

REQUEST FOR PROPOSALS

FOR

**REDEVELOPMENT OF LEASE SITE 96/96W
(GENERALLY KNOWN AS THE WHALE'S TAIL RESTAURANT)
LOCATED AT 945 EMBARCADERO IN MORRO BAY**

ISSUED BY THE CITY OF MORRO BAY HARBOR DEPARTMENT

MAY 22, 2009

RESPONSES REQUIRED BY 4:00 PM JULY 21, 2009

**The City of Morro Bay
ATTN: Harbor Director
595 Harbor Street
Morro Bay CA 93442**

BACKGROUND AND CURRENT CONTEXT:

The City of Morro Bay (hereinafter "City") manages the properties and tidal/submerged lands on the west side of the central Embarcadero area through a state legislative grant of tidelands. Lease Sites 96/96W (hereinafter "Site"), located at 945 Embarcadero in Morro Bay, California, are comprised of 2066 square feet of land area (Lease Site 96) and 2000 square feet of water area (Lease Site 96W) with approximately 40 feet of bay frontage. The parcels are described in more detail in the attached Lease Site Map. The existing tenant operates the Whale's Tail Restaurant under a long-term ground lease that will expire on January 31, 2010. The City desires to solicit proposals from interested parties to ensure maximization of public benefit from a new long-term lease agreement for the Site.

For additional background information on the tidelands leases and the City's leasing policies, interested parties are encouraged to review the City's "[Lease Site Management Policy](#)" and the City's "[Draft Master Lease Agreement](#)" at the Harbor Department's [Administration and Leases](#) web page: <http://www.morro-bay.ca.us/harboradmin>.

CITY OBJECTIVES:

The building on Lease Site 96/96W was originally built for abalone processing and seafood product unloading and later converted into food service uses. The Whale's Tail Restaurant is currently a successful small-scale restaurant; however, the physical plant is past its useful life and the current configuration of the kitchen/dining room areas do not capitalize on the advantages of the Site. The City seeks proposals that are similar in scale to the existing building but that will bring the physical building improvements into compliance with modern building and county health codes while maximizing the efficient use of the Site and therefore improving business performance. In accordance with the terms of the existing lease, any new long-term lease for the Site would take effect on or after February 1, 2010.

PROPOSAL PROCESS:

Interested parties are required to submit to the City, **no later than 4 pm, Tuesday, July 21, 2009**, conceptual level drawings and related materials. (See "Submitting a Proposal" section below.) Send submissions to:

City of Morro Bay
Attention: Harbor Director
595 Harbor Street
Morro Bay, CA 93442

All proposals become the property of the City of Morro Bay and will not be returned. Submittals will be initially screened to insure that they meet the requirements of this Request for Proposals (hereinafter "RFP"). The City will convene a Selection Panel (hereinafter "Panel") and the Panel will hold a one-day interview process for qualified proposers, tentatively set for Thursday August 20, 2009. At that time, each qualified proposing party will be offered a one-hour interview with the Panel. Shortly after the interviews, the Panel will make its recommendation to the City Council for the most qualified bidder/proposer, as outlined in the "Selection Procedure and Deposit Handling" section below.

ANY AND ALL DESIGN, ENGINEERING, OR PLAN SUBMITTAL COSTS FOR THE PROPOSAL WILL BE THE SOLE RESPONSIBILITY OF THE PROPOSING PARTY. THE CITY SHALL INCUR NO COSTS OR LIABILITY FOR ANY COSTS SHOULD THE PROPOSING PARTY PROVE UNABLE TO COMPLETE THE PROJECT APPROVAL AND/OR PERMITTING PROCESSES.

After the Panel makes its recommendation to the City Council, the City Council will select a primary proposing party and that party will be authorized to begin the planning and land use permitting process with the City. When the proposing party obtains Minor Use Permit (hereinafter "MUP") or Concept level approval of a Conditional Use Permit (hereinafter "CUP") from the City Planning Commission/City Council, City staff will at that time have authority to negotiate a long-term lease or development agreement with the proposing party for the Site. That lease, once negotiated, will be recommended to the City Council for execution. The new lease will take effect in 2010. Private investment in improvements on the Site is expected to be in the range of \$500,000 to \$1 million and it is anticipated that the City will consider a 30-year term lease for such investment.

Any long-term lease shall include the requirement that the tenant, at the tenant's sole cost and expense, finalize plans, permits, and construct improvements as outlined in the approved MUP or CUP within three years of the commencement date of the lease.

ELEMENTS OF SUBMITTALS:

- 1) The proposal must include a written narrative describing the redevelopment proposal for the Site, the proposing party's experience in developing or completing projects of a similar nature, and a statement of proof of financial capability to plan and construct such a development. The latter may be in the form of a bank's or financing institution's letter of reference. The City will independently investigate the financial background of proposing parties, as agreed to in the required Acknowledgment Form signed by the proposing party.
- 2) Each proposing party must submit four complete copies of concept level site plans (including proposed uses in floor plans and elevations of the proposals). They must incorporate modern design criteria into their proposal such as 8 foot sidewalks, lateral access, etc. Proposing parties must investigate and comply with the City's waterfront design criteria and all current planning conditions and zoning standards. Proposals should be prepared simply and economically, providing a straightforward, concise description to satisfy the requirements of the request. Special bindings, colored displays, promotional materials, etc. are not desired. Emphasis should be on completeness and clarity of content. Use of recycled paper for requests and any printed or photocopied material is desirable whenever practicable. Use of both sides of paper sheets for any submittals to the City is desirable whenever practicable. For information on City of Morro Bay planning and zoning requirements, please contact:

City of Morro Bay, Public Services Department
ATTN: Kathleen Wold
955 Shasta Avenue
Morro Bay, CA 93442

- 3) The City of Morro Bay supports low impact development (LID) and green building techniques and strongly encourages proposers to consider these issues in their proposals. Information on the City's LID and green build policies is available at the City web site: <http://www.morro-bay.ca.us/greenbuilding> or by contacting Christine Rogers, Housing Programs Coordinator, LEED AP, Public Services Department.

- 4) The City's paramount goal is to improve the Site for the long-term future and enhance the Embarcadero business environment, thereby increasing rents and tax income to the City. **The minimum rent for the Site is set at \$24,000 per year or 5% of all gross sales, whichever is higher.** The City encourages interested parties to propose redevelopment projects very close to the existing footprint of the improvements on the Site and similar in scale for expediting the planning and land use approval process, but the selection panel will consider larger proposals such as concepts that include a second story. Proposers may also consider proposing off-site public benefits such as sidewalk improvements/treatments in the adjacent park area to the north.
- 5) Proposing parties are not required but are encouraged to propose boat slips or other boating facilities on the water parcel.
- 6) Each proposing party must review the City's "[Lease Site Management Policy](#)" and the City's "[Draft Master Lease Agreement](#)", and must sign and return the attached Acknowledgment Form with their proposal.
- 7) Each proposing party must provide a cashier's check or bank counter draft in the amount of \$5,000 as a deposit (hereinafter "Deposit") and an indication of good faith interest in the Site. The City will return the Deposit to any proposing party deemed not qualified and therefore not considered in the City's review process. For information on the handling of Deposits and the review process, see Selection Procedure section below.

SUBMITTING A PROPOSAL:

In order to be considered, proposing parties must submit:

- a written narrative outlining their plans, financial capability and experience;
- a minimum of four (4) complete copies of floor plans and elevations of their plans for redevelopment of the Site;
- an Acknowledgement Form signed by all parties in interest; and
- the Deposit of \$5,000.

In order to be considered, each proposal must contain all of the elements specified in the "Elements of Submittals" section. All proposal parts must be received by:

**CITY OF MORRO BAY
ATTN: HARBOR DIRECTOR
595 HARBOR ST
MORRO BAY CA 93442**

THE DEADLINE FOR ALL SUBMITTALS IS 4:00 PM ON TUESDAY, JULY 21, 2009.

SELECTION PROCEDURE AND DEPOSIT HANDLING:

The City will convene the Panel prior to September 30, 2009 to review qualified proposals. A tentative date for interviewing qualified proposers is set for Thursday, August 20, 2009, but qualified proposers will receive written confirmation after the closing date of this RFP. The Panel will be asked to evaluate proposals on the basis of maximization of public benefit in the proposed project and the proposing party's potential to bring the project to completion and successfully operate on the lease sites based on financial capability and experience.

After interviewing the qualified proposing parties, the Panel will recommend a primary and a secondary proposal for City Council. Upon selection by the City Council, the primary proposing party will be given 6 months to complete plans and permits for an MUP; if a CUP is required, the party will be given a longer period of time. If the primary proposal does not meet the specified milestones as outlined, the secondary proposal may ascend to primary consideration.

Deposits from proposing parties reviewed by the Panel will be held in trust during the proposal review period. After City Council selection, the City will refund Deposits from any parties not in primary or secondary position. A proposer in secondary position may withdraw and, upon written request, the City will refund the Deposit at that time. During the plan review period, the City will hold in trust the Deposits from the proposing parties under primary and secondary consideration. If the primary or secondary proposing parties fail to complete MUP or concept plan approval within the specified time, the City will retain the Deposit as a processing fee. Once lease negotiations are completed for the Site, any outstanding Deposits will be refunded.

The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.

The City reserves the right to request clarification of information submitted and to request additional information from any proposer.

INFORMATION and SITE VISIT:

There will be one Site visit open to all interested parties on Tuesday, June 30, 2009 at 9:00 a.m. at the Whale's Tail Restaurant, 945 Embarcadero, Morro Bay. At the end of the site visit, City Staff will address questions from interested parties.

For information on this RFP, please contact in writing:

Rick Algert, Harbor Director
City of Morro Bay
1275 Embarcadero
Morro Bay CA 93442

ATTACHMENTS:

1. Acknowledgement Form
The Acknowledgement Form must be signed and returned with the proposal.
A \$5,000 Deposit check or bank draft, payable to "City of Morro Bay", must be included.
2. Lease Site Map

ATTACHMENT 1

ACKNOWLEDGEMENT FORM REQUEST FOR PROPOSALS REDEVELOPMENT of LEASE SITE 96/96W

1. Any new lease with the City must be in the City's approved "[Draft Master Lease Agreement](#)" format and should comply with the City's "[Lease Site Management Policy](#)". These documents are available on the Harbor Department's [Administration and Leases](#) web page: <http://www.morro-bay.ca.us/harboradmin>.

I have reviewed the City's "[Draft Master Lease Agreement](#)" format and "[Lease Site Management Policy](#)" and agree that the basic format is acceptable for any future lease negotiations.

2. I agree that the City of Morro Bay may take all steps to investigate any financial information I provide in response to the Request for Proposals dated May 22, 2009 issued by the City. The City has my permission to investigate such information however it deems appropriate.
3. I have reviewed all of the information in the Request for Proposals dated May 22, 2009 issued by the City and agree to all of the terms and conditions outlined therein.
4. Enclosed is a cashier's check or bank counter draft in the amount of \$5,000 made out to "City of Morro Bay" as a Deposit and an indication of good faith interest for consideration in the Request for Proposals dated May 22, 2009 issued by the City.
5. I agree that this Deposit will be handled as outlined in the RFP and that the Deposit may be retained by the City as a processing fee under certain conditions.
6. The parties signing below are all of the parties in interest in our proposal to the City in response to the Request for Proposals dated May 22, 2009.

Print Name(s): _____

Mailing Address: _____

Contact Phone #s: _____
Office Cell

Signature(s): _____

ATTACHMENT 2

Lease Site 96/96W Parcel Map

