

Request for Proposals for Point Molate

Due Date: November 26, 2018 by 4:00 PM

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I. INTRODUCTION

The City of Richmond (City) invites the shortlist of qualified developers to submit proposals to serve as the master developer of the Point Molate property (Point Molate or site) in Richmond. This important effort follows the lengthy litigation that was resolved by the parties in April of 2018, by the United States District Court. The 2018 Judgment requires that the City provide certain discretionary approvals by April 12, 2020 and sell the Development Areas for sale to one or more qualified developer(s) or builder(s) using commercially reasonable efforts by April 12, 2022, or within 24 months of the City issuing the discretionary approvals. Per the City of Richmond's inclusionary housing ordinance, affordable housing units must be provided or an in-lieu fee must be paid (see attached Richmond Municipal Code Section 15.04.603).

Deadline for responses to this RFP are due no later than 4:00 PM on **November 26, 2018**, addressed to:

Lina Velasco, Planning Manager
City of Richmond
450 Civic Center Plaza, 2nd Floor
Richmond, CA 94804

II. PROJECT DESCRIPTION

The City of Richmond is requesting detailed development proposals from a shortlist of four qualified developers interested in leading the reuse and development of the Point Molate site. This past summer, the Richmond community undertook a land use visioning process that identified key community concerns and desires for the Point Molate site. This process culminated in the acceptance of a vision document by the City Council that will guide the preparation of development proposals for the site submitted in response to this RFP.

Per the Judgment, the land use entitlements must be generally consistent with the Point Molate Reuse Plan (Reuse Plan), which was adopted by the City Council in 1997. In 2012, the Reuse Plan was incorporated in large part into the City's General Plan 2030. The Reuse Plan calls for the preservation of at least 70% of the site as open space and development to occur on the remaining 30%. The Reuse Plan included an alternative that included 670 residential units and the discretionary approvals are to include a minimum of 670 residential units be developed at the site. These units must adhere to the City's inclusionary housing ordinance (Richmond Municipal Code Section 15.04.603).

The development of the Point Molate focuses on five different locations: the historic Winehaven District, Point and Pier, Point Molate Beach Park, Point Molate Hillside and Open Space, and the Concrete Drum Lot. Proposals received in response to this RFP shall integrate the waterfront setting, natural beauty, and historic character of the buildings and setting, along with fully integrating the Vision.

Site Location and History

The subject of this RFP is the development of approximately 30% of the upland 271 acre Point Molate site, located within the City of Richmond, Contra Costa County, California, approximately 1.5 miles north of the Richmond-San Rafael Bridge. Approximately 142 acres of the total 413-acre site are submerged in the San Francisco Bay.

The history of the site is rich and varied. Prior to colonization by the Spanish, the area was the territory of the Huchiun triblet of the Ohlone. Between 1770 and 1823 seven missions were established in the region, and most of the indigenous population was relocated to Mission San Jose and Mission San Francisco. The Spanish occupation of Northern California reduced the population of the indigenous peoples by 80 percent. After the rapid growth of California when gold was discovered and admission to the United States in 1850, the population of the entire Bay Area grew very rapidly. With that came a larger demand for fresh seafood, subsequently shrimp camps were established throughout the Bay Area, including at Point Molate. From around 1890 to 1912, a Chinese Shrimp camp was established at Point Molate, before it was abandoned in 1912.

In 1907, after the devastating earthquake and fire that destroyed much of San Francisco, the California Wine Association (CAWA) moved its facility to Point Molate, with the intent of establishing a “Haven” for the wine making industry. Following that decision, the area became known as ‘Winehaven’, and it grew to be the largest wine production and storage facility in the world. The castle-like primary building complex and living quarters still stand today. The Winehaven District is listed on the National Register of Historic Places (NRHP). From 1941 to 1995, the site served as a Naval Fuel Depot. The Navy extensively excavated the hillside and buried large storage tanks to store fuel and oil. The need for the depot diminished over the years and it was decommissioned in 1995. Today, the site contains a variety of cultural resources, most notably the Winehaven Historic District, but also the Chinese Shrimp Camp archeological site.

The Winehaven Historic District is listed on the NRHP and is comprised of 35 buildings that together are significant historically and architecturally in the areas of wine production and industrial design. The contributing elements of the 71-acre District include 29 residences, two large winery buildings (Buildings No. 1 and No. 6), a warehouse (Building No.10), a powerhouse (Building No.13), a fire station (Building No. 63), as well as a workshop and planning mill (Building No.17) (refer to Figure 3.6-6 of the Final EIR, Volume II for a map of the District). The City adopted mitigation that would require development of design guidelines that would govern the rehabilitation of all retained buildings within the District as well as new construction near or within the historic core of the District. The design guidelines would incorporate the Secretary of the Interior’s Standards and would be reviewed by the City of Richmond’s Historic Preservation Commission (HPC). The 2018 Judgment entered requires that the Winehaven Historic District be preserved for adaptive reuse.

The Point Molate project area is currently owned and maintained by the City of Richmond. The property is served by an existing roadway with access to Interstate 580 (I-580), and a branch of the San Francisco Bay Trail that connects Point Molate to Point Richmond and soon Marin County via the Richmond-San Rafael Bridge expected to be complete by early 2019. The surrounding land uses

are a combination of community and regional recreational, marine industrial and heavy industrial uses.

Summary of Current General Plan and Zoning

The General Plan 2030 (GP) repeatedly calls for the preservation and development of Point Molate. Applicable goals and policies are summarized below:

- A Regional Recreational Destination on the San Pablo Peninsula (Goal ED9): The GP calls for the continuation to pursue redevelopment of the ex-Point Molate Fuel Station, the ex-Red Rock Marina, Terminal #4, and improve conditions at the San Pablo Yacht Harbor, along with identifying and incorporate opportunities for public open space and recreational facilities. The GP additionally calls for the integration of previous planning efforts including the Point Molate Reuse Plan and San Pablo Peninsula Open Space Study.
- Expanded Economic Opportunities Based on Historic Resources (GOAL HR2.1). The Plan denotes Point Molate, as one of Richmond’s unique and nationally recognized historic resources, as a resource to draw visitors to. The Plan seeks to integrate historic preservation with economic development objectives to generate additional revenue for the City while providing the investment needed to preserve resources.
- A Healthy Urban Environment (Goal CN6): Supports the remediation and reuse of large, disturbed sites, including the Winehaven complex at Point Molate, into mixed-use centers that provide the maximum benefit to the community without compromising the integrity of the surrounding natural areas.
- Mixed-Income and Integrated Neighborhoods (Policy LU2.1): Promote mixed-income development and inclusion of affordable housing units in all neighborhoods. Encourage the integration of market rate housing with affordable units at the project level as well as at the neighborhood level. Affordable housing units should be located close to community and retail amenities such as parks, full-service grocery stores, local public transit stops, retail and public services.
- Compact Walkable Neighborhoods and Livable Streets (Policy LU2.2): Promote safe and walkable neighborhoods and inter-connected streets through the design of streetscapes, public gathering places and all types of physical development. Provide pedestrian amenities such as sidewalks and street trees, transit and bike improvements, lighting and landscaping and appropriate traffic calming measures to ensure a safe pedestrian environment.
- Support uses and public space improvements that generate street-level activity, create eyes-on-the-street, provide opportunities for community interaction and encourage a sense of collective ownership of common areas. Encourage mixed-use development that attracts people and facilitates activity throughout the day. Prohibit isolated or gated communities in order to improve physical connectivity throughout the City, and create incentives to remove barriers in existing gated areas. Maintain streets to ensure that neighborhoods and streets are safe and well used.
- Recreation and Tourism Industry (Policy LU3.3): Support the emerging recreation and tourism economy by protecting, enhancing and showcasing the natural, cultural and

historic resources and assets. Encourage the creation of tourist-serving amenities and infrastructure in key areas such as Southern Shoreline, Point Molate and Downtown, and enhance amenities in existing tourist destinations such as Point Richmond. Expand and complete the Bay Trail to enhance regional connections with Richmond's shoreline. Support the development of the southern shoreline as the "Richmond cultural heritage shoreline" to promote economic development in the City while protecting historic and cultural resources and providing opportunities for interpretation, education and recreation.

- Richmond Shoreline (Policy LU4.1): Call for the minimization of impacts of development on the shoreline by stating special attention shall be paid to intensity, density, and proximity to the water. Conserve, protect and enhance natural and cultural resources along the Richmond shoreline. Promote a balance of uses along the shoreline that supports multiple community needs such as economic development, recreation, historic preservation and natural resource protection. Protect and restore wetlands, native habitats and open space; develop shoreline parks and trails to increase public access; encourage recreation and tourism activities; and enhance and showcase historic and cultural resources. Prepare, adopt, and implement plans that will to protect natural and built environments from adverse potential impacts of sea level rise due to climate change.
- A Waterfront Redevelopment Plans (Action LU4.A): Facilitate on-going efforts to plan and redevelop key shoreline areas to fully transform them from blighted areas into resources and amenities for the community. Promote a balance of uses along the shoreline that supports multiple community needs such as economic development, recreation, historic preservation and natural resource protection.
- Point Molate Redevelopment Plan (Action LU4.E): Continue to pursue redevelopment of the ex-Point Molate Fuel Station, the ex-Red Rock Marina, Terminal #4, and improve conditions at the San Pablo Yacht Harbor. Identify and incorporate opportunities for public open space and recreational facilities. Integrate previous planning efforts including the Point Molate Reuse Plan and San Pablo Peninsula Open Space Study.
- A Balanced Mix of Land Uses (LU5.1): The GP policy states that a mix of uses in major activity center, community nodes and gateways, in neighborhood nodes (corner commercial clusters), and along key corridors as well as in industrial areas. Uses may include diverse housing options, office, civic, commercial, retail and parks and open space. In residential areas, the re-establishment of neighborhood nodes allow walkable access to neighborhood retail, services, public parks and other neighborhood amenities that support the daily needs of residents. A mix of uses such as business, residential, light industrial, waterfront commercial, and open space will enhance economic vitality and provide the flexibility needed to adapt to changing economic conditions. Along Richmond's shoreline, diverse uses should balance community needs for recreation, interpretation, conservation, historic and cultural preservation with economic development opportunities.
- A Mixed-Use Waterfront (Policy LU5.2): The GP calls for the creation of dynamic mixed-use waterfront development that includes amenities and attractions for residents and visitors. Specifically, the GP states that the City will support development on the [San Pablo] Peninsula as a regional recreation destination that is well connected to the rest of the City

and accessible to the greater community. Disturbed sites such as the Winehaven complex at Point Molate and the Terminal 4 site at Point San Pablo will be remediated and redeveloped into Mixed-use activity centers to serve a broad range of visitors and providing long term revenue to the City.

Summary of Community Vision and Process

The community visioning process began with the first site tour and community workshop in June 2018 and concluded in October 2018. This process resulted in a Community Vision, accepted by the City Council for incorporation into the RFP for development proposals for Point Molate.

The Point Molate Community Visioning process goals were to:

- Engage the community in a transparent and inclusive process to understand how Point Molate can best serve the community of Richmond for decades to come;
- Understand community needs, concerns, and priorities related to Point Molate; and,
- Develop a community vision that will guide the future use and development of the property, to be used in this RFP project solicitation.

To achieve the above goals, the community process involved interactive workshops, a youth summit, popup events, and tours of the Point Molate site.

The first workshop, held on June 23, 2018 was focused on sharing information through a site tour and summary of the various studies conducted over the past few years. Feedback and comments regarding the future vision, gathered during this workshop, were documented by the team, and were analyzed and summarized.

In the second community workshop, held on July 25, 2018, the consultant team presented a summary of this feedback and a map of opportunities and constraints based on technical studies. Following this, attendees worked together in small groups to create planning concepts for the future community at Point Molate. Community members addressed topics such as the character of future development, placemaking elements, density, and the mix of uses, number of residential units and types, types of open space uses, etc.

Following the workshop, the team developed two concept alternatives that captured the ideas emerged during the previous workshops, which were presented to the community for feedback at the third workshop held on August 27, 2018.

The draft community vision was presented to the Planning Commission for feedback on October 4, 2018 and for acceptance by the Council on October 16, 2018.

Results of the Community Visioning Process

The Point Molate Vision (Vision) is incorporated herein by reference (attached as Exhibit A). Respondents to this RFP shall review the Vision and specify how their potential conceptual project integrates the guiding principles and vision framework.

III. Submittal Requirements and Process

The City's top priority is to select a master developer to design, entitle, and construct a mixed-use development at Point Molate that implements the goals expressed in the Community Vision and General Plan goals and policies listed above, complies with the Judgment, and also reflects the latest and most innovative approach to mixed-income, multi-generational and sustainable community design.

The evaluation criteria will consider a prospective master developer's recent experience in working on projects of similar size, scope and quality.

Respondents shall provide all of the information required in this Section. The Evaluation Committee will review each response, and some or all respondents may be invited to make a public presentation to the City Council, per Section IV.A below.

Respondents selected to advance to making public presentations will be notified via email. Based on presentation results, next steps may include, but not be limited to, additional submittals, financial references, and eventual entrance into an Exclusive Right to Negotiate (ERN) and Disposition and Development Agreement (DDA) process (or similar agreement).

For the Submittal, at a minimum, please include the following information:

1. **Letter of Intent** – Include initial deal terms for the purchase and development of the Project:
 - a. Entity that will purchase and develop the site
 - b. Price/terms of acquisition
 - c. Deposit (associated with City reimbursement for processing/negotiation expenses vis-à-vis an Exclusive Right to Negotiate and/or Disposition and Development Agreement or similar agreement)
 - d. Source(s) of equity and/or debt
 - e. Due diligence period, closing contingencies, timing for closing
 - f. Expected obligations of City (as applicable)
 - g. Project delivery and performance benchmarks, etc.
 - h. Other relevant terms the Developer may wish to express.
2. **Description of potential conceptual project** – Include sufficient detail and definition as to proposed uses, number and types of residential units (including possible number of affordable units), commercial tenants, and/or concept to provide the evaluation committee with sufficient information to have an idea of what the final development could contain. Supporting data, concept plan, and collateral materials are encouraged to provide support for the proposed concept. Respondents to this RFP shall review the Vision (in Exhibit A) and specify how their potential conceptual project integrates the guiding principles and vision framework. This section should include at a minimum a conceptual site plan; however, building types, massing, and renderings are highly encouraged. See Section IV below regarding community benefits.

3. **Project Approach** – A summary of the team’s approach and anticipated timing related to planning, design, discretionary approvals, financing, phasing, disposition of the site, development, construction, and operation. Expected obligations of the City should be identified. Provide examples of processes employed in other similar projects. The Judgment requires that the City issue discretionary approvals no later than April 12, 2020 and sell the development areas by April 2022.
4. **Financial Data** – Please expand on Letter of Intent “1.d.” above. A summary of the anticipated sources of capital (equity and/or debt) to successfully fund and/or finance the proposed concept. As part of the eventual ERN process, development pro forma analysis and a description of the financing structure to be employed to finance the project and specific evidence will need to be provided to support proof of the ability to fund a project of this size.
5. **References** – At least two references (name, title, entity, telephone number and 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 three to five public sector elected officials and/or executive staff involved in the previous projects identified as examples of Relevant Project Experience.
6. **Litigation History with Public Agencies** – Provide information as to any litigation that any developer/development entity that comprises the overall team has had with public agencies.

IV. COMMUNITY BENEFITS

While the City vision anticipates a mix of public and private uses at the Point Molate site, the City is eager to see as many community benefits as possible derive from the project. Examples of community benefits include, but are not limited to,

- Affordable housing,
- Richmond businesses participation,
- Preservation and enhancement of public open space (bicycle and pedestrian trails, Bay Trail),
- opportunities for job training and apprenticeship program,
- Providing a large number of jobs created for a range of training and education levels, and
- Provision of high quality public facilities and amenities, etc.

As part of this response to the RFP, the City seeks to understand what process the master developer will use to determine what community benefits are included in the project and a summary of community benefits incorporated into previous projects.

V. EVALUATION CRITERIA AND MATRIX

The City will evaluate each written proposal according to the criteria below:

Evaluation Criteria

1. Overall quality of the proposal. Responsiveness and conformance to RFP requirements
2. Responsiveness to the Community Vision and its incorporation into the potential conceptual project.
3. Letter of Intent price and terms
4. Comprehensive affordable housing plan component.
5. Quality and appropriateness of proposed project approach and organization.
6. Evidence of relevant experience and proven track record.
7. Clear community benefits for local residents and small businesses.
8. Evidence of financial capacity, resources, and relationships, and clear corporate/organizational structure.

VI. PUBLIC PRESENTATION AND SELECTION

A. Public Presentation

As a part of your proposal you will be given the opportunity to present publically, in front of the City Council and the public, the potential conceptual project. It is anticipated that the presentation will address components of the RFQ response (e.g. project understanding, project team, relevant previous experience, financial capacity), as well as the RFP response (e.g. entity, proposed Project concept, approach, timing, expected obligations of the City, community benefits).

The same evaluation criteria will be utilized for the public presentation as for the written proposals, described above.

B. Rights Reserved by the City

The City reserves the right, for any reason, to accept or reject any one or more proposals; to negotiate the terms and specifications of the proposal; to modify any part of the RFP; or issue a new RFP.

VII. TIMELINE

Please contact Lina Velasco at pointmolatedevelopment@ci.richmond.ca.us with any written questions regarding this RFP. The City's responses to any such questions will be shared with all participants. The last day to submit questions on this RFP is November 7, 2018. Questions will be responded to by November 9, 2018.

Review and Selection Process. The following outlines the steps for reviewing and selecting a preferred developer:

- i. **Review of RFQ Responses – September 2018**
Responses to the RFQ were reviewed and evaluated by an evaluation committee comprised of City staff and consultants.
- ii. **Short List Recommendation – September 2018**
Based on the evaluation of the SOQs by the evaluation committee, the committee recommended a shortlist of qualified master developers to the City Council on October

2, 2018. The shortlist of developers will be invited to prepare a development proposal for the Point Molate site.

iii. Release RFP to Shortlist

A RFP will be issued and the shortlist of qualified developers will be invited to submit development proposal addressing the requirements of the RFP and incorporating the Community Vision for Point Molate.

iv. Review of Responses to RFP

Submitted RFP responses will be reviewed and evaluated by staff and consultants. Evaluations will be provided to the City Council for consideration, as part of v. below.

v. Public Presentation of RFP Responses

All respondents will be invited to participate in a public presentation of project proposals at a City Council meeting in December 2018 (see “VI. PUBLIC PRESENTATION AND SELECTION” section above). The presentation will be 20 minutes and will involve a Question & Answer period. Respondents to this RFP should hold December 11th for these presentations. It is anticipated that the Council will direct staff to negotiate an ERN with the preferred master developer respondent identified at the conclusion of the public presentations.

vi. Master Developer Approval – January 2019

Staff will return to the City Council for approval of an ERN with a preferred developer for Point Molate, including a preliminary Term Sheet attached to the ERN.

VIII. NEGOTIATION OF TERMS

A. The City anticipates beginning discussions on details of the preliminary term sheet for approval of an ERN with the highest ranked Master Developer within a couple of days of determining the final scoring.

B. More specific information may be requested from the preferred Master Developer during negotiations. It may also be necessary to resolve issues that are not addressed in this solicitation, or during the RFP process.

IX. EXCLUSIVE RIGHT TO NEGOTIATE

Upon successful completion of the negotiations, a recommendation will be made to the City Council to authorize the City Manager to enter into an ERN with the preferred master developer.

Exhibit:

A: Point Molate Community Vision (to be added once accepted)