

**CITY OF CORNING
REQUEST FOR PROPOSALS (RFP)
FOR WATER AND SEWER EXTENSION DEVELOPMENT REIMBURSEMENT
AGREEMENT IN CORNING, CA**

MARCH 2023

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INTRODUCTION

The City of CORNING (“City”) is pleased to announce an opportunity whereby the City will reimburse the cost of extending water and sewer services to the west side of Interstate 5 in Corning, CA to the developer with the best proposal “Project” based on the evaluation criteria. The City seeks experienced commercial development teams meeting the qualifications described in this RFP that have demonstrated their ability to design and build quality commercial projects in California to submit a proposal.

The City seeks proposals that demonstrate an understanding of the Corning community and regional community commercial needs that would provide a high quality commercial development on the west side of Interstate 5 in Corning, CA at South Avenue or Corning Road. Proposals must comply with zoning requirements, the [Corning Business Development Zone](#) and [Highway 99W Corridor Specific Plan \(Plan\)](#). It shall be clear that the City is not offering, nor does it own, any property as part of this Requests for Proposals.

The City anticipates that the RFP process will take approximately three months, after which time staff will recommend a developer(s) (the “Developer”) to the City Council for negotiation of the appropriate development reimbursement agreement. While the dates and schedule stated in this RFP represents the City’s preferred timetable, it shall not be considered binding upon the City. In addition, the submission of a proposal in response to this RFP shall not be binding upon the City nor construed as a contract with or commitment by the City.

BACKGROUND

Community

The City of Corning is a residential community located in southern Tehama County in Northern California. Approximately 3.6 square miles in size, the City is located on the Interstate 5 corridor, and is 22 miles northwest of Chico and 45 miles south of Redding. The Sacramento River and State Highway 99 run north to south just east of town. The City of Corning was incorporated in 1907 as a general law city. The City is governed by a five-member City Council and is administered by a City Manager, providing a full array of municipal services. Corning has a total population of 8,244, including 2,497 youth and 725 seniors.

Due to the City’s premier location along the Interstate 5 corridor halfway between Los Angeles, California and Portland, Oregon, it is uniquely poised to be a leader in the commercial market. Unfortunately, commercial development on the west side of Interstate 5 in Corning has been hindered by a lack of water and sewer infrastructure available to provide the needed services for development.

GOALS & OBJECTIVES

The City's primary goal is to encourage development on the west side of Interstate 5 and is offering a development agreement, in accordance with State law, to reimburse the selected developer for the cost associated with extending water and sewer main infrastructure across Interstate 5. The City has identified the following objectives for the Project:

Development Objectives

The City seeks a knowledgeable, financially sound and experienced commercial developer(s) that own(s) land or will own land on the west side of Interstate 5 at Corning Road or South Avenue. Proposed projects shall provide commercial development in compliance with the C-3 Corning Business Development Zone zoning designation, provide a sales tax benefit to the City, provide a service to the community that is currently not available, and be an aesthetically pleasing addition to the City. Proposed projects shall materially increase the amount of money spent in Corning by travelers on Interstate 5 and the local community.

High-Quality Development

Development of the Project Site must include high quality design, materials, and construction techniques. The architectural character must meet community expectations both physically and aesthetically. The Project must comply with the standards of architecture, materials, and construction defined in the Plan. Applicants are encouraged to consult with the City of Corning Planning Department with questions relating to the development standards.

Sustainable & Energy Efficient

In addition to high-quality development, the City expects that the Projects will achieve sustainability and energy efficiency goals that meet the minimum requirements of the California State Green Building Code.

Aesthetics

The Project should be attractive and compatible with the character of the City Corning, both aesthetically and functionally, and consistent with land use and zoning requirements. The Project shall follow the Highway 99W Specific Plan Design Guidelines. Other priorities include:

1. Minimize the visual impact of parking lots through screening with vegetation or walls.
2. Create an atmosphere where travelers and the Corning community want to spend money and time.

Compressed Timeline

The City seeks to have the Project Sites developed as soon as is practicable. Therefore, proposals will be evaluated on the practicality of timeliness and the Developer's demonstrated adherence to time schedules, as well as its ability to obtain all necessary plan approvals, financing and construction commitments so that construction may commence as soon as possible.

Eligible Applicants

Eligible proposers under this RFP may include one entity or a team of several entities, including any of the following: for-profit developer, non-profit developers, and joint ventures. Applicants

that include several entities must include a lead entity which has demonstrated experience and capacity in the development and management of large commercial development projects and must have successfully completed commercial development projects of similar size and complexity as the proposed project(s), within Tehama County (preferred), or another county in Northern California within the past fifteen years to be eligible to submit a proposal.

Labor and Contract Requirements (Prevailing Wage)

The Project is subject to prevailing wage requirements that will be monitored and enforced by the City. The prime contractor is responsible for compliance of all subcontractors, including lower tier subcontractors. Prevailing Wage requirements are located on the State of California's website at: http://www.dir.ca.gov/OPRL/statistics_and_databases.html.

Non-Discrimination in Contracts

All approved Projects are subject to the non-discrimination requirements of the California Health and Safety Code Section 33436, et seq., requiring that nondiscrimination and non-segregation clauses be included in all deeds and contracts relating to the subject development or property transactions.

SITE INFORMATION

Development Standards – Highway 99 W Corridor Specific Plan

The Highway 99W Corridor Specific Plan is the current controlling document prescribing development requirements for parcels on the west side of Interstate 5 within the city limits of Corning. Proposers are encouraged to review the Highway 99 W Corridor Specific Plan Design Guidelines and consult with City Planning staff with any questions about these requirements.

Site Condition/Environmental Conditions

Environmental review of the proposed development for compliance with the California Environmental Quality Act (CEQA) must be completed by the Developer. Proposers who have already completed CEQA for the Project will be given preference.

Entitlements

The Developer(s) will be responsible for obtaining all necessary entitlements. The City will assist with the process to the maximum extent possible, recognizing that ultimate decision-making will be with the City Planning Commission and City Council.

Easements

The Developer(s) will be responsible for obtaining all necessary easements and dedicating all easements to the City of Corning.

Value of Easement/Appraisal

A new appraisal shall be obtained to reflect current land values for all easements. The City cannot reimburse for the value of the easement beyond the appraised value.

Legal Matters

All legal rights and obligations between the Developer(s), if any, and the City will come into existence only when a Development Reimbursement Agreement is fully executed by the parties and then approved by the City Council. Each respondent to this RFP agrees that the preparation of all materials for submittal to the City and all presentations are at the respondent's sole cost and expense, and the City shall not, under any circumstances, be responsible for any costs or expenses incurred by a respondent. In addition, each respondent agrees that all documentation and materials submitted with a proposal shall remain the property of the City.

SUBMISSIONS

Submittal Deadline

In order to receive consideration, Proposals must be received by the City no later than 5:00 p.m., Pacific Standard Time on April 30, 2023, at the address listed below.

Submittal Requirements

Two printed copies and a flash drive containing an electronic copy of the proposal, including any supporting materials, double-sided and each copy bound separately, with one cover letter with an original signature from a principal or executive director of proposer must be submitted; these items will not be returned. If proposer consists of a team of several entities, an authorized representative of each entity shall sign the cover letter.

Proposals that are not received at the designated address by the specified deadline will not be accepted. The proposal submittal shall reference "Water and Sewer Extension Development Reimbursement Agreement RFP" and the name and address of the submitting organization(s). The City will not provide any pre-selection information concerning the status of Proposals other than the acknowledgment that they were received.

Submissions shall include the following:

1. **Statement of Interest:** Provide a statement of proposer's interest in development of the project; highlights of the proposer's qualifications; proposer's understanding of the objectives of the RFP; and a brief description of project team.
2. **Applicant Qualifications:** Provide an organizational chart describing the entities and key personnel on the proposer's team; resumes for lead personnel, and a brief description of similar projects completed by the team in the past fifteen years.
3. **Development Project Experience:** Provide up to five (5) examples that demonstrate successful commercial development projects. Please include the following information for each past project example:
 - a) location and photographs;
 - b) Identify the type of commercial development, square feet of all structures, current tenants, and vacancy rate;

- c) Present the total development cost; identify the amount of debt and the amount of equity used to finance project, and economic return(s) achieved;
 - d) Identify the key development team members. If any team members are different from the team being proposed for this project, provide an explanation of why the new team member(s) were selected; and
 - e) Identify any community uses incorporated into the project, or other benefits to the community at large, which were part of or resulted from the project.
- 4. **Project Description:** Provide a narrative description of the general development concept proposed for the selected Project Site or Sites, addressing the details noted in the *Project Objective* and *Site Information* Sections of this RFP, along with time schedule, design criteria, revenue projections, reliability, financial capacity, target consumer, financing plan, long-term management, etc. Describe how the proposed concept addresses the objectives listed in this RFP. Renderings or graphic portrayals of the proposed project and/or preliminary site plans may be submitted but are not required.
- 5. **Development Parameters:**
 - a) **Commercial Size and Tenure** – The project may include a range of commercial sizes. Proposals shall explain the basis for the proposed mix of commercial sizes and types in the project and its relationship to the target consumer described in the proposal.
 - b) **Known or Target Tenant Population** – Proposals shall describe the known and target tenant population for the project.
- 6. **Financial Capacity**
Proposals will be evaluated on the quality of the proposal, reliability, financial capacity, integrity and the desirability of the public benefits of the proposed development.
 - a) **Assumptions:** The following assumptions should be used when preparing the financial pro forma, unless alternative funding sources are subject to different and more restrictive terms.
 - Construction estimates: Use state prevailing wage requirements and local wage and/or hiring requirements for costs to extend water and sewer infrastructure to the westside of Interstate 5.
 - Contingencies: Use at least 15% for hard construction costs and 5% for soft costs
 - Operating cash flow projections: Use California Tax Credit Allocation Committee (TCAC) standards
 - Leverage: It is anticipated that the selected developer will obtain all financing for development of the project from non-City sources. The only cost proposed to reimburse is through a development reimbursement agreement for extending water and sewer infrastructure to the west side of Interstate 5. Proposals with higher leverage ratios than other proposals will be evaluated favorably.
 - Federal requirements: If the proposed financing plan includes any federal

funding sources include costs and time for compliance with all applicable federal requirements (Section 3, Davis Bacon, URA, NEPA, etc.) in project pro forma and timeline.

b) Financial Capacity (Pro Forma): Under separate cover, proposers shall submit a pro forma analysis completed by an independent third party, identifying anticipated construction costs, revenue generation, operating income, operating expenditures, capitalization rates, and other relevant information. The pro forma shall also identify sales tax generation and other revenue for the City of Corning as a result of the development for a period of five years. The pro forma will be treated and reviewed confidentially and will not become a part of the public record.

7. Estimated Project Schedule (Milestones): Proposers shall provide a detailed project development schedule through completion that contains time and performance benchmarks. Include all phases of the project, including acquisition, entitlements, design, construction, and marketing.

Public Records

Pursuant to the California Public Records Act, unless otherwise noted, all documents submitted in response to this RFP will be considered public records and will be made available to the public upon request. Please do not submit any information to the City that you wish to keep confidential.

PROPOSAL EVALUATION AND SELECTION

The Corning City Council has ultimate responsibility for determining the responsiveness of the proposals and selecting the preferred Proposer(s), with the assistance of City staff and consultants, as needed. There is no guarantee that the City will select any of the respondents to develop the Project and any Proposals shall be submitted at the proposer’s sole risk and cost.

Evaluation Criteria

Staff will evaluate proposals received by the submittal deadline based on the qualifications of the proposer(s)/applicant(s), how well the proposed project concept(s) addresses the goals and objectives of this RFP, the Highway 99W Corridor Specific Plan, the zoning ordinance, and other land use and/or policy documents. The staff committee will award points based on the Scoring provided below. The scores issued by the staff scoring committee shall be advisory to the City Manager, serving as an evaluation tool in the selection process, but shall not limit the City’s discretion in final selection of a developer(s), and may not be appealed by the proposers or any other party for any reason.

Proposer Qualifications and Experience.....	15 points
Meets Goals and Objectives of RFP	10 points
Overall Design Criteria, Positive Attributes to the Community and Traveling Public.....	15 points
Developer’s Reliability, Integrity, and Financial Capacity.....	15 points
Time Schedule and Project Readiness.....	20 points
Revenue Benefit to the City.....	25 points

Selection and Negotiation Process

A staff evaluation committee established by the City Manager for this purpose will review proposals for completeness and to verify that both the applicant(s) and the proposed project(s) respond to the requirements of this RFP. Proposals determined to be non-responsive will not be considered or evaluated. Any proposals deemed ineligible or non-responsive may appeal to the City Manager for reconsideration at the City Manager's sole discretion. The City is the sole and final decision-maker regarding this selection, and it reserves the right to reject any or all submittals or proposals.

Following Council approval of the selected Proposal, the selected developer(s) will be authorized to negotiate a development reimbursement agreement with City staff to reimburse the developer for extending water and sewer services to the west side of Interstate 5. The City Council must approve the Development Reimbursement Agreement.

Limitations/Disclosures

The City, will select a preferred developer(s) based on the responses to the RFP. If negotiations with the preferred developer do not proceed in a timely or satisfactory manner, an alternative developer may be selected or the City may reissue the RFP.

Selection of the development team and negotiating a Development Reimbursement Agreement in no way obligates the City to enter into a Development Reimbursement Agreement with the preferred developer. The Development Reimbursement Agreements must be approved by City Council.

The final selection will be made solely by the City of Corning. The City of Corning reserves the right to request additional information from applicants, reject any and all submittals, waive any irregularities in the submittal requirements, or cancel, suspend or amend the provisions of this RFP at any time.

Deadline to Submit:

5:00 P.M. on April 30, 2023

Proposals received after this time will not be considered.

Proposals must be delivered in person or by mail or other delivery service to:

**City of Corning
Attn: Lisa Linnet, City Clerk
794 Third Street
Corning, CA 96021**

CITY CONTACTS AND RESOURCES

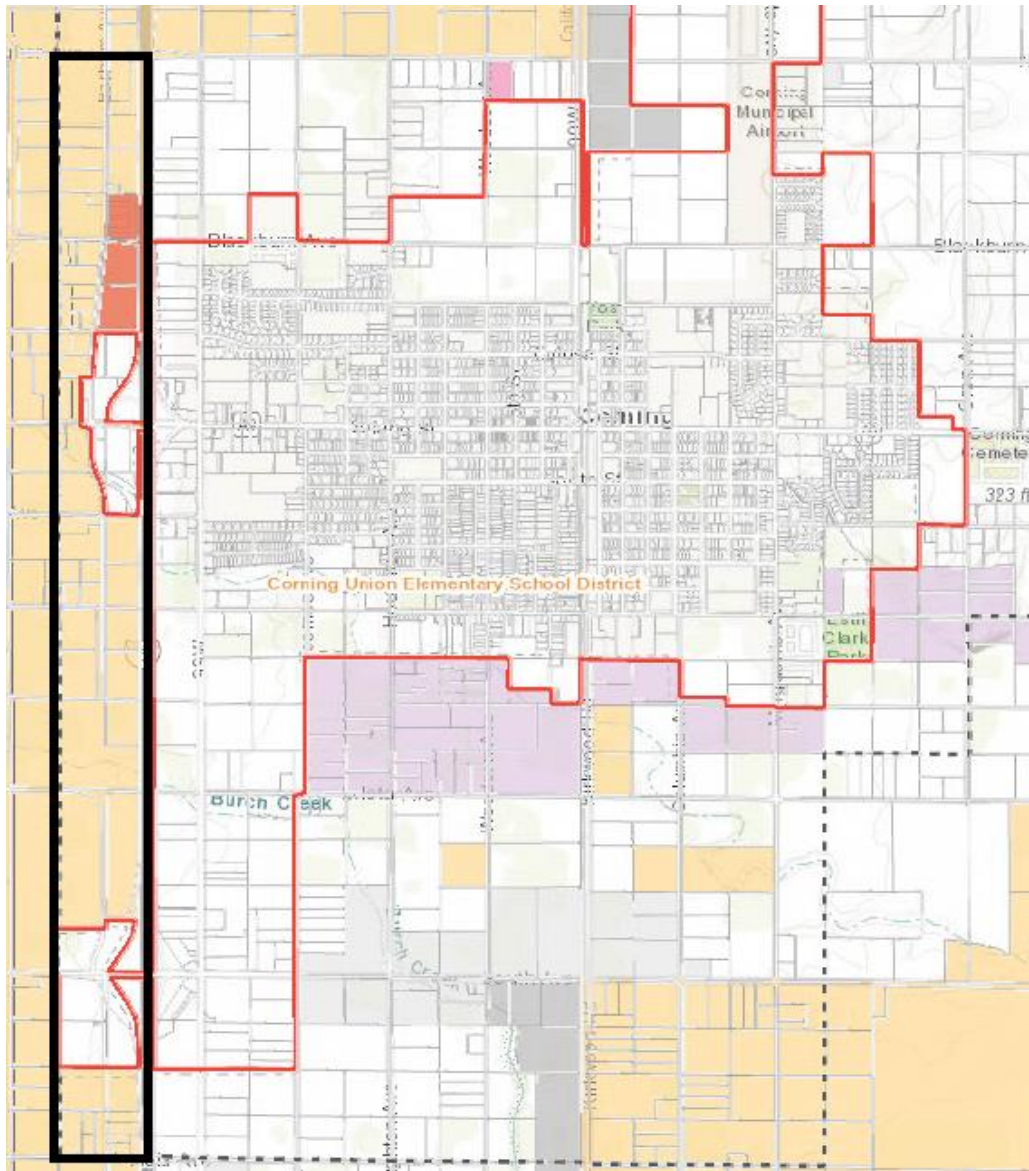
All questions regarding the RFP must be addressed in writing to Lisa Linnet, City Clerk by April 7, 2023 with a subject " Water and Sewer Extension Development Reimbursement Agreement RFP " should appear on all correspondence.

Lisa Linnet: llinnet@corning.org

EXHIBITS:

Exhibit A: Potential Site Locations

EXHIBIT A: POTENTIAL SITE LOCATIONS



KEY:  Potential Site Locations