

CURTNER STATION TRANSIT-ORIENTED DEVELOPMENT

San Jose, CA

Request for Developer Qualifications

SCHEDULE

RFQ Issuance.....	8/29/2019
Optional On-Site Meeting and Tour.....	9/17/2019
Deadline for Written Questions.....	10/4/2019
VTA Response to Written Questions.....	10/18/2019
RFQ Submittal Deadline.....	11/1/2019

ESSENTIAL INFORMATION

Deadline for Receipt of SOQs:

November 1, 2019 at 4:00 PM Pacific Time

SOQs must be submitted to:

Santa Clara Valley Transportation Authority

ATTN: Josselyn Hazen
3331 North 1st Street, Building A
San Jose, CA 95134
josselyn.hazen@vta.org

Submissions can be by U.S. Mail, email or overnight courier.

Submissions received after the deadline will not be considered. It is the submitting party's responsibility to ensure the submission is received by VTA on time.

VTA Real Estate and Joint Development Contacts:

Josselyn Hazen

Project Manager, TOD
josselyn.jacobson@vta.org
(408) 321-5985

Jessie O'Malley Solis

Manager, TOD
jessie.o'malleysolis@vta.org
(408) 321-5950

Ron Golem

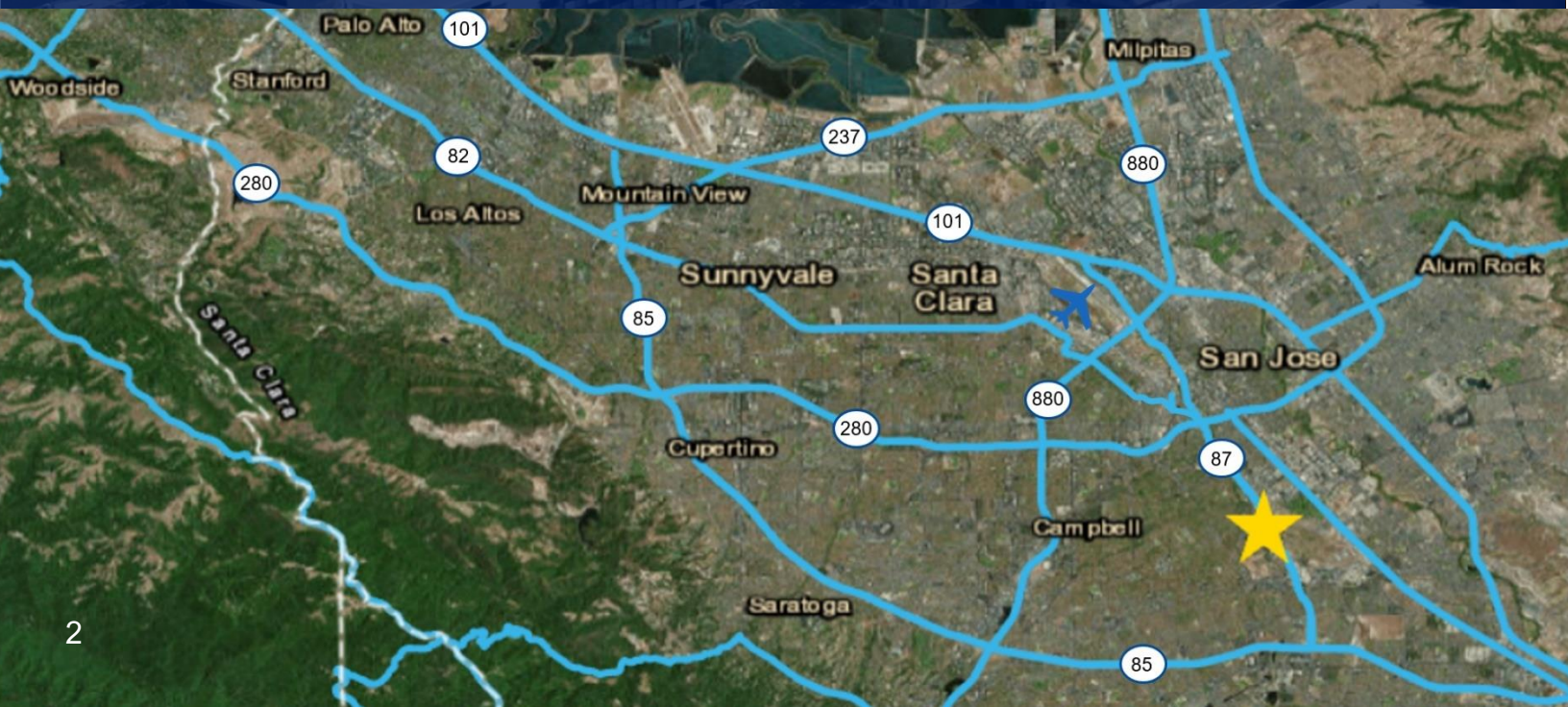
Director, Real Estate and TOD
ron.golem@vta.org
(408) 321-5791



INTRODUCTION

The Santa Clara Valley Transportation Authority (VTA) is pleased to issue this Request for Qualifications (RFQ) from respondents capable of creating a high-quality, transit-oriented, mixed-use project at a central location south of Downtown San Jose (Project). VTA expects to evaluate the responding statements of qualification (SOQ) and then issue a Request for Proposal (RFP); however, it may elect to pursue negotiations directly with the most qualified respondent to the RFQ under an exclusive negotiating agreement (ENA).

Where a further RFP is pursued, up to four respondents of this RFQ will be invited to respond to the RFP. At the conclusion of the RFP process, VTA intends to enter into an ENA with the Respondent whose qualifications and development proposal VTA deems best suited to achieve the objectives described in the RFQ and RFP. Successful completion of negotiations will lead to a Lease Option Agreement (LOA) and execution of a long-term ground lease with a maximum term of 65 years (plus potential extensions).

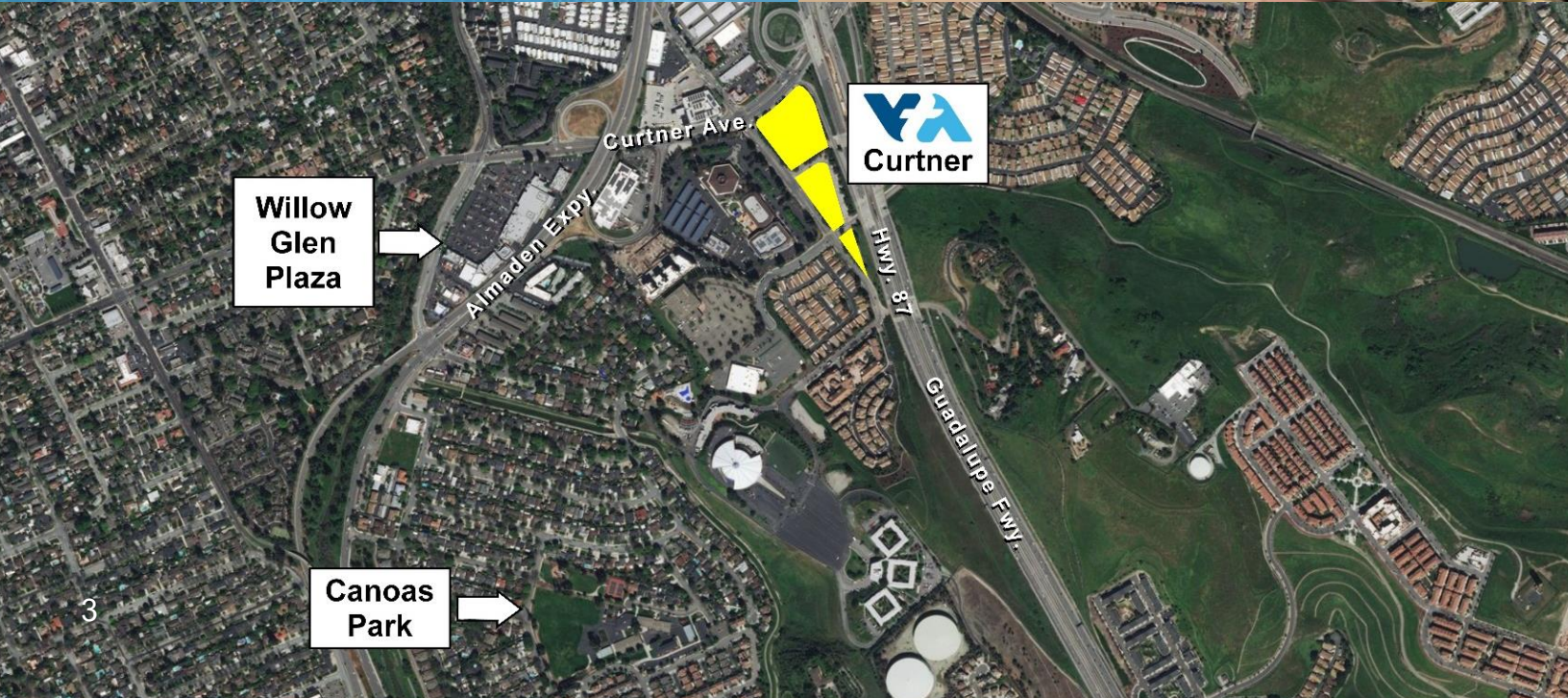


LOCATION

The Project site is located at Curtner Road and Highway 87 in San Jose, California, and consists of up to 3.7 acres. It is adjacent to the Curtner Light Rail Station with access to VTA Light Rail and Bus.

The site is an 11-minute walk to nearby amenities at Willow Glen Plaza (located at the intersection of Curtner Avenue and Almaden Road), which contains a variety of eateries, banking services, and a CineLux Cinema. Nearby, outdoor activities include Canoas Park (1 mi.), Wallenberg Park (1.4 mi.), and the Guadalupe Bike Path. The Project's associated public schools include Canoas Elementary, Willow Glen Middle School, and Willow Glen High School.

Curtner Station is an intermodal passenger transportation station served by the VTA light rail and bus systems. The Curtner Light Rail Station is on the Blue line, which spans from Santa Teresa to Baypointe Station. The station also serves the 26 frequent bus line, which travels from West Valley College to Eastridge Transit Center.



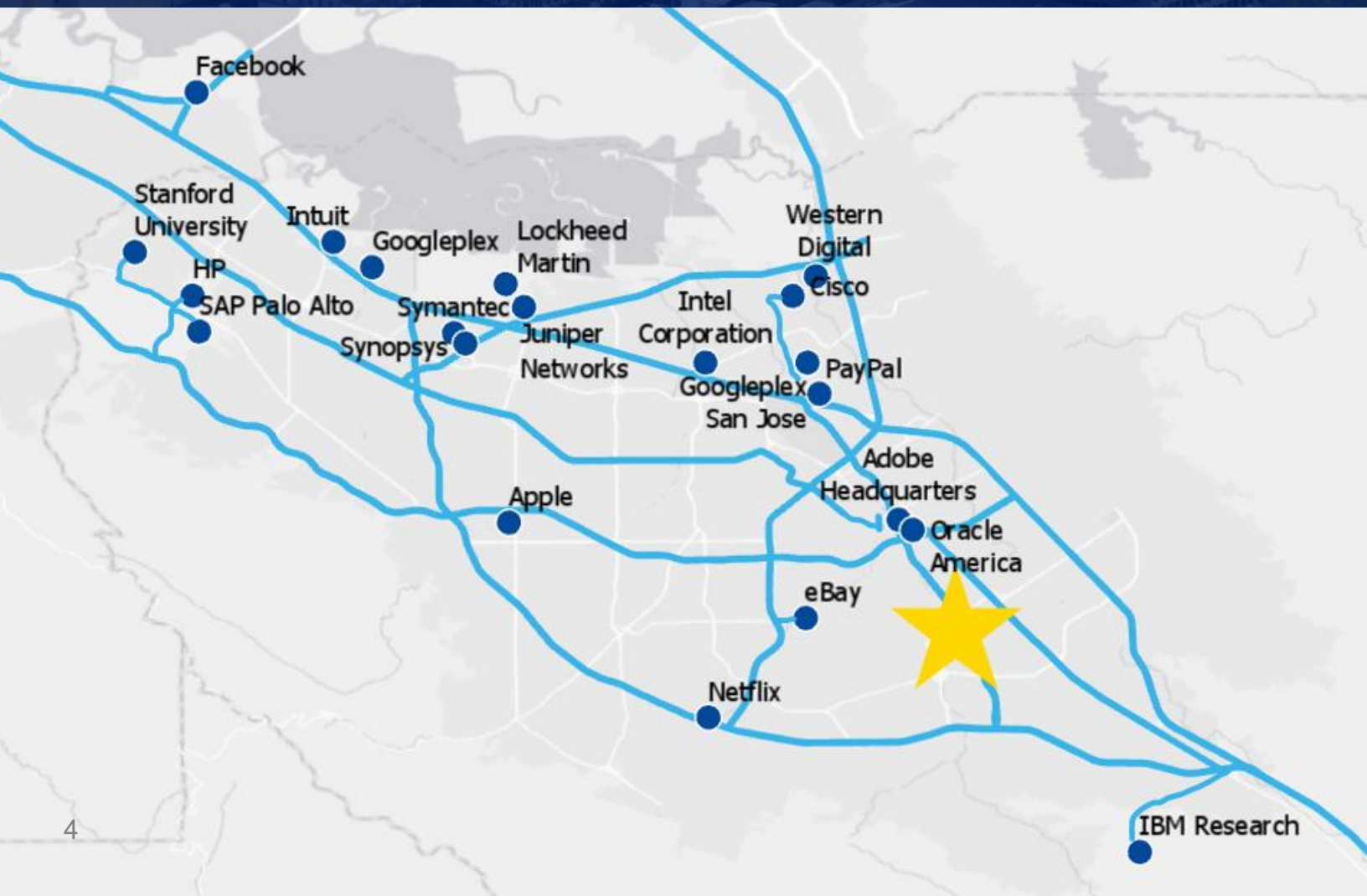
EASY ACCESS TO SILICON VALLEY'S TOP EMPLOYERS

The site is within commuting distance of the region's top employers. Google's expansion plans in northern San Jose will bring up to 20,000 additional jobs to the area, further increasing demand for housing in San Jose.

The site provides access to the following Silicon Valley employment hubs:

- **Downtown San Jose:** 15 minutes by car; 20 minutes by VTA light rail
- **Northern San Jose:** 35 minutes by car; 45 minutes by VTA light rail
- **Los Gatos:** 30 minutes by car
- **Cupertino:** 40 minutes by car
- **Sunnyvale:** 45 minutes by car; 30 minutes by VTA light rail
- **Mountain View:** 45 minutes by car; 45 minutes by VTA light rail
- **Palo Alto:** 55 minutes by car; 45 minutes by VTA light rail & connecting public transportation
- **Menlo Park:** 65 minutes by car; 1 hour by VTA light rail & connecting public transportation

Times listed are average peak commute times.

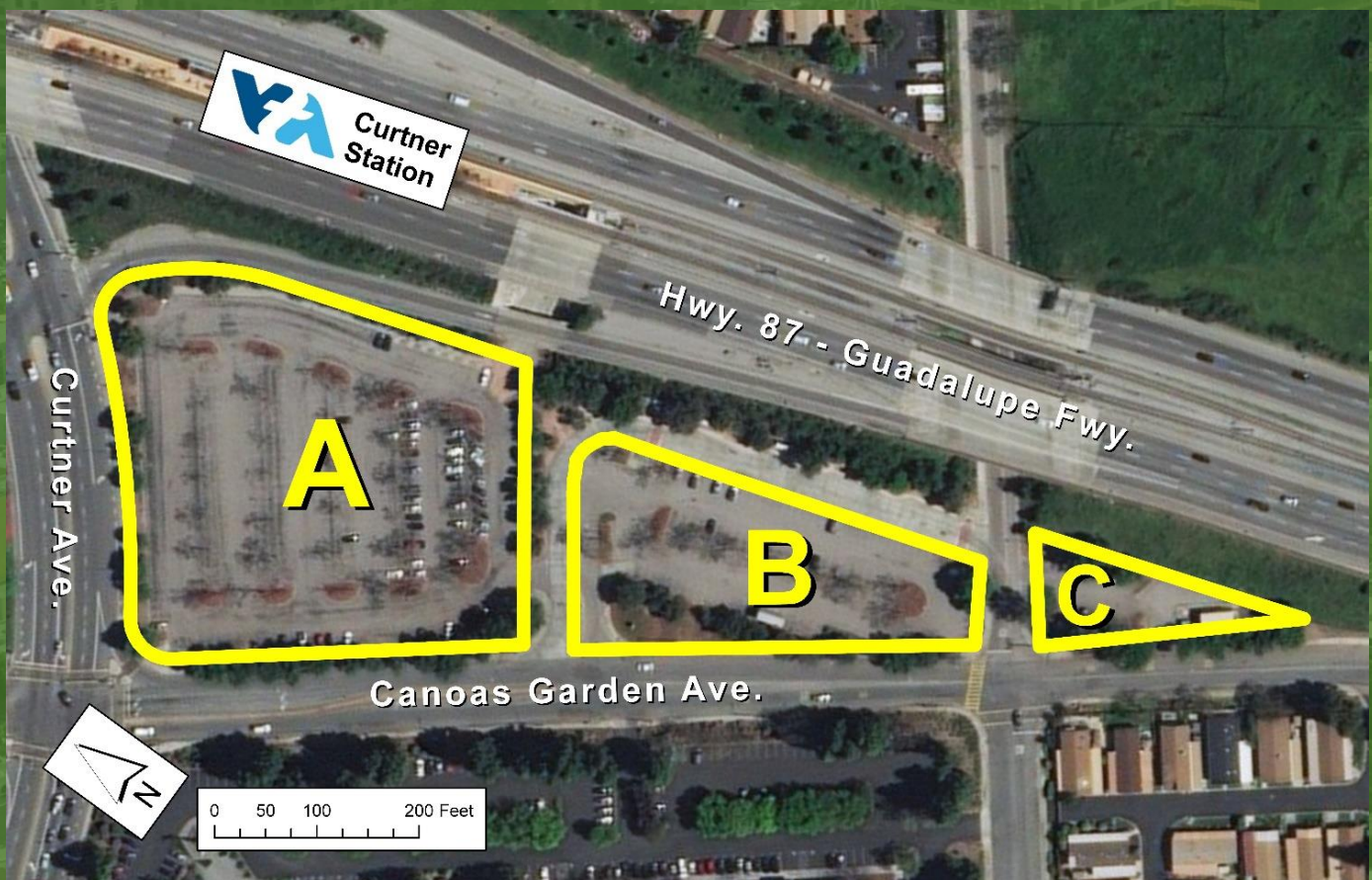


THE OPPORTUNITY

VTA seeks a developer or team of a developers to deliver a mixed-use project, which may include residential, commercial, hotel, and/or other components as allowed by current General Plan designations and zoning. This is a high-visibility Project site on a high-traffic arterial in a desirable neighborhood.

THE PROJECT SITE: CURTNER AVENUE AT HIGHWAY 87

Parcel A (approximately 2.44 acres) is available for mixed-use transit-oriented development. Parcel B will be retained by VTA for existing bus circulation; however, a portion of Parcel B (comprising approximately 1.27 acres) could be available if the Respondent is able to replace a minimum of 100 displaced transit parking stalls through shared parking or other creative solutions. Parcel C is irregularly shaped but could be made available if the Respondent believes it is necessary for the development. VTA is amenable to alternative suggestions and creativity regarding potential relocation or reuse of the bus loop on Parcel B, at the Developer's expense, so long as transit services do not experience long-term disruption and the Respondent demonstrates how changes better serve the Project and VTA.



ENTITLEMENTS

The existing land uses for the Project site are outlined in the City of San Jose General Plan and Zoning Ordinance. The current General Plan Designation is NCC – Neighborhood Community Commercial, and the underlying zoning is R-1-8 (Residence District 8DU/Acre), CO (Commercial), and PQP (Public/Quasi-Public District).

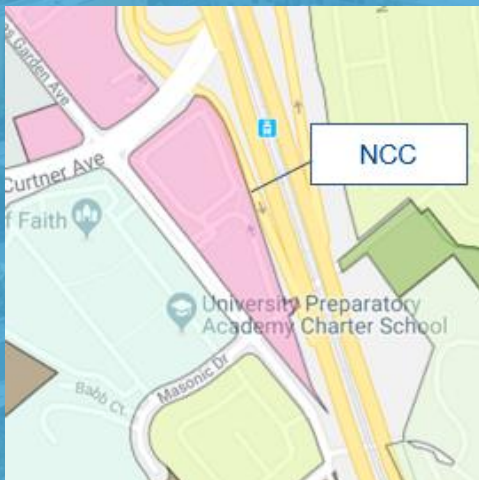
The Project site (Property) is located within the Curtner Light Rail/Caltrain Urban Village (VR8). Zoning and permitting will be subject to the Signature Review process as required by the City of San Jose. Per General Plan Policy IP-5.10, projects may proceed ahead of preparation of an Urban Village Plan as a “Signature Project.” The *Envision San Jose 2040 General Plan* is linked [here on the City’s website](#).

The City has provided VTA with preliminary acceptable mixed-use residential densities and minimum commercial square footage for the Project to meet Signature Project eligibility requirements. Because the full site (including the part that will be retained by VTA) is 5.55 acres, the City has directed that the Project will require a minimum of 305 housing units, and approximately 17,000 (0.07 FAR) commercial sq. ft. These calculations are based on minimum requirements. Actual densities will need to be approved by the City of San Jose. VTA strongly encourages proposals that maximize mixed-use densities. VTA has done preliminary outreach with the City of San Jose’s Housing Department and the County of Santa Clara’s Office of Supportive Housing, and both are supportive of the Project and can be contacted for further discussion.

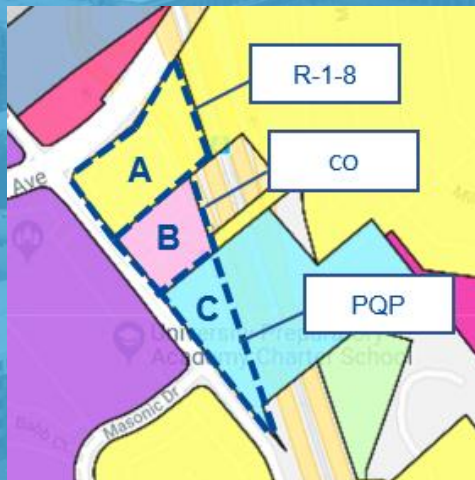
Respondents are advised to reach out to Jared Hart at the City of San Jose’s Planning Department for further information, which VTA expressly permits during the SOQ preparation. The City has provided sample development standards for projects that have been approved under the Signature Project review process, which can be viewed in **Appendix 8**.

DESIGNATIONS:

GENERAL PLAN



ZONING



URBAN VILLAGE



THE DEVELOPMENT PROCESS

After the selection of the Developer through the RFQ/P process, VTA will work together with the Developer, the community, and the City to finalize the application. The selected Developer will be responsible for entitlement costs and will work with VTA to prepare and submit an application for any necessary land use changes.

In cooperation with VTA, the Developer, at its own cost and expense, will work with the City to develop the design, site plan, and financing structure for development of a mutually agreeable vision for the Project site. Once fully conceived, the Project plans will be submitted to the City for final permitting approval.

Throughout the Project, the Developer, in cooperation with VTA, will host community meetings to advance neighborhood awareness and gain stakeholder insight and opinions. All outreach and engagement efforts must include best practice cultural competency standards and comply with VTA's Public Participation Plan ([linked here on the VTA website](#)).

VTA hosted a community meeting in January 2018 to receive neighborhood and stakeholder input, as well as a second community update meeting in October 2018. Meeting materials, including notes and letters received are further detailed in **Appendix 9**.



EVALUATION AND SELECTION PROCESS

An evaluation panel consisting of VTA staff and one or more community representatives will identify the most qualified responses to this RFQ. Depending on the SOQs received, VTA may elect to immediately pursue negotiations for a development agreement with the most qualified RFQ respondent under and ENA. VTA reserves the right to so move directly from RFQ selection to an ENA upon VTA Board approval.

If VTA decides to pursue an RFP, then it will invite up to four Respondent teams to participate in the RFP process. If VTA pursues a RFP process, VTA will prepare the RFP and distribute it to the selected Respondent(s).

The RFP will contain at a minimum the following key requirements for the Respondent team(s) submitting the proposal:

- A narrative on the Respondent’s vision for the Project
- A preliminary development plan with site plan, land uses with floor plans and square footages, proposed amenities and parking facilities, and Project phasing
- A narrative addressing market support for the proposed Project
- Preliminary architectural elevations, including rendered massing and articulation concepts
- A detailed Project schedule, mapping out the timelines for predevelopment and entitlement efforts for the Project, equity investment and financing schedule, construction timeline through certificate of occupancy, and years to stabilization
- A five-year Project pro-forma with proposed base rent and other ground lease terms
- The tenanting strategy for any commercial/retail uses that may be proposed

Proposals received as part of the RFP process will be evaluated according to criteria included in the RFP. In-person interviews at VTA’s office in San Jose will be one of the requirements. At the conclusion of the RFP stage, an evaluation report with a recommendation to the VTA Board of Directors will be heard at a regularly scheduled Board meeting.

If the VTA Board of Directors approves of engaging with the selected Developer, VTA will enter into an ENA. VTA staff, including legal counsel, will then negotiate a Lease Option Agreement (LOA) and Ground Lease with the selected Developer. If these negotiations are unsuccessful, VTA may move to the next most qualified Respondent, reissue the RFP, terminate the process entirely, or take any other measures it deems appropriate.

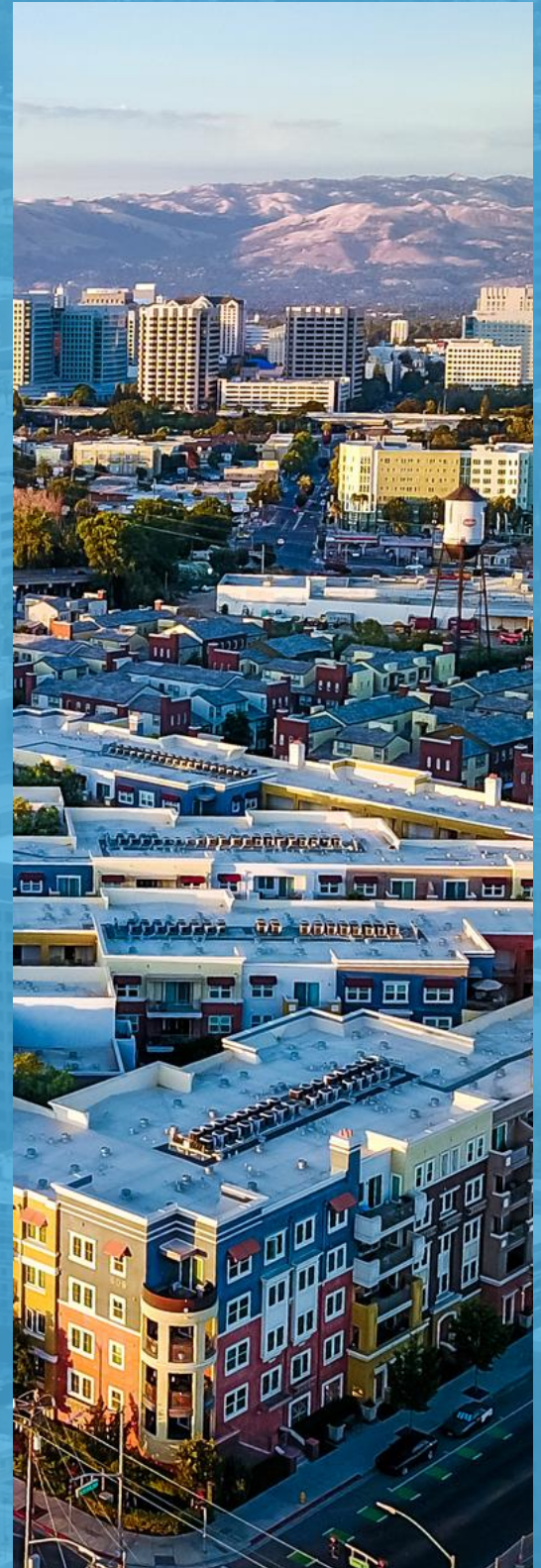
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PROJECT OBJECTIVES

VTA seeks a developer or team of a developers to deliver a mixed-use project, which may include residential, commercial, hotel, and/or other components as allowed by current General Plan designations and zoning. VTA seeks SOQs from Respondents who can support VTA in meeting the following objectives:

- Produce a high-quality, state-of-the art mixed-use project. The Project should utilize outstanding building and site design to minimize vehicle- and building-related greenhouse gas emissions.
- Generate revenue to support VTA operations by paying fair market value ground rent on VTA's real property assets. The Project should maximize VTA's long-term ground rent revenue and be consistent with VTA's Joint Development Policy (**Appendix 6**).
- In the case of a project with a residential component, meet or exceed VTA's affordability requirements for residential projects, which mandate that at least 20% of units are affordable to households earning 60% of AMI or lower, with at least half of those units reserved for households earning 50% of AMI or lower.
- Maintain or enhance station access and mobility, pedestrian bike safety, and wayfinding to the VTA Curtner station.
- Minimize congestion and air quality impacts by minimizing on-site parking and utilizing Transportation Demand Strategies as appropriate.
- Support an increase in transit ridership, contribute to the City's and region's traffic mitigation efforts, and encourage the use of the VTA transit system.
- Provide community workforce opportunities during construction of the project, including workforce re-entry programs and/or workforce apprenticeship opportunities that would create access to construction careers.



THE IDEAL RESPONSE TO THIS RFQ

VTA seeks responses that:

- Are clear, concise and to-the-point. Respondents are requested to avoid inclusion of extraneous marketing materials, overly detailed specifications, and other materials that increase the size of the submittal without providing meaningful additional information about Respondent's vision and implementation of the Project objectives.
- Illustrate the successful track record of the Respondent team (i.e. including any proposed contractors and partners) in public-private joint development partnerships and in financing, developing, and maintaining projects similar to the one described in this RFQ.
- Illustrate a successful track record of the Respondent team (including any proposed contractors and partners) in providing community workforce opportunities, as well as workforce re-entry programs and/or workforce apprenticeship opportunities.

EVALUATION CRITERIA FOR THIS RFQ

VTA will invite up to four developers to the RFP stage based on the following:



Respondent Team experience in planning, financing, developing, and maintaining similar development projects, including experience with public-private agreements, mixed-use projects, and projects with community workforce requirements.



Conceptual Plan and the ability of that plan to meet VTA's objectives as described in this RFQ.



Financial capacity and financial strength of Respondent Team to complete the Project.

SUBMISSION REQUIREMENTS FOR THIS RFQ

No later than 4:00 pm Pacific Time on November 1, 2019, VTA must **receive** from Respondents their response to this RFQ. Respondents may submit and deliver their response to the VTA by: (i) delivering to VTA a USB drive in a sealed envelope containing all submittal items described in this RFQ (to be delivered to the attention of Josselyn Hazen, VTA Real Estate & TOD, 3331 N. First Street, Building A, San Jose, CA 95134; or (ii) by submitting their SOQs via email to josselyn.hazen@vta.org. It is the Respondents sole responsibility to ensure that the SOQ response is timely received by the VTA. Any physical submittal packages will be time stamped upon receipt; all email so delivered by a Respondent will be time-stamped based on the time of receipt of such email.

Submissions must include the following elements:

1. RESPONDENT TEAM INTRODUCTION

- Provide an introduction to the Respondent team that clearly identifies: the team's form of organization (LLC, partnership, etc.) and business headquarters; all equity partners or participants; and any involvement in the control over the Developer entity by such parties and any non-equity members. The complete Respondent team should be established as an integrated group prior to submitting the SOQ.
- If there is more than one proposed developer entity, identify the nature of the affiliation between the proposed developer entities, including roles and responsibilities and summary points on any agreements between the parties in pursuing the Project.
- Identify the Respondent team principals and those authorized to execute and bind the team to an agreement. Include the name and/or title of the person who will be authorized to execute the ENA and JDA/ground lease between the Respondent and VTA. Include a brief biography for each member of the Respondent team.
- Describe the four most recent and/or relevant development projects undertaken by Respondent team to date, with information that includes the project name, project location, year developed, project value at completion, development program, formal claims and disputes between project owner and Respondent, and other relevant information such as whether any project was developed pursuant to a ground lease. If Respondent is a group of developers, the history and qualifications of each should be provided.
- Provide three project references that VTA can contact. The project references should be for projects that are similar to the proposed Project (preferably pursuant to a public-private agreement). Project references should be able to confirm the Respondent's claims of past success in the entitlement and discretionary approval process, participation in public-private joint development partnerships, financing of commercial projects, and continued management of developments.
- Include details about participation in public-private joint development partnerships; financing of commercial developments; and successful completion and continued management of residential and commercial development projects.

(see the following page for additional requirements)

SUBMISSION REQUIREMENTS FOR THIS RFQ (CONTINUED)

2. CONCEPTUAL PLAN

- Provide a description of the conceptual uses and site program you envision for the Project and any characteristics that you envision such as restaurants, commercial uses, unique design features, etc.

3. PUBLIC BENEFITS

- If including a residential component, clearly identify the proposed affordability mix suggested for the Project. SOQs need to identify the unit mix (e.g., the number of units by bedroom count and by income level) for affordable units. See VTA's Affordable Housing Policy (**Appendix 7**).
 - VTA requires that a minimum of ten percent (10%) of the housing units be affordable to households at 60% AMI or lower, and at least ten percent (10%) of the housing units must be available to very-low or extremely-low income households (50% AMI or lower).
- Describe the Respondent's track record in providing community workforce opportunities, as well as workforce re-entry programs and/or workforce apprenticeship opportunities that create access to construction careers. Provide information on the Respondent's track record in coordinating any of its community workforce programs with local Building Trades Councils.

4. DEMONSTRATION OF FINANCIAL CAPACITY

- Provide a statement describing the Respondent's experience and track record in securing funding for mixed-use projects.
- Provide portfolios of similar projects that are now complete and stabilized, including projects with similar financing requirements that were completed within the past three years to illustrate Respondent's ability to obtain equity and debt financing for the Project.
- Describe the proposed approach to obtaining financing for the Project, including any preliminary lender feedback or interest in projects of this type.

5. REPRESENTATIONS

In their SOQs, Respondents must identify all of the following, as applicable, if any of them occurred within five years of the submission of the SOQ or RFP: defaults, any judgments, court orders, pending litigation, contractual disputes, violation notices, or other matters reflecting a violation of applicable regulations related to the operations or projects undertaken by the Developer entity or any of its individual members or affiliates exercising direct or indirect control over the development entity, including all key persons on the Respondent team.

Respondents must certify the completeness of the information provided in their SOQ submittal. The omission of information that VTA deems material (determined in its sole discretion) will result in the submittal being deemed non-responsive. VTA will determine, in VTA's sole discretion, whether to further review or evaluate SOQs that it deems non-responsive.

APPENDIX, PAGE 1

NOTE REGARDING THE PUBLIC RECORDS ACT

The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the SOQ material submitted may be made available to the public.

DISQUALIFICATION

To be considered for this Project, the Respondent and any firms identified as team members must have all necessary licenses, registration, and credentials required for the services they will perform, and cannot be deemed ineligible to bid on, work on, or be awarded a public works project pursuant to § 1777.1 or 1777.7 of the Labor Code.

VTA, in its sole discretion, may disqualify a Respondent or proposal if it becomes aware, or has credible evidence, of any of the following:

- Contact regarding this RFQ between Respondent or any agent of Respondent with any VTA official, Board Member, or employee, outside of a properly noticed VTA public meeting, except for those contacts listed on Page 2 (as it may be updated by the VTA) from the time of issuance of this RFQ until the VTA Board approves selection of a Developer for ENA negotiations.
- Collusion, either directly or indirectly, amongst Respondents with regard to any key terms of this RFQ.
- Attempting to influence any VTA official or employee throughout the RFQ process with regard to development specifications, evaluation process or final selection.
- Offering gifts or souvenirs, even of minimal value, to any VTA official or employee.
- Omissions, misrepresentations, or false information that may impact VTA's accurate and fair evaluation of the proposals.
- Criminal conduct by Respondent or any member of Respondent's team.
- The SOQs failure to meet the conditions of any mandatory proposal submission requirements set forth in this RFQ.
- Respondent's or a member of Respondent's team's inability to complete or perform the work described in the proposal.
- Respondent or a member of Respondent's team's litigation or pending litigation with VTA.
- Financial insolvency of Respondent or any member of Respondent's team.
- The default of Respondent or of any member of Respondent's team under any agreement with VTA.

Furthermore, a Respondent's failure to provide complete and/or accurate information in response to this RFQ may disqualify the Respondent from further participation in this selection process, as determined in VTA's sole discretion. A response may be corrected, modified, or withdrawn, provided that a written request by Respondent is received by the VTA contacts (listed above) prior to the deadline (date and time) designated in the RFQ for receipt of the SOQs.

APPENDIX, PAGE 2

NO WARRANTY

Respondents are required to examine this RFQ, including all appendices and all public records relating to the Project carefully. Failure to do so will be at the Respondent's own risk. It is assumed that the Respondent has made full investigation so as to be fully informed of the extent and character of the services requested, the requirements of this RFQ and any laws or regulations that may affect its ability to carry out the Project. No warranty is made or implied as to the accuracy or completeness of any of the information, descriptions, opinions or legal references contained in this RFQ (or otherwise provided by VTA staff) and Respondents are required to do their own due diligence as to all matters discussed herein and in their proposals.

EXPENSES AND USE OF SUBMITTALS

All expenses involved with preparation and submission of responses to this RFQ, including costs for attending any associated oral presentation, interview, or other pre-award activities, will be borne by the Respondent. All submittals and associated materials become and will remain the sole property of VTA.

RIGHTS OF VTA

This RFQ does not commit VTA to enter into an ENA, nor does it obligate VTA to make payment to any Respondent. Costs incurred in preparation and submission of proposals, review of the site and associated due diligence, or in negotiating a JDA and ground lease will be solely borne by the Respondent.

VTA may investigate the qualifications of any Respondent under consideration, require confirmation of information furnished by the Respondent, and require additional evidence or qualifications to perform the services, provide financial assurances, or meet any other condition or requirement described in this RFQ, in each instance in VTA's sole discretion.

VTA reserves the right, in its sole discretion, to:

- Reject any or all submittals or to advertise for new submittals if the best interests of VTA and/or the public will be promoted thereby.
- Modify the RFQ process (with appropriate notice to Respondents).
- Issue subsequent Requests for Qualifications.
- Postpone proposal opening for its own convenience.
- Remedy technical errors in the RFQ/RFP process.
- Approve or disapprove the use of particular partners/subcontractors.
- Solicit best and final offers from all or some of the Respondent(s).
- Waive weaknesses, informalities and minor irregularities in proposals, permit corrections, and seek and receive clarifications to a submittal or proposal.
- Conduct interviews at its discretion.
- Hold meetings, conduct discussions, and communicate with one or more of the Respondent(s) responding to this RFQ to seek an improved understanding and evaluation of submittals and/or proposals.

APPENDIX, PAGE 3

RIGHTS OF VTA, CONTINUED

- Accept other than the most qualified SOQ.
- Negotiate with any, all or none of the Respondent(s).
- Terminate negotiations with the Respondent, at any time and in VTA's sole discretion, prior to VTA's entry into the ENA.

VTA's waiver of minor irregularities will in no way modify this RFQ or excuse the Respondent from full compliance with requirements if the Respondent is selected for negotiation. VTA will have full and sole discretion to determine the criteria and process of evaluation for this RFQ, which (if any) Respondent will be selected for negotiation of a JDA and ground lease, or whether or not a JDA and ground lease will ever be awarded as a result of this RFQ and any RFP.

All information, including plans, specifications, and photos, submitted to VTA by each Respondent, whether or not selected, in response to this RFQ will automatically become the property of VTA and may be used without restriction or liability by VTA.

LOCAL AND FEDERAL REQUIREMENTS

It is the Developer's responsibility to be aware of all applicable ordinances and fees.

City of San Jose: The Project must comply with all City of San Jose ordinances and pay all applicable developer impact fees.

Federal Transit Administration: As a result of the federal interest in this Property, federal laws, regulations, policies, and related administrative procedures apply to the JDA and the Project. More information about FTA requirements can be found here in **Appendix 11**.

VTA Joint Development Program: VTA has adopted a policy framework that provides guidance for its joint development efforts. This framework consists of the Joint Development Policy, which establishes clear goals for the program. VTA's Affordable Housing Policy is a component of the Joint Development Policy.

Labor Code Requirements: The Developer will be responsible for understanding and complying with Labor Code requirements including prevailing wage requirements and the requirement for contractors to register with the Department of Industrial Relations. Information about provisions that will be included in the JDA and that must flow down to Developer's contractors and subcontractors for construction of all improvements needed to complete the Project can be found here in **Appendix 12**.

VTA Community Workforce Policy: VTA has adopted a Community Workforce Agreement Policy, which can be found here in **Appendix 13**. During the RFP phase, each Respondent will be asked to identify a specific, quantified commitment for the creation of apprenticeship opportunities for underrepresented workers as described in the policy, and describe how the implementation of those opportunities will assist participants in attaining journeyman status (e.g., through a PLA or other arrangement with the local Building Trades Council). The number and amount of apprenticeship opportunities and their potential to lead to careers in the construction industry will be a factor in evaluation responses and selection of a Developer for exclusive negotiations.

APPENDIX FILES

<u>APPENDIX 1.</u>	Proposal Forms
<u>APPENDIX 2.</u>	Title Report & Execeptions Map; APN Map
<u>APPENDIX 3.</u>	Curtner Base Map
<u>APPENDIX 4.</u>	Curtner Phase I ESA
<u>APPENDIX 5.</u>	Preliminary Placeworks Concepts
<u>APPENDIX 6.</u>	VTA Joint Development Policy
<u>APPENDIX 7.</u>	VTA Affordable Housing Policy
<u>APPENDIX 8.</u>	Sample CSJ Approved Signature Projects
<u>APPENDIX 9.</u>	January 2018 Community Meeting Day After Report
<u>APPENDIX 10.</u>	Federal Requirements
<u>APPENDIX 11.</u>	FTA Joint Development Circular & Project Request Form
<u>APPENDIX 12.</u>	Labor Code Provisions
<u>APPENDIX 13.</u>	VTA Community Workforce Agreement Policy
<u>APPENDIX 14.</u>	Counywide Bicycle Plan
<u>APPENDIX 15.</u>	VTA Techincal Bicycle Guidelines
<u>APPENDIX 16.</u>	Pedestrian Access to Transit Plan
<u>APPENDIX 17.</u>	RELM Studio Urban Design Analysis
<u>APPENDIX 18.</u>	VTA Green Building & Sustainable Landscape Policies
<u>APPENDIX 19.</u>	Insurance Requirements

