

CITY OF SANTA ROSA
REDEVELOPMENT AGENCY

TO: REDEVELOPMENT AGENCY MEMBERS
SUBJECT: AT&T SITE REQUEST FOR DEVELOPER
QUALIFICATIONS
STAFF PRESENTER: FRANK KASIMOV, REDEVELOPMENT PROGRAM
SPECIALIST
ECONOMIC DEVELOPMENT AND HOUSING
AGENDA ACTION: MOTION

ISSUE(S)

Will the Redevelopment Agency members consider a Request for Qualifications Solicitation Request for Joint Planning and Exclusive Rights to Negotiate for the Rehabilitation and Adaptive Reuse of the Former AT&T Building, located at 520 Third Street (the "RFQ")?

Will the Redevelopment Agency authorize staff to proceed to solicit developers pursuant to substantially the form of the RFQ presented at this meeting?

BACKGROUND

1. In March 2007, the Redevelopment Agency purchased the former AT&T site as an opportunity to mitigate the blighting influence of this large, vacant building in the core of our downtown; prevent a speculative purchase and potentially incompatible uses of the building; and be able to control and plan for the long term use of the building to benefit the downtown area.
2. Since acquisition of the AT&T site, the Agency has undertaken various actions to determine the potential feasible future use(s) and building configuration for the former AT&T site, including an evaluation of the site's physical and economic opportunities and constraints; joint study sessions with the Council; public workshops; completion of an opportunities and constraints analysis, and investigation into the possibility of including the adjacent site at 1 Santa Rosa Avenue, which was being offered for sale, together with the former AT&T site, in any materials soliciting a development partner.
3. The Agency also entered into a Memorandum of Agreement (MOA) with the representative of 1 Santa Rosa Avenue to negotiate price and terms for the potential option, purchase, sale, exchange or lease of that property. Due diligence studies were conducted during the term of the MOA. In July 2009, negotiations under the MOA were terminated without any agreement having been reached with the property owner.

ANALYSIS

1. A draft Request for Qualifications Solicitation Request for Joint Planning and Exclusive Rights to Negotiate for the Rehabilitation and Adaptive Reuse of the Former AT&T Building, located at 520 Third Street (the "RFQ") has been prepared.
2. The RFQ sets forth a program for identifying and selecting a developer team to participate with the Agency and its staff in a four-phase program: 1) conduct due diligence, preliminary planning, use analysis and economic analysis; 2) develop with the Agency staff for conceptual approval by the Agency a tentative preferred development program with alternatives; 3) prepare environmental analysis pursuant to the California Environmental Quality Act; and 4) negotiate terms and conditions of a Disposition and Development Agreement.
3. The program allows for the developer to negotiate with the owners of adjacent and nearby properties for inclusion in the planning and feasibility analysis of a joint development of the properties on terms mutually acceptable to the developer and the Agency, and, if successful, for the inclusion of one or more adjacent or nearby properties in all of the program phases.
4. The RFQ describes the opportunity, public policy objectives for the property, and the building, site and surrounding area; and outlines the planning and exclusive negotiation process, and the submission and selection process. A draft form of the Project Planning and Exclusive Rights to Negotiate Agreement will be attached to the final form of the RFQ. With any changes mutually acceptable to Agency staff and the selection developer, this agreement will be presented to the Agency Board for approval following developer selection.
5. Minor modifications of technical or "housekeeping" nature may be made prior to the finalization and issuance of the RFQ. Agency staff may also conduct an informal "peer review" of the RFQ before its final release.

RECOMMENDATION

It is recommended by the Economic Development Department that the Redevelopment Agency, by motion, authorize staff to proceed to solicit developers pursuant to substantially the form of the RFQ presented at this meeting.

Author: Frank Kasimov

Attachments: Draft RFQ