

DISPOSITION OF CITY-OWNED PARCELS AT

241-245 E. PORT HUENEME ROAD

REQUEST FOR PROPOSALS

CITY OF PORT HUENEME, CALIFORNIA

The City of Port Hueneme owns a 0.4-acre improved property located at 241-245 E. Port Hueneme Road, which it desires to dispose of to a private party. This Request for Proposals seeks information by which the City can identify parties interested in acquiring the parcel, and can identify the capabilities, resources, and intended business of the prospective acquirers. The intent of the City is to negotiate a disposition agreement with the party selected through this process who provides the most compelling depiction of its vision for future use of the parcel, and its ability to execute that vision.

The Property

The property consists of two adjacent lots located at 241-245 E. Port Hueneme Road ("Property"). The #241 lot is vacant, containing 8,063 square feet (APN 206-0-094-060). The #245 lot is 9,100 square feet in size, and is improved with a single-family residence of 1,675 square feet and a small outbuilding in the rear (APN 206-0-094-050). The zoning of the Property is C-1, Commercial, and it is located within the California Coastal Zone. Surrounding uses include retail and office uses.

The residential structure merits discussion. It has been vacant for many years, and is currently secured against intruders. The City makes no representation about its condition, either structural or cosmetic. Because of the location of the site and a previous ownership, the Port Hueneme Cultural Heritage Board has deemed the structure to be of historical interest. Preliminary discussions with Cultural Heritage Board staff indicate that, based on past discussions and actions, the Board would be likely to oppose demolition of the structure and urge the restoration of the exterior of the structure in authentic period design.

The City of Port Hueneme, through its then-existing Redevelopment Agency, proposed a project in 2010 to demolish this structure to make way for new commercial development. There were several documents prepared in the course of the CEQA environmental review process. These documents are appended to this RFP as the best and most current information available on the official status of the Property relative to historic preservation interests.

Use of the Property

Uses permitted on the Property comprise those typically found in a retail commercial designation, including retail, office, and lodging uses. In addition, cannabis-related uses consistent with the underlying zoning would be permitted as set forth in a regulatory ordinance adopted in June 2017 by the Port Hueneme City Council. This ordinance requires an appropriate cannabis-use license to be granted by the City Council, which is a discretionary action of the Council.

One of the provisions of the ordinance is a minimum distance separation of at least 600 feet between a cannabis-licensed use and any K-12 school property. The City's appraiser found the minimum distance between the Property and the Hueneme Elementary School north of Scott Street to be 735 feet. Therefore, the Property would not be ineligible for a cannabis-use license based on the distance-separation criterion.

Appraisal

The City commissioned an appraisal in June 2017, which pertained only to the parcel with the residential structure on it. The appraiser's charge was three-fold: 1) determine a value for the lot as if it were vacant land; 2) determine a value for the lot and improvements as if the structure were restored in concert with historical restoration standards and put to use as a commercial office building; 3) determine the distance between the parcel and Hueneme Elementary School.

As to the first item, the land-only value of the parcel was determined to be \$173,000, or \$19 per square foot. If this value were to be applied to both parcels together, the resulting land-only value of the 17,163-square foot property would be \$326,000.

As to the second scenario, a restored structure used as an office, the value of that assumed land use was determined to be \$690,000. The purpose of doing these two scenarios was to give a prospective buyer or lessee an idea of a potential maximum budget for house restoration.

As to the third item, the appraiser determined that the distance from the nearest point of the subject site to the nearest point of the Hueneme School District parcel which contains the elementary school is 735 feet. This was to ascertain the site's eligibility for a cannabis-use license if one were to be proposed there.

Information to be Submitted

The City requests that interested respondents provide the following information in their submittals:

Principal(s). Please identify the ownership structure of the entity interested in purchasing the Property. Name the owner(s), or partners, or other principals involved. Provide biographical information relevant to this inquiry, with particular emphasis on experience related to the business proposed for this site.

Intended Use of Property. Describe the business to be located at the Property, including describing the activities that will take place inside the building(s) and on the balance of the site. Describe any modifications, including expansions, envisioned for the improvements, and how the respondent intends to secure approval of the modifications in light of the potential historical significance issues.

Purchase/Lease Terms and Business Plan. Provide a summary business plan for the enterprise, with emphasis on a 3-year financial pro Forma. Include in the business plan a description of the economic benefits anticipated for the community in the way of employment and taxes, as well as revenue to the City of Port Hueneme both from the purchase or lease terms proposed and from an on-going revenue agreement. Any information submitted by a proposer which is clearly indicated as confidential will be treated as such by the City, subject to any applicable public records laws.

Financial Resources. Provide evidence of financial capacity and availability, at a level adequate to support the proposed Business Plan.

Additional Information. Supply any additional information which you believe would be useful in the evaluation of your proposal, in light of the principal evaluation factors described below.

Process

Responses to this RFP are due to the City of Port Hueneme by 5:00 p.m on Friday, October 27, 2017. Five hard copies should be delivered to the City Manager's Office at 250 N. Ventura Road, Port Hueneme, CA 93041. An electronic copy should be sent to Mr. Steven Kinney, who is managing this project for the City, at slkinney@ceoexpress.com. Questions concerning this RFP should also be directed to Mr. Kinney.

Proposals will be evaluated by the City Manager, assisted by City staff and specialist consultants as deemed appropriate. Proposals which involve a cannabis-related business will be evaluated with the presumption that the appropriate licenses will have been obtained in timely manner. However, this process in no way guarantees that cannabis-related licenses will be approved by the City of Port Hueneme at any time.

Evaluation of the proposals will be guided by the overall benefit to the City, as determined in the City's sole discretion, and will not be limited to the proposed uses or value of the site, or the overall consideration contained in any proposal. Factors which the City Manager will consider in evaluating the proposals include:

1. Quality and appropriateness of proposer's team; professional experience and background of principals, and ability to manage operations of proposed facility.
2. Scope and feasibility of proposed business plan.
3. Scope and feasibility of proposed community economic benefits.
4. Respondent's demonstrated history and/or proposed methods of integrating with the community at large, involvement in community activities, and supporting community advancement.

After consultation with his evaluation team and appropriate deliberation, the City Manager will make a recommendation to the City Council as to which respondent to this RFP will be invited to enter into negotiations for the acquisition of the Property. If such negotiations prove unsuccessful at any stage, the City may, but is not obligated to, offer to negotiate with another of the respondents. The City reserves the right to enter into discussions or negotiations with more than one party at any given time.

The City is not required to accept any proposal submitted in response to this RFP, and may, at its sole discretion, take any or no action with respect to the submittals, or enter into negotiations with a non-submitting party at any time. The City Council's decisions in this matter are final.