

PROJECT PROPOSAL GUIDELINES DEVELOPMENT PROPOSAL PROCEDURE

The purpose of these guidelines is to explain how a developer may participate in a Redevelopment Project Area with assistance from the Agency. The guidelines also explain how this process would interface with the rights of owners and tenants.

For the purposes of these guidelines, the term Developer means a person or entity that does not own, or occupy as a tenant, real property within the specific redevelopment area in question.

Each Redevelopment Agency Project Area ("Project Area") has a set of Owner Participation Rules, which gives specific rights and preferences to property owners and tenants. Whenever the word Owner is used in this booklet it includes both tenants and owners as those terms are used in the application of the Owner Participation Rules for the relevant Project Area.

The most common process used to identify and select a Developer is through the issuance of a Request for proposals (RFP) by the Agency for a specific site. The specific procedures for response to the RFP would be described in detail in the RFP. As a general rule, RFP's are widely advertised and are sent to all affected Owners located in the specific site as well.

EVALUATING COMPETING PROPOSALS

This process may include the establishment of a Selection Committee ("Committee") and specific evaluation criteria.

Each interested party will be notified that a selection process is to be conducted and afforded the opportunity to participate on a competitive basis. The proponents will be informed of the evaluation criteria, the date, time, and place to make their presentation. Normally the evaluation criteria will include the following:

1. Development team qualifications, including experience and financial capacity to undertake the project;
2. Project concept and architectural design features;
3. Project schedules;
4. Job creation potential;
5. Financial benefits to the Agency, City and community;
6. Conformity of the submittal, with respect to the Redevelopment Plan, General Plan, Specific Plans and other applicable plans;
7. Feasibility of the proposed project and evidence of manufacturer or franchise approval, if applicable; and
8. Environmental impact (i.e., beneficial/detrimental aspects).

Each proposal and accompanying documentation will be provided to the Selection Committee Members for review prior to the interviews. If the Committee requires additional information to aid the process, a request will be forwarded to the Developer. Proposals will not be shared

among competitive interests. Furthermore, Developers will not be provided an opportunity to view their competitor's presentation during the Committee's review. This policy will ensure fairness and maintain equity among the competitors in the selection process.

At the conclusion of the process, (including checking of references) the Committee will recommend a preferred Developer based upon the evaluation criteria, and an ENA may be developed for consideration by the Agency's governing board. As mentioned earlier, an ENA does not contractually obligate the Agency or Developer to carry out a development project; the ENA authorizes both parties to initiate the negotiation of a redevelopment agreement.

CONCEPT REVIEW AND EXCLUSIVE RIGHTS OF NEGOTIATION - ENA

The Concept Review Process provides the Developer an indication from Agency Staff and the Economic Development Committee/Agency Board that the proposed land use and the development concept are desirable.

An Exclusive Negotiation Agreement (ENA) may subsequently be forwarded to the Agency's governing body. An ENA provides the Developer with exclusive rights negotiate a redevelopment agreement leading to the acquisition and/or development of a specific site over a specific period of time, but it does not obligate the Agency or Developer to carry out a development project. If the ENA is approved by the Agency Board, the Agency Staff and consultants would then be authorized to pursue the contract negotiations necessary to produce a redevelopment agreement. During this time the Developer would be required to meet the requirements of the ENA.

The initial interaction between Agency Staff and a Developer involved a general orientation to the Project Area, plans, goals and development opportunities. During this time period of the (ENA), the statutory role of the Agency in directing and implementing the Redevelopment Plan for the Project Area is explained and the developer will begin their due diligence and research period. This step may involve a series of preliminary meetings between Agency Staff and the Developer.

Upon analysis of the initial meetings with Agency Staff, and should the Developer desire to proceed further, deal points will then be negotiated and a Development And Disposition Agreement (DDA) will be drafted detailing all of the deal points concerning the developer and Redevelopment Agency obligations. The following information is needed to prepare the Development and Disposition agreement:

1. A detailed description of the scope and type of development, including approximate square footage totals, approximate parking space counts, estimated coverage percentages for buildings and landscaping, and descriptions of any offsite that will be appropriate based upon normal City standards;
2. Estimates of the number of persons to be employed (both during construction and when operational) for commercial and industrial projects, including information on current employees if the Developer proposes to relocate an existing business in Bakersfield;
3. Preliminary concept drawings, including a site plan, exterior elevations and typical floor plans;

4. Estimates for both the current property value and the completed development value, showing land values separately (provide square foot subtotals for each land use type);
5. Financial pro formas for the development and ten years of operation, including financing and marketing costs and separating any proposed phasing.

DDA NEGOTIATIONS AND THE APPROVAL PROCESS

Upon approval of an ENA by the Agency and execution by the Developer, Agency staff will commence negotiation of a Disposition and Development Agreement (DDA) with the Developer. The DDA will contractually obligate the Developer and, as applicable, the Agency to carry out a project.

The negotiations may involve submitting plans and documentation to Team Bakersfield and or the Agency's legal counsel and/or economist for review and analysis. In addition, environmental review and entitlement actions may be required to assure compliance with applicable laws.

Once the final business terms are agreed upon, the DDA will be drafted and signed by the Developer and submitted to the Agency Board for approval. If the proposed redevelopment agreement concerns the sale or lease of real property owned by the Agency, a joint public hearing of the Agency and City Council is typically required. The hearing must be advertised 14 days in advance or at such time as may be necessary to satisfy applicable legal requirements. It is the policy of the Agency that such public notice shall not take place until all private parties have signed the DDA.

If the DDA business terms cannot be agreed upon, or the term of the ENA expires or the ENA is otherwise terminated, the Agency reserves the right to reject the proposal or to negotiate with another proponent.

After execution, the DDA will serve to direct future Agency/Developer relationships, with each party performing its responsibilities according to the schedules assigned in the agreement. Upon fulfillment of all contract provisions, a Certificate of Completion document will be recorded as evidence of the project's compliance with the terms of the DDA and with Agency's recorded plan for the project area.

ADDITIONAL INFORMATION

It is important to note that this information is intended to be used only as a guide for understanding the time and process Developers may expect to encounter when submitting redevelopment proposals. Following these guidelines does not constitute a vested development right—nor does it pre-commit the Agency Board, City Council or any other board or commission from requiring changes or modifications as part of their review process.

For answers to any questions or if additional information is required regarding these procedures, you are invited to contact Agency Staff at (661) 326-3765.

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