REQUEST FOR PROPOSALS
(NO. 200040.DJM)

Redevelopment of the former SMUD Corporation Yard
59th Street, Folsom Blvd. & U.S. Hwy. 50, Sacramento, CA

Responses due by 5:00 p.m., April 30, 2020
PROPOSALS WILL NOT BE ACCEPTED EXCEPT FROM SELECTED FINALISTS

March 3, 2020

Powering forward. Together.
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A. INTRODUCTION AND SUMMARY

1. Introduction

This Request for Proposals issued by the Sacramento Municipal Utility District (“SMUD”) is by invitation only and represents the second step of a two-part process, the first step of which was a Request for Qualifications. The review of responses to the Request for Qualifications was used to select parties to invite to respond to this Request for Proposals and to structure the content of this Request for Proposals concerning the disposition and development of the former SMUD Corporation Yard (“Property”) in Sacramento described in the Request for Qualifications.

SMUD intends to enter into an Exclusive Right to Negotiate with the selected proposer, who, in the sole discretion of SMUD, poses the best opportunity for SMUD to achieve the highest and most certain return from the disposition and development of the Property in a manner that realizes SMUD’s goals, objectives and vision for the Property described in the Request for Qualifications. These include the creation of a high-quality, state-of-the-art, sustainable, mixed-use, transit-oriented, market responsive, financially feasible infill development that will generate revenue for SMUD and represent its leadership in energy efficiency. SMUD expects the development will be innovative in terms of land planning, architecture, infrastructure design, environmental sustainability, and other project features.

The selection process will not rely on a single monetary figure (i.e., high bid) but rather will reflect the consideration of both economic and non-economic factors.

The Property will be available for every proposer to separately tour and to meet with SMUD subject matter experts related to environmental remediation, demolition and related matters. Proposers are responsible for undertaking all necessary investigations on and off the Property.

2. Development Requirements

The selected proposer will be responsible for planning the development of the Property and securing all entitlements. The selected proposer will be responsible for all costs related to entitlement and permitting requirements for project development, including site plan, design, engineering and building approvals, and the design of any needed on-site and off-site infrastructure improvements. The selected proposer will be responsible for securing compliance with all environmental regulations under the California Environmental Quality Act (“CEQA”), including preparation and certification of an environmental impact report, mitigated negative declaration, or other environmental compliance that the City of Sacramento may require or other environmental actions required by the City of Sacramento or other public agencies.
The selected proposer will also be responsible for necessary environmental remediation other than the specific remediation and abatement activities that SMUD will complete prior to the sale of the 59th Street Property as described in the “Summary of 59th Street Remediation” available on a secure file transfer site. All other remediation and abatement work will be the responsibility of the selected proposer.

Other than described in the “Summary of 59th Street Remediation” document, the selected proposer will be responsible for the costs of completing the demolition of existing buildings, improvements and underground utilities.

The selected proposer will be responsible for the planning, design, and construction of all on-site and off-site infrastructure needed for development of the proposed project.

The selected proposer will be responsible for accomplishing SMUD’s goals for affordable housing in compliance with City of Sacramento requirements. SMUD requires that a minimum of 10 percent of on-site housing be allocated to Low Income affordable housing units targeted to 80 percent of Area Median Income (AMI) or below.

The proposed development of the Property will be entirely the responsibility of the proposer to implement including project financing and project construction, operation, and management.

3. Closing Costs

All closing costs shall be paid by the selected proposer. Closing costs may include but are not limited to any applicable documentary transfers, premiums for any title policy, escrow fees and costs, and document recording changes for the Deed and Deed of Trust. In no event shall SMUD be responsible for any real estate brokerage fees.

4. Deposit

The selected proposer will be required to submit a cash deposit (“Deposit”) within five business days of being chosen by SMUD to negotiate an agreement (“Agreement”) to acquire all or part of the Property. The Deposit will equal one percent of the gross price offered. At the time all conditions, if any, have been satisfied or waived, the Deposit will become non-refundable.

5. Documentation Period

SMUD and the selected proposer will enter into an Exclusive Right to Negotiate Agreement in order to prepare the necessary transactional documents based on the terms of the offer. If the parties do not finalize an agreement within 90 days of SMUD’s selection, either party may terminate the negotiations, in which case SMUD will return the Deposit to the proposer.
B. SUBMITTAL REQUIREMENTS

The following summarizes the requirements for the submittals in response to this Request for Proposals (“RFP”). Responses to the RFP must be sufficiently detailed and descriptive in SMUD’s sole discretion to permit SMUD to assess the viability of the proposal.

1. Development Plan

Include as much detail as practical about the intended site plan or land uses envisioned for the Property referred in the submission in response to the Request for Qualifications. The description of the development plan illustrated by drawings, renderings, or other graphics and through text should include the following:

- Location, type, and amount of uses and related building space (including number, size, density, and type of single-family uses, multi-family residential units, intended commercial uses and amount of commercial building space in square feet). SMUD expects proposals to reflect single-family housing unit densities of at least 15 units to 25 units per acre on the western portion of the property. SMUD expects proposals to reflect multi-family housing densities of at least 50 to 75 units per acre on the northeast and southern portions of the property;

- Location, type, and amount of on-site parking;

- Provision of affordable housing. In addressing affordable housing provision, please include the anticipated sequence or timing of when affordable housing will be built, the number and type of units expected, and the strategy or approach expected to be implemented to meet SMUD’s affordable housing goals; and

- Any other key project features including the adaptive re-use of the warehouse or any other buildings.

Include in the description of the development plan any identified constraints or City of Sacramento requirements related to land use; parcelization; parking; access and circulation; lot coverage; floor area ratio; building height; or other existing conditions and municipal policies and regulations.
Please describe how the development plan relates to the following site planning, design elements, and environmental sustainability and energy efficiency initiatives that SMUD envisions the development of the Property will promote or incorporate:

- Facilitate walking, biking, transit use, car/van pooling, and shorter auto trips;
- Use best available technology for efficient use of water for indoor and outdoor areas;
- Adopt innovative and best management practices for storm water detention;
- Identify and implement creative solutions to improve air quality and reduce greenhouse gas emissions;
- Identify and adopt innovative measures to reduce noise associated with neighboring roadways and light rail lines;
- Enhance connectivity to neighborhood shopping and services;
- Incorporate bicycle infrastructure within the development and connections to the north and south;
- Preserve existing trees to the greatest extent practical;
- Incorporate new green infrastructure/urban forest within the development;
- Residential and commercial design based on an “All-Electric Smart Home” concept; and
- Utilization of durable and high-quality materials – sustainable and green construction material is encouraged.
2. Sustainability

Please address the extent to which proposer will accomplish the following SMUD environmental sustainability goals and describe how you will address these elements:

- The development will be all-electric;

- No use of electric resistance technologies for domestic hot water and space heating (electric heat pump technologies are acceptable);

- No use of electric resistance stove top burners for kitchens (induction stoves are acceptable);

- All residential units shall participate in SMUD’s Neighborhood Solar Shares or SMUD Developer Solar Shares;

- Electric vehicle charging facilities shall exceed the California Building Code minimum by 300% for residents, visitors, and the public;

- Electric vehicle sharing infrastructure for electric cars, electric assist bicycles, and electric scooters;

- Incorporate energy efficiency ideas that exceed energy efficiency standards;

- Utilize best available technology for residential energy management;

- Exceed the latest energy efficiency standards at the time of construction by 15%;

- Maximize on energy recovery strategies from different mechanical and plumbing systems (i.e. incorporating wastewater heat recovery system to generate domestic hot water, air to water heat recovery for domestic hot water generation for central or stand alone type systems, etc.);

- The selected developer may participate in all applicable SMUD programs and incentives available at the time of construction; and the

- SMUD supports the identification and implementation of other energy and electric-related elements.
3. Cost Estimate

Provide a summary of the projected costs of the proposed development for:

- the pre-development planning and entitlement process;
- environmental remediation;
- demolition of existing structures and improvements;
- on-site and off-site infrastructure and sitework; and
- hard, soft, and financing costs of development of building space for land uses proposed for the Property.

Indicate the assumption made about whether prevailing wage requirements apply to the cost estimates provided in the response to this RFP.

4. Economic / Financial Projections

Proposals must include both a by phase and for the entire development detailed cash flow pro-forma and sources and uses statement covering the development, debt and equity financing, lease-up and/or sale of building space and housing units. The pro-forma must be sufficient for SMUD to perform an analysis of the equity returns and land value the proposed development plan is anticipated to generate.

Please describe what proposer perceives as market for equity target returns on investment.

5. Schedule of Performance

Provide an anticipated time schedule and key benchmarks for completing the planning and entitlement pre-development process, infrastructure, environmental remediation, demolition, and construction, marketing and operation of rental income-producing building space and sale of “for-sale” housing uses, or other key project elements such as:

1. Entitlement application to City of Sacramento;
2. Permit application to City of Sacramento;
3. Permit Issuance;
4. Environmental Remediation;
5. Demolition of existing improvements;
6. Land Development/Sitework;

7. Construction Start for each land use/building space;

8. Construction completion for each land use/building space;

9. Stabilized occupancy of rental property uses; and

10. Absorption and completion of for sale uses.

If the proposed project is to be phased include the key milestones for each phase.

6. Conditions

Describe all conditions relating to the performance of the milestones referred to in the Schedule of Performance and otherwise relating to the transaction and development project contemplated. If the proposer has conditions to performance, provide a time schedule and key benchmarks for resolving or meeting such conditions.

Please address whether proposer is prepared to enter into an Agreement without a debt and equity financing contingency.

7. Commitment to Obtaining Entitlement Approvals

Describe the extent to which the proposer is willing and able to cooperate in the entitlement process, and in particular the approach and procedures proposer intends to use to obtain the approval of proposer’s development plan as well as development permits, tentative map, final map, development agreement, or other project approvals that may apply. Please describe your understanding of what entitlements and approvals will be required from the City of Sacramento and address how you propose to coordinate with and keep SMUD informed about issues that may arise and decisions that will need to be made as the entitlement process proceeds. The selected proposer will pay all entitlement costs.

Please outline your community engagement plan and strategy for the planning, pre-entitlement, and entitlement process.

8. Financial Terms

Specify the price for the land and maximum cost of any deductions related to the price offered. In addition to cash offers, SMUD will consider a base price and participation in future increment in value or a revenue sharing formula that reflects the value added and actual returns upon full entitlements and development, resale, or refinancing. In addition, SMUD will consider installment
sales with payments geared to land takedown.

Confirm whether the proposed price reflects the provision of affordable housing described in the response to this RFP.

9. Financial Capacity

Provide information supporting proposer’s financial capacity to implement the planning, financing, development, marketing, and operation of the proposed land uses. The information should address the ability to secure construction and permanent debt financing and required equity contributions. Address whether the proposer currently has sufficient resources to pay for pre-development and entitlement processing costs.

Provide information on financial roles, responsibility, and the strength of the members of the legal entity responsible for providing equity investment or obtaining debt financing.

Provide a description of current relationship with lending and/or equity sources if any which have demonstrated interest in providing financing for the proposed development.

Disclose any filings for bankruptcy, loan defaults, receiverships, fines levied by governmental agencies, or legal proceedings against any participating organization, employees, corporate officer, or entity that may have a material effect on the proposer’s ability to implement the proposed project. Disclose any convictions for felony criminal violations.
C. SCHEDULE AND SELECTION

1. Schedule and Submission Deadline

Responses to this RFP must be submitted to Daniel Manfredi no later than 5:00 p.m. on April 30, 2020 in accordance with the instructions provided in Appendix A.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Site visits for proposers</td>
<td>March 6 and March 20, 2020</td>
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<tr>
<td>Deadline for questions related to this RFP or the Property</td>
<td>March 19, 2020</td>
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<tr>
<td>SMUD response to questions</td>
<td>April 2, 2020</td>
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<tr>
<td>Submittal Deadline</td>
<td>April 30, 2020</td>
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2. Developer Selection

Review and Evaluation of Proposals

SMUD will review and evaluate the proposals submitted by respondents to this RFP based on the selection criteria described in the RFQ and this RFP. As part of the evaluation process SMUD anticipates conducting discussions with certain respondents. SMUD may request additional information or clarifications about the proposals prior to any discussions with respondents, responses to which will be required to be provided prior to such discussions.

SMUD retains the sole right to determine timing, arrangements, and method of any public presentations throughout the selection process. Presentations before the SMUD Board Finance & Audit Committee are anticipated to occur on May 19. During the RFP process respondents are cautioned not to undertake any actions to promote their respective proposals except in the context of presentations that may be sponsored by SMUD.

SMUD reserves the right to reject any or all submittals, request additional information, and/or modify the selection process schedule. In addition, SMUD reserves the right to negotiate with more than one entity and reserves the right at any time before the purchase and sale/development Agreement is executed to end the negotiation process.
APPENDIX A

Time and Manner of Submission:

Proposals shall be submitted to and received by SMUD’s Supply Chain Services office no later than 5:00 p.m. on April 30, 2020.

By U.S. Mail:

Sacramento Municipal Utility District
Supply Chain Services Office
Attention: Daniel Manfredi, MS B404
Request for Proposals No. 1190180.DJM
4401 Bradshaw Road
Sacramento, CA 95827

By Overnight or Hand Delivery:

Sacramento Municipal Utility District
Warehouse Operations/Supply Chain Services
Attention: Daniel Manfredi, MS B404
Request for Proposals No. 1190180.DJM
9774 Kiefer Blvd.
Sacramento, CA 95827

The mailing envelope must be clearly marked as a proposal responding to SMUD Request for Proposals No. 2000040.DJM, Attention: Daniel Manfredi.

The envelope shall also show the proposer’s name and address. Proposals shall give the full address of the Proposer(s) and shall be signed by an authorized representative or representatives. The name of each person signing the response shall be typed or printed below the signature. When requested by SMUD, satisfactory evidence of the authority of the person(s) signing on behalf of the Proposer shall be furnished.

Provide five (5) complete hard copies of the proposal along with a flash drive containing the contents of the submittal including an Excel file of the pro-forma. In addition, Proposer must upload an electronic copy of a file containing the complete proposal to SMUD’s secure file transfer (SFT) site by the submission date and time. In order to receive access to the site, Proposer must send an email to Daniel.Manfredi@smud.org requesting access to the SFT site NO
LATER THAN TWO (2) BUSINESS DAYS PRIOR TO DUE DATE. Any request for access to the SFT site received by SMUD less than two (2) business days prior to the due date, may be granted at the sole discretion of SMUD.

Proposals shall cover the entire scope of the Request for Proposals. All proposals submitted become the property of SMUD.

**Revisions and Supplements:**

Addenda: If it becomes necessary to revise or supplement any part of this RFP an addendum will be provided.

Acknowledgment of Addenda: Receipt of an addendum to this RFP by a Proposer must be acknowledged by signing and submitting the addendum signature sheet as part of the Proposer’s proposal.

**Notice Related to Proprietary/Confidential Data:**

Proposers are advised that the California Public Records Act (the “Act”, Government Code §§ 6250 et seq.) provides that any person may inspect or be provided a copy of any identifiable public record or document that is not exempted from disclosure by the express provisions of the Act. Each Proposer shall clearly identify any information within its submission that it intends to ask SMUD to withhold as exempt under the Act. Any information contained in a Proposer’s submission which the proposers believes qualifies for exemption from public disclosure as “proprietary” or “confidential” must be identified as such at the time of first submission of the proposer’s response to this RFP. A failure to identify information contained in proposer’s submission to this RFP as “proprietary” or “confidential” shall constitute a waiver of proposer’s right to object to the release of such information upon request under the Act. SMUD favors full and open disclosure of all such records. SMUD will not expend public funds defending claims for access to, inspection of, or to be provided copies of any such records. Along with each agreement, included with its response to this RFP, whereby Proposers shall agree to indemnify and defend SMUD on terms stated therein against all claims or actions brought against it to seek access to or compel disclosure of any records or documents in SMUD’s possession which were submitted to SMUD by any Proposer pursuant to this RFP. The Public Record Indemnity Agreement each Proposer will be required to sign and submit along with its response to this RFP is included on the following page.
PUBLIC RECORD INDEMNITY AGREEMENT

______________________________(“Proposer”) shall indemnify, defend and hold SMUD, (Print Company Name) its directors, officers, agents, and employees (collectively, “Indemnitees”) harmless against all claims or causes of action brought against Indemnitees seeking to cause the release or disclosure of Proposer’s submittal and related materials submitted to Indemnitees in response to SMUD Request For Proposals No. 2000040.DJM.

In the event Proposer(s) fails or refuses to indemnify or defend Indemnitees upon a timely request as provided hereunder, Proposer shall unconditionally waive all claims against, completely release and forever discharge Indemnitees from all claims, damage, loss, expense and liability Proposer may incur arising from or in any way connected to Indemnitees release of Proposer’s submittal and materials related thereto.

It is agreed that in the event of any litigation arising hereunder, the Proposer at the request of the SMUD shall submit to the jurisdiction of any court of competent jurisdiction within the State of California and will comply with all requirements necessary to give such court jurisdiction, and that all matters arising hereunder shall be determined in accordance with the law and practice of such court. It is further agreed that service of process in any such litigation may be made in the manner provided for in Section 415.40 of the California Code of Civil Procedure or in any other manner provided for in said code for service upon a person outside the State of California.

ACCEPTED FOR PROPOSER

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<th>Company or Proposer Name:</th>
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<tr>
<td>Signed:</td>
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<td>Print Name:</td>
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