



Think Inside the Triangle™

# Request for Qualifications (RFQ) for the Purchase and Redevelopment of the Westside Market Property

in Downtown, Tracy, California

Issued: July 25, 2017

Pre-Submittal Meeting with City of Tracy: August 17, 2017

Written Qualifications Due: By 5:00PM on September 14, 2017

# 1. Executive Summary

The City of Tracy is the owner of a commercial real property in the heart of downtown Tracy known as the Westside Market. The Westside Market (“Property”) is located at 729/741 N. Central Avenue, Tracy, California, Assessor’s Parcel Number (APN) 235-068-06 and is bounded to the east by N. Central Avenue, on the north by W. 8th Street, on the west by existing privately owned residential property and to the south by Jackson Alley. The Property is an immediate neighbor to the City of Tracy Grand Theatre Center for the Arts, a beautifully restored 651 seat vaudeville-era theater serving the local community and attracting 50,000 patrons annually to downtown Tracy for performing arts events, classes and concerts.

The City of Tracy is seeking written qualifications packages from development teams to acquire and redevelop/reconstruct a project on the 10,500 square foot (.24 acre) site. The City of Tracy seeks the selected private development team to construct a project which will have a sit-down restaurant as a prime tenant and may include a commercial only concept, mixed use project, or any similar viable project concept as proposed by the development team. The City of Tracy has economic development incentives available to assist the development team in project delivery.

### Contact for Questions:

Please contact Joshua Ewen, Management Analyst, Economic Development Division at 209-831-6492 or [josh.ewen@cityoftracy.org](mailto:josh.ewen@cityoftracy.org) or Andrew Malik, Development Services Director at 209-831-6400 or [Andrew.Malik@cityoftracy.org](mailto:Andrew.Malik@cityoftracy.org). Pre-submittal informational meetings are to be scheduled with the City of Tracy on Thursday, August 17, 2017. Written qualifications packages are due to the City of Tracy Economic Development Division by 5:00PM on Thursday, September 14, 2017.



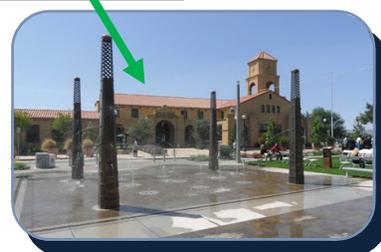
Westside Market



Grand Theatre



Transit Station



Downtown Plaza

## 2. About Tracy, California

### Tracy, California

The City of Tracy is a full service city home to over 87,000 residents with a median household income of \$79,483. We are a thriving community where neighbors and local merchants greet you by name and the welcoming never stops. We are a location of choice for our residents where tradition, charity, and prosperity abound throughout the community and where Fortune 100 companies can thrive while their employees enjoy quality schools, a variety of recreational amenities, great restaurants, and shopping in a safe community.

Tracy is strategically positioned to capitalize on the growth of the greater San Francisco Bay Area offering opportunities not only for relocating businesses but also residents seeking a higher quality of life in our family friendly community. The City has experienced a boom in local job generation and are projecting future growth in the Advanced Manufacturing, Transportation, Technology, and Health and Human Services employment sectors. Large employers in Tracy include: Amazon, Best Buy, Crate & Barrel, FedEx, Medline Industries, Pacific Medical, Taylor Farms and many more.

The single family and multi-family residential housing market is also booming creating new opportunities for local residents and those relocating for new job opportunities. In fact, there are 1,000 new multi-family housing units in the planning and construction stages at this time. By 2025, the population in Tracy is expected to exceed 100,000. This diverse and affordable residential housing growth, combined with public transit service options to the San Francisco Bay Area such as the Altamont Commuter Express (ACE) and San Joaquin Regional Transit District (RTD) direct commuter service, Tracy's small town charm, high performing schools and low crime rates make Tracy a desirable location for individuals and families to work, live, play and thrive.

### Downtown Tracy

Downtown Tracy is attractive and vibrant, with many new shops, restaurants, retail stores and entertainment options such as the Grand Theatre Center for the Arts. Downtown Tracy has been the recipient of significant public and private investment over the years including \$67 million for public improvements, infrastructure and streetscape, public parking lots, a Fire Department Administration Building, Grand Theatre Center for the Arts, and the Downtown Plaza.

New businesses are also taking off in downtown Tracy, with a generated sales tax increase of 16% between the period of 2015 to 2016. Full service and specialty restaurants including the Commons, Bistro 135, Town & Country Café, Magellan's Restaurant, Helm's Ale House, Delta Brews, Sandwich Cousins, Thai Café, Jasmine Thai, Tracy Thai, Barista's and others call downtown home. Downtown Tracy also offers clothing boutiques, fitness studios, salons, spas, flowers and gifts, groceries and general services.

Success in downtown is due in part to the efforts of Tracy City Center Association (TCCA), a non-profit district manager of the Property Based Improvement District (PBID). TCCA is actively engaged in downtown business attraction, marketing, events and business relations to create a business district that thrives for our region. For further information about the TCCA, please visit their website at <https://tracycitycenter.com/>.



Hector John Cosmetics



The Commons

## 2. About Tracy, California (Continued)

### Grand Theatre Center for the Arts

The classical Grand Theatre, designed by architect Albert W. Cornelius, opened on August 11, 1923 as a premiere vaudeville half-house. The 37,000+ square foot facility re-opened after an extensive redevelopment of the property with 651 seats, 2 restored theaters, a dance studio, 8 classrooms and 3 art galleries. The facility hosts 50,000 patrons a year and is currently celebrating its 10th Anniversary Season. The Center is owned and operated by the City of Tracy. Recent notable headliners include the musical talents of Phil Vassar, Trace Adkins, and Dave Koz, comedian Paula Poundstone and multiple live performances. More information about the Grand Theatre Center for the Arts can be found at <http://atthegrand.org/>.



### Downtown Events

The City of Tracy, and the Tracy City Center Association (TCCA), are active in promoting the arts, culture, entertainment and hometown Tracy traditions to engage and activate the downtown area. The City hosts free summer events such as the Downtown Block Party at the Downtown Plaza and Movies on the Plaza, in addition to the Artwalk centered around the Grand Theatre. TCCA has been very successful in its events line-up such as the Saturday Farmer's Market, Taps on 10th, Wine Stroll, Ornament Stroll, Halloween Parade and Christmas Parade.

### Transit Station and Access to San Francisco Bay Area

The southern terminus of Downtown is marked by the newly constructed Tracy Transit Station, which has been lauded as one of the finest buildings of its kind in the region. The station is serving as the main Tracy hub for San Joaquin Regional Transit District (RTD) direct commuter bus to the Bay Area Rapid Transit (BART) Dublin station. In addition, RTD provides direct contract commuter service from the Transit Station to companies in the greater San Francisco Bay Area such Lockheed Martin and Northrop Grumman located in Sunnyvale. RTD also provides connecting services to locations throughout the Stockton metro area.



TRACER, the City of Tracy transit service, provides fixed route and dial a ride services to Tracy residents connecting downtown to destinations such as the West Valley Mall and other job and service centers in the community. Additionally, the Altamont Commuter Express (ACE) rail service has released an Environmental Impact Report detailing a potential station location for downtown Tracy as part of the ACEForward project. ACE has a current station location in south Tracy, approximately 3 miles from downtown.

### Higher Education Presence

Downtown Tracy is the proud home of a satellite campus for Notre Dame De Namur University (NDNU) with satellite campus administrative offices being located 1 block from the Westside Market, and classes being offered at the Tracy Transit Station during the evening. Program offerings include a Bachelor and Master's in Business Administration, Bachelor's in Human Services and teacher credential programs. The City of Tracy and NDNU are partnering to promote program offerings to the region, in addition to further evaluating the feasibility of creating a permanent NDNU campus in Tracy.

### 3. About the Property

The 10,500 square foot (.24 acre) property with a 8,500 square foot existing structure is located in the heart of downtown Tracy, adjacent to the Grand Theatre Center for the Arts, and one block from the Transit Center. Other nearby uses and amenities include the Downtown Plaza, Tracy Fire Department Administration Building, Tracy City Hall, as well as eating and drinking establishments, clothing and merchandise retailers and service related industries such as spas, flower shops, real estate, banking and others.

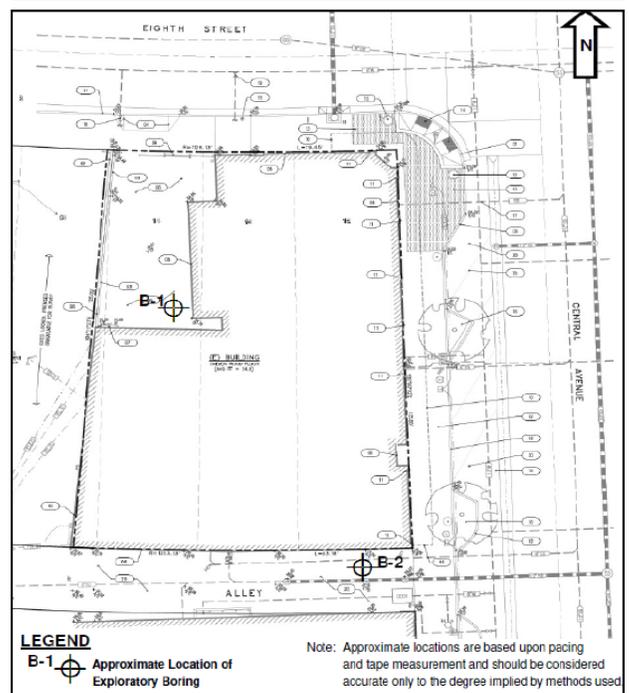
- A. **Street Address:** 729/741 N. Central Avenue, Tracy, California 95376
- B. **Current Owner:** City of Tracy (in fee ownership)
- C. **Legal Description:** Lots 12, 13, 14 and all that portion of Lot 15 lying Easterly of line running from a point 1.25 feet Westerly of the Westerly line of Lot 14 measured along the South side of 8th Street to a point 6.31 feet Westerly of the Westerly line of Lot 14, measured along the South line of said Lot 15, all in Block 13. The above described property being all of Lots 12, 13 and 14 and a strip off of the Easterly side of Lot 15; said strip being 1.25 feet wide on the South side of West 8th Street and 6.31 feet wide on the North side of alley, all in Block 13 in City of Tracy, according to the Official Map or Plat thereof, filed for record June 29, 1892 in Book of Maps and Plats, Vol. 2, page 63, San Joaquin County Records. APN: 235-068-06
- D. **Lot size:** 10,500 sq. ft. (.24 acre)
- E. **Existing building size:** 8,500 sq. ft. approximate, portion of unreinforced masonry building to be demolished by City in Summer 2017. Property is remain otherwise in as-is, vacant condition until developed at a later time.
- F. **Property History:** City of Tracy acquired the property in 2011. The structure is believed to be 1920's era.
- G. **General Plan Designation:** Downtown
- H. **Current Zoning:** Central Business District (CBD)
- I. **Flood Plain:** FEMA Flood Zone FIPS 06077, QUAD 37121-F4, Outside the 0.2% annual chance 500-yr floodplain
- J. **Utilities:** City wet domestic utilities including water, sanitary sewer, and storm drainage are available to service property from adjacent public streets. Dry utilities such as PG&E electric and telecommunications are aerial available to service site. PG&E gas services are underground capped in public street.
- K. **Transportation and Access:** Property is bounded to the east by N. Central Avenue, on the north by W. 8th Street, on the west by existing privately owned residential property and to the south by Jackson Alley. Access to the site may be provided via W. 8th Street or Jackson Alley.
- L. **Parking:** Parking is available on-street and in City owned parking lots within 1 block of the site. The City of Tracy has waived the off street in-lieu parking fee allowing the Property to develop without on-site parking requirements or parking fees.



### 3. About the Property (Continued)

- M. **Site Design and Building Orientation:** The Developed property should be consistent with City design standards and CBD zoning ordinance. Project development should enhance the “mainstreet” development of the N. Central Avenue downtown corridor, with a strong pedestrian orientation.
- N. **Environmental Conditions:** The City of Tracy is in possession of a Phase 1 Environmental Site Assessment dated July 2011. The ESA did not identify any immediate environmental hazards. The ESA is available for review by all Proposers. The City of Tracy, through the demolition activities for the Property, has identified a potential underground storage tank (UST) which will be removed and closed with San Joaquin County prior to transfer of title. The City of Tracy additionally has hazardous materials reports for Asbestos and Lead materials available for review by all Proposers. The City of Tracy will discuss demolition of the existing structure with Proposers as a basis of entering into agreement.
- O. **Appraised Value:** The Property was appraised on March 13, 2017 by Michael E. Lockard, MAI R/W-AC and was determined to have a market value of up to \$241,500 as vacant. This value will be the basis for entering into any formal negotiations between parties.
- P. **Downtown Community Benefit District:** The Property is located in the Tracy Downtown Community Benefit District (TDCBD) a Property Based Improvement District (PBID). The TDCBD extends from 2016-2024 and is subject to future renewals by voters of the district. The property assessment base rates (FY 2015) are follows and are subject to 5% annual increase thereafter:

Linear Footage	\$3.50/LF	Lot Square Footage	\$0.0875/GSF
Building Square Footage	\$0.1700/GSF	Condo Bldg. Square Footage	\$0.2000/GSF



## 4. Development Objectives

The City of Tracy is providing this RFQ to solicit interest from private development teams to purchase and redevelop the Westside Market Property to assist the City in creating downtown Tracy as a focal point for the community, that attracts residents and visitors from the entire region. Development objectives for the project include but are limited to:

- A. Redevelop the property to enhance and increase visibility for the city block, and provides a developed product that compliments the neighboring Grand Theatre Center for the Arts.
- B. Provides a commercial sit-down full service restaurant as a prime tenant.
- C. Provides new adjoining retail and commercial space.
- D. Explores the potential development of a second or third story project, which may include a mixed use residential component subject to market conditions.
- E. Project design that provides continuity between the old and the new in the built environment and retains the scale and the unique character of the downtown.
- F. Project design that encourages indoor-outdoor commercial activity including eating and drinking establishments.



Concept rendering provided by ITZEN Architects Inc. for the City of Tracy. Provided for illustration only.



## 5. City of Tracy Business Terms

The City of Tracy is interested in obtaining written qualification from developers with relevant development experience that may lead to meeting or exceeding the City's stated development objectives contained in Section 4.

The City of Tracy is committed to the success of this public-private venture and has already committed funding resources to incentivize a private developer to purchase the property for a privately led redevelopment project. Potential incentives include the following, subject to final negotiations and approval by the Tracy City Council:

- A. Demolition of existing Westside Market structure
- B. Furniture, Fixtures and Equipment (FFE) restaurant incentive
- C. Draw down cash incentive (subject to applicable sections of the CA. Public Contracting Code)
- D. Building and Planning Fee Rebate for Small Business tenants
- E. Downtown Façade Improvement Grant Program (Funded by Community Development Block Grant (CDBG))

The City of Tracy would seek that the selected development team agree to performance measurements which could include the following, subject to mutual approval by the parties:

- A. Receive certain project entitlements as described in the Tracy Municipal Code and approvals from the Tracy City Council as part of real property disposition and redevelopment project approval process.
- B. Developer takes fee simple ownership following approval of all project entitlements including Planning and Building Permits.
- C. Developer shall obtain a City issued certificate of occupancy (C/O) for the project and a full service restaurant.

A selected respondent may be required to submit project financial statements, information required for a pro-forma return analysis, and other requested documentation to validate the intent and ability of the applicant to fulfill a desired development project. Note a third party, chosen by the City, may be used to collect and analyze the required data in order to maintain the confidential nature of the information provided by the selected developer.



Audience meets in lobby of the Grand Theatre Center for the Arts

## 6. RFQ Submission Requirements & Selection Criteria

### Submission Process

The City of Tracy will host in-person pre-submittal meetings with interested parties on Thursday, August 17, 2017 between the hours of 9:00AM through 5:00PM. All respondents are invited to arrange a 45 minute pre-submittal informational meeting and site tour with the City of Tracy. Meetings will be arranged on a first come, first serve basis. Pre-submittal meetings may be arranged with the City of Tracy by contacting Joshua Ewen, Management Analyst at 209-831-6492 or [josh.ewen@cityoftracy.org](mailto:josh.ewen@cityoftracy.org). Information gained at these meetings may be used as part of the respondent's response package.

**Formal proposal packages are due by 5:00PM on Thursday, September 14, 2017** to the City of Tracy Economic Development Division located at 333 Civic Center Plaza, Tracy, California 95376. One paper copy of the proposal must be submitted. Respondents may also provide an electronic copy to [josh.ewen@cityoftracy.org](mailto:josh.ewen@cityoftracy.org).

Following receipt of written qualifications, the City of Tracy may choose to perform additional selection interviews with any or all of the respondents. The final selected development team will be provided the opportunity to enter into an Exclusive Negotiating Rights Agreement (ENRA) with the City of Tracy, subject to approval by the Tracy City Council.

### Contents of Written Qualifications Package

Respondents are encouraged to provide all information as requested in this RFQ and address them in the following order:

- A. Executive Summary and/or Letter of Interest from Respondent including contact information
- B. Description of project's proposed ownership and legal structure
- C. Statement of qualifications including previous project development experience, which may include projects with a full service restaurant tenant
- D. Three (3) professional references, including public agency references where applicable
- E. Description of a concept project including the project vision, goals, and conceptual project development approach regarding how the development team will address the City's development objectives for the property
- F. Identified constraints or challenges to project development

### Evaluation and Selection Criteria

The City of Tracy reserves the right to evaluate and select a respondent that best meets the needs of the City. Respondent qualifications will be evaluated and ranked based on a variety of criteria including, but not limited to:

- A. Development Team Experience and Capability
  - Demonstrated successful experience on projects similar in scope and type requested by the City
  - Results of professional reference checks
- B. Development Program and Design
  - To the extent the proposed development advances the City of Tracy's development objectives
  - Proposed use is consistent with Tracy zoning code and goals for economic development of downtown
- C. Results of final selection interviews

The City of Tracy reserves the right to amend this Request for Qualifications (RFQ) package, and the incorporated evaluation and selection criteria at its choosing.

## 7. Appendices—Supplemental Property Information

All respondents are advised to visit the City of Tracy's project procurement information page (RFP Notices) at <http://www.ci.tracy.ca.us/?navid=7930> for additional information regarding the RFQ package.

1. [Location Map](#)
2. [Assessor's Parcel Map, APN 235-068-06](#)
3. [Preliminary Title Report, APN 235-068-06](#)
4. [Phase 1 Environmental Site Assessment dated July 2011](#)
5. [Restricted Appraisal Report and Feasibility Study](#)
6. [Plan—Construction Documents for Demolition of Unreinforced Masonry Portion of Existing Building](#)
7. [Tracy Market Profile, ESRI 2017](#)
8. [Central Business District \(CBD\) Zoning Ordinance](#)