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Office of Economic Development    (209) 385-6827 (Office)    [www.cityofmerced.org](http://www.cityofmerced.org)

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October 23, 2020

SUBJECT:    **NOTICE OF AVAILABILITY**

Request for Proposal – Development Opportunity for  
the Former Sun-Star Site Located at 3033 G Street, Merced, CA 95340

Dear Interested Proposer:

The City of Merced invites you to respond to the Request for Proposal for the Re-Use of the former Merced Sun Star facility located at 3033 G Street. The subject site includes a ± 32,000 square foot building (office and warehouse) and sits on approximately 5.5 acres.

The City seeks proposals consistent with the Zoning designation of Planned-Development and General Plan designation of Commercial Office (CO). Mixed-use, residential, and commercial submittals are encouraged.

For more information, please refer to the enclosed Request for Proposal. Proposals are due, Monday, November 30, 2020, 4:00pm (PST).

Please direct inquiries related to the Request for Proposal to:

Frank Quintero  
Director of Economic Development  
(209) 385-6826 (Direct)  
[quinterof@cityofmerced.org](mailto:quinterof@cityofmerced.org)

Maria Mendoza  
Economic Development Associate  
(209) 385-6970 (Direct)  
[mendozam@cityofmerced.org](mailto:mendozam@cityofmerced.org)

Thank you for your interest in doing business in and with the City of Merced.

Sincerely,

*Frank Quintero*

Frank Quintero, Director of Economic Development  
City of Merced



**City of Merced, California**  
***Development Opportunity***

*"Re-use of the Former Merced Sun-Star Site"*  
*3033 G Street*

**Request for Proposals**

RFP Issued: Wednesday, September 23, 2020

Deadline to Submit: Monday, November 30, 2020, by 4:00PM PST

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**DEADLINE FOR SUBMITTAL: Monday, November 30, 2020, at 4:00 PM PST**

**MINIMUM BID: \$1,800,000.00**

## Copies of RFP

An electronic copy of the RFP may be received by emailing Frank Quintero at [quinterof@cityofmerced.org](mailto:quinterof@cityofmerced.org) or accessed at the following location: [Merced Bid Opportunities](#)



# 1. Introduction

## ***Overview of Site (known as the “Former Merced Sun Star Site”)***

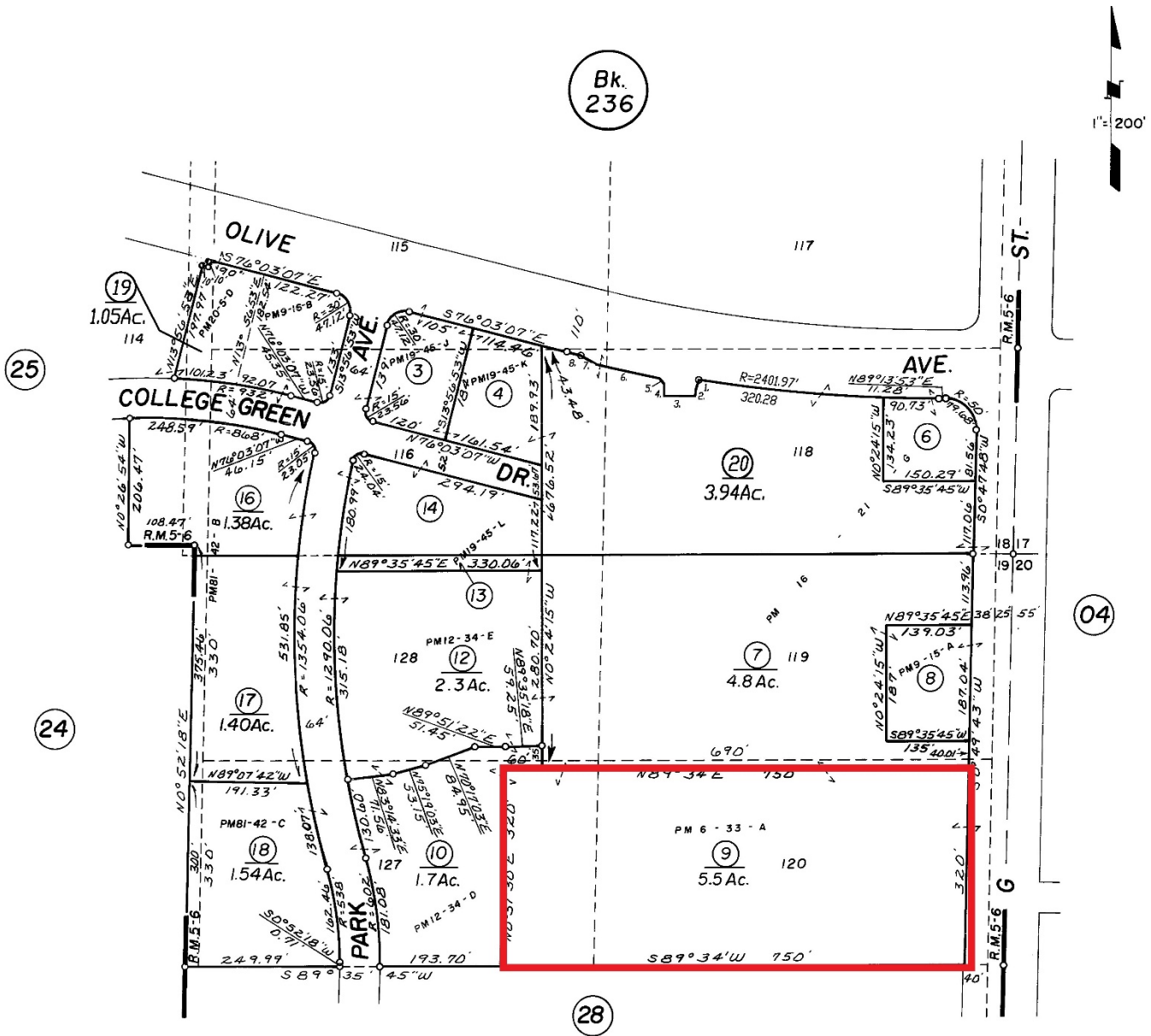
The City of Merced (“City”) invites experienced developers to submit proposals to venture with the City in the development of a ±5.50-acre site (“Site”) on the G Street Corridor located at 3033 G Street. The Site, APN 007-350-009, (Figure 1), is bounded by London Plaza (Alexander Avenue) to the south, G Street to the east, College Green Plaza to the north, and apartments to the west.

The Site includes one City-owned parcel of real estate previously designated for a Police Headquarters and the former place of business of the Merced Sun-Star. City sewer and water lines to serve the project are located as follows: water and sewer lines are located on G Street, and another sewer line is located in the drive aisle serving the College Green Shopping Center.

Merced is located in the San Joaquin Valley off Highway 99 with a population of approximately over 89,000, Local economic engines such as the University of California Merced, Merced College, and Dignity Health are fueling Merced’s growth. Merced is a future High Speed Rail and Altamont Corridor Express (ACE Train) community. The Site is located in Merced’s within walking distance of commercial centers and near W. Olive Avenue. Surrounding businesses include Save Mart Supermarket, BBVA Compass Bank, Staples, Paul’s Place Restaurant, and In-Shape City (Figure 2).

The City desires that the Site be developed as a commercial project consistent with the General Plan Designation of Office Commercial (CO) and Zoning Designation of Planned Development (P-D) with quality design and site planning. The ideal development entity should be experienced with commercial, retail, and office projects, well capitalized, and have a history of successful development projects. The City envisions the development of the Site as an integral component of the City’s economic base providing Merced residents, students, and visitors with new services.

Figure 1 - Assessor's Parcel Page: APN 007-350-009



NOTE Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles

Assessor's Map Bk. 7 - Pg. 35  
County of Merced, Calif.  
1984

Subject Site





**Figure 2 - Site and Surrounding Land Uses**



**CITY OF MERCED  
3033 G STREET  
SURROUNDING LAND USES**





**Figure 3 - Project Site Map – Former Merced Sun-Star**



**Overview of Development Opportunity**

Ultimately, the City desires that the selected developer(s) provides a quality, well designed, and planned project and,

1. That is consistent with the following office commercial land uses:
  - a. Medical offices, and clinics;
  - b. Professional offices, personal services, and banks;
  - c. Restaurants, general retail\*, drive through or drive-up sales\*, instructional services, and live work units;
  - d. Multi-family units and mixed-use projects\*;
  - e. Provide services and commercial experiences currently not available in the City of Merced.

NOTE: \* - May be subject to a Conditional Use Permit or Site Plan Review

2. The development should be visionary and unique to Merced and exemplify exceptional architecture and sustainable design and construction.
3. The design of the development should complement the surrounding neighborhoods and commercial centers.
4. The development should be complementary to UC Merced, Merced College, and Dignity Health Center of Merced, and the Olive Avenue retail corridor.
5. The developer should consider potential on-site improvements including (but not limited to) storm water detention, parking, landscaping, lighting, and security.
6. Transaction of the site, “AS-IS.”
7. The City of Merced shall retain the Right of Reverter/Right to Repurchase as part of the Purchase and Sale Agreement and incorporate the Right into the Grant Deed.



## 2. General Plan and Zoning Designations

The Site is approximately ±5.50-acres comprised of a rectangular-shaped parcel bounded by G Street, College Green Center, London Plaza and apartments. The site is designated Office Commercial in the General Plan and zoned Planned-Development #4 (P-D #4).

The definition of Office Commercial in the General Plan is available on the City of Merced's website at: [Merced General Plan](#)

### **Zoning Code Designation – Planned-Development**

The purpose of the Planned Development (P-D) zoning districts is to allow for high quality development that deviates from standards and regulations applicable to other zoning districts within Merced. The Planned Development zoning districts are intended to promote creativity in building design, flexibility in permitted land uses, and innovation in development concepts. The Planned Development zoning districts are also intended to ensure project consistency with the General Plan. Planned Development zoning districts provide landowners with enhanced flexibility to take advantage of unique site characteristics to develop projects that will provide public benefits for residents, employees, and visitors to Merced.

The definition of Planned-Development and Office Commercial land uses in the Zoning Ordinance may be found on the City of Merced's website at: [Merced Zoning Ordinance](#)

## 3. Disclosures

1. Minimum bid considered by the City of Merced is \$1,800,000.00. All sales are cash sales, and City will not carry a note. Construction of the project must commence within one-year from close of escrow. The site may not be acquired then sold for speculation. The City shall retain the Right of Reverter/Repurchase and shall be included in the Purchase and Sales Agreement and Grant Deed.
2. The property shall be sold "AS IS."
3. All costs to assemble and produce the proposal are the responsibility of the proposer.
4. The City reserves all rights to modify or terminate the selection process, go outside of the selection process to select a developer, or not select a developer at all. This RFP and selection process does not constitute any type of offer and creates no contractual or other liability to the City. There is no guarantee that a sale will be consummated, or that a project will be reviewed or accepted pursuant to this RFP.

5. The proposal must demonstrate development for the entire site and elevations for the all buildings. The proposed development is subject to all Federal, State, County, and City of Merced rules and regulations.
6. The successfully selected developer is responsible for paying all costs related to producing the submitted proposal and subsequent project development such as (but not limited to) development fees, building permit fees, inspection fees, connection and facility fees, etc.
7. Proposers are fully responsible for securing information about the site such as General Plan land use designation, Zoning, Flood Zone, on and off-site improvements, stormwater basins, booster pumps, backflow devices, Engineering Plans & Specifications, and so on.

## 4. Submittal Requirements

### ***Submittal Overview***

The City reserves all rights with regard to this solicitation including, but not limited to the right to amend or modify this RFP, reject all proposals, or extend any dates. The transaction may be subject to an Exclusive Negotiating Agreement (ENA), Purchase and Sale Agreement, or Disposition and Development Agreement. The City may to initiate negotiations with the next most preferred respondent if negotiations with the preferred respondent do not result in an agreement. Should the City not receive qualified proposals of interest by the submittal deadline, it reserves the right to extend that deadline until qualified proposals of interest are received or solicit proposals directly.

Respondents are responsible for confirming submittals are actually received. All materials submitted during any part of the selection process become the property of City. Received proposals may become subject to the California Public Records Act. The respondent may designate portions of its submittals that contain proprietary data as “confidential”, but the City cannot guarantee that it will be able to enforce such confidentiality.

The City shall not be responsible for any costs and/or obligations incurred by and/or on behalf of a potential developer in preparing, submitting, or otherwise participating in any part this RFP, the selection, documentation, or the development process in its entirety. The City reserves the right to request clarification or additional information from respondents. Information included in this RFP is believed to be accurate, however, content should be independently verified by potential respondents prior to reliance upon.

## ***Qualifications and Proposal Content***

The City's top priority is to select a developer to design and build a high quality development project. The evaluation criteria will consider a prospective developer's recent experience in working on projects of similar size, scope, and quality.

The evaluation and selection process will include two rounds as follows:

1. Respondents shall provide all of the information that follows in this Section. Once the Evaluation Committee has considered the proposals, each submitter will receive a letter and/or email regarding the status of their project.
2. The Respondents selected will be notified via email and/or a letter mailed to the primary contact. The selected respondent may be asked to submit additional material, including, but not limited to, financial references, as well as an in person interview and a preliminary LOI which would include a description of the proposed development, purchase price and terms, project delivery, and performance benchmarks.
3. **Project Submittals** – At a minimum, please include the following information for the evaluation process:
  - a. Letter of Introduction – Include a summary of the respondent's basic qualifications, experience, past projects of similar nature, size, funding, and reasons for interest in this opportunity. A principal or authorized designee including a statement that the officer may make legally binding commitments for the entity must sign the letter.
  - b. Description of proposed conceptual project – Include sufficient detail and site plan illustration as to proposed uses, tenants, and/or concept to give the Review Committee enough information to have an idea of what the final development could contain. Supporting market data, collateral materials, draft elevations are recommended to be submitted to support the proposed concept.
4. **Team Members** – Identify members of the development team and provide a brief description of each team member's role including the following:
  - a. Principals involved in the project;
  - b. Resumes of key team members;
  - c. A description of team members' proposed roles and relevant experience with projects of similar nature and size and experience in and familiarity with development in Merced or surrounding areas;

- d. An organizational chart; and
- e. Designation of the primary contact for the team.

5. **Relevant Project Experience** - A summary of current and previous experience of the team with regard to projects comparable in both size and uses. As appropriate, this information should include a project description, photos or site plans if available, land uses, dates completed, developer role, cost/value, financing sources, duration of development processes, role of current employees in the project, and existing status as to ownership and leasing of current developments, percentage (%) owned since project completion, and volume sold/leased. Additionally, please identify similar completed projects in the area that the can be visited, and provide a name and contact information as well.
6. **Project Approach** - A high-level summary of the team's approach and anticipated timing related to planning, design, approvals, financing, phasing, development, construction, and operation. Provide examples of processes used in other similar projects as it relates to commercial development.

Please include a sample timeframe for construction demonstrating project completion.

7. **References** - An accurate list of no less than three references (name, title, entity, telephone number, email address, and contractual relationship to respondent) for potential contact with respect to current and past project experience. Additionally, a reference list of and contact information for five to ten public sector elected officials (not from the City of Merced or Merced County) and executive staff involved in the previous projects identified as examples of Relevant Project Experience.
8. **Litigation History with Public Agencies** – Provide information as to any litigation that any developer/development entity that comprises the overall team has had with any public agencies over the last ten years.
9. **Project Pro-Forma** - All submittals will need to include project information such as anticipated total development budget (land, buildings, machinery, equipment, landscaping, construction, etc.).
10. **Design Concept** – The proposal shall include a site plan and elevations of the project that demonstrates the developer's understanding of the City's goals for a quality, well designed, and planned project. Factors to include (but not limited to);
- a. Elevations – building material and color scheme;
  - b. Landscaping identifying species type;
  - c. Public/private “green space;”



- d. Sufficient parking identified on site to accommodate the number of residential units; and,
- e. Project phasing.

**11. Parking requirements -**

- a. Clearly state the estimated number of publicly available parking spaces on site.
- b. Clearly state the number of parking spaces that will be for private use (visitor, employee, loading, unloading, drop-off, shared vehicles, etc.).

**12. Land use development -**

- a. Clearly state the proposed use and square footage of each building(s).
- b. Clearly state the use and square footage of any commercial space.
- c. Clearly state the proposed number of multi-family units.
- d. Clearly state the use and estimated square footage of office space.

**13. Site plan –** Provide architectural quality illustrations of Site development concept.

**14. Payment for the City property -** Sale is for cash only and without financing by the City of Merced or pending financing.

**15. Economic Data -** Provide an estimate of the following items:

- a. Building Value(s)
- b. Value of machinery and equipment
- c. Number of new jobs created for each land use (permanent and part-time)
- d. Estimated payroll for each land use
- e. Estimated property tax generated by each land use
- f. Estimated sales tax generated by each land use

***Submittal Date***

Please submit proposals by **Monday, November 30, 2020, at 4:00 p.m.** Pacific Standard Time to the contacts listed on the next page. The City may continue to solicit qualifications beyond the above date if the City, in its respective sole determination, is not satisfied with the number and quality of submittals received.

### ***Submittal Quantity and Contact***

Please provide five (5) printed copies of the submittal and one (1) electronic version on a CD, DVD, or flash drive to:

Frank Quintero  
Director of Economic Development  
City of Merced  
678 W. 18<sup>th</sup> Street  
Merced, CA 95340

(209) 385-6827 (office)  
(209) 385-6826 (direct)  
quinterof@cityofmerced.org

If you have any questions about the submittal process, please contact:

Frank Quintero, Director of Economic Development  
(See contact information above)

## **5. Evaluation Criteria Award Procedures and Timeline**

### ***Evaluation Criteria***

The following sample criteria may serve as the basis for evaluating developer responses:

- The respondent's applicable experience and expertise as well as alignment with the City's General Plan, Zoning Ordinance, and Economic Development Action Plan.
- The respondent's experience in formulating and implementing successful projects of similar scope and character.
- The respondent has demonstrated ability to implement projects that retain and authentically reflect local character, while providing unique commercial, multi-family, professional or medical services, or care opportunities.
- The respondent's record of accomplishment, experience, and financial capacity to start and complete projects and uses similar to those requested in the RFP.
- The respondent has demonstrated ability to access capital for the proposed scope of development.
- Experience of key project team members with similar projects.
- The proposed land uses/tenant mix, massing, financial structure, project valuation, initial financial pro forma, supportive market data, quality of design and

development, fiscal impact to the City and other taxing entities, and as applicable, project/site components to be provided by the City. In its consideration of the response to this RFP, the City may request additional information.

The order of presentation of the above criteria does not necessarily denote the specific importance of the same, or is a complete comprehensive list.

### ***Award Procedures***

1. A committee, comprised of City Staff (the “Review Committee”), will evaluate responses to this RFP. The Committee shall make selections based on the Committee’s evaluation of the respondents’ submittals.
2. The Committee will evaluate project concepts based on their judgment as to which proposals best satisfy the objectives expressed by the City in this RFP, as well as provide a desired potential development project, financial return, and fit for the City. The Committee shall present the recommended proposal to the City Council.
3. The City will pursue negotiations with the top-ranked respondent with the goal of entering into Purchase and Sale Agreement (PSA) or Disposition and Development Agreement (DDA) within 90 days of selection. If satisfactory terms cannot be negotiated with that respondent, then the City will formally end negotiations with that respondent and may pursue negotiations with the respondent that next best satisfies the objectives and goals expressed by this RFP, as determined by the City, or in its sole and absolute discretion proceed on alternative basis, or terminate the process.
4. The PSA/DDA will not commit the City to any particular development until approved and fully executed by the City Council and City of Merced.
5. The PSA/DDA will include a deposit provision to be negotiated between the parties. The minimum deposit will be due according to the terms in the Council approved PSA/DDA.
6. As appropriate, the selected development team must comply with statutory and administrative requirements pertaining, but not limited to, zoning ordinances, subdivision requirements, fee schedules, Engineering Standards and Specifications, and other applicable City, County, State and Federal codes and ordinances.
7. The City reserves all rights to modify or terminate the selection process, go outside of the selection process to select a developer, or opt not select a developer. This RFP and selection process does not constitute any type of offer



or create any contractual or other liability to the City.

### ***Tentative Timeline***

- Request For Proposal released on Wednesday, September 23, 2020
- Responses to RFP due on Monday, November 30, 2020, at 4:00 p.m. PST
- Evaluation of proposals completed by Friday, December 11, 2020\*
- Response letters mailed to respondents by Friday, December 18, 2020\*
- Council Consideration of Proposals by Monday, February 1, 2021\*

(Note: \* = Subject to Change at City discretion)

## **6. Contact Information**

### **City Contacts**

Frank Quintero  
Director of Economic Development  
City of Merced  
678 W. 18<sup>th</sup> Street  
Merced, CA 95340  
(209) 385-6826  
[quinterof@cityofmerced.org](mailto:quinterof@cityofmerced.org)

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