

REQUEST FOR PROPOSALS

VACANT LAND SALINAS, CA 93907

PRESENTED FOR
NORTH MONTEREY COUNTY
UNIFIED SCHOOL DISTRICT



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EXECUTIVE SUMMARY

BACKGROUND AND CONTEXT

The North Monterey County Unified School District (the “District”) owns certain real property identified as APN 133-371-004-000 located in Salinas, California (the “Property”). The Property is located just North of Highway 156 between Prunedale and Castroville, adjacent to the Oak Hills neighborhood.

On September 16, 2021, the District’s Board of Education adopted Resolution No. 2021-2203, which declared the property as surplus to the District’s needs, and authorized the District to seek a State Board of Education waiver so that Request for Proposals (“RFP”) could be issued. In compliance with statutory requirements and the Board-adopted Resolution, the District is simultaneously notifying various agencies that the Property is being offered for sale, and those agencies may be entitled to certain priorities for consideration over other members of the public that are interested in purchasing the property.

In order to provide the District with the greatest possible flexibility in the process of selling surplus property, on September 22, 2021 the District applied to the State Board of Education for a waiver of certain Education Code requirements. If approved, the waiver will apply to Education Code sections 17473, and 17474, and to portions of Education Code sections 17455, 17466, 17468, 17469, 17470, 17472, and 17475. It is anticipated that the waiver will be reviewed and approved by the State Board, which will authorize the District to accept a proposal in response to this RFP.

SUBMISSION DEADLINE

The proposer must submit one electronic copy of their complete Proposal Package (PDF format is acceptable) via email to DCG Strategies at listings@dcgstrategies.com. All proposals must be received at or before **4:00 p.m.** on **Friday, January 14, 2022**, via email. Proposal receipt time is determined by the official clock of DCG Strategies. Any proposals submitted after the deadline may not be considered.

The Seller’s contacts for all matters regarding the property is DCG Strategies. All correspondence regarding the RFP process **must be in writing by email** to DCG Strategies. The team can be reached via email at listings@dcgstrategies.com.

OBJECTIVES

The District’s objectives are as follows:

- Sell the Property in order to generate funds that can be used within legal parameters;
- Determine that the contemplated use for the Property aligns with the District’s goal of being sensitive to community and neighborhood needs and concerns while also supporting the District’s goal of enhancing its long-term fiscal sustainability;
- Obtain assurance that the buyer of the Property has the financial capacity and proven experience to bring the proposed project (as defined in the buyer’s proposal response) to completion as efficiently and as prudently possible, and;

DCG STRATEGIES | EXECUTIVE SUMMARY

- Confirm that the buyer of the Property has a demonstrated history of working collaboratively with neighborhood leaders, community members and local jurisdictions in which they have completed projects in the past.

SITE DESCRIPTION

LOCATION:

Salinas, CA 93907

ASSESSOR'S PARCEL NUMBER:

133-371-004-000

PROPERTY CLASS:

Undeveloped

CURRENT USE:

Vacant land

TOTAL PROPERTY SIZE:

12.29 acres (535,352 SF)

ZONING:

MDR (Medium Density Residential) B-8-D (CZ)



PROPERTY OVERVIEW

PROPERTY DESCRIPTION

This Property is located in Salinas, California within Monterey County and is comprised of one irregular shaped parcel consisting of approximately 12.29 acres of vacant land. The Property is in the densely populated Oak Hills neighborhood, approximately 30 miles south of major city Santa Cruz.

The Oak Hills neighborhood contains approximately 250 single-family homes with numerous social and recreational amenities for residents. An elementary, middle, and high school can be found within a 10-minute drive. The Property offers potential ocean views with a subtle topographic slope. Access to Highway 156 is from Cathedral Oak Road via Canyon Oak Road.



TRANSACTION STRUCTURE

Proposers should verify the potential viability of the proposed project with the County of Monterey prior to making a proposal for the Property. A sample Letter of Intent may include, but certainly is not limited to, the terms and conditions below.

LETTER OF INTENT

The following terms and conditions are proposed for this purchase:

- 1. Purchase Price:** \$_____, payable in full in cash at Closing, less deposits, as described below.
- 2. Close of Escrow:** Shall occur on the earlier of (1) County Approval, or (2) _____ (number of months from the Effective Date of the Agreement).
- 3. Initial Deposit:** Buyer will make an initial deposit of \$_____ at the time a definitive Purchase and Sale Agreement is agreed and executed, which will be immediately released to the District, and is non-refundable under any and all circumstances, but applicable to the Purchase Price.
- 4. Additional Deposits:** Buyer will make a series of additional deposits which will be released to the District as nonrefundable, but applicable to the Purchase Price, unless the District is unable to deliver good title to the Property. Each deposit shall be subject to the Buyer's unilateral decision to proceed with the transaction. That is, if the Buyer decides to withdraw from the transaction before making any one of the deposits, then that deposit, and any future deposits, will not be made, although those deposits already released to the District shall remain nonrefundable. The proposed deposit structure is as follows:

(describe amount and timing of deposits).
- 5. Withdrawal:** Buyer may, at any time prior to entry into a binding Purchase and Sale Agreement and in the Buyer's sole discretion, with or without stated cause, withdraw from this transaction, and thereafter have no obligations of any kind whatsoever to the District. Deposits made by Buyer prior to any such withdrawal will be retained by the District, as liquidated damages and not as a forfeiture, and Buyer will have no claim on them whatsoever, except as otherwise set forth in the Purchase and Sale Agreement.
- 6. Inspections:** Buyer shall be provided with the opportunity to enter the Property and conduct whatever physical inspections Buyer deems necessary and desirable subject to reasonable notice and noninterference with current users of the site. Buyer shall have the right to review any and all documentation, title reports, surveys, toxic and soil studies, and all other correspondence and documents relating to the Property, and the District shall promptly deliver to Buyer copies of all such documents in its possession, custody, or control, subject to entry into a Purchase and Sale Agreement. District staff and agents will cooperate fully with Buyer in providing such information as Buyer may reasonably require, regarding the history, use, and condition of the Property.
- 7. Government Approvals:** Buyer shall be seeking various government approvals as may be required for development of the Property in the manner Buyer intends. The District will cooperate with and assist Buyer as reasonably necessary in submitting applications for such approvals, including signing appropriate documents that may be required by government officials. If Buyer is unable to obtain such

approvals in what the parties agree to be a timely and reasonable manner, in Buyer's sole discretion, Buyer may withdraw from this transaction, pursuant to Section 5 above.

8. Other Provisions:

8.1 Buyer will request (in a binding Purchase and Sale Agreement) standard representations and warranties as are customary for transactions of this type, including with respect to authority, brokers, completeness of due diligence materials, absence of litigation, absence of hazardous materials or hazardous site conditions, absence of violations of law, and vacancy of all structures on the premises at Close of Escrow.

8.2 Following completion of all conditions set forth in a binding Purchase and Sale Agreement, the District shall convey the Property to Buyer at Close of Escrow in substantially the same condition as at the present time, except as regards the condition of the improvements thereon (which Buyer shall be responsible for removing), and shall have cured any violation of applicable laws, regulations and codes, and shall have removed all monetary liens or other encumbrances to title that would prevent or impair good title from being passed to Buyer.

8.3 Buyer understands that the District has retained DCG Strategies as its real estate agent in connection with this transaction, and that the District will be solely responsible for any compensation due to DCG Strategies based on its arrangements with the firm. Any compensation due to other real estate agents or brokers engaged or retained by Buyer in connection with this transaction will be the sole responsibility of the Buyer.

9. Definitive Purchase and Sale Agreement: As expeditiously as possible, Buyer intends to negotiate with the District and agree to a definitive and binding Purchase and Sale Agreement, but until that has been done, either party may withdraw from this transaction without further obligation of any kind to the other.

10. Approval Required by District Authorities: Buyer understands and acknowledges that the District's execution of the Purchase and Sale Agreement must be conditioned on approval of its Board of Trustees.

DISCLAIMER

While the information contained herein has been provided in good faith and in an effort to provide prospective purchasers with relevant property data, it is not binding on the District and should not be considered a substitute for thorough due diligence by prospective purchasers.

The District and DCG Strategies have not made any investigation, and make no warranty or representation, with respect to the income or expenses for the Property, the future projected financial performance of the Property, the Property's development potential, the size and square footage of the Property and improvements, the presence or absence of contaminating substances, PCBs or asbestos (or any other hazardous materials or substances), the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

DCG STRATEGIES | EXECUTIVE SUMMARY

The information contained herein has been obtained from sources we believe to be reliable; however, the District and DCG Strategies have not verified, and will not verify, any of the information contained herein, nor has the District and DCG Strategies conducted any conclusive investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

Except as set forth above, all information, excluding contact information, submitted in response to this RFP may be made available for public inspection according to public records laws applicable to North Monterey County Unified School District.

PROPOSAL REQUIREMENTS & REVIEW PROCESS

INQUIRIES AND LETTERS OF INTENT (“LOI”)

The North Monterey County Unified School District has engaged DCG Strategies, Inc. dba DCG Commercial (“DCG”) as their representative in releasing this Request For Proposals which seeks offers from prospective buyers to acquire the Property. Interested parties may submit offers for the entire Property.

The selected proposer will be responsible for payment of all costs and expenses in connection with the project including, but not limited to: costs associated with securing necessary entitlements and environmental documentation; demolition, ground clearing, site preparation, and construction of new buildings; maintenance; underground utilities; insurance and taxes; permits and inspection fees; costs and mitigation fees associated with the development including school fees; and architectural, environmental, engineering, and other related work.

Proposer will be responsible for all brokerage commissions and fees to be paid to any real estate representative on the proposer’s behalf, if any. The District will not pay any broker’s fees or finder’s fees, other than to their representative, DCG Strategies. The selected proposer will be required to:

- Select the necessary multi-disciplinary team;
- Coordinate the General Plan and Zone change process, if applicable;
- Obtain all necessary entitlements and permits;
- Coordinate, manage, and facilitate the review of the project by the County of Monterey; and
- Manage the work effort of the entire entitlement team, the architect, land planner, civil and other engineers, etc., if applicable.

All proposals will have five required sections and, in the order, as set forth below. Please label each section and number all pages.

SECTION 1 - LETTER OF INTENT

SECTION 2 - DEVELOPMENT PROGRAM

SECTION 3 - PROJECT TIMETABLE AND CRITICAL ENTITLEMENT ISSUES

SECTION 4 - KEY TEAM MEMBERS AND PAST EXPERIENCE

SECTION 5 - STATEMENT OF FINANCIAL QUALIFICATIONS

SECTION 1 – LETTER OF INTENT

This section should include the proposal contact and responsible party information. Identify the lead proposing entity, and list the key team members. Set forth the scale of the development program, purchase

price, deposits, close of escrow, and summarize the critical elements of expected project timeline. Any other critical information can be summarized in this section.

SECTION 2 – DEVELOPMENT PROGRAM

This section should include a narrative description of the architectural and land planning theme for the project. Identify the planned improvements including the number of buildings by use, the estimated square footage devoted to each building and use, the approximate building footprints, the proposed unit mix with average unit sizes, amenities, parking, and public uses, if any. Include a preliminary site plan. While a detailed completed site plan, prototype housing and elevations are not required at this time (although strongly encouraged), a preliminary site plan is necessary to properly evaluate each proposal.

SECTION 3 – PROJECT TIMETABLE AND ENTITLEMENT ISSUES

This section should include a general project timetable showing the various planning and entitlement steps, duration, estimated starting period, deposit amounts and release dates, and any phasing contemplated. As to acquiring the entitlements necessary for execution of the proposed project plan, please provide a narrative description of the issues the proposer has identified as critical. Also, please be sure that the timetable of approximate dates for obtaining these entitlements is realistic – in requesting both the narrative and timetable, the goal of the seller is to assess the proposer’s understanding of the entitlement process rather than solicit an unrealistically aggressive schedule for this process (although an ability to expedite the process is seen as favorable).

SECTION 4 – KEY TEAM MEMBERS AND PAST EXPERIENCE

Provide the following information for each key member of the team. It is anticipated that key members would include the proposing entity, the architect and/or land planner, entitlements counsel, equity partner, and other key members. Other team members such as civil engineer, traffic planner, or landscape architect, may be identified if the proposer believes that to do so would enhance his proposal, but there is no requirement to do so.

Specifically, provide the following information for each key team member:

- Firm name, location, and website
- Project Manager and key participants for this project, with resumes
- History of relationships within County of Monterey, if any
- Experience with developments similar in use and scale to the project proposed
- Experience with public entities, preferably public land owners

SECTION 5 – STATEMENT OF FINANCIAL QUALIFICATIONS

Provide the following information:

- Is the buyer a subsidiary of, or affiliated with, any other corporation(s), partnerships or firms? If so, please specify.
- Has the buyer or its officers, principal members, shareholders or investors, or any of its parent, subsidiary or affiliated entities or other interested parties been adjudged bankrupt, either voluntarily or involuntarily, within the past ten years? If so, please explain.
- Is there pending litigation against the buyer or its officers, principal members, shareholders or investors, or any parent, subsidiary or affiliated entities or other interested parties other than minor personal injury suits involving claims under \$250,000? If so, please explain.

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Lists and contact information for the following

- Private sources of financing used for recent projects
- Public sources of financing/incentives used for recent projects

Item(s) submitted should be sufficient to permit the District to determine the developer's financial capacity for undertaking the project and purchasing the Property. The developer may wish to mark the financial statements as "CONFIDENTIAL" or "PROPRIETARY." If so marked, such financial statements will be treated as confidential by the District to the full extent permitted by law.

SUBMISSION FORMAT AND SCHEDULE

The proposer must submit one electronic copy of their complete Proposal Package (PDF format is acceptable) via email to DCG Strategies at listings@dcgstrategies.com. All proposals must be received at or before **4:00 p.m.** on **Friday, January 14, 2022**, via email. Proposal receipt time is determined by the official clock of DCG Strategies. Any proposals submitted after the deadline may not be considered.

The Seller's contacts for all matters regarding the property is DCG Strategies. All correspondence regarding the RFP process **must be in writing by email** to DCG Strategies. The team can be reached via email at listings@dcgstrategies.com.

The District shall review the proposals, request written clarification from proposers if necessary, and may, at its sole discretion, select one or more proposers as finalists. The review process may include requests for clarifications and one or more presentations by the proposers. At the conclusion of the review process, the Board plans to select one proposer with whom to enter into a Purchase and Sale Agreement. The District reserves the right to terminate this process at any point prior to the selection of a proposer, and solicitation of proposals in no way obligates the District to proceed with any agreement. The District reserves the right to reject submittals that fail to contain all required information or fail to follow all of the instructions contained in this RFP.

EVALUATION CRITERIA

The District's evaluation criteria include, but are not limited to:

- District objectives as detailed herein
- Proposer experience
- Purchase price
- Impact on District's ability to enhance long-term fiscal sustainability
- Entitlement risk
- Project quality
- Experience with other relevant projects

EVALUATION PROCESS

The initial review will compare all proposals for compliance with the submission requirements. Any proposals with significant omissions may be rejected and the proposers will be notified of their failure to

DCG STRATEGIES | PROPOSAL REQUIREMENTS

comply with the requirements of the RFP process. The District reserves the right to request that proposers bring their submissions into compliance within a very short time period after notification.

IMPORTANT NOTE: The District reserves the right, if it deems it in the best public interest, to reject any and all proposals, and to withdraw the Property from potential sale.

A detailed, point-by-point comparison will be made of all complete proposals for District confidential review. Requests for clarification may be sent to a certain proposer. Proposers may be asked to attend a preliminary interview.

Based on the evaluation criteria, the proposals will be rated and the District may elect to choose several finalists who will be asked to an interview. At the pre-determined District Board of Education meeting, all proposals which have been received will be examined and declared by the Board. One or more of the finalists may also be requested to present their development proposals at this meeting.

The final selection of the successful proposer will be made at a scheduled Board meeting not more than sixty (60) days following the District Board of Education meeting where the proposals are examined and declared by the Board.

RIGHT TO REJECT

At any phase, the District reserves the right to terminate, suspend, or modify the proposal process, reject any or all submittals, and waive any minor irregularities in the proposal process.

**EXHIBIT A:
PROPERTY AERIAL**

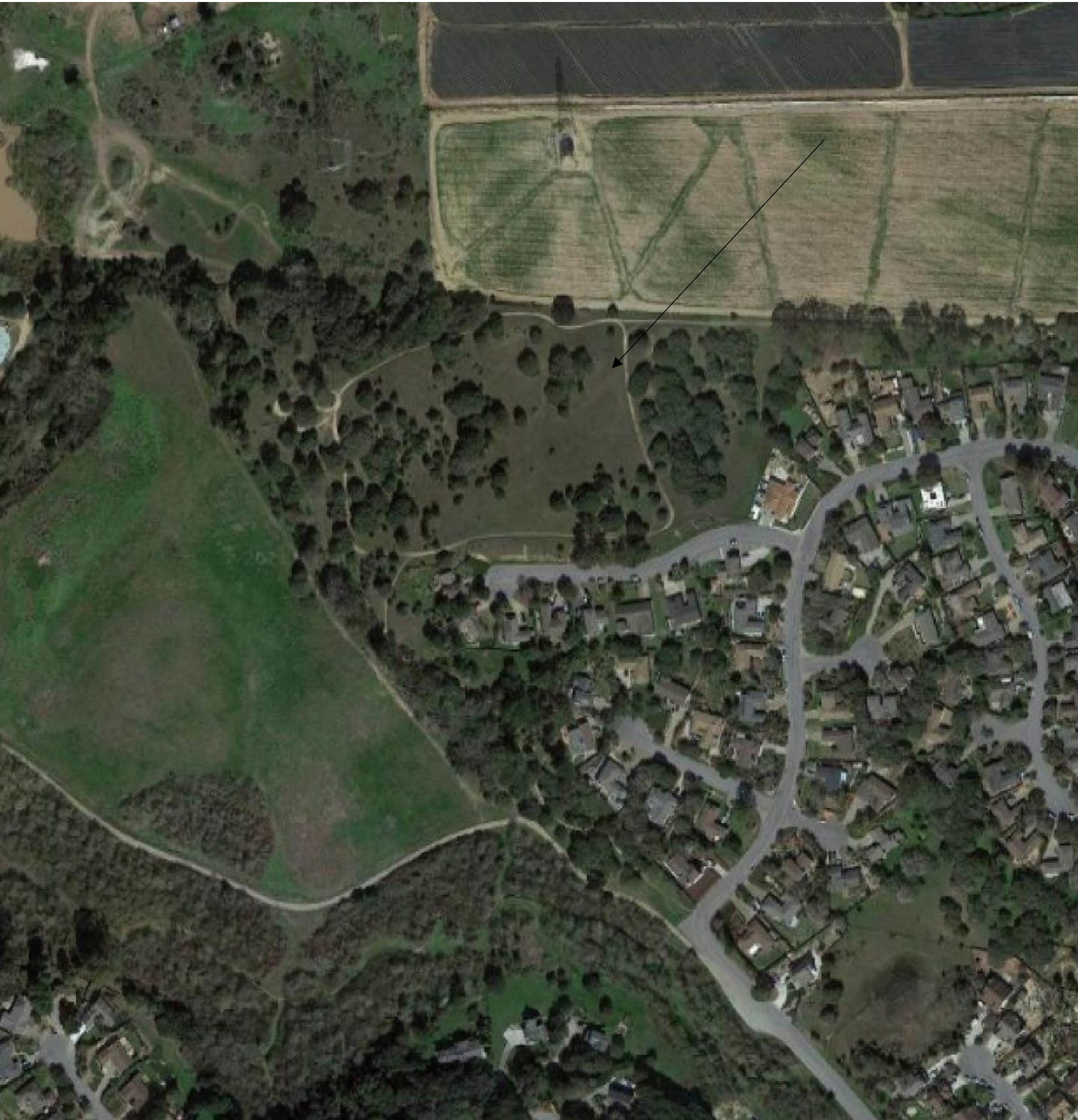


EXHIBIT B:
ASSESSOR'S PARCEL MAP

DCG STRATEGIES | EXHIBIT B: ASSESSOR'S PARCEL MAP

