

**101 HYDE STREET.
REQUEST FOR PROPOSALS
FOR
LEASE OF CITY PROPERTY**

ISSUED: October 28, 2016

DATE FOR TOUR OF PREMISES: Monday November 7, 2016 at 1:00 pm – 2:00 pm

DEADLINE FOR SUBMITTAL: Monday November 21, 2016 at 4:00 pm

at

**REAL ESTATE DIVISION
CITY AND COUNTY OF SAN FRANCISCO
25 VAN NESS AVENUE, SUITE 400
SAN FRANCISCO, CA 94102**

Address Questions to:
Juan Carlos Cancino
Office of Economic and Workforce Development
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
1-415-554-5185
juancarlos.cancino@sfgov.org

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Lease Opportunity of City Property – 101 Hyde St. REQUEST FOR PROPOSALS FOR LEASE

I. Introduction

The Real Estate Division (“RED”) of the City and County of San Francisco (the “City” or “Landlord”), is soliciting proposals on behalf of the City’s Office of Economic Workforce Development (“OEWD”) and the Mayor’s Office of Housing and Community Development (“MOHCD”) regarding the potential lease of space at the City-owned building located at 101 Hyde St. in San Francisco (the “Property”). The Property is a building located at the Southeast corner of Golden Gate Avenue and Hyde Street consisting of approximately 7,500 gross square feet.

The City is seeking proposals, including from 501c3 nonprofit public benefit corporations, to build, manage and operate an active, community-serving use at the Property. A record of proven success delivering services to an economically and socially diverse clientele and of a strong commitment to affordability and serving the neighboring community is strongly preferred. Proposals may include, but are not limited to, a food or beverage or market hall catering to, and making a daily space for, those who live, work and visit the Tenderloin district of San Francisco. The selected user will be expected to successfully manage all aspects of design and construction of a space requiring extensive tenant improvements to transform the Property, a former US Postal Service location, into a new community serving use. Further, the selected user will be required to provide a clear management plan, proposed timeline and capital budget for build-out of the proposed use, as well as a strong business/operating model for the proposed use. There may be an opportunity for approved tenant improvements actually provided by Tenant to be reimbursed by City as Landlord.

The City intends to select a tenant (“Tenant” or “Operator”) who best meets the criteria set forth in this Request for Proposal (the “RFP”) through the process described below. The City and Tenant would then enter into a lease agreement (a “Lease”) based on the City’s general form of lease.

The City is an equal opportunity employer and encourages proposals from woman-owned and minority-owned businesses.

II. Summary of Lease Terms and Conditions

A. Building. The building space is located at 101 Hyde Street in San Francisco.

B. Premises. The commercial space to be leased (the “Premises”) contains approximately 7,500 gross square feet of space. The Premises was formerly used as a US Postal Service office. Any alterations or improvements to the Premises must be approved in advance by the City, as the Landlord, pursuant to the terms and conditions of the Lease, and must meet all applicable City, state and federal codes, requirements and regulations.

C. Tenant Improvement Allowance. The City acknowledges the Premises will require tenant improvements to facilitate a successful operation. Thus, City as Landlord shall provide an allowance for tenant improvements in an amount to be determined during the lease negotiations. All tenant improvements must be approved by the City as Landlord and serve to further the goal of activating the Premises in a manner consistent with the requirements of this RFP and the Lease.

D. "As Is" Condition. The City will lease the Premises to Tenant in its “As Is” condition. Tenant shall be solely responsible for investigating and determining the condition of the Premises during both the RFP process and prior to final approval of the Lease. Such inspections shall include, but are not limited to: identifying existing and planned utility

connections and determining the suitability of such conditions for any improvements to be constructed by Tenant. Removal of any existing furniture, fixtures and equipment (FF&E) and procurement of any required FF&E will be the sole responsibility of Tenant at no cost to City. Any improvements placed within or upon the Premises must be in compliance with the Americans with Disabilities Act and all other applicable government requirements, including any historical resources present, if any. City makes no representations regarding the Property's compliance with the Americans with Disabilities Act and all other applicable government requirements.

E. Lease. Through the RFP process, a Tenant will be selected and will then negotiate a Lease with the City based on the general form of lease. The final Lease will include clauses and conditions as may be required by law in consultation with the City Attorney's Office. The attached lease and the finally executed Lease may contain terms and conditions not specifically described or outlined in this RFP. The final Lease to be negotiated by and between City and Tenant will be subject to approval by the City Attorney's Office and Director of Property and may be subject to final approval by the Board of Supervisors and the Mayor, in each party's sole and absolute discretion.

F. Term. Tenant to propose; City's preference is for a year-to-year Term. Under no circumstances shall the initial term extend beyond five years.

G. Base Rent. Tenant shall offer the amount of Base Rent, if any, to be paid by Tenant during the Term.

H. Security Deposit. Tenant to propose the amount, if any, it offers to provide as a Security Deposit.

I. Use. All legally permissible uses will be considered. Hours of operation shall be proposed by Tenant. City's preference is for an operation that is open seven days a week.

J. Services. City furnish water, sewer and electricity as currently available within the Premises. Tenant shall complete trash and recycling removal from the Premises and shall furnish all services and equipment necessary for its operation of the Premises.

K. Alterations. The cost of any alterations will be the sole responsibility of Tenant. Alterations must be approved by the City.

L. Insurance. Subject to final recommendations by the City's Risk Manager, Tenant will be required to maintain, at a minimum throughout the Term, insurance in the following coverages and amounts.

1. Worker's Compensation, with Employer's Liability limits not less than \$1,000,000 each accident;

2. Commercial General Liability Insurance with limits not less than \$2,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations;

3. Business Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned and Non-owned and hired auto coverage, as applicable; and

Tenant will be required to meet the City's additional insurance and indemnity requirements, which will be included in the Lease. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Tenant for risks comparable to those associated with the Premises, Tenant shall, at the City's request, increase the amounts or coverage carried by Tenant to conform to such general commercial practice.

M. Possessory Interest Taxes. Tenant will be responsible for paying any possessory interest taxes due in connection with the lease.

N. City Requirements. Tenant will be required to comply with all applicable City requirements including, but not limited to, the Non-Discrimination in Contracts and Benefits Ordinance, the First Source Hiring Ordinance, and the Health Care Accountability Ordinance, as more specifically described in the Lease, the Food Service Waste Reduction Ordinance, the Resource Conservation Ordinance, the City Composting Resolution, and the 75% City Department Landfill Diversion Resolution.

III. Proposal Conditions

A. Minimum Requirements. Proposals must demonstrate that they meet the minimum requirements listed below in order to have their entire proposal considered. Determination of meeting minimum requirements will be based on the materials included in the proposals. The selected Operator must:

1. Demonstrate sufficient financial capacity and experience to operate the proposed business in accordance with the terms of the Lease. In particular, the City may review financial performance in other projects, in particular, whether a proposer is, and if a proposer's other projects have been, solvent. The City reserves the right to request a credit report on, and additional financial information from, each proposer.

2. Be current in the payment of all applicable business tax, possessory interest tax, rentals, and assessments owed by the proposer, as well as current with all necessary filings with the United States Internal Revenue Service and California Franchise Tax Board with respect to non-profit status.

B. Submittal Requirements. The RFP must be made in accordance with the specifications set forth below. Any major deviation from these specifications may be cause for rejection of the submittal at the City's sole discretion. Proposers must include the following materials in the submission:

1. Questionnaire. A completed and signed Enterprise Experience Qualifications Questionnaire included with this RFP as Exhibit A.

2. Business Plan. A comprehensive business plan, specific to the proposed use of the Premises, including: proposed staffing, hours of operations as noted, a marketing plan and a financing plan for anticipated start-up costs as well as on-going operations & maintenance expense forecasts.

3. External Partners & Relationships in Venture. A detailed list of established external partners or relationships, with financing and educational institutions, pre-employment training organizations, corporate sponsors, mentors, foundations and other sources of grants, government organizations, neighborhood outreach agencies, and counseling services. The list should include key contact information, dates of the relationship, and a thorough description of the relationship and the benefits provided to the previous and proposed venture as a result.

4. Financial Statements. In addition to the financial disclosure authorized in the Enterprise Experience Qualifications Questionnaire, Exhibit A, a proposer must submit audited financial statements of the proposer (personal and/or business, as appropriate), and all subsidiary units and parent organizations for the last five years. Assets shall be stated at book value, or if stated at market value, shall be supported by recent appraisals. If financial statements are unavailable (or unaudited), provide an explanation and at a minimum copies of the last two years of Form 199's filed with the California Franchise Tax Board and a California R & TC Section 23701 filing.

5. Improvements. Describe through informal sketches or other graphic means the intended layout of improvements on the Premises. Presentation materials should be no larger than 8.5” x 11”. Provide an estimated budget for the improvements as part of the Business Plan.

6. Sustainable Foods. Sustainable foods are those which, through their production, purchase, and consumption, enhance the health of the environment, producers and consumers through one or more of these methods: growing, processing and distributing locally; using low or no synthetic agricultural chemicals; fairly trading with developing countries; meeting animal welfare standards; processing minimally; no genetic modification; no unnecessary antibiotics; and no added growth hormones. If applicable, proposals should clearly articulate how they will incorporate these sustainable foods concepts into everyday operations of the Premises, and provide educational opportunities for both customers and the persons employed by the Premises, regarding sustainable foods.

7. Recycling and Resource Conservation. The City has set ambitious recycling and composting goals for City and maximum participation in the City’s municipal composting program at all City Department locations where there is food service. In addition, the City has a Food Service Waste Reduction Ordinance which, in part, “Prohibits the use of polystyrene foam disposable food service ware and requires the use of recyclable or compostable food service ware by restaurants, retail food vendors, City departments and the City’s contractors and lessees.” Proposers should clearly describe how they plan on meeting these goals and complying with City law.

8. Document Execution. The Proposal and Enterprise Experience Qualifications Questionnaire must be signed in ink. A corporation shall execute these documents by its duly authorized officers in accordance with its corporate bylaws. A partnership shall execute these documents by its duly authorized partners in accordance with the partnership agreement. A limited liability company shall execute these documents by its duly authorized members or managers in accordance with its operating statement.

If the proposer’s firm is a joint venture consisting of a combination of any of the above entities, each joint venturer shall execute these documents. Anyone signing a proposal as an agent of a firm or entity shall submit legal evidence of his/her authority to do so with the proposal. Where necessary due to the number of signatories, copies of the signature pages of the documents may be executed and submitted by such additional signatories.

9. Submission of Proposals. A proposal submitted with incomplete or missing forms or received after 4:00 pm on November 21, 2016, will be deemed non-responsive and will be rejected. After a proposal has been submitted, no modifications to the proposal will be allowed. Three (3) copies of the proposal should be submitted.

Proposals delivered in-person must be left with a Real Estate Division receptionist during business days between the hours of 8:00 AM and 5:00 PM at 25 Van Ness Ave., Suite 400 through November 21, 2016 at 4:00 pm.

Proposals may be mailed but must be received by the Real Estate Division by November 21, 2016 at 4:00 pm and must be addressed to:

City and County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA 94102
Re: 101 Hyde Street

All proposals, whether mailed or delivered in person, must be in sealed envelopes and clearly marked “Proposal for 101 Hyde Street”. Proposals sent by facsimile will not be accepted.

C. Selection Criteria. Proposals will be evaluated by a panel comprised of representatives of the City and other parties with relevant experience in commercial leasing, in accordance with the criteria and procedures identified herein. The opportunity to lease the Premises will be awarded to the proposer who best demonstrates a sound business acumen that will most likely lead to a sustainable, successful venture within the Leased Premises at the Property. The above criteria will be evaluated on a point basis as outlined below:

Criteria	Points
1. Business Plan	25
2. Experience in Relevant Management	25
3. Financial Capacity (of organization & partners)	20
4. Quality of External Partnerships (proposed and existing)	10
5. Quality of Tenant Improvement Plan	15
6. Monthly Base Rent Bid	<u>5</u>
TOTAL	100

B. LBE Participation Bonus

The following bonus points will be in effect for the selection of the pool (to the extent applicable) for any proposers whom are certified by Contract Monitoring Division (CMD) as a LBE, or joint venture partners who are certified as a LBE at the time that the proposal is submitted. The application of the bonus points shall be as follows:

1. Two (2) bonus points to a joint venture with a LBE participation that equals or exceeds 35%, but is under 40%;
2. Five (5) bonus points to a joint venture with LBE participation that equals or exceeds 40%; and
3. Ten (10) bonus points to a LBE or a joint venture between or among LBEs.

The City strongly encourages proposals from qualified LBEs. Certification applications may be obtained by calling the CMD Contract Compliance Officer at (415) 581-2306.

C. LBE Certification

If you are certified as a Local Business Enterprise (LBE) by the San Francisco CMD, attach a copy of your certification letter from the CMD.

D. Grounds for Rejection. Any false, incomplete, or unresponsive statements in connection with a proposal may be cause for its rejection at the City’s discretion. Any judgment as to the significance of any falsity, incompleteness, or unresponsiveness associated with a proposal shall be the prerogative of the City and its judgment shall be final. The City reserves the right to waive minor defects or irregularities in any proposal.

E. Tour of the Premises. It is the sole responsibility of the proposers to attend a tour of the Premises to become familiar with the Premises' physical conditions and limitations, perform their own independent investigation, and become acquainted with the details requisite to their proposed use of the Premises. To facilitate this process, the City will conduct a tour of the Premises. If RFP interest is significant, City may elect to conduct additional tours. Immediately following a tour, the City will provide proposers with an opportunity to ask questions about the business opportunity and comment on the content of the RFP. All questions, comments or non-substantive suggested changes to the RFP will be noted and taken into consideration by the City. Following the tour, the City will issue any necessary addenda to the RFP. Such addenda will be faxed or e-mailed to all proposers present at the tour at the facsimile number and e-mail address provided to the City. The tour of the Premises will be on November 7 at 1:00 pm. The City will not guarantee full and complete access at any other time, however individual accommodations can be made, with prior request.

F. Selection Process. This RFP will be advertised on the City's webpage: <http://sfgov.org>. Printed copies of this RFP may be obtained at the Real Estate Division for a fee of \$20.00. The submission deadline for proposals is 4:00 pm local time on November 21, 2016. The review panel will evaluate each proposal on the basis of the selection criteria set forth above. The City reserves the right to request clarification or additional information from proposers. It is likely that the City will require a brief presentation from the highest initially ranked proposers to be scheduled 1-2 weeks after the deadline for submission of proposals.

G. Award of Lease. After selection of the successful proposer, the right to negotiate a lease will be awarded with approval of the lease possibly being subject to approval by the Board and Mayor in their sole and absolute discretion.

IV. Terms and Conditions.

A. Invitation to Submit Proposals; No Obligations by City to Contract. This RFP is only an invitation to submit proposals and does not commit the City in any way to enter into a lease agreement. In addition, the issuance of this RFP does not obligate the City to pay any costs whatsoever incurred by anyone in connection with this RFP, including without limitation, (a) the preparation and presentation of documents, (b) any supplements or modifications of this RFP or (c) discussions with the City or other party arising out of or relating to this RFP or the subject matter of this RFP.

B. Reservation of Rights by City. The City expressly reserves the right at any time and from time to time, and for its own convenience, in its sole discretion, to do any or all of the following:

1. waive or correct any defect or technical error in any proposal or procedure, as part of the RFP or any subsequent negotiation process;
2. reject any and all proposals, without indicating any reason for such rejection;
3. rescind or reissue an RFP;
4. select a tenant by any other means allowable by the City's Administrative Code;
5. modify the selection procedure;
6. extend deadlines for accepting proposals, or request amendments to proposals after expiration of deadlines, by mailing such change to each proposer; and
7. determine that no project will be pursued.

C. Proposer Certification. By submitting a proposal, the proposer certifies to the City that (i) the only persons or parties interested in the proposal as principals are those named

therein; (ii) the proposal is tendered without collusion with any other person, including partnerships, firms and corporations; (iii) the proposer has not paid nor agreed to pay and will not pay or agree to pay any fee or commission, or any other thing of value contingent on the award of a lease agreement for the Premises to any City employee or official, or to any contracting consultant hired by the City for purposes of this project, or to any agent of the City; (iv) if the proposal is accepted, proposer will execute a Lease for the Premises on or before the deadline specified by the City; and (v) the proposer understands and accepts all conditions and requirements contained in this RFP.

A. **Sunshine Ordinance.** NOTICE REGARDING REGULATIONS FOR PUBLIC RECORDS, CHAPTER 67.23(E) OF THE SAN FRANCISCO ADMINISTRATIVE CODE (SUNSHINE ORDINANCE)

"Contracts, Bids and Proposals. Contracts, Respondents' bids, responses to requests for proposals and all other records of communications between the Real Estate Division and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or an organization's net worth or other proprietary financial data submitted for Proposal for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All bidders and Respondents shall be advised that information provided which is covered by this subdivision (of the ordinance) will be made available to the public upon request."

Proposers must mark any **net worth** or other **proprietary financial data** in submissions and subsequent requests for information as part of the award process, as "CONFIDENTIAL" OR "PROPRIETARY" if the proposer wants such data to remain undisclosed if they are not awarded a contract. The City shall not in any way be liable or responsible for the disclosure of any such records including, without limitation; those so marked if disclosure is deemed to be required by law or by an order of the court.

The City will not under any circumstances be responsible for any damages or losses incurred by a proposer or any other person or entity because of the release of such financial information.

D. Return of Materials. The City will not return documents or any information submitted in connection with a proposal hereto unless the proposer has properly designated financial portions of the proposal as confidential at the time of submittal in accordance with the terms above and has then clearly requested that such information be returned, and provided that the City is legally permitted to return such documents.

E. Right to Disqualify. The City reserves the right to disqualify any proposer to this RFP on the basis of any real or apparent conflict of interest that is disclosed by the proposals submitted or other data available to the City. This disqualification is at the sole discretion of the City.

F. Lease Approvals. The Lease may require the approval of the Board and Mayor in their sole and absolute discretion. As part of the approval process, the successful proposer may be required, at its sole expense, to prepare and provide documents or exhibits and make presentations associated with the Lease as required by such bodies prior to the execution of the Lease.

V. Miscellaneous Requirements.

A. All proposers shall comply with the conditions, requirements, and specifications contained herein, with any departure constituting sufficient cause for rejection of the proposal, subject to City's discretion.

B. No proposal will be accepted from any person, firm, partnership, corporation or other entity that is in arrears upon any obligation to the City or that otherwise may be deemed irresponsible, unreliable or unqualified by the City.

C. Only one proposal will be accepted from any one person, firm, partnership, corporation or affiliated entities; however, several alternatives may be included in one submittal.

D. All proposals must be firm for a minimum period of ninety (90) days following the opening of the proposals.

E. The information presented in this RFP is provided solely for the convenience of the proposers and other interested parties. It is the responsibility of the proposers and other interested parties to assure themselves that the information contained in this RFP is accurate and complete. The City or their advisors provide no assurances pertaining to the accuracy of the information in this RFP.

F. The proposer shall not obtain by its proposal to this RFP, any claim against the City, or any City property, by reason of any or all of the following: any aspect of this RFP, the selection process or any part thereof, any informalities or defects in the selection process, the rejection of any offer or all such offers, the acceptance of any offer, entering into any lease, the failure to enter into such lease, any statement, representations, acts or omissions of the City, the exercise of any discretion set forth in or concerning any of the foregoing; and any other matters arising out of all or any of the foregoing.

Questions regarding this RFP may be directed to Juan Carlos at (415) 554-5185. Questions may be asked up until one week before the date of the RFP submission deadline. Any material responses to questions asked will be posted on the Real Estate Division's website.

Submitted this 28th day of October, 2016 by John Updike, Director of Property, City and County of San Francisco, California.

Proposer acknowledges receipt of this RFP, and attachments A & B, and hereby submits the attached proposal for consideration under the terms and conditions outlined herein.

Authorized Signator(s) for proposer, dated this ____ of _____, 2016:

By: _____
As: _____
For: _____

By: _____
As: _____
For: _____

By: _____
As: _____
For: _____

Monthly base rent bid by proposer: \$ _____

Enclosure: Business Plan

Exhibit A

Enterprise Experience and Qualifications Questionnaire

Name of Respondent: _____

Telephone No.: _____ Fax No.: _____

Email Address: _____

Mailing Address: _____

Type of Entity (corporation, joint venture, etc.): _____

Full Name, Title and Contact Information for all principal personnel of Respondent:

Name: _____ Title: _____
Address: _____

I. Respondent's Financial Information (attach separate sheets):

- a) In addition to audited financial statements requested in the RFP, annual reports, financial ratings, and other supportive information indicating the financial condition of the Respondent, all subsidiary units and the parent organization, for the last five years.
- b) Names, addresses and telephone numbers of banks, financial and lending institutions and individuals who have provided financial assistance to the Respondent or who have participated financially in any of the Respondent's major projects during the past five years.
- c) Properly certified statements by the appropriate officer or other individual attesting to the accuracy of and completeness of all financial information submitted.

II. Respondent's Team Qualifications & Experience (attach separate sheets)

- a) Names, addresses, telephone, facsimile numbers and e-mail addresses of all Respondent team members and entities, including a project organization chart indicating key personnel, responsibilities, and relationships within the Respondent's organization and the designated lead for project coordination.
- b) Names and qualifications of all members of Respondent's Board of Directors if applicable.
- c) Names and qualifications of members of Respondent's staff who Respondent currently believes will be involved with the project.
- d) Names, employers, addresses, and qualifications of all known professional consultants to be used on the project (California state and local licenses for professionals and contractors will be required as mandated by law). In addition, identify the expected role for each professional consultant (i.e. – designer, planner, public relations, business consultant, career counselor, etc.).
- e) Name and address of Respondent's insurance carrier and description of Respondent's proposed insurance coverage for the project.
- f) Completed non-collusion affidavit form and corporate certificate form.

1.

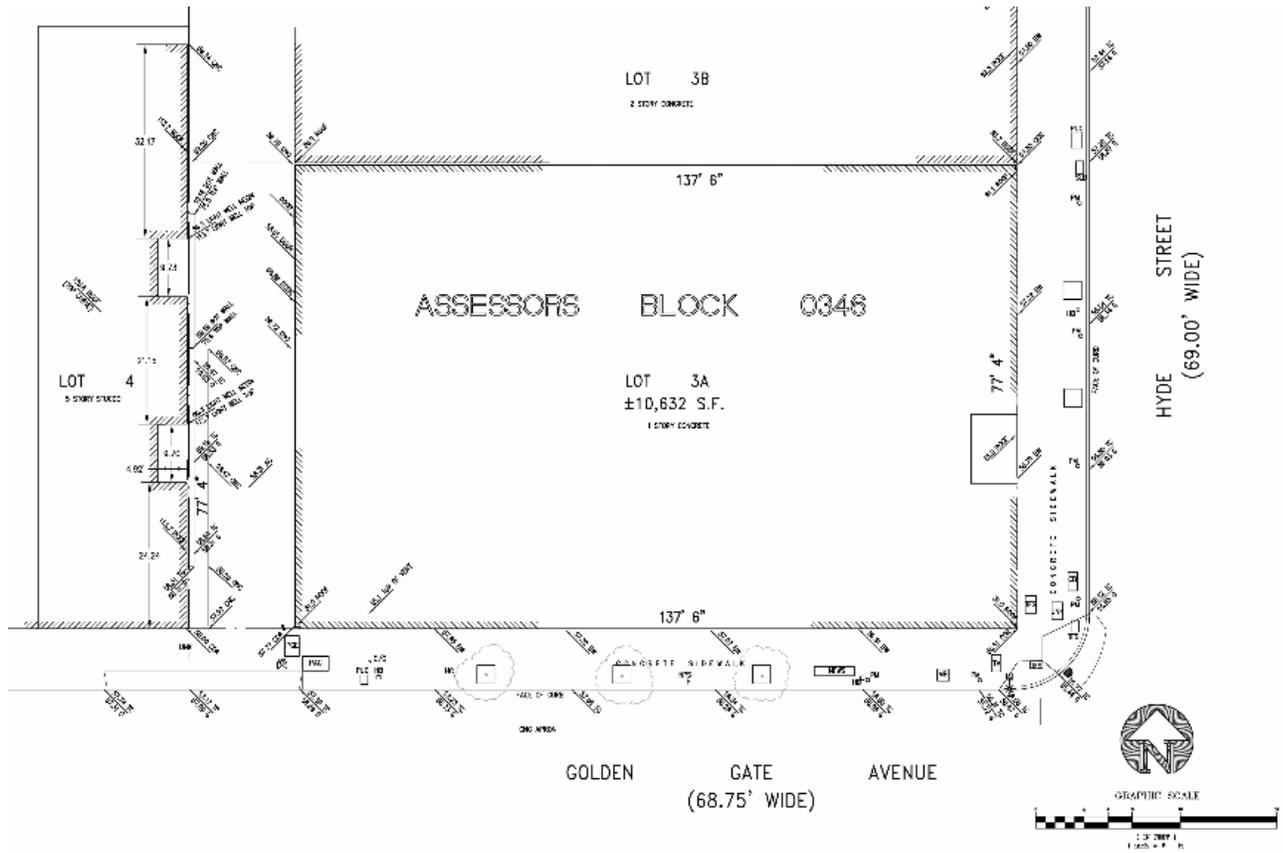
III. Litigation Information (attach separate sheets)

Each Respondent shall provide a complete description of the status and resolution of any pending or prior litigation (within the past five years) involving the activities of any of Respondent's staff, team members, or team members' staff, to the extent that the subject matter of the litigation is material to the evaluation of the submittal. Examples of litigation issues material in this instance include, but are not limited to, fraud and breach of contract.

Exhibit B
Plan of Premises

[See Attached]

101 Hyde Street – Parcel Maps



101 Hyde Street – Photos of Premises

