



CITY OF NOVATO
CALIFORNIA

REQUEST FOR PROPOSALS COMMISSARY PARCEL

May 2018



EXECUTIVE SUMMARY

Opportunity Buy or lease a 4.7 acre parcel in the historic Hamilton neighborhood of Novato.

Location 802 State Access Road, Novato, CA, 94949. APN157-970-03.

Preferred Uses Responders may propose any use compatible with the Hamilton neighborhood.

Financial Requirements Fair market value, as evidenced by a preliminary residual land value analysis, and demonstrated financial capacity to complete the proposed redevelopment of the parcel.

Selection Process Proposals will be evaluated based on their satisfaction of stated selection criteria and on community input. Complete proposals received by August 13, 2018 will be given first consideration. Proposals will be welcomed after that date until the property is successfully sold or leased.

Conveyance The City will consider any conveyance, including purchase, ground lease or use agreement.

Initial Deposit Required Refundable earnest money deposit of \$5,000 due at time of proposal submittal.

Additional Payment Required Additional \$25,000 non-refundable fee required for proposals selected for exclusive negotiations.

Pre-Submittal Meeting & Site Tour The City will offer site tours in June and July 2018. A schedule of tour dates will be posted on the City of Novato website. Additional relevant information can be found at: novato.org/hamiltonrfp

Contact The City of Novato, 922 Machin Avenue
Novato, CA 94945, (415) 899-8900
HamiltonCommissaryRFP@novato.org
novato.org/hamiltonrfp



Proposals will be evaluated based on their satisfaction of stated selection criteria and on community input.

OPPORTUNITY

The City of Novato (“City”) is offering 4.7 acres of vacant land in the historic Hamilton Army Airfield for purchase, lease, or use agreement. The parcel on offer, also known as the “Commissary Parcel”, APN157-970-03, is located at 802 State Access Road and provides easy access to Highway 101 and ample nearby retail and recreation opportunities.

The City encourages proposals for any use responders feel complements the Hamilton neighborhood.

Optional Parcel: Responders may also include in their proposals the adjacent parcel also known as “Christmas Tree Hill” (APN157-720-02). This 2.48-acre parcel contains a large rock outcropping, interposed between Highway 101 and the Commissary Parcel. Per the City’s Hillside Ordinance, the outcropping cannot be graded, however, the City is open to creative reuses of the site that will benefit the redeveloped Commissary Parcel and the community at large.

Figure 1: Hamilton Neighborhood Aerial





Figure 4: RFP Areas



CONTEXT

The Commissary Parcel, 802 State Access Road, is in the Hamilton neighborhood in the southern part of the City of Novato, in the County of Marin. The parcel is just north of the Lanham Village neighborhood and south of the New Beginnings/Next Key transitional housing facility. The Commissary Parcel is approximately 4.72 acres and was formerly developed as part of the Hamilton Army Airfield with the base commissary and several shop buildings. These buildings have been demolished and there are currently no structures remaining on the parcel. The Commissary Parcel was transferred to the City of Novato through the Federal Lands to Parks public benefit conveyance program. However, the deed encumbrances related to that transfer have since been removed.

Immediately to the north of the Commissary Parcel is the “HUD Parcel” (APN157-970-07), which, while owned by the City of Novato, is deed restricted for uses that provide support for the homeless. The several dilapidated structures on the site are not contributors to the Hamilton Historic District and will likely be removed when the site is eventually redeveloped.

To the east of the Commissary Parcel is 801 State Access Road (APN 157-970-04), a privately-owned parcel currently under construction for a 48-unit senior (55 and older) multi-family residential community.

The Commissary Parcel is a short walk from:

- The Hamilton Marketplace retail center
- The Marriot Courtyard Novato
- Reservoir Hill Vista Trail, a spur of the San Francisco Bay Trail (views of Hamilton, Hamilton Wetlands and SF Bay)
- The Hamilton Arts Center, which includes Marin Museum of Contemporary Art and artists studios
- The Hamilton Community Center
- The Hamilton Meadow Park K-8 School
- The North Bay Children’s Center

Nearby Public transportation:

- Marin Transit: ~5 min walk (0.3mi) to stops for buses 49,58, 251, 257
- Sonoma-Marín Area Rail Transit (“SMART”): ~10 minute walk (0.7mi) to Novato-Hamilton Stop
- Hamilton Shuttle: ~5 min walk (0.3mi) to two stops
- Marin Airporter Hamilton-Novato stop



ABOUT HAMILTON

Decommissioned and vacated in 1975, the former Hamilton Army Airfield, sometimes referred to as the Hamilton Air Force Base, has been redeveloped into a lively, mixed-use community with residential, commercial, open space, and civic uses and continues to be an important historical and community asset of Novato and Marin County.

In 1998, the Novato City Council adopted the Hamilton Field Redevelopment Plan (“Redevelopment Plan”) with the intent of advancing the successful implementation of the Hamilton Army Airfield Reuse Plan (“Reuse Plan”), which provides detailed policy guidance regarding future land uses and the design of new development proposal over a large portion of Hamilton Field.

Since 1998, the City of Novato has made great strides with respect to the Redevelopment Plan and Reuse Plan. Many of the more notable achievements in providing open space and recreation opportunities for Novato residents have taken place on the Hamilton Lands to Parks Parcels (“Hamilton LTP Parcels”). These four parcels, totaling 35 acres, were transferred to the City of Novato in 2001 from the federal government through the Federal Lands to Parks (LTP) program. The LTP program helps communities create new parks and recreation areas by transferring surplus Federal land to state and local governments. To date, the City has invested over \$5 million to redevelop approximately twenty-five acres of that land. New community amenities include a renovated historic amphitheater, pool and cabana; several new ballfields; a community center with arts, dance, and other recreational programming; two new children’s play areas; and other support facilities such as bathrooms, parking lots and utility infrastructure improvements.

Today, the Hamilton neighborhood is a vibrant mixed-use neighborhood containing almost 7,000 households with a median annual income of over \$104,000. The neighborhood provides its residents ample opportunities to live, work and play including prodigious open space, many shopping and cultural opportunities and easy access to Marin and beyond. The Hamilton Meadow Park School, is K-8, and part of the Novato Unified School District known for its academic excellence and innovation.

PROPOSALS

SELECTION CRITERIA:

While the economic benefit to the City will be an important consideration, community benefits and impacts will also be significant factors in the selection process. The winning proposal will be the one that is determined via a robust public process to provide the best combination of economic and community benefits.

Use: Proposals may propose any uses that the responders feel is compatible with the neighborhood and location. Appendix C – Public Workshop Materials contains information collected from the Hamilton Community during two workshops held in the Hamilton Community Center in March and April 2017, and has been attached to provide proposers with insight into the hopes and aspirations for the site indicated by community members who attended those meetings.

Disposition structure: The City will consider any disposition structure including a land sale, long-term ground lease, or other assignment or use agreement.

SUBMITTAL REQUIREMENTS

A. Transmittal Letter: The transmittal letter must include:

1. Name of submitting organization, or name and relationship of the organizations included in a consortium, if applicable
2. Legal structure and date established, if applicable, of the organization submitting
3. Name, signature, title, address, telephone number, and email address of the person(s) authorized to negotiate on behalf of the submitting company or organization
4. Relationship and role of all team members and organizations included in the proposal, if applicable

B. Conceptual Proposal: Please provide the following and any other relevant information:

1. Narrative: Please describe the types of uses, activities, and programs to take place on the site as well as the impact you expect them to have.
2. Plan: Provide a conceptual layout of the proposed uses and buildings, as well as any other graphics necessary to communicate the proposal.
3. Proposed Business Terms: Describe the key business terms of the proposal, including disposition and remuneration to the City.
4. Proforma analysis of proposal including a residual land value.
5. Public Outreach Plan: Describe how the development team will involve the community in the design and entitlements process if their proposal is selected.
6. A 30" x 42" board with preliminary site plan and summary of proposed uses and areas for display at a public workshop.

C. Qualifications and Experience: Please provide the following and any other information to demonstrate your qualifications and experience:

1. Describe the qualifications of the project principal and other team members to successfully complete the proposed project.
 2. Describe your team members' experience with projects of similar scale and complexity.
- D. Financial Capacity: Please provide the following and any other relevant information to demonstrate the financial capacity to successfully complete the proposed project:
1. Proposed financing strategy to support the concept, including amount and source(s) of all capital (equity, debt, other) and guaranties
 2. Audited financial statements for the previous three years for each of the organizations identified in your transmittal letter

SCHEDULE

RFP Issued: May 15, 2018

Respondent Tours: Beginning in June, 2018

City begins evaluating proposals: August, 2018

Public Workshop to Review Preferred Proposals: September/October, 2018

City Council Selects Team for Exclusive Negotiations: October/November, 2018

SELECTION PROCESS

The City of Novato will conduct the selection process, is the sole and final decision-maker regarding the selection and reserves the right to reject any or all proposals or terminate this process at any time and for any reason. Emphasis will be placed on completeness of the submittal, the proposal's economic and community benefits, and the relevant qualifications and financial capacity of the respondents.

Any financial or proprietary information that respondents wish to remain confidential must be clearly indicated as "confidential" in the proposal. All information not clearly so indicated will be made public as part of the selection process. Concepts and uses proposed by respondents will not be considered confidential or proprietary information, regardless of whether they are marked as such. The City of Novato reserves the right to move forward with any concept proposed by any of the respondents.

1. Site Tours: The City will offer site tours in June and July 2018. A schedule of tour dates will be posted on the City of Novato website (novato.org/hamiltonrfp)
2. Proposals will be reviewed beginning 90 days after the issuance of RFP.
3. Proposals which are deemed to be non-compliant with the submittal requirements will be eliminated from consideration.
4. A public workshop will then be held in the Hamilton neighborhood where interested parties will have the opportunity to view and comment on the remaining proposals.
5. Finally, the City Council will, in open session, consider the proposals and public input received and direct Staff to enter into an Exclusive Right to Negotiate with the preferred selected team.

APPENDIX A: MISCELLANEOUS INFORMATION

Hamilton Master Plan: novato.org/home/showdocument?id=13510

Hamilton Army Airfield Reuse Plan: novato.org/home/showdocument?id=7521

Hamilton Field Design Guidelines: novato.org/home/showdocument?id=4111

ZONING

The Commissary parcel is currently assigned the Community Facilities (CF) land use designation of the 1996 Novato General Plan and is zoned Planned District (PD). The Commissary Parcel is also subject to the Hamilton Reuse Plan, which serves as the Master Plan for approximately 1,250 acres of former Navy-owned land at Hamilton Field. The Reuse Plan identifies the Commissary Triangle as Planning Area 4 (PA 4).

Christmas Tree Hill is currently designated as General Commercial (CG) in the Novato General Plan and zoned Zoning Planned Development (PD) in the Hamilton Master Plan. Christmas Tree Hill is also subject to the Hamilton Reuse Plan, which serves as the Master Plan for approximately 1,250 acres of former Navy-owned land at Hamilton Field. The Reuse Plan identifies the Commissary Triangle as Planning Area 4 (PA 4).

Offers for any use that is consistent with the neighborhood will be considered regardless of current zoning. The proposers may apply for General Plan, zoning, and/or Master Plan amendments as desired.

CONVEYANCE

The Commissary Parcel was conveyed to the City of Novato by the Department of the Interior under a Lands to Parks application. The subject parcel is identified as Parcel A under the Quitclaim Deed from the Department of the Interior. The quitclaim deed for the conveyance to the City was recorded in March 2003 and transferred the property to the city of Novato. A Deed of Release was recorded on the property in March of 2016 which had the effect of removing various restrictions placed on the property as part of its conveyance via the Lands to Parks program.

A Preliminary Title Report for each parcel can be found at novato.org/hamiltonrfp. The report includes a number of items of interest, including:

- a. Access Easement. The Parcel is subject to a roadway easement of 25 feet in width along the eastern edge of the parcel which provides the HUD Parcel access to State Access Road
- b. Water Easement. A perpetual easement for water purposes was granted by the City of Novato (grantor) to North Marin Water District in 20034. The easement extends from the edge of the Next Key property line south through the extreme western edge of the subject parcel. Based on conversation with NMWD, the easement contains a 12-inch water line with adequate capacity to service the site; the line was stubbed to allow for service.

ENVIRONMENTAL RESTRICTIONS

The quitclaim deed for the property includes a number of environmental covenants and restrictions based on a base-wide Environmental Baseline Survey (EBS) prepared in 1994 and updated in 1995 and 1997. Findings of Suitability to Transfer (FOSTs) for the site were executed in March 1999, February 2000, and July 2001. Most relevant of the restrictions are noted below:

- Covenants, Conditions, and Restrictions run with the land.
- All remedial action to protect human health and the environment was taken prior to the date of the deed. Any additional remedial action found to be necessary after the date of the deed shall be conducted by the United States (unless release was caused by the grantee).
- The United States, EPA, DTSC, RWQCB has the right to enter the property to carry out remedial activity on the property OR adjoining property. Right to enter included the right to conduct tests, surveys, drilling including monitoring wells and treatment facilities.
- No Lead Based Paint surveys were conducted but may be needed prior to demolition based upon the notification in the Deed. Asbestos has been found on the property based upon a report provided to the city. The Deed contains a notification that the City must comply with the law in relation to handling or removal.

APPENDIX B: COMMUNITY FEEDBACK

In March and April of 2017, two workshops were held in the Hamilton Community Center to allow interested Novato residents the opportunity to participate in an early visioning process for various City-owned parcels in Hamilton. An online survey was also conducted at this time to gather insights via Open Novato (novato.org/opennovato) for those not able to attend the workshops. Participants in both the survey and the workshops were provided with background information and were asked to provide insight as to their hopes and aspirations for the sites. The input received below is specific to the Commissary Parcel.

HAMILTON FEDERAL LANDS TO PARKS COMMUNITY MEETING MONDAY, MARCH 20, 2017 Q&A AND COMMUNITY FEEDBACK

Questions & Answers

Will we get multiple proposals?

Staff will endeavor to craft any Requests for Proposals to maximize the chances of receiving multiple proposals. However, there is no way to guarantee the number of proposals that will be submitted.

What is the reality for Commissary site?

The Commissary parcel is probably the most viable candidate for economic redevelopment of any of the Hamilton FLP sites and may be desirable for any number of uses, including residential, hotel and possibly retail. An RFP process may reveal other options.

Why the rush? Is 90 days enough time (for developers to hear about the RFP & respond)?

90 days is a typical response time allowed for RFPs such as those contemplated for the Hamilton properties and it allows adequate time for potential proposers to respond.

How will the RFP be distributed?

RFPs will be posted on the City's website as well as other relevant websites (ex: oppsites.com) as well as in local newspapers, distributed to any parties that have expressed interest in the sites to the City, and will be directly marketed to qualified, reputable real estate developers.

Could there be non-profit interest in these sites?

Yes. However, other than affordable housing groups, no non-profits have expressed an active interest in any of the sites.

Was there zoning assigned to these sites as part of the Hamilton FLP Exchange ?

No.

*Can the Hamilton Trust funds be used (to rehabilitate properties)?
How much is in fund?*

The Hamilton Trust is a \$32 million permanent, irrevocable trust whose principal can never be spent, per the trust document. The principal must be invested in qualified investment vehicles in accordance with the City's investment policy and state code. The City is the beneficiary of the Trust, with most of the interest / investment earnings from the trust going to the City's General Fund. The Novato Public Financing Authority (NPFA), a joint powers authority, is the trustee and directs the investments of the trust.

Several times since the Trust was created, the NPFA has chosen to invest a portion of its funds as an interest-bearing loan to the City in order to finance a City project. This occurred in 2004 with the renovation project at the City's Corporation Yard and more recently in 2016/2017 with the financing of the Downtown SMART Station Phase 1. In both instances, the City's General Fund was the repayment source for such financings, which were used as an alternative to publicly issued bonds or privately-placed bank loans.

It is theoretically possible that an additional loan from the Hamilton Trust could be used as part of a financing strategy for the renovation of properties in Hamilton. However, the City must identify a repayment source for such loans. Without an alternative repayment source, the City's General Fund would be obligated to repay the loan from the Trust.

Summary of Community Comments:

- Quality of thought should go into the planning of the parcels
- Greater involvement from the community
- Use the Hamilton Trust funds to help rehabilitate these sites
- Process seems rushed and 90 days doesn't seem like enough time for developers to respond
- This has been the first discussion
- Need more meetings to give feedback and before the RFP is issued
- This process represents one way—not the only or best way to proceed
- Need a vision of what the community wants
- Need to include community stakeholders as a resource to draw upon and more input is needed than is proposed
- Specific uses for each parcel
- Identify 3-6 criteria that the proposals must adhere to
- Design the RFP responses around what the community wants
- Need legal documentation regarding the Hamilton Trust on the website—want to understand what it can be used for—have it available at the 3/28 Council meeting
- Needs to blend architecturally with current Spanish style
- Survey needs to be done before the RFP is issued
- Address the homelessness issue and provide services (on the HUD parcel)
- Commissary parcel—possible parking solution; is it polluted

- Hamilton Trust—how much is in the Trust
- Use funds from the sale of Hamilton properties to put back into rehabilitation of other Hamilton properties
- I like this process
- Need alternate access to SMART station—could Hamilton Trust funds be used
- Put out RFP on commissary & BOQ first
- Thanks for the 93 acres of open space & for bringing this process forward
- Commissary site: boutique shops
- Hamilton Forum offered to host meeting on Hamilton Trust
- Intrigued by open RFP process; extend the process if possible
- Commissary site is most viable parcel; example: Liberty Station in San Diego
- Meetings like these should be recorded
- Need more & regular updates on Hamilton projects
- Tranquility & safety is a priority
- Project (e.g. Theater) should be shared with non-profits
- Non-profit interest in these sites: arts organizations, use of community center, bocce ball
- We have a great city; this dialogue is good
- Need an update on the Hospital

**HAMILTON FEDERAL LANDS TO PARKS COMMUNITY WORKSHOP
SATURDAY, APRIL 22, 2017
COMMUNITY FEEDBACK**

Commissary Site (APN 157-970-03)

- Planned development not “one off” — look at Hamilton community strategically; no housing – already have a lot – few vacant properties in Novato for community use; Visitor Center for Bay Trail (like Muir Woods) — (1 support) *
- Community center
 - » Children (teen center) learning center
 - » Seniors
 - » Adult
- Community garden
- Technology education center (1 support) *
- Safe place to walk, sit w/designated gardens
- Gathering place for community events — farmer’s market, music etc. (1 support) *
- Increase Homeward Bound/transitional housing (1 support) *
- Community garden (allotments)
- Low rise residential (1 support) *
- Mixed use; residential and neighborhood-serving retail
- A church (congregation looking for a new home)
- An equestrian center
- Community garden (allotments?)
- Hi-rise apartments with open space a la Wincup (2 non-support) *
- Rental housing — flats — elevator
- Low-rise, affordable apartments with a community park (1 support) *
- Allow New Beginnings to expand — housing, single story units with community gardens
 - » Spiritual conference center
- Grocery store
- No housing (2 support) *
- Community center/square
- Farmer’s market
- Square with family activities (bocce — similar to Miwok)
 - » With BBQ/grills/brew pub

» Similar to Healdsburg/Sonoma (2 support) *

- Expand Homeward Bound culinary program & transitional housing
- High-density, multi-generational senior and family affordable housing & market-rate apartments (1 non-support, 2 support for senior/family affordable housing) *
- BioScience headquarters or other “clean” industry businesses
 - » For example, BioMarin (no ceiling-height restriction); Comcast, Solar Company; Tesla Solar; more video game tech companies
 - » Why: low impact on traffic; noise while using current infrastructure
 - » P.S. I live near Hangers — quiet all night and on weekends — good, responsive neighbors
 - » Nice, market-rate housing community called “Quarry Hill @ Hamilton”
 - » Or upscale rental housing

* Where indicated — support or non-support of suggestion by an individual

