

Request for Qualifications

1st & Boyle Live/Work Mixed-Use Transit-Oriented Development
Adelante Eastside Redevelopment Project Area
Community Redevelopment Agency of the City of Los Angeles, California



RFQ Issue Date:
December 20, 2010

RFQ Submittal Deadline:
March 18, 2011



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1 EXECUTIVE SUMMARY

1.1 The Request for Qualification (RFQ)

The Community Redevelopment Agency of the City of Los Angeles (“CRA/LA”) seeks development qualifications from qualified experienced firms and development teams to establish their eligibility for the purchase and construction of a live/work mixed-use transit-oriented development (“TOD”) project. Consisting of market rate housing and commercial opportunities, the TOD project will be constructed on a one-third acre CRA/LA-owned parcel located at the southeast corner of 1st Street and Boyle Avenue in the CRA/LA Adelante Eastside Redevelopment Project Area within Council District 14.

CRA/LA has completed a detailed building program backed by a comprehensive market and financial study of the site, together with a site plan and conceptual architectural drawings. Interested respondents should review the attachments carefully as the selected entity may be required to develop the property accordingly. Construction is anticipated to start no later than 2012.

1.2 Property Disposition

The TOD project (the “Project”) site is situated at the southeast corner of 1st Street and Boyle Avenue (the “Site”), as shown in Exhibit B, directly across the street from the Mariachi Plaza, Station on the Edward R. Roybal Metro Gold Line Eastside Extension light rail line, one block east of the 101 Freeway in downtown Los Angeles.

The Site is currently owned by the CRA/LA. CRA/LA may choose to enter into a Disposition and Development Agreement with the selected RFQ respondent to allow a conveyance of the site for the intended development.

1.3 Developer Requirements and Selection

CRA/LA believes the successful implementation the project requires a team of professionals that possess a keen understanding of market dynamics, direct experience and financing capacity in developing attractive live/work mixed-use market rate residential infill projects designed to capitalize on the TOD element. The following are the highlights of the developer selection and negotiation process:

- RFQ response submittal
- Evaluation by CRA/LA review panel
- Panel recommendation subject to CRA/LA Board and City Council approvals
- 90-day Exclusive Negotiation Agreement (“ENA”)
- Disposition and Development Agreement (“DDA”)

1.4 RFQ Schedule

The following schedule outlines key deadlines and events for the RFQ process:

Issuance of RFQ	December 20, 2010
Questions/inquiries due	February 11, 2011
RFQ responses due	March 18, 2011

Forecasted response evaluation:	45 days following submission
Forecasted Board / Council approval	Within 60 days of Evaluation

Please note the schedule to carry out this RFQ is subject to change. In the event a change to the schedule is necessary (for instance, in the event of an extension of the submission deadline), notice of the change will occur as follows: 1) Posted online at www.crala.org; and 2) Email to registered respondents.

In order to assure your email contact information is included in the list of registered respondents, or to register your contact information for future notices and solicitations, please send an expression of your interest by email to Christine Kalamaros at ckalamaros@cra.lacity.org.

2 1ST AND BOYLE LIVE/WORK MIXED-USE TRANSIT-ORIENTED DEVELOPMENT PROJECT

2.1 PROJECT GOALS AND OBJECTIVES

The CRA/LA seeks development of the 0.34 acre CRA/LA-owned Site to provide quality live/work housing choices and community serving commercial facilities. By promoting mixed-use TOD and integrating neighborhoods, the Project aims to attract new uses and serve local residents as a catalyst for a reinvigorated Boyle Heights community.

2.1.1 Eastside Redevelopment Project Area

CRA/LA's Eastside Region consists of two project areas: Adelante Eastside and Monterey Hills. The priority of the Eastside Region's projects is to provide housing and business opportunities. The development scope (Section 2.2.5) for the Project has been formulated to carry out the goals and objectives of the Eastside Redevelopment Plan (see CRA/LA website: <http://www.crala.org>).

2.1.2 Developer Responsibilities

Once a final selection is made, the selected respondent (the Developer) will enter into an Exclusive Negotiation Agreement ("ENA") with the CRA/LA for the negotiation of a Disposition and Development Agreement ("DDA"), the ultimate agreement to develop the Site. Provisions of the agreement shall include, but are not be limited to:

1. Scope of development
2. Schedule of performance
3. Specific obligations of the Developer and the CRA/LA to develop the Project, including financial terms.

The highlights of the Developer obligations under DDA include:

- a) Project design
- b) Entitlements and building permits
- c) Site planning and environmental remediation
- d) Project construction including off-site improvements, if any
- e) Project marketing, maintenance and operation

The target date for start of construction is 2012 with project completion and Certificate of Occupancy expected within 2 years from the start of construction or no later than 2014.

2.2 THE DEVELOPMENT SITE

The property is a 0.34-acre or approximately 14,620 square feet, currently vacant site as shown in Exhibit B. The three parcels that make up the total 0.34 acre property are tied lots. The Property is flat in its general topography and is designated with [Q]C2-1 zoning for commercial mixed-use development. The Property is further described by Assessor's Parcel Number 5174-018-900. A preliminary title report is available upon request.

2.2.1 Neighborhood Context

The project Site is less than one mile east of Downtown Los Angeles, located within the Adelante Eastside Redevelopment Project Area and Council District 14, east of the Los Angeles River in the Boyle Heights community. The property address is 110 South Boyle Avenue. To the south of the Site is a mixture of apartments and single-family houses. White Memorial hospital is two blocks north of the Site. The Mariachi Plaza Station is directly across 1st Street north of the Project Site, with Union Station only three stops away. Regional access to the Project Site is provided by the Santa Ana, San Bernardino and Golden State freeways; all are only one-half mile from the Project Site.

2.2.2 Current Property Ownership

The CRA/LA currently owns the entire Site. The property will be disposed of on an “as is” basis.

2.2.3 Environment Assessment

Phase I and Phase II environmental studies were conducted on the Site, and copies of these documents are available upon request. These studies concluded that a limited amount of soil contamination was present. At present, the property is zoned for commercial uses. However, because the development concept includes residential uses on the Site, it is anticipated that the Site will be remediated to residential standards. CRA/LA has set aside funds for the purpose of remediation and will conduct a clean-up of the Site. Working under the oversight of the California Department of Toxic Substances Control (DTSC), CRA/LA intends to clear the Project Site for immediate redevelopment.

2.2.4 CEQA Clearance and Entitlements

It is anticipated that an Initial Study and a Mitigated Negative Declaration will be required for the Project, subject to the California Environmental Quality Act (CEQA). The entitlement process may require several variances and is likely to include a zoning change. The Site is currently zoned C2-1. Respondents are responsible for verifying all zoning information as part of their submittal preparation work.

The CRA/LA will assist the selected respondent in coordinating with other City agencies and departments for activities such as street dedications, utility relocations, and any additional requirements as may be necessary to achieve all required and appropriate entitlements in an expeditious manner. CRA/LA will serve as the lead agency for CEQA activities and design review. However, it is ultimately the responsibility of the Developer to secure all necessary permits, approvals, and entitlements required for the Project.

2.2.5 Development Scope and Compliance with Redevelopment Plan

As described above, CRA/LA has completed a detailed building program backed by a comprehensive market and financial study, site plan and conceptual architectural drawings. A number of parameters have been considered to help meet general goals for development in the Boyle Heights community where the Project is located. One primary goal is to capitalize on the proximity of the site to the Mariachi Plaza Station through the vertical expansion of mixed-use development. Another goal is to tenant retail and office space with users who can fill gaps

that currently exist among local-serving commercial uses. The following scope of development addresses these goals:

A. Building Program and Development Scope

- 1 General - The development program consists of approximately 4,000 square feet of ground floor retail, 5,400 square feet of live/work podium retail, 8 to 10 residential live/work units and 28 parking stalls.
- 2 Residential - The residential component consists of 8 to 10, 3-story live/work units, all with 2 bedrooms and each approximately 1,800 square feet. The live/work units are expected to be rental, market rate units.
- 3 Parking - 22 of the 28 parking stalls are anticipated to be subterranean parking spaces. Six (6) at-grade parking spaces are to be dedicated to the retail uses on the site.
- 4 Retail - The ground floor retail is broken up into two spaces with approximately 1,720 square feet closest to the intersection of 1st & Boyle and approximately 2,270 square feet along the street on the eastern boundary of the property. The retail on the ground floor is designed to be distinctly separate from the live/work retail.
- 5 Open Space – All residential units will each have access to either private roof top or patio open space. Retail spaces will be buffered by terraces and extended sidewalk spaces.

Design concept and illustrative drawings are included in Exhibit G. While the selected respondent is required to implement and construct the project consistent with the above development scope, CRA/LA may not require the selected respondent to follow the precise plan as depicted. Nonetheless, CRA/LA prefers to carry out ground level retail facing 1st Street, with 8 to 10 units of live/work units above and parking below.

B. Compliance with Redevelopment Plan and Agency policies

The project must comply with the Adelante Eastside Redevelopment Plan and all CRA/LA policies and adopted Design for Development standards, including the Housing Development Guidelines and the 1% Art policy. The CRA/LA development policies and requirements are outlined in Section 3.9 and also can be found in its entirety on the CRA/LA website at <http://www.crala.org>.

2.3 CRA/LA AND FINANCIAL ASSISTANCE

2.3.1 About CRA/LA

The Community Redevelopment Agency of the City of Los Angeles (CRA/LA) is a public entity established under state law by the Los Angeles City Council in 1948 to address conditions of blight throughout the City. For more than 60 years CRA/LA has been a catalyzing force for economic growth and community-building, producing landmark results including Downtown's signature skyline, reborn historic core and exciting "LA Live!" complex. CRA/LA has also led the Hollywood renaissance, built tens of thousands of affordable residential units to meet the needs of families and seniors and created permanent supportive housing for those who would otherwise be homeless. CRA/LA has created shopping opportunities in long-neglected

communities from Reseda and Pacoima to Crenshaw and Watts, new transit-oriented districts in Hollywood, North Hollywood and Wilshire Center-Koreatown, and thousands of well-paying construction and permanent jobs for the City's residents.

Operating under the California Community Redevelopment Law (Section 33000 et Seq. of the California Health and Safety Code) CRA/LA is charged with eliminating and preventing the spread of blight and deterioration, maintaining and expanding the supply of affordable housing, and attracting investment into neglected areas of the City. Currently the CRA/LA manages 32 different redevelopment project areas in seven regions throughout Los Angeles: Downtown, Eastside, East Valley, Hollywood and Central, South Los Angeles, Harbor and West Valley. CRA/LA's primary role has been to formulate and implement geographically-based strategies to achieve reinvestment and revitalization in neighborhoods where the private sector has failed to create or sustain a quality living environment. CRA/LA has long implemented this role through such traditional means as property assemblage, construction of public improvements, funding of affordable housing and creating financial and other incentives to attract new investment.

2.3.2 Financial Assistance and Incentives

- A. Any financial assistance provided by CRA/LA is subject to negotiation. CRA/LA may choose to dispose of the property for less than fair market value for the development and construction of the project subject to findings to support the determination that the project is not feasible without the assistance and subject to CRA/LA Board and City Council approval.
- B. Developer equity contribution may be enhanced through the use of New Markets Tax Credits program. Detailed program information can be found on the CRA/LA website at <http://www.crala.org>.
- C. In addition, the project Site is located within Eastside State Enterprise Zone, which has been renewed recently and will remain in effect for fourteen years. Detailed information regarding incentives of the Eastside State Enterprise Zone can be found at www.lacity.org/cdd/bus_zone.html.

3 RFQ PROCESS

3.1 SUBMISSION REQUIREMENTS

3.1.1 Format

The CRA/LA desires succinct submittals addressing the specific information requested. All submittals shall be in the format described in this RFQ. In order to ensure that each submittal is reviewed and evaluated properly, it is important that each submittal follow the format with care. The Response shall address all requirements in this RFQ.

- a) Respondents must submit:
 - i. one (1) original RFQ response document, not more than thirty (30) pages in content (unbound);
 - ii. seven (7) bound hard copies (total of 8 sets), and
 - iii. one (1) digital version on compact disc in Portable Document Format (.pdf).

All of the RFQ response document submissions shall be in 8½" x 11" format. If large-format drawings or exhibits are included in the original submittal, copies of these exhibits shall be reduced to 8-1/2" x 11" format or folded 11" x 17" format and shall be included with the submittals described above.

- b) Responses shall be organized in the order presented in Section 3.1.2 and shall have tabs keyed to the requirements outlined in this Section. Responses shall be a straightforward delineation of the Respondent's capability to satisfy the intent and requirements of this RFQ, and shall not contain redundancies or conflicting statements.
- c) All proprietary information shall be identified as such by the respondent (refer to Exhibit O, Confidentiality).

3.1.2 RFQ Submittal Requirements

The submission shall consist of the components described within, and should be answered as completely as possible in appropriate detail and in the outlined organizational order to allow adequate review and evaluation of your Response. A Response may be rejected if it is conditional or incomplete, or if it contains alteration of form or other significant irregularities.

A. Cover Letter. Up to two (2) single-spaced pages maximum, signed by an individual authorized to represent and commit on behalf of the proposing developer, which shall serve as an executive summary of the major points contained in the response. The cover letter shall include the name, address, telephone number and email address of the applicant's contact person, the project's scope of development, and the length of time for which the submitted Response shall remain valid.

B. Identification of Developer Team. For each of the principal parties comprising the proposed Developer Team, provide the following information:

- (1) Name, address, telephone number and e-mail address of developer and project manager (if appropriate).

- (2) Identification and organization of developer (individual, company, corporation, partnership, joint venture, other).
- (3) Identification of principals of development organization and project manager (corporate officers, principal stockholders, general and limited partners) and manager to be responsible for the proposed Project.
- (4) Indication of any relationship the development organization may have with a parent corporation, subsidiaries, joint ventures or other entities. If a joint venture is proposed, percentage of ownership of each entity shall be specified. Describe the financial, liability-related, and other decision-making relationships.
- (5) Identification of all key project team members including resumes of assigned personnel, describing relevant project experience as related to the subject submittal, and specific technical skills. The minimum information to be included in the resumes shall include the person's education, showing related certificates, degrees, schools and dates and work experience.

C. Developer Qualifications

1. Overall Developer Qualifications. The respondent's ability to see a project through from concept to fruition is important to CRA/LA. The successful respondent is expected to have experience and track record in each of following areas. Keep each project description and pictures limited to one page each. Please provide:

- i. A description of similar modern LEED® certified mixed-use TOD projects or related facilities, particularly occupied by tenants of the types envisioned by the CRA/LA for the Site in which the developer and proposed associates have participated, describing the relationships to these projects (i.e., developed, owned, operated and/or managed) and a general description of the project(s) including any unique challenges. Identify the location, total project costs, land uses, length of time to complete and actual completion dates. Respondents are required to include a LEED Accredited Professional as a member of the architectural team or as an independent sustainable design consultant.
- ii. Descriptions and illustrations of the proposed architects' work on development projects that have been built or are under construction. These projects shall be of a similar magnitude to the proposed development of the Site and shall include experience with design of LEED® certified commercial mixed-use TOD development.
- iii. For each project or relevant experience, a name and phone number of a contact person familiar with this project who can act as a reference.

2. Understanding of Development Concept.

- i. In narrative form, provide respondents' understanding of CRA/LA's proposed building program and design concept for the development of the Project, and how it relates to project goals and timing.
- ii. A LEED Checklist demonstrating anticipated credits to achieve LEED-Silver certification at minimum. Selection of appropriate LEED rating system is at the discretion of the developer/architect.

3. Financial Capacity. This section has two areas of focus: a comprehensive development / construction budget analysis of the project based on CRA/LA's development scope and design concept and the Respondent's capacity to secure required financing.

- i. Development / Construction Budget. a) Based on CRA/LA's proposed design, provide a detailed development information including development costs (direct and indirect construction costs), and projected value at completion. Please include a statement of all assumptions (i.e. cost and sale value per square foot, developer fees, sale/closing/marketing/transaction costs, etc.).
- ii. Financial Capacity. a) Provide evidence of the developer's financial strength and capability to undertake the proposed development; b) Provide a copy of all participating firms' certified financial statements(s) prepared in accordance with generally accepted accounting principles dated no earlier than six months prior to submission; c) Bank references, evidence of ability to self-finance and any other exhibits indicating financial capacity will strengthen the response; d) Provide a statement indicating whether the firm, its related entities, or any of the principal personnel included in this Response are the subject of business-related litigations, liens, or legal claims; and e) Provide a statement indicating whether or not the proposing firms(s) or its(their) related entity(ies) has (have) ever declared bankruptcy. If so, state the date, court jurisdiction and amount of liabilities and assets.
- iii. Developer Equity. Provide evidence of developer equity of not less than 20% of proposed cost of development.

4. Project Time Schedule. A schedule of performance outlining the estimated time for each step and phase (as appropriate), including a summary timeline or similar graphic representation of the development process. The schedule should recognize the time involved in completing site transfer, finalizing development agreements, receiving project entitlements, designing the project, securing financing, construction commencement and completion milestones.

D. References. Provide a list of at least three (3) references, including contact, title, address, email address, and telephone number for the development departments or redevelopment agencies in which you have developed projects of similar scope and uses.

- E. Business Profile.** The prospective managing developer entity shall complete a Business Profile Form (refer to Exhibit C). (Note: Business Profile Form shall include information regarding the developer's local/regional office responsible for implementing the development.)
- F. Credit Report Forms.** CRA/LA requires current information for all prospective respondents. The prospective managing developer entity principally responsible for shall submit the credit report authorization forms (Exhibit D). A partnership or proprietorship shall complete both the individual and business application forms.
- G. Good Faith Deposit.** Upon selection, and as a condition of entering into exclusive negotiations, the selected Developer is required to post a \$25,000 good faith deposit with the CRA/LA.

3.2 SUBMISSION DEANLINE

3.2.1 Deadline Date for Submission of Response

Submittals in response to this RFQ must be received by the CRA/LA by Friday, March 18, 2011 at 4:00 P.M. (Pacific Standard Time). Email submissions will not be accepted.

All Responses shall be marked "**RFQ RESPONSE FOR THE 1st & BOYLE LIVE/WORK MIXED USE TOD PROJECT (RFQ NO. EA - 2190)**", hand or mail delivery to:

The Community Redevelopment Agency of the City of Los Angeles
Attn: Records Department – RFQ No. EA-2190
1200 West Seventh Street, Suite 200
Los Angeles, CA 90017

3.2.2 On-Time Delivery

It is the sole responsibility of the developer submitting the Response to see that it is delivered on time. The Respondent is entirely responsible for the means of delivering the Response to the appropriate location on time. Delays due to internal routing of misdirected Responses or due to verbal directions given by the CRA/LA staff shall be the responsibility of the respondent.

3.2.3 Signature

The Response must be signed in the name of the Respondent and must bear the signature of the person authorized to sign Responses on behalf of the Respondent.

3.2.4 Completion of Responses

Responses shall be completed in all respects as required by the instructions herein. A Response may be rejected if it is conditional, is incomplete, contains alterations of form, or other irregularities of any kind. A Response may be rejected if, in the opinion of the CRA/LA, the information contained therein was intended to erroneously and fallaciously mislead the CRA/LA in the evaluation of the Response.

3.2.5 Questions, Inquiries and Clarifications

Please refer all questions, inquiries, and requests for clarification regarding this RFQ in writing by email to Christine Kalamaros at ckalamaros@cra.lacity.org. For full consideration, all questions, interpretations or clarifications, either administrative or technical, must be received by the CRA/LA no later than **Friday February 11, 2011**. Questions and Answers sheet shall be posted at CRA/LA web site.

Note: During the period immediately following the deadline to submit Responses and continuing until a recommendation has been submitted to the CRA/LA Board of Commissioners and the City Council, respondents are not to contact CRA/LA staff or Board of Commissioners. Any such contact may result in the immediate disqualification of any respondent from consideration.

3.3 SELECTION PROCESS

Responses submitted in response to this RFQ are reviewed for their relative strengths and weaknesses, based on the submission requirements and evaluation criteria described herein. Selections are based on the completeness and quality of responses to this solicitation.

Upon receipt of the Responses, a panel of professionals will review the submittals and may recommend a selection (“short-list”) of Respondents for further consideration. The CRA/LA prefers that the composition of the development team members of the short-listed Respondents remain the same during the RFQ process.

If the composition of the developer team changes, the developer is required to notify the CRA/LA of these changes and, at its sole discretion, the CRA/LA will determine whether this revised developer team meets the requirements of the RFQ. At its discretion, CRA/LA staff may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the developer team members, and take any other information into account in its evaluation of the responses.

The CRA/LA reserves the right to request clarification or additional information from Respondent and to request that Respondents make presentations to the CRA/LA Board of Commissioners, community groups or others.

3.3.1 Exclusive Negotiations

Once a final selection is made, CRA/LA will enter into 90-day exclusive negotiations with the selected Developer for the Project pursuant to an Exclusive Negotiation Agreement (ENA) to be executed by the parties as further described below.

In keeping with CRA/LA’s timetable and to facilitate and expedite the negotiating process, CRA/LA will expect the selected Developer to execute a form of ENA approved by the City Attorney within thirty (30) days following selection.

A deposit of Twenty Five Thousand Dollars (\$25,000.00) is required to be paid by the selected Developer at the time of its execution of the ENA, which sum is subject to increase if the exclusive negotiation period is extended beyond a period of 180 days (the “ENA Deposit”). The ENA Deposit will be non-refundable to the extent necessary to pay reasonable fees and costs of CRA/LA during such exclusive negotiation period (i.e., CRA/LA staff and consultants, legal counsel, costs of surveys and engineering, etc.), regardless of whether or not definitive documentation for the transaction is achieved. Determination of appropriate costs will be at the sole discretion of CRA/LA. CRA/LA may seek to require additional sums from the selected Developer to cover its costs in negotiating the Disposition and Development Agreement (“DDA”), and other Project related documentation. Subsequent CEQA compliance will be the cost of the successful Developer.

3.3.2 Disposition Development Agreement

During the ENA period, the selected Developer will be expected to negotiate a DDA including the financial terms of the transaction. The resulting DDA must be reviewed and approved by the CRA/LA Board of Commissioners and the Los Angeles City Council.

The DDA, subject to CRA/LA Board and City Council approval, will establish and finalize the scope of development, design concept, terms of the sale of the Project Site, a schedule of performance, and specific obligations of the Developer and CRA/LA in carrying out development of the Development Parcels. All transactions will be made on an AS-IS; WHERE-IS basis and, unless otherwise agreed by CRA/LA in its sole discretion, shall be subject to environmental releases and indemnities in favor of CRA/LA. The selected Developer will be responsible for financing; payment of pre-development costs; providing construction and development guaranties; site preparation; market analysis; marketing; securing all required permits and entitlements; site preparation; construction of the Project, infrastructure and off-site improvements, and on-going Project maintenance and operation. CRA/LA will act as the lead agency under CEQA and will be responsible for directing the environmental analysis.

3.4 EVALUATION CRITERIA

All Responses submitted in response to this RFQ are scored according to the evaluation criteria set forth below.

Receipt of Submittals

CRA/LA will assemble a panel of professionals to review the submittals. CRA/LA may choose to conduct interviews with one or more of the respondents. Respondents may be required to participate in a public presentation of their respective submittals prior to the selection panel. At its discretion, CRA/LA staff may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the Respondents' team members, and take any other information into account in its evaluation of the responses. If the composition of the Respondents' team member changes during the interview phase, the Respondent will be required to notify the CRA/LA of these changes. CRA/LA reserves the right to request clarification or additional information from Respondents and to request that Teams make presentations to the CRA/LA Board of Commissioners, community groups or others

Evaluation criteria for final selection

Submittals evaluated based upon the quality of the following:

- Overall Developer Qualifications (30 points)
- Understanding of Development Concept and Project Time Schedule (25 points)
- Financial Capacity (25 points)
- Quality and Completeness of the Submittal (20 points)

TOTAL MAXIMUM: 100 POINTS

3.4.1 Overall Developer Qualifications

Evaluation of the respondent's developer team may be carried out based on one or more of the following: 1) demonstrated experience of the developer team in successful realization of design, financing, construction, operation and economic performance of comparable projects or facilities; 2) experience working with the public sector in public/private real estate development projects; 3) proven experience with and dedication to sustainable development; 4) strong references from previous projects completed; and 5) evidence that the entities within this developer team have worked together successfully on previous projects. **[30 Maximum Points]**

3.4.2 Understanding of Development Concept and Project Time Schedule

Evaluation of the respondent's concept may be carried out based on one or more of the following: 1) quality and compatibility of the developer team's vision statement to convey an understanding of the unique opportunity presented by this Project and deliver the Project Goals and Objectives described in Section 2; 2) Innovative sustainable design elements reflected in overall site plan illustration and conceptual design of the building form that tied to CRA/LA's design concept; 3) a practical but expeditious schedule of performance that ensures timely completion of the Project but also allows the necessary time to market the Project and attract the targeted tenant/user groups; and 4) a complete construction budget based on CRA/LA's design concept and respondents' proposed architecture details. **[25 Maximum Points]**

3.4.3 Financial Capacity

Evaluation of the respondent's financing capacity may be carried out based on one or more of the following: reasonable projection of the development cost, construction budget, clear evidence of Respondent's ability to finance a project this size, and the availability of acquisition, predevelopment and land development capital in today's financial environment. How the developer proposes to secure financing for the disposition of the Site and the development of the Project, and showing evidence of immediately available equity that can be devoted to and is no less than 20% of proposed cost of development will help provide a basis of the financial capability. **[25 Maximum Points]**

3.4.4 Quality and completeness of the submittal. (20 points)

CRA/LA reserves the right to consider other related factors at their sole discretion.

3.5 CITY AND CRA/LA NON-LIABILITY AND RELATED MATTERS

3.5.1 The RFQ and the selection process shall in no way be deemed to create a binding contract, agreement or offer of any kind between the City and CRA/LA and the Respondents. If the City and CRA/LA select a Developer pursuant to the RFQ, any legal rights and obligations between the successful team, if any, and the City and CRA/LA will come into existence only when an agreement is fully executed by all parties, and the legal rights and obligations of each party shall at the time be only those rights and obligations which are set forth in the agreement and any other documents specifically referred to in that agreement.

Each respondent submitting a Response in response to this RFQ agrees that the preparation of all material, for submittal to the City and CRA/LA, and all presentations, are at the Respondent's sole cost and expense. In addition, each Respondent agrees that all documentation and materials submitted, in response to this RFQ, shall remain the property of the City and the

CRA/LA. Subject to the California Law relating to access to public records, the City and the CRA/LA may be required to publicly disclose all submitted information and materials to third parties requesting such information. Additional information on confidentiality may be obtained from Exhibit O, Section 6: Confidentiality attached in this RFQ.

The City and the CRA/LA reserve the right to alter the selection process in any way, to postpone the selection process for its own convenience at any time, to waive any defects in any submission, to issue a new RFQ any time, or to hire any Developer it deems appropriate at its sole and absolute discretion within a RFQ evaluation process.

3.5.2 Right to Reject All Submittals

This RFQ is not a contract offer, a request for technical services or an agreement to construct any project that may be proposed or otherwise submitted and does not commit the CRA/LA to enter into any ENA, Disposition and Development Agreement (DDA), Ground Lease, or any other agreement, or to accept any part of any Response, including, without limitation, a selected response, or to pay any costs incurred in submission of any response. Should this process result in an ENA, the execution of such agreement does not constitute a contract, agreement or promise that such agreement will lead to a DDA or Ground Lease, or that the CRA/LA will agree to build or have built any proposed project.

3.6 EQUAL OPPORTUNITY/AFFIRMATIVE ACTION REQUIREMENTS

It is the policy of the CRA/LA to provide minority, women, and other business enterprises (M/W/OBE's) with the opportunity to compete for and participate in the performance of all CRA/LA contracts. Any firm who is awarded a contract will be required to make its best efforts to recruit M/W/OBE's and enhance employment opportunities for minorities, women, and others for subcontract opportunities created by any contract.

In accordance with the CRA/LA's Policies and Goals for Equal Opportunity and Affirmative Action, all respondents (the prime or lead Developer and each proposed subcontractor) are required to complete and return the enclosed Business Profile Form (Exhibit C) with its response. A summary of the CRA/LA's Equal Opportunity/Affirmative Action Policies can be found at: www.crala.org. If respondents are successful in obtaining a contract, they will be required to make their best efforts to recruit minorities, women, and other business enterprises, for subcontract opportunities created by any contract(s).

3.7 INSURANCE REQUIREMENTS

Any development agreement with CRA/LA will require the Developer, or Developer's contractors, to carry workers' compensation, general liability, and as applicable, professional liability (errors and omissions) and automobile liability insurance coverage in limits to be determined at a later time.

3.7.1 Workers' Compensation

In accordance with State Workers' Compensation Laws, the Developer shall carry workers' compensation in statutory limits of not less than one million dollars (\$1,000,000.00) covering illness, injury and disease for all persons employed in the performance of services under this contract.

3.7.2 General Liability (Bodily Injury and Property Damage)

The Developer shall carry commercial general liability insurance (bodily injury and property damage) in an amount to be determined prior to awarding of any contract. Such policy shall name the CRA/LA and the City as additional insured followed by endorsement and requires a (30) thirty-day notice to the CRA/LA in writing prior to cancellation, termination, or expiration of any kind.

3.7.3 Automobile Liability

The Developer may be required to carry automobile liability insurance in an amount to be determined prior to awarding of any contract. Such policy shall require a (30) thirty-day notice to the CRA/LA in writing prior to cancellation, termination, or expiration of any kind. The Developer will be required to provide the CRA/LA with a certificate verifying such coverage.

3.7.4 Self-Insurance

If self-insured, the Developer will be required to provide the CRA/LA with a letter certifying their self-insured status, along with a financial statement, certified by a CPA, documenting the Developer's reserve account established for the specific insurance program. Such insurance and/or retention programs must provide the CRA/LA with at least the same amount of protection from liability and defense of suits as would be afforded by first dollar insurance. The CRA/LA's Risk Management Unit shall approve all self-insurance programs in advance.

3.7.5 Professional Liability (Errors and Omissions)

The Developer shall cause architects and engineers providing services to the development to carry professional liability insurance covering the errors and omissions exposure in an amount not less than one million dollars (\$1,000,000). Prior to the commencement of construction on the Site, the Developer shall furnish, or cause to be furnished to the CRA/LA, duplicate originals or appropriate certificates of such coverage.

3.7.6 Evidence of Insurance

The Developer will be required to provide the CRA/LA with a certificate, verifying such coverage and endorsements acceptable to CRA/LA, before commencing services under any contract awarded by the CRA/LA.

Please submit with your response, a copy of your firm's current insurance certificate(s), as proof of current insurance coverage, even though such coverage may not yet comply with the insurance requirements for the proposed contract, as set forth in this RFQ. If your current insurance coverage does not meet the insurance requirements indicated for the proposed contract, compliance with these requirements must be met prior to the award of any contract.

3.7.7 Modifications to Insurance Coverage

The CRA/LA reserves the right, throughout the term of any contract awarded by CRA/LA, to change the amounts and types of insurance required hereunder, by giving the Developer thirty (30) days written advance notice of such change. If such change(s) shall result in substantial additional cost to the Developer, the CRA/LA agrees to negotiate additional compensation proportional to the increased benefit to the CRA/LA and the City. Any increase to the compensation to be paid under the contract shall be accomplished by an amendment to the contract, which may require the approval of the Board of Commissioners.

3.8 STANDARD TERMS AND CONDITIONS

- 3.8.1** Any contract awarded will incorporate the CRA/LA's Standard Terms and Conditions (Rev. 1/08). (Exhibit A)
- 3.8.2** Please review the CRA/LA's Standard Terms and Conditions (Rev. 1/08) (Exhibit A). If your firm accepts the provisions therein, provide a statement in your response similar to the following:
- “We _____ (enter the name of your firm) have reviewed the CRA/LA's Standard Terms and Conditions (Rev. 1/08), (Exhibit A) as specified in the RFQ No. NP-2190, and accept the provisions as outlined therein.”
- 3.8.3** Please submit with your response, a detailed explanation in writing, for any and all exceptions and/or deviations to the CRA/LA's Standard Terms and Conditions.
- 3.8.4** The Developer awarded a contract must have or obtain a Business Tax Registration Certificate (BTRC No.) or a Vendor Registration Number (VRN) for the City of Los Angeles. Developers are not required to obtain a BTRC number at the time of submittals for this RFQ.
- 3.8.5** Any Contract awarded may be subject to the applicable provisions of the City of Los Angeles Slavery Disclosure Ordinance (SDO), as amended from time to time. The City's SDO can be viewed at www.lacity.org.

3.9 THE CRA/LA DEVELOPMENT POLICIES / REQUIREMENTS

The selected Developer will be required to comply with all applicable CRA/LA development policies requirements, including, but not limited to the following:

3.9.1 Labor Requirements for Development

The 1st & Boyle project will follow the policy requirements of the CRA/LA in the development, lease up and operation of this Project. The principal requirements of the CRA/LA are summarized in this section.

3.9.2 Prevailing Wages

The California Labor Code and the CRA/LA policy require that prevailing wages must be paid to all workers performing on-site on a public project. A project such as the one anticipated as a result of the RFQ is considered a public project and triggers prevailing wage requirements set forth in the California Labor Code, Section 1771, et. seq. All selected Developers must abide by the CRA/LA's Prevailing Wage and Equal Opportunity standards. The Developer or owner shall pay or cause to be paid to all workers employed in connection with the development of the Site, not less than the prevailing rates of wages, as provided in the statutes applicable to the CRA/LA's public works contracts, including without limitation Sections 33423-33426 of the California Health and Safety Code and Sections 1770-1780 of the California Labor Code, and in accordance with the CRA/LA's "Policy on Payment of Prevailing Wages By Private Developers or Owner-Participants" dated February 1986. .

The prime contractor is responsible for the compliance of all subcontractors, including lower tier subcontractors, with prevailing wage provisions. The contractor and all subcontractors are required to file labor compliance documents with supporting documentation, including certified

payrolls. Written documentation must be filed within 10 days of issuance of a Notice to Proceed. Certificates of Completion are not issued until all required documents are filed.

The General Prevailing Wage Determination made by the California Director of Industrial Relations is available via the internet at www.dir.ca.gov/DLRS/PDW.

3.9.3 MBE/WBE. The selected Developer(s) will be required to prepare a Community Outreach Plan (PLAN) to utilize minority and female contractors and subcontractors.

3.9.4 Art in Public Places Policy. The 1st & Boyle project is subject to the CRA/LA's Art in Public Places requirements. The Policy requires Developers to provide one percent (1%) of the total project development costs, excluding land, off-site improvements and units restricted to low- and moderate-income occupancy, to a public art program. A maximum of 60% of this budget may be allocated to on-site art. A minimum of 40% of the budget must be contributed to the Downtown Cultural Trust Fund. Alternatively, a contribution of 80% of the budget to the Trust Fund will be considered full compliance with the Art in Public Places Policy. The Policy requires Developers to select artists before schematic design begins and preferably before concept development so that artists and designers can work collaboratively toward a totally integrated design.

3.9.5 Architectural Review. The selected Developer(s) must prepare and submit to the CRA/LA concept design drawings for environmental, planning, and cost review. Following execution of the DDA, the Developer(s) must prepare and submit to the CRA/LA for review and approval the architectural, art, and landscaping plans for the proposed project including schematic design drawings, design development drawings and final construction drawings. The CRA/LA will require certification throughout construction that the 1st & Boyle project is being constructed according to the plans and environmental documents approved by the CRA/LA.

3.9.6 CEQA Clearance. The proposed project will require environmental review in accordance with the California Environmental Quality Act (CEQA). It will be the Developer's responsibility to retain an environmental consultant to complete the CEQA review process at the earliest stage of the 1st & Boyle project's development. The selected Developer(s) will be responsible for all costs associated with the environmental process.

3.9.7 City Requirements. The Developer(s) must comply with all codes, permit, and fee requirements of the City of Los Angeles. The Developer must make appropriate street dedications and be responsible for the construction of improvements in adjoining public rights-of-way in conformance with the standards of the City of Los Angeles.

3.9.8 Living Wages

The selected Developer must comply with the CRA/LA's Living Wage Policy (LWO), which can be found under "Jobs and Contracting Opportunities" on the CRA/LA's website.

One of the CRA/LA's primary responsibilities is to assure that economic development activities contribute to the benefit of the community through good jobs. Responses that voluntarily expand living wage provisions to persons not covered by the policy will receive favorable consideration.

3.9.9 Sustainable Development

Developers are encouraged to comply with the City's Sustainable Building Initiative. This may include use of active and passive energy conservation techniques, use of recycled materials and "green" materials, and use of water conservation techniques including xeriscaping and

other conservation methods as may be recommended by relevant agencies. Provision of storage areas for recycling, solid waste management techniques, and incorporation of design features allowing flexibility to use reclaimed gray water are encouraged. The City's Sustainable Building Initiative can be found at: <http://eng.lacity.org/projects/sdip/>. In addition, the 1st & Boyle project is required to secure a LEED[®] Silver certification or equivalent of the newly adopted Cal Green standards.

3.9.10 Construction Careers and Project Stabilization Policy

The Construction Careers and Project Stabilization Policy is a local hiring program applied to all CRA/LA Board-approved projects that meet certain thresholds. It seeks to ensure that CRA/LA-created job opportunities benefit local residents, particularly those living in or adjacent to CRA/LA project areas, and that residents with barriers to employment and new entrants have access to job opportunities, training and support to advance in construction careers.

Under the policy, developers and contractors work with the community and construction unions to ensure that project area and local residents perform 30% of total project work and 35-40% of all apprentice-level work. Further, 10% of all construction work hours shall be performed by local residents with low incomes or barriers to employment. The Policy requires that developers and contractors sign on to become parties to the CRA/LA and LA/OC Building Trades Council Project Labor Agreement.

The Construction Careers Policy also requires that project developers hire an organization to act as a "Jobs Coordinator." Organizations will be selected on a project-by-project basis from the CRA/LA's pre-qualified list. The Jobs Coordinator will assist the developer in meeting the local hiring requirement through outreach and work-readiness programs.

3.9.11 Healthy Neighborhoods Policy. This Project shall be subject to the applicable provisions of the CRA/LA's Healthy Neighborhoods Policy. Certain developments are required to use a CRA/LA-approved list of consultants to identify potential sustainability improvements. This policy sets out our "green" building goals and principles, and provides guidance in implementing these goals to benefit people who live and work in our redevelopment project areas.

All respondents to this RFQ should also carefully review the CRA/LA specific policies and requirements posted on the CRA/LA website at www.crala.org/internet-site/Policies/index.cfm for consideration and inclusion in your development and financial assumptions.

4 RFQ ATTACHMENTS

LIST OF EXHIBITS

- Exhibit A – CRA/LA Standard Terms and Conditions (Rev. 01/08)
- Exhibit B – Map of Redevelopment Project Area and Project Site
- Exhibit C – Business Profile Form
- Exhibit D – Business Credit Report Form
- Exhibit E – Equal Benefits Compliance Form
- Exhibit F – Contractor Responsibility Questionnaire
- Exhibit G – Conceptual Design and Illustrations
- Exhibit H – Intentionally Omitted
- Exhibit I – Intentionally Omitted
- Exhibit J – Intentionally Omitted
- Exhibit K – Intentionally Omitted
- Exhibit L – Intentionally Omitted
- Exhibit M – Intentionally Omitted
- Exhibit N – Intentionally Omitted
- Exhibit O – General RFP / RFQ Notices, CRA/LA Policies, Requirements, Forms and Supplemental Information

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