this RFP for Site 4.

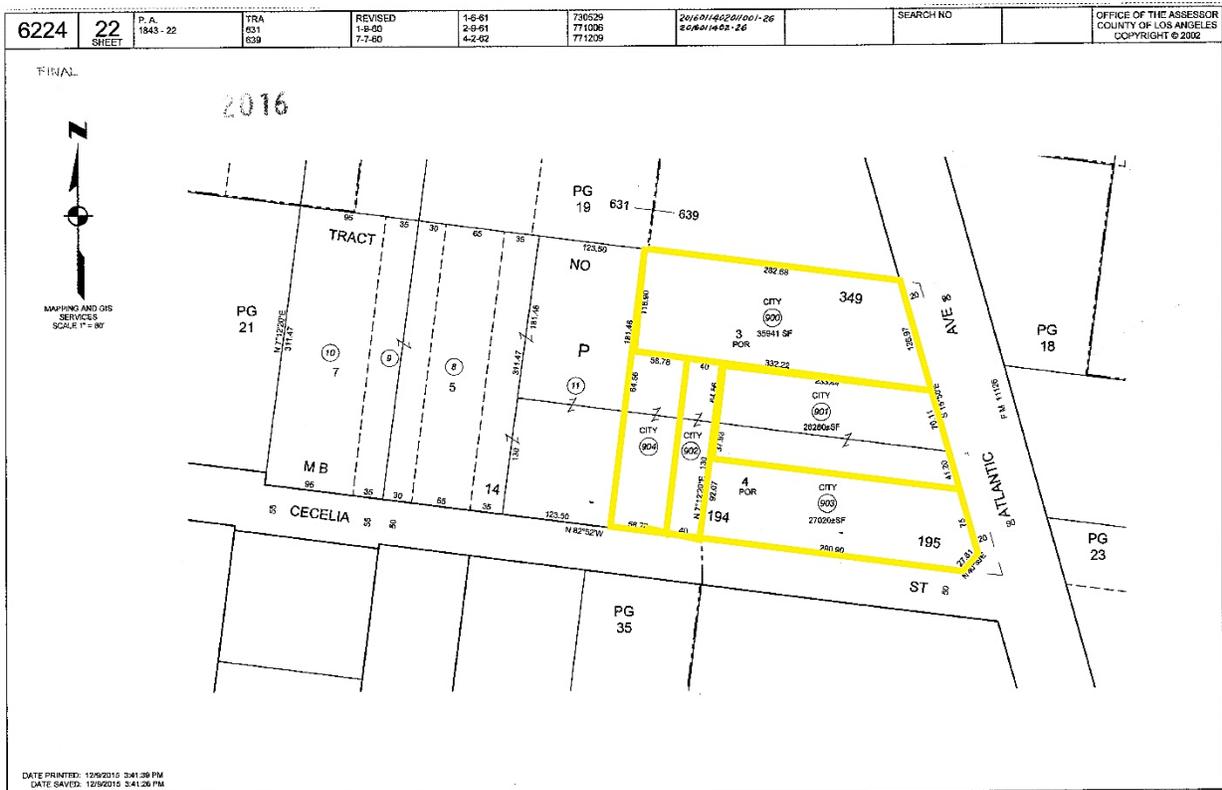
Please bear in mind that the City reserves the right to modify, supplement or withdraw this RFP for Site 4 at any time after its issuance date. Any such modification, supplement or cancellation of this RFP for Site 4 prior to the December 4, 2020 return date shall be noted by the City as an update to the Site 4 Dropbox; provided however that the City shall not post any modification or update of this RFP for Site 4 within less than seventy-two (72) hours before the then applicable return date for Proposals to this RFP for Site 4.

Accordingly, each Bidder is advised to consult the Site 4 Dropbox for updates.

Aerial Photo of Site 4 with Assessor Parcel Numbers

Site No. 4 – Atlantic Avenue/Cecelia Street Property (107,583sqft – 2.5 acres)





Assessor Map Book Page

Site 4 Description

The Property as depicted in the photographs and maps, below, is located near the intersection of Atlantic Avenue and Cecilia Street. The Property includes five (5) contiguous assessor parcels of land. The Property is approximately 108,801 square feet, 2.5 acres in size and is designated as "Entertainment (E) Zone" on the City of Cudahy General Plan and zoning.

These properties are located within the **Entertainment (E) Zone**. The General Plan Land Use Designation is Entertainment, which is one of the General Plan's mixed-use land use designations and is located within the **Entertainment Subdistrict** of the Atlantic Avenue District. Mixed-use development opportunities offer opportunities for people to live close to activity centers and transit stops, with an emphasis on walkability with the ability to walk to neighborhood stores and parks, to enjoy indoor and outdoor entertainment close to home, and to experience vibrant pedestrian districts.

According to the General Plan, the Entertainment designation accommodates large-scale entertainment uses that attract patrons from Cudahy, surrounding communities, and the subregion. All uses must be designed to provide pedestrian interest and accessibility along Atlantic Avenue, with vehicular access and parking located to the rear of the parcels. Active open spaces and paseos will link the entertainment uses and enhance the pedestrian experience. Residential uses may occur only in a mixed-use setting where the residential units are on upper floors.

Request for Proposals: Site 4 (Atlantic Avenue / Cecilia Street Property)

The Entertainment designation provides opportunities for retail, theaters, restaurants, commercial recreation, gaming, dining, brew pubs and wineries, residential, lodging, and similar business activities. Secondary office uses and residential may be accommodated on upper floors, adding to the economic diversity of the area. Horizontal mixed-use is allowed, although residential buildings must not have frontage on Atlantic Avenue. Open spaces are primarily public and urban in nature, with extra emphasis on high-quality public spaces. Uses specifically prohibited include stand-alone residential, automotive maintenance and garages, light industrial, manufacturing, warehousing, mini-storage, and trucking and transportation-related uses.

Table 20.20-1 of the Zoning Code identifies the permitted and conditionally permitted uses within the Entertainment Zone.

Table LU-3 summarizes the general development standards for nonresidential/mixed-use/entertainment categories.

Table LU-3: General Development Standards, Mixed Use

| Designation | Maximum Floor Area Ratio | Maximum Density**** | Story Limit |
|-----------------------------|--------------------------|---------------------|-------------|
| Mixed Use-Commercial | | | |
| Commercial + Residential | 1.0 | 40 du/ac | 4+2* |
| Commercial Only | 0.75 | -- | 4 |
| Residential Only | -- | 30 du/ac | 3 |
| Mixed Use-Civic | | | |
| Civic + Residential | 1.5 | 40 du/ac | 4+1** |
| Civic + Commercial | 1.75 | -- | 4+1** |
| Civic Only | 1.75 | -- | 4+1** |
| Residential Only | -- | 30 du/ac | 4+1** |
| Commercial Only | 1.25 | -- | 4+1** |
| Entertainment | | | |
| Entertainment + Residential | 2.0 | 40 du/ac | 4+4*** |
| Entertainment Only | 2.0 | -- | 4+4*** |

Notes:

**Up to two additional floors with the provision of community benefits and City Council approval*

***Up to one additional floor with the provision of community benefits and City Council approval*

****Up to four additional floors for designated uses (e.g., hotel) with the provision of community benefits and City Council approval*

*****Density Bonus Provisions – If proposing to commit to a level of affordability, the maximum allowable density may be increased according to the provisions set forth in the State Density bonus Law.*

Atlantic Avenue District

Opportunity sites 1, 2, 4, 5, and 6 are located in what is called the **Atlantic Avenue District**. Atlantic Avenue is the primary north/south roadway in Cudahy and the center of economic activity. The Atlantic Avenue corridor will evolve into a grand boulevard, with renewed importance and improved quality of development and businesses. The physical character of the streetscape will be transformed to create pleasant pedestrian linkages between the neighborhoods and Cudahy's business districts. New development will emphasize pedestrian orientation in both site and building design, with active street frontages, well-scaled and designed buildings, and engaging outdoor spaces. New street tree plantings, widened sidewalks, and pedestrian-scaled lighting will transform the public streetscape to create a "great street" experience that communicates the spirit of Cudahy.

The District is made up of 3 distinct Subdistricts. Each of these subdistricts have their own unique character and identity. Harnessing the corridor's economic potential by creating three distinct and connected subdistricts will allow for the creation of vibrant, pedestrian-friendly places. Each of the subdistricts will have inviting spaces that spur social interaction and encourage visitors to local businesses. While the subdistricts are distinct, complementary urban design themes and characteristics will tie them together as a uniquely identifiable central corridor. Along the Atlantic Avenue corridor, mixed-use activity centers will be pedestrian-friendly focal points for residents and businesses, linked by a bicycle and pedestrian pathway system.

The character of each district/subdistrict is described below.

Town Center Subdistrict

The Town Center Subdistrict is Cudahy's "living room," serving as the governmental and cultural hub. It is located immediately south of the Commercial Core and continues south to Santa Ana Street. Residents and visitors will congregate in the Town Center for business and pleasure. On warm evenings, residents can gather in the public plazas, socialize with friends and neighbors, and listen to music playing on the community stage. During the day, the Town Center will be active with people conducting business or visiting the library or post office. The City Hall, Cudahy branch library, Los Angeles County's Sheriff substation, USPS post office, and other civic uses will all be located within the Town Center Subdistrict. The Town Center will feature community gathering places such as public plazas, an amphitheater, art venues, community gardens, and urban green space.

Entertainment Subdistrict

The Entertainment Subdistrict features local and subregional activities such as movie and live performance theaters, a bowling alley, a skating rink, and restaurants. The Entertainment Subdistrict's proximity to the planned South Gate Eco-Rapid transit station and the nearby freeway allows for the development of regional entertainment

destinations, such as a casino and hotel. The entertainment uses will be reinforced by supportive uses, including shopping, restaurants, and commercial recreation. Residential uses on upper floors or in adjacent buildings will contribute to the vibrancy and diversity of the area. Public open spaces will have urban design features compatible with this higher-intensity activity area.

Site 4 Valuation

In 2015 the Property was valued at \$2,560,000 as indicated in the Cudahy LRPMP. A current City market value appraisal report for the Property indicates an April 9, 2020 valuation of the Property at \$8,135,000 assuming for the purposes of such current calendar year 2020 valuation appraisal, that the Property has no adverse environmental condition which could affect such market valuation. The appraisal does notes that the potential economic effect of the COVID-19 Pandemic was not considered in such valuation of Site 4. A copy of the April 9, 2020, appraisal report for the Property has been posted to the Site 4 Dropbox and may be reviewed by each Bidder.

Except for the structure located at 8135 South Atlantic Avenue (Assessor Parcel No. 6224-022-900), all of the other structures on Site 4 are vacant and unoccupied and several are damaged as a result of trespass and recent fires. As of August 25, 2020, the City has initiated a program to demolish and remove the unoccupied and fire damaged structure on Site 4.

There is an existing current occupant/tenant, Platinum Auto Body, located at 8135 South Atlantic Avenue. Platinum Auto Body is a month-to-month tenant. For additional information concerning background information related to rent and occupancy on Site 4, each Bidder is advised to consult the Site 4 Dropbox. Please be advised that the City may update the Site 4 Dropbox as more information becomes available. Each Bidder is encouraged to check the Site 4 Dropbox prior to the submission deadline of December 4, 2020.

Building and Parcel Information

The following table describes existing improvements on Site 4:

| APN | Address | Type | Approximate Sq. Footage |
|------------------|----------------------------|-------------------------|----------------------------|
| APN 6224-022-900 | 8135 South Atlantic Avenue | Commercial Building | 8,800 |
| APN 6224-022-901 | 8201 South Atlantic Avenue | Single Family Residence | 476 |
| APN 6224-022-902 | 4633 Cecilia Street | Trailers (Parking Lot) | |
| APN 6224-022-904 | 4629 Cecilia Street | Trailers (Parking Lot) | |
| APN 6224-022-903 | 8221 South Atlantic Avenue | 2 Story office Building | 8,140 |

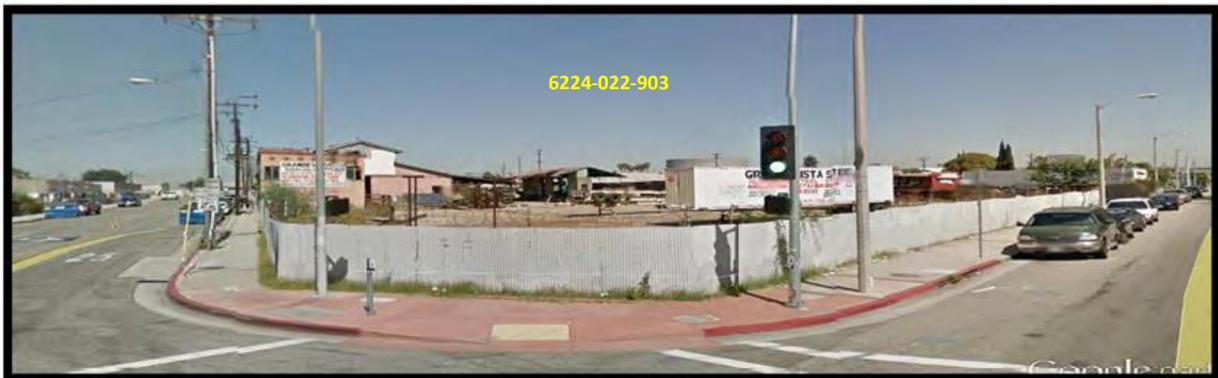
STREET LEVEL PHOTOS OF THE PROPERTY



Photograph of 8135 South Atlantic Avenue - Commercial Building (Platinum Auto Repair shop).



Photograph of 8201 South Atlantic Avenue – Single family residence.



Photograph of 8221 South Atlantic Avenue – A 2 story office & metal building. Crossing streets: Cecilia Street (left side) and South Atlantic Avenue (right side).



Photograph of 4629 and 4633 Cecilia Street (Trailers parking lot).

Environmental Condition of Site 4

A “Phase I Environmental Site Assessment Report” was prepared for the Successor Agency as predecessor-in-interest in August 2015 with respect to the Property (the “Site 4 Phase I Report”). A copy of the Site 4 Phase I Report may be viewed by each Bidder at the Site 4 Dropbox:

The City has recently initiated a limited demolition plan for the existing structures on Site 4. The limited demolition plan is intended to reduce the likelihood of further trespass on Site 4 by removing the unoccupied above ground / above grade improvements for Site 4. A copy of the August 25, 2020, City Council meeting agenda materials which describe the limited demolition workplan now proposed for Site 4 has been included in the Site 4 Dropbox. The demolition was completed as of October 9, 2020.

For additional information about the environmental condition of the Property and the recommendations of the consultant who prepared the Site 4 Phase I Report regarding these conditions, each Bidder is referred to the Site 4 Phase I Report.

The City of Cudahy in its capacity as transferee of the Property from the Successor Agency and local entitlement jurisdiction for the development, use and operation of Site 4 makes no representation or warranty to any Bidder about the accuracy or completeness of the information concerning Site 4 which is in the possession or known by the City, or its officers, employees or agents.

The information for Site 4 which is available for inspection on the Site 4 Dropbox including the Site 4 Phase I Report, is offered for general informational guidance only. Any use or reliance upon the information, assessments or conditions described in this RFP, the Site 4 Dropbox, including the Site 4 Phase I Report shall be at the sole liability of the Bidder. Each Bidder assumes the responsibility to undertake its own due diligence investigation concerning Site 4, both prior to the submission to any Proposal to the City or after the time that such a Proposal may, at the sole and absolute discretion of the City, be accepted for further consideration and action.

SUBMITTAL REQUIREMENTS FOR A PROPOSAL BY ANY BIDDER FOR SITE 4

The Proposal of each Bidder for Site 4 is sometimes referred to herein as a Bid and each Proposal or Bid delivered to the City by a Bidder must include the following information:

1. *Description of Bidder Team.* A suitably detailed description of the Bidder, including the role of each organization and/or team member; as applicable. Brief resumes for each principal of the team, and a single point of contact information for the Bidder may be included.
2. *Proposed Purchase Price and Conditions to Purchase.* An indication of the proposed purchase price payable by the Bidder to the City in cash for the Property at the time of satisfaction of all of the other terms and conditions of the Bidder for the purchase of the Property. The Proposal should include a suitably detailed description of each term and condition required by the Bidder for the completion of its purchase of Site 4.
3. *Proposed Scope of Bidder Due Diligence, and Acquisition Closing Terms.* A suitably detailed description of (i) the Bidder's proposed scope and timeline for the completion of its due diligence investigation of the Property, if any; (ii) the type of development entitlement, if any, which the Bidder may seek to obtain for the Property from the City of Cudahy in its land development regulatory capacity; and (iii) other Property acquisition closing terms required by the Bidder as a condition to the purchase the Property from the City.
4. *Experience.* A suitably detailed description of the land development experience of the Bidder including the development of mixed use urban commercial and residential projects on development sites comparable to the Property.
5. *Proposed Remediation Investigation Work for the Property.* This component should include a timeline and general description of the scope of Property remedial investigation work which the Bidder believes may be indicated for Site 4 following the execution of an "Exclusive Negotiation Agreement" or "Purchase and Sale Agreement" by the Bidder and the City, as described below.
6. *Financial Qualifications.* The provision of clear evidence of financial resources of the Bidder to undertake the acquisition of the Property.
7. *Other Information.* Bidder may provide other descriptive material not to exceed five (5) pages in length, as the Bidder deems appropriate. No building elevations or site improvement plan concepts need to be submitted as part of the RFP in order for the RFP to receive consideration by the City Council.

In general, the City does not believe that a Bid (exclusive of any financial information or development concept drawings) needs to exceed more than a total of twenty (20) pages of text.

CITY COUNCIL GOVERNING BOARD SELECTION PROCESS

After the delivery date for the City's receipt of Bids has occurred -- currently set for no later than 5:00 PM on Friday, December 4, 2020, the City Council will review each Bid as received. Such review of Bids by the City Council shall occur at duly noticed regular or special meetings of the City. The determination of the City Council to authorize the preparation of an Exclusive Negotiation Agreement or Purchase and Sale Agreement for the Proposal of a particular Bidder shall be publicly announced at such a regular or special meeting of the City Council at which such direction is given to City staff.

The City Council may in its sole discretion direct that one or more of its members confer with City staff regarding the review and evaluation of one or more Bids, for consideration by the City Council.

At the time of issuance of this RFP, the City believes that its evaluation process for consideration of each Proposal which it may receive for Site 4, could require between two (2) and three (3) weeks of time to complete. However, each Bidder for Site 4 who has submitted a timely Proposal will be given written notice by email or other means at least twenty-four (24) hours in advance of any meeting of the City Council at which the Proposal of such Bidder will be considered by the City Council.

SELECTION CRITERIA

In its evaluation of Proposals, the City Council will consider the responsiveness of each Proposal based upon the weight of the factors described below.

| | | |
|------------------------------------|---|-----------------|
| Proposed purchase price for Site 4 | Proposed purchase price payable to the City in cash by the Bidder upon satisfaction of the terms and conditions set forth in the Bidder's Proposal. | up to 50 points |
| Financial capacity | An indication of financial resources to perform the due diligence described by the Bidder in its Proposal. | up to 15 points |
| Bidder experience | The Bidder's previous experience related to the acquisition and development of comparable lands. | up to 15 points |
| Overall presentation of Proposal | The overall quality of the presentation of the Proposal in light of the goals of the City to realize the highest feasible value from the sale of the Property and the benefit to the community associated with the disposition of the Property to the Bidder. | up to 20 points |

The City reserves its discretion to allocate points to each Proposal for the purpose of selecting a single Bidder to purchase Site 4 based upon an average of the points assigned to each Proposal by each member of a panel selected by the City Manager which will make a recommendation to the City Council, and the City Council will ultimately make the selection determination in the sole and absolute discretion of each such member of the City Council. Please bear in mind that the members of the City Council reserve the discretion to reject any Proposal submitted to them by a Bidder for any reason and/or make no public announcement of the score assigned by the City to any Proposal.

The final selection of the most responsive Bidder for Site 4 is the sole responsibility of the City Council; provided however, that each Bidder is advised that the City Council reserves its separate discretion to approve or disapprove the final terms of the disposition of Site 4 to a Bidder designated by the City in accordance with applicable law.

As promptly as feasible, but in no case longer than five (5) business days following the designation of the successful Bidder for Site 4 by the City Council, as evidenced by the adoption of a motion or a resolution of the City Council, the successful Bidder and the City shall jointly complete the preparation of an "Exclusive Negotiation Agreement" or a "Purchase and Sale Agreement," as applicable, for final ratification and approval by separate resolution of the City Council. Such Purchase and Sale Agreement shall not be implemented until the City approves a Compensation Agreement in its sole and absolute discretion.

The execution of the Exclusive Negotiation Agreement or a Purchase and Sale Agreement by and between the City and the successful Bidder shall confer no legal interest in the Property on the Bidder and does not limit the independent regulatory power of the City to approve or disapprove or conditionally approve any particular development entitlement for the Property which the Bidder may seek to obtain as a condition to the completion of its purchase of the Property. An Exclusive Negotiation Agreement may set forth the framework for the mutual negotiation and approval by the successful Bidder and the City of the specific terms of a potential Purchase and Sale Agreement, by and between the successful Bidder and the City for Site 4. The general form of such an Exclusive Negotiation Agreement may be inspected by each Bidder prior to the submission of its Proposal to the City.

In the alternative, a Bidder may propose to execute a Purchase and Sale Agreement for the purchase of Site 4, and if so, a draft of the proposed form of such a Purchase and Sale Agreement shall be included in the Bidder's Proposal.

In the event that the Bidder and the City may fail for any reason to jointly execute an Exclusive Negotiation Agreement within five (5) business days or in the alternative a Purchase and Sale Agreement within ten (10) calendar days following the adoption by the City Council motion or resolution designating the successful Bidder for any reason, the City may thereafter make other arrangements to dispose of the Property to another person or entity, including another Bidder, in the sole and absolute discretion of the City Council.

Please submit all questions as it relates to this RFP for Site 4 in writing to Mr. Sal Lopez, Cudahy Community Development Director, at RFPinfo@cityofcudahyca.gov. An answer to each question submitted to Mr. Lopez by email will be posted to the Site 4 Dropbox as promptly as feasible; provided however that the City shall not respond to any question from a Bidder submitted later than five (5) calendar days before the scheduled return date for all Proposals for Site 4. Bidders are advised that all City staff have been informed to refer Bidders with questions concerning the RFP process to Mr. Sal Lopez.

All RFPs must be submitted to the City by means of electronic delivery to the email provided on the cover letter by no later than 5:00 PM on December 4, 2020.

All RFP's must be submitted to RFPinfo@cityofcudahyca.gov as one (1) combined PDF file.

NOTICE: NO PROPOSAL FOR SITE 4 WILL BE ACCEPTED BY THE CITY AFTER THE DATE AND TIME INDICATED ABOVE, OR BY THE DATE AND TIME AS MAY BE MODIFIED BY A SUPPLEMENTAL NOTICE OF THE CITY AS POSTED TO THE SITE 4 DROPBOX.

GENERAL CONDITIONS

Issuance of this RFP does not obligate the City to complete the RFP process as described above or to select a Bidder for the entry into an Exclusive Negotiation Agreement or a Purchase and Sale Agreement for the Property, nor shall the City of Cudahy be liable for any cost incurred by the Bidder in the preparation and submittal of a Proposal to the City.

An incomplete Proposal that does not conform to the requirements specified herein may not be given further consideration by the City. The act of submitting an RFP to the City in response to this RFP for Site 4 is a covenant and warranty by the Bidder that it has read the Site 4 Proposal and understands all the requirements and conditions related to the delivery of its Proposal.

The City reserves the right in its sole discretion to:

- modify or cancel the selection process for Bidders or modify the schedule of this RFP at any time;
- waive minor irregularities in the responsiveness of one or more Proposals to the RFP;
- reject all Proposals or Bids after delivery to the City, and to seek new responses by other means acceptable to the City when it is in the best interest of the City to do so;
- seek clarification or additional information from any Bidder after the return date for Proposals as the City deems appropriate during the course of its evaluation of any RFP for Site 4.

Subject to the availability of City staff to accompany one or more Bidders for an escorted on-site inspection of Site 4, each Bidder may schedule with Mr. Lopez, the conduct of a limited on-site inspection of the Property prior to the last day for the submission of questions by Bidders to the City. Any such escorted on-site inspection of the Property shall be conducted at the sole cost and expense of the Bidder. Any such escorted on-site inspection of the Property may be further conditioned upon the execution by the Bidder of a license agreement authorizing limited entry in a form approved by the City.

All correspondence and data submitted by each Bidder to the City shall be deemed to be a public record of the City subject to the provisions of the next two (2) sentences. The City shall exercise best efforts to maintain the confidentiality of financial statements of the Bidder provided such information is separately labeled as "CONFIDENTIAL BUSINESS RECORD [INSERT NAME OF BIDDER]." The City shall not release or make available for inspection as a public record the text of any RFP which the City may receive for Site 4 under this RFP until seventy-two (72) hours prior to the time when the City has scheduled the consideration of the approval of the Exclusive Negotiation Agreement or Purchase and Sale Agreement with the successful Bidder for Site 4 at a public meeting of the City Council.

The City of Cudahy shall be responsible for the payment of any real estate broker or finder's fee or commission in consideration with the RFP or the disposition of Site 4.

The City of Cudahy make any representation about the condition of the Property, including buildings, utilities, soils, or other surface or subsurface conditions in the RFP or the development or use potential for the Property. The City reserves all of its regulatory power and discretion to approve, disapprove or approve subject to conditions any development project which the Bidder may propose for the Property.

Each Bidder is solely responsible for making its own conclusions concerning such conditions of the Property.

Information as provided in this RFP or which is made available for inspection and review on the Site 4 Dropbox or by City staff or which may otherwise be available on the City website, is provided for the convenience of the Bidder only. The accuracy or completeness of such information is not warranted to any Bidder by the City of Cudahy.

The final acceptance of a Purchase and Sale Agreement by and between the successful Bidder and the City is subject to City's approval of a Compensation Agreement in its sole and absolute discretion as a condition subsequent.

This RFP is subject to modification or withdrawal as set forth, above. Interested persons are advised to consult the Site 4 Dropbox before a Proposal is delivered to the City.