

REQUEST FOR DEVELOPER QUALIFICATIONS (“RFQ”)



# MISSION VIEJO

*Make Living Your Mission*

The City of Mission Viejo is requesting qualifications for:

## **Joint Commercial and Civic Development Opportunity between the City of Mission Viejo and a Commercial Developer**



*Los Osos Development Project at Village Center*  
*25276-25290 Marguerite Pkwy. Mission Viejo, CA 92692*  
*[APN: 782-011-95]*

RFQ ISSUE DATE: Friday, August 25, 2023

RFQ SUBMITTAL DEADLINE: **Friday, September 15, 2023** by 5:00 PM PST

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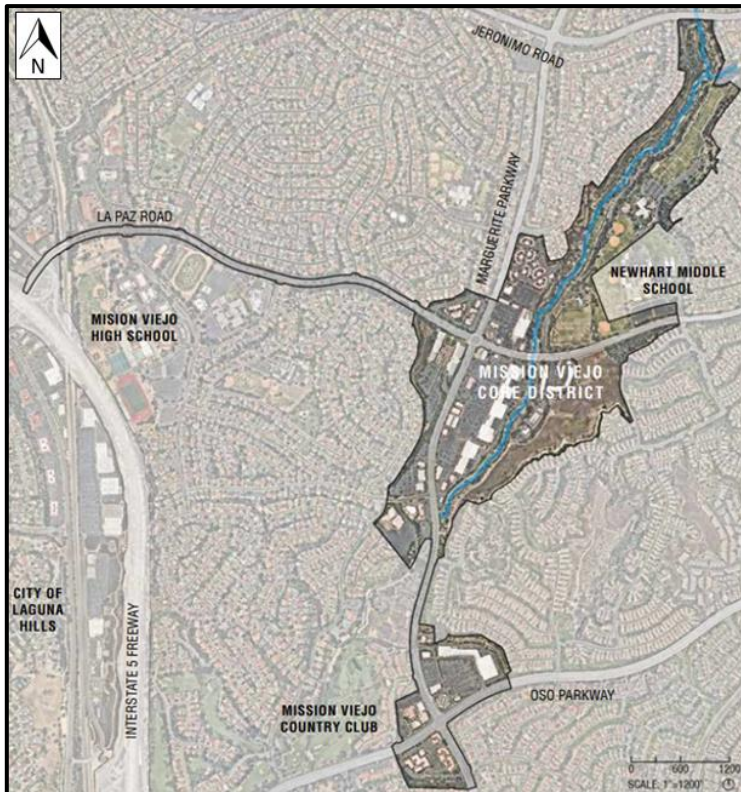
An electronic copy of the RFQ and supporting documentation can be accessed at this [link](#).

# 1. Introduction and Background

## *Project Overview*

In line with its commitment to advance Economic Development, the City of Mission Viejo (“City”) undertook a Vision Plan (“Plan”) process for a Core Area in the City in April 2016. This region encompasses properties surrounding the intersection of La Paz Road and Marguerite Parkway, extending along Marguerite Parkway towards Jeronimo Road to the north, and including the Marguerite and Oso Parkways intersection (See: Figure 1).

**Figure 1: Mission Viejo Core Area**



The Plan, a result of extensive community engagement, outlines the Core Area prospects for future development, integrating land use, physical attributes, character, public spaces, transportation, natural elements, and market viability. The Plan lays out a comprehensive set of guiding principles, strategies, and concepts to convey the envisioned direction for the City as well. In March 2017, the City and community developed a vision for the Village Center, located at the southeast corner of Marguerite Parkway and La Paz Road as a preferred concept to implement (i.e., the ‘Core Area Vision Plan’ “Embracing the Creek” concept).

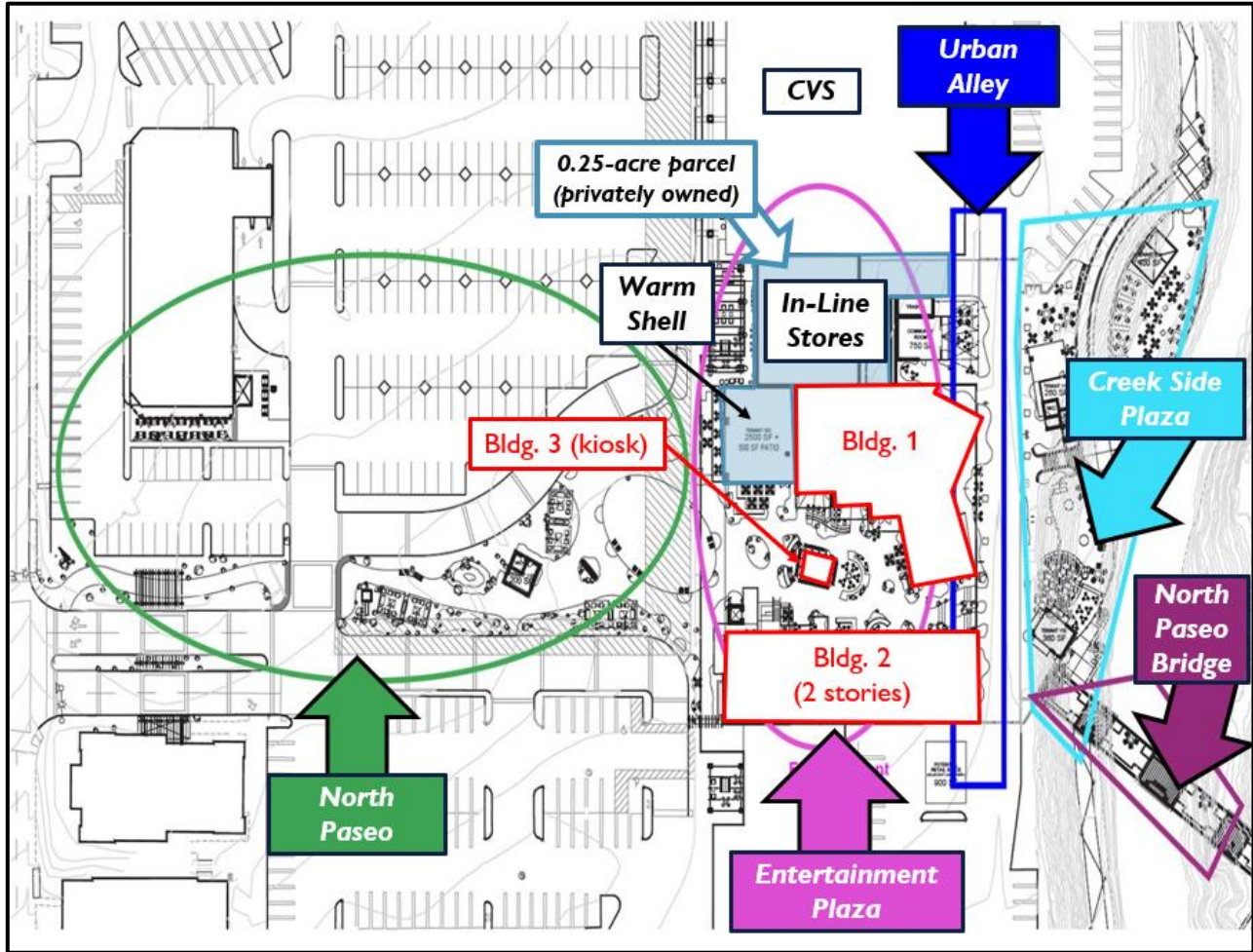
In December 2021, the City purchased a parcel containing the former Stein Mart building (“MART”) / parcel and parking lot extending to Marguerite Parkway. From March 2022 to the present, the City has refined a phase one project of their property in the Core Area called “LOS OSOS”. The plan for LOS OSOS, which encompasses the entire parcel, has gone through an extensive public input process over the last year and is

set to go to City Council for formal direction in the Fall of 2023. LOS OSOS is a planned development of the 3.3-acre, City-owned parcel in the Village Center (including the MART building, façade improvements to the four in-line stores to the north, the North Paseo and related entertainment areas, and the Urban Alley and Plazas overlooking the Oso Creek Trail located behind the MART building). The LOS OSOS development project opportunity is the focus of this RFQ. It is important to note, there is a small 0.25-acre, privately owned parcel (APN: 782-011-94) located within the City-owned parcel. Per the City’s Purchase and Sale Agreement, the City is obligated to pay for the existing in-line store building facades, and the renovation of a 3,000 SF “Warm Shell” building located on the 0.25-acre parcel. (See: Figures 2A and 2B)

Figure 2A: Aerial of LOS OSOS Project



**Figure 2B: LOS OSOS Development Project Plan**



The City is seeking a collaborative and innovative development partner (“Developer”) to construct and operate the commercial buildings that would contain the retail and food uses (See Buildings 1, 2, and 3 on Figure 2B, hereafter “Sites”). The Developer should be skilled and capable of designing, permitting, managing, and constructing retail and restaurants in a blended-use environment on the opportunity Sites. For more information about the proposed square footage for the LOS OSOS Project, please review the table below.

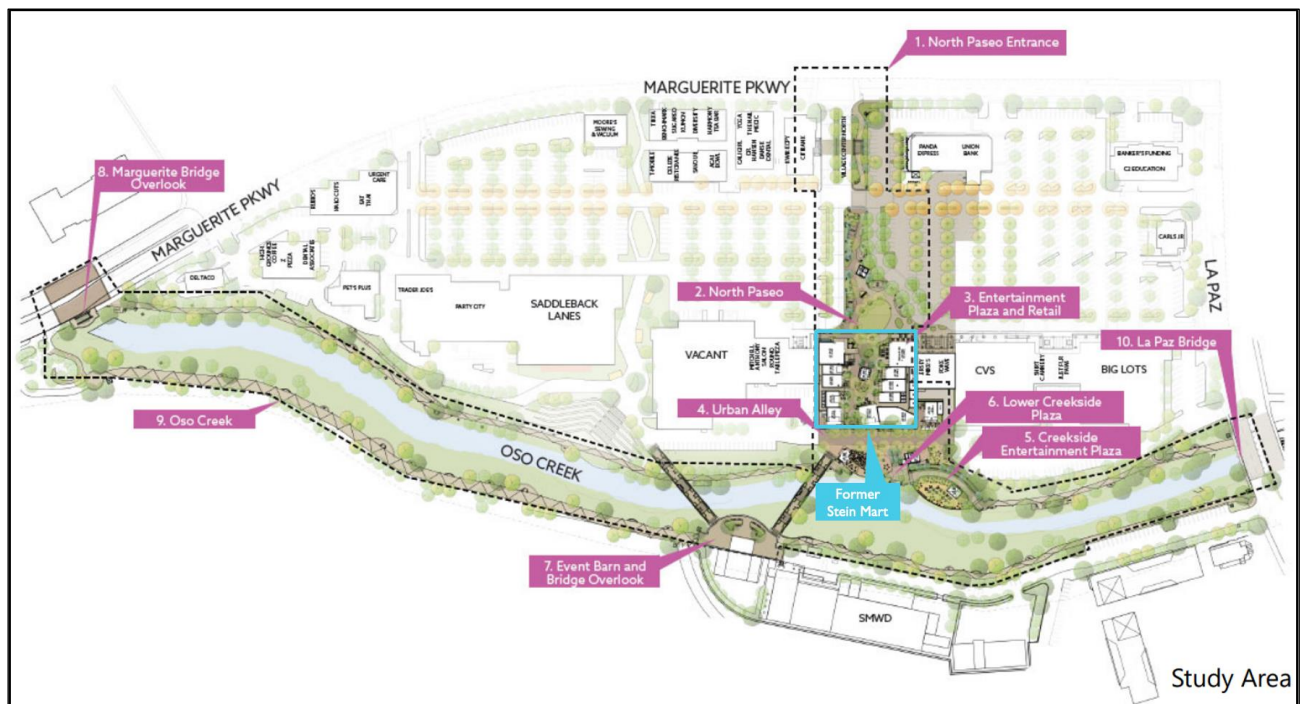
**Table 1: LOS OSOS Project (Existing / Proposed Square Footage)**

Existing Plan		Proposed Plan	
Fmr. Stein Mart bldg.	33,000 SF	Sites (Bldgs. 1, 2, and 3)	17,470 SF
In-line stores	5,266 SF	In-line stores	5,266 SF
Total Square Footage	38,266 SF	Total Square Footage	22,736 SF
Parking Spaces	155 spaces	Parking Spaces	108 spaces

The City intends to construct and maintain the public spaces surrounding the Sites (North Paseo, Entertainment Plazas, trails, etc.), including all parking lots, landscape and irrigation, and site elements as part of the Oso Creek Recreational/Commercial Zone.

The initial phase of development of LOS OSOS will concentrate on the repurposing of the MART and the development of the North Paseo and associated public spaces. This phase aims to create a dynamic mix of civic, retail, entertainment, and restaurant spaces, complemented by the necessary infrastructure, landscape, and place-making. This phase envisions a renovation of the current building that involves breaking the footprint into two distinct commercial areas, creation of the North Paseo, Entertainment Plaza, and a portion of the Urban Alley behind the buildings with a connection to the Oso Creek Trail. (See: Figures 3A and 3B).

**Figure 3A: LOS OSOS Study Area Plan**



**Figure 3B: North Paseo Site Plan**



**Zoning Designations**

The City-owned parcel is currently zoned Community Commercial (CC) but is designated in the City General Plan as Recreational. The City is contemplating rezoning the parcel as Oso Creek Recreation and Commercial due to its adjacency to the Oso Creek Trail Open Space. The current and future zone is intended for retail, professional office, and service-oriented business uses as well as commercial recreational uses and community gathering places that serve a community-wide need.

The following is an outline of anticipated roles and responsibilities of the selected Developer:

- (i) Serve as the Developer acting in cooperation and partnership with the City in the process of planning, financing, constructing, and managing the necessary public and common infrastructure.
- (ii) Develop and/or manage development by others of the planned civic, restaurants, retail, entertainment and community facilities. On a negotiated case-by-case basis, these facility sites may be leased to tenants.
- (iii) Provide marketing and property management activities as necessary to assure fulfillment of the Plan.
- (iv) Take advantage of available public and private initiatives to establish the most effective means to develop the various components of the development program for the Sites and to leverage a wide array of potential federal, state, and local incentives that are available for consideration.

### ***Overview of Development Considerations***

The City desires that the Developer should consider the following:

1. Parameters identified by the City Council and City staff:
  - a. Must have experience in owning and managing highly specialized and elevated retail and food uses that are on trend, innovative and unique to the South County region.
2. Project must meet the standards identified in the City's Municipal Code ([https://library.municode.com/ca/mission\\_viejo/codes/code\\_of\\_ordinances](https://library.municode.com/ca/mission_viejo/codes/code_of_ordinances)).
3. Project should reflect the community outreach, involvement, and input from the last 18 months.
4. Project must exemplify meaningful architecture, sustainable design, and construction that aligns with the Plan.
5. Developer will meet directly with City staff to communicate expected design and quality as well as any proposed off-site improvements that may impact the Sites.
6. The Developer must be willing to implement the plan as approved with minor adjustments and modifications.
7. The Developer must have experience in managing a highly dynamic environment that includes weekly City events, farmers markets, night markets, and other community-based events. This is and will be THE place in which the community will come together. The Developer and the long-term manager of the retail/food uses must have a community spirit of collaboration and will embrace the vision of LOS OSOS as the downtown gathering place for the residents of Mission Viejo.



### ***City of Mission Viejo***

Mission Viejo is a mid-size, master-planned City located in the eastern foothills of Orange County, approximately 50 miles southeast of Los Angeles and 73 miles north of San Diego. The City, incorporated in 1988, is well connected by multiple freeways including Interstate 5 and State Route 73 on the southwestern end of the City, and State Route 241 on the northern end. Mission Viejo is bordered by Lake Forest on the northwest, Trabuco Canyon on the northeast, Rancho Santa Margarita and Ladera Ranch on the east, San Juan Capistrano on the south, and Laguna Niguel and Laguna Hills on the west.

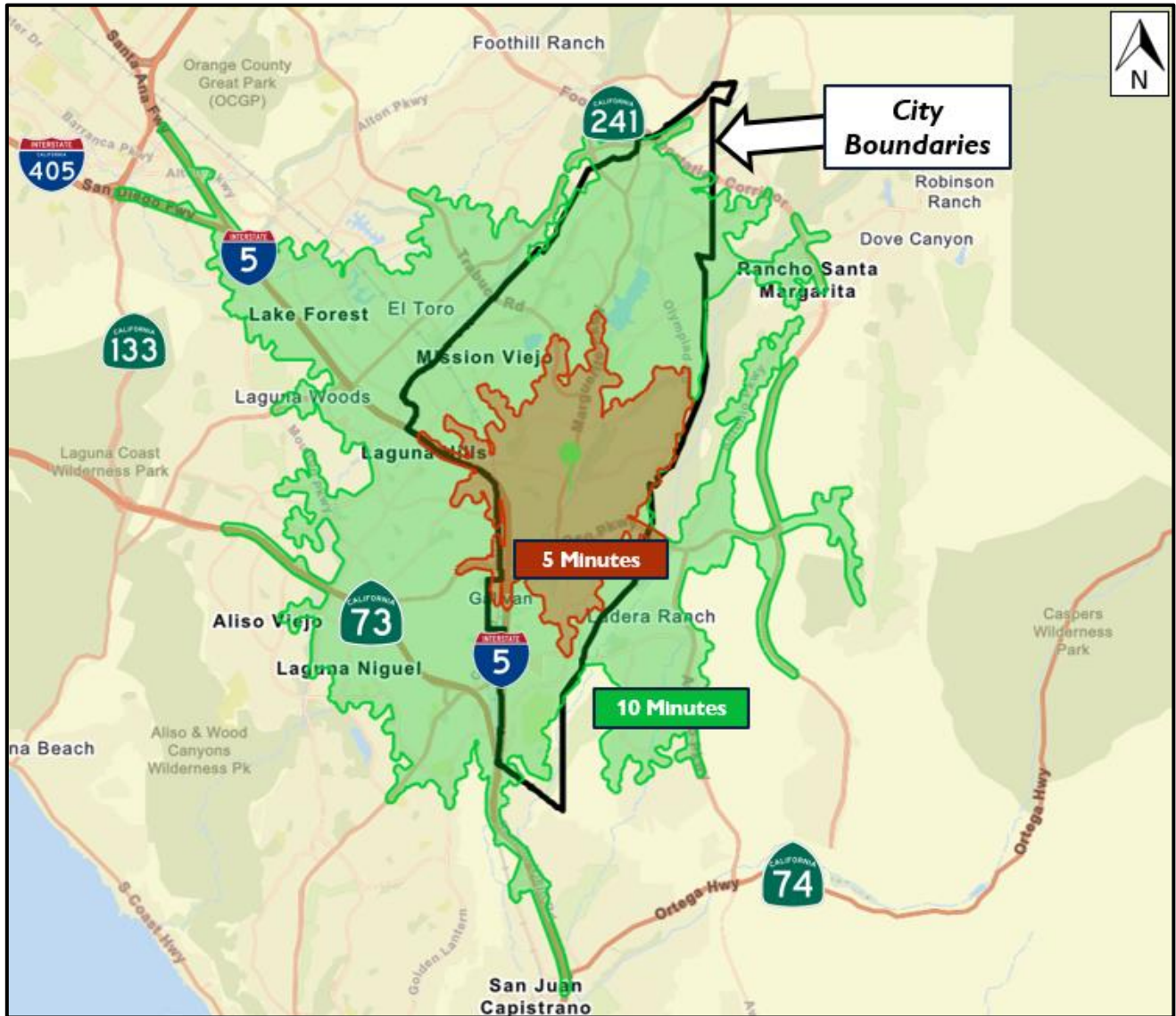
The City operates and maintains a full range of municipal services including Animal Services, Arts and Culture, Community Development, Economic Development, Finance, Information Technology, Library, Planning, Public Works, and Recreation. The City contracts with the Orange County Fire Authority and the Orange County Sheriff's Department for fire prevention/suppression and police services, respectively.

With a population of nearly 93,000 and a median household income of \$128,400 the City is relatively affluent, educated, and possesses demographic attributes that are appealing to a cross section of real estate investors and tenants. The demographic profile of Mission Viejo's residents suggests a strong consumer base for retail and other land uses in the City. The City's median household income is 22 percent higher the County average and approximately 64% of Mission Viejo households earn over \$100,000 per year.

The largest industries in Mission Viejo include health care and social assistance, educational services, retail trade, accommodation and food services, and professional/scientific/technical services. Most workers who live in Mission Viejo commute to jobs in Irvine, Los Angeles, Lake Forest, Santa Ana, and Newport Beach. The City does receive substantial daytime traffic as well from employees who come from Lake Forest, Rancho Santa Margarita, Irvine, Laguna Niguel, and Los Angeles.

A Regional Map, County Assessor Parcel Map, Traffic Count Map, and Street Perspectives for LOS OSOS are provided on the following pages. Map sources: ESRI (regional map), Orange County Assessor (parcel assessor map), Placer.ai (traffic counts), and Google Maps (street perspectives).

**Figure 4: Regional Map and Demographics**



2023	Drive Times (from Village Center)		City of Mission Viejo
	5 Minutes	10 Minutes	
Population	33,753	210,489	92,997
Households	11,637	75,694	34,051
Avg. HH Income	\$190,294	\$167,202	\$169,374

Figure 5: County Assessor Parcel Map

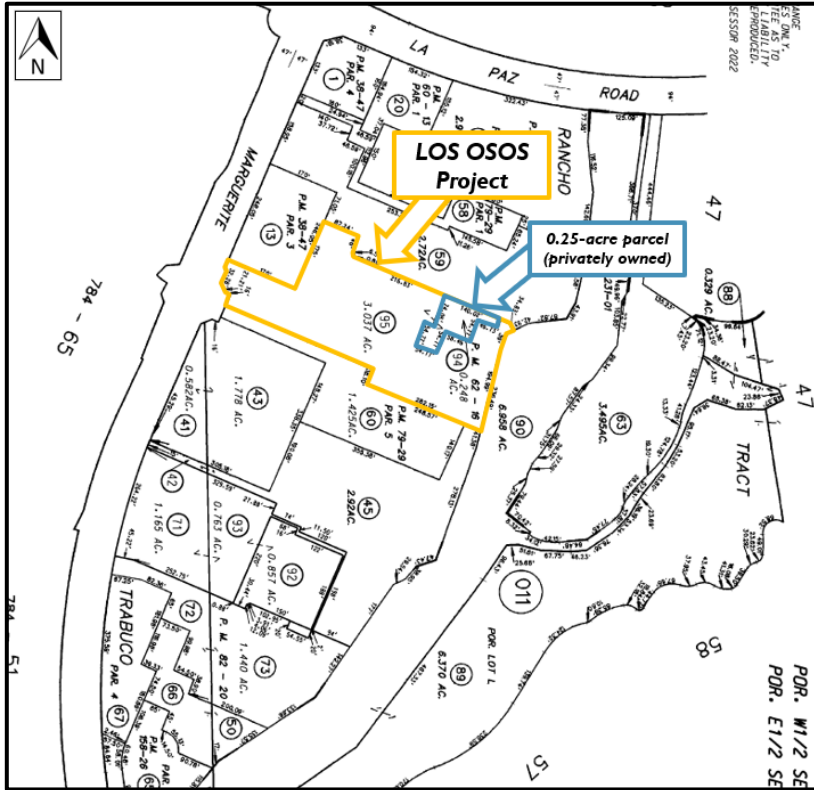


Figure 6: Traffic Count Map



Average Daily Traffic count at the intersection of La Paz Rd. and Marguerite Pkwy. = 91,623

**Figure 7A: Street Perspective #1**



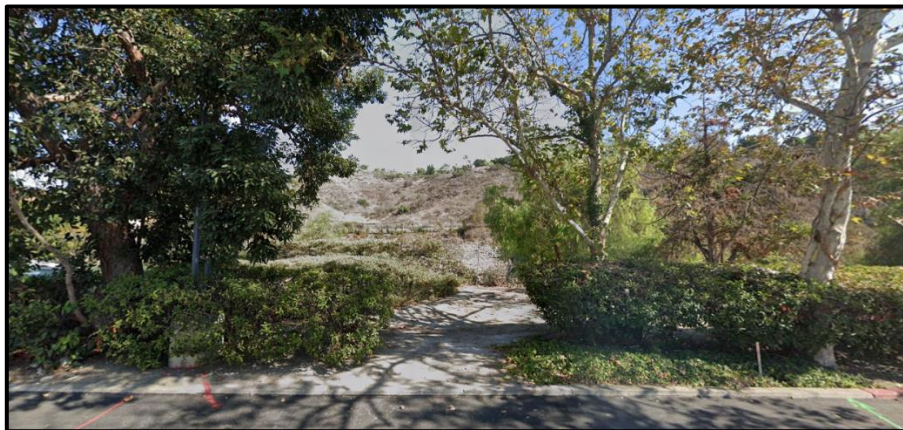
*View looking east towards MART and North Paseo*

**Figure 7B: Street Perspective #2**



*View looking east from Marguerite Pkwy.*

**Figure 7C: Street Perspective #3**



*View looking east towards Oso Creek (behind MART)*

## 2. Submittal Requirements

### ***Submittal Overview***

The City reserves all rights regarding this solicitation, including, but not limited to, the right to amend or modify this RFQ, reject all proposals, or extend any dates. Should the City not receive qualified proposals of interest by a submittal deadline, it reserves the right to extend that deadline until qualified proposals of interest are received.

Respondents are responsible for ensuring submittals are received by City. All materials submitted during any part of the selection process become the property of the City. The respondent may designate portions of its submittals that contain proprietary data as “confidential,” but the City cannot guarantee that it will be able to legally enforce such confidentiality.

The City shall not be responsible for any costs and/or obligations incurred by and/or on behalf of a potential developer in preparing, submitting, or otherwise participating in any part of this RFQ, the selection, documentation, or the development process in its entirety. The City reserves the right to request clarification or additional information from respondents. Information included in this RFQ is believed to be accurate but should be independently verified by potential respondents prior to reliance upon.

### ***Qualifications and Proposal Content***

The City’s top priority is to select a qualified / experienced Developer partner to design, build, and manage a quality development project that will be synergistic and supportive of adjacent and other land uses near the Sites. The evaluation criteria will consider a prospective developer’s recent experience and financial wherewithal in working on projects of similar size, scope, and quality. Section 4 of the RFQ describes the evaluation criteria in greater detail.

The evaluation and selection process will include two rounds as follows:

1. **Round One (Request for Qualifications RFQ)** – Respondents shall provide the information that follows in this Section. Once the City Review Committee has the opportunity to evaluate each response, some or all respondents may or may not be interviewed, as appropriate, and invited to participate in **Round Two**.
2. **Round Two (Request for Proposals RFP)** – Respondents selected to advance to **Round Two** will be notified via email. This round may include, but is not limited to, a Letter of Intent (“LOI”) from the developer that includes a specific project description, pricing and financial terms, entitlement and project schedule, performance benchmarks, evidence of project feasibility / financing, and an in-person interview, as appropriate.

Respondents shall provide the following information for **Round One** RFQ of the evaluation process:

1. **Letter of Introduction** – Include a summary of the respondent’s basic qualifications, development experience, past and current project experience of similar nature and size, and reasons for interest in this opportunity. The letter must identify the respondent’s interest for development and be signed by a principal or authorized officer, and include a statement that the officer may make legally binding commitments for the entity.
2. **Detailed description of potential conceptual project** – Include sufficient information as to proposed / potential retail and tenants mix, to give the City Review Committee enough information to have an idea of what the final development could contain and how it complements the Core Area Vision. Supporting market data, any potential revisions to the approved concept plan, and collateral materials are encouraged in order to provide support for the proposed concept.
3. **Team Members** – Identify members of the development team and provide a brief description of each team member’s role including the following:
  - Principals involved in the project.
  - Resumes of key team members.
  - A description of team member’s proposed role and relevant experience with projects of similar nature and size and experience in and familiarity with development in Mission Viejo or surrounding areas.
  - An organizational chart.
  - Designation of lead contact for the team.
4. **Relevant Project Experience** - A summary of current and previous experience of the team with regard to projects comparable both in size and uses. As appropriate, this information should include a project description, photos or site plans if available, land uses, dates completed, developer role, cost/value, financing sources, duration of development processes, role of current employees in the project, existing status as to ownership and leasing of current developments, percent owned since project completion, and volume sold/leased. Additionally, please identify similar completed projects in the area that can be visited and provide a name and contact information.
5. **Project Approach** - A high level summary of the team’s approach and anticipated timing related to design, entitlements, permitting, financing, development, and operation. Provide examples of processes employed in other similar projects. The City is open to considering either a fee simple sale or ground lease of the Sites.
6. **Financial Data** - A summary of the potential developer/development entity’s capability to source the capital necessary to successfully fund and/or finance the proposed concept. If selected to advance to **Round Two** RFP, a description of the anticipated financing structure to be utilized to finance the anticipated project and specific evidence will need to be provided to support proof of the ability to fund a project of this size.
7. **References** - No less than three references (name, title, entity, telephone number and contractual relationship to respondent) that may be contacted with respect to current and past project experience. Additionally, a reference list with contact information for public sector officials and staff involved in the previous projects identified as examples of Relevant Project Experience.

8. **Litigation History with Public Agencies** – Provide information as to any litigation that any developer/development entity that comprises the overall team has had with public agencies over the last 10 years.

### ***Submittal Date***

Please return qualifications as part of **Round One** RFQ for review by **Friday, September 15, 2023 at 5:00 p.m. Pacific Time** to the contact listed below. If the City is not satisfied with the number and quality of submittals received, the City may issue a notification to developers to continue to submit or resubmit qualifications.

### ***Submittal Quantity and Contact***

Please provide one (1) bound, printed copy of the submittal and one (1) electronic version on a thumb drive to Kosmont Companies - Consultant to the City of Mission Viejo:

Mr. Ken K. Hira  
President  
Kosmont Companies  
1601 N. Sepulveda Blvd. #382  
Manhattan Beach, CA 90266

## **3. Disclosures**

1. The City reserves all rights to modify or terminate the selection process or not select a developer at all. This RFQ and selection process does not constitute any type of offer and creates no contractual or other liability to the City. There is no guarantee that a ground lease or sale will be consummated, or that a project will be reviewed or accepted pursuant to this RFQ.
2. Approvals of future conveyance agreement may be subject to approval by City Council.
3. The development standards provided in the RFQ are subject to change.
4. Additional due diligence information and materials can be found at the following [link](#).

## **4.Evaluation Criteria, Award Procedures, and Tentative Timeline**

### ***Evaluation Criteria***

The following criteria will be used as the primary basis for evaluating developer responses as part of **Round One**:

- The respondent's applicable experience and expertise.
- The respondent's experience in formulating and implementing successful development projects of similar scope and character.
- The respondent's demonstrated ability to implement projects that retain and authentically reflect local character.
- The respondent's track record, experience and financial capacity / wherewithal to start and complete projects and uses similar to those requested in the RFQ.
- The respondent's demonstrated ability to structure development and financial transaction structures, which minimize the City's risk while maximizing the public's return on assets and other public benefits.
- The respondent's demonstrated ability to access capital for the proposed scope of development.
- Experience of key project team members with similar projects.
- Experience in curating a collection of unique tenant mix.

The following criteria will be used as the primary basis for evaluating selected developer responses as part of **Round Two**:

- The criteria above, as well as the respondent's LOI / development proposal, including the proposed land uses/tenant mix, massing, financial structure, project valuation, initial financial pro-forma, supportive market data, quality of design and development, fiscal impact to the City and other taxing entities, and, as applicable, project/site components to be provided by the City. The City may request additional information.

The order of presentation of the above criteria does not necessarily denote the specific importance of the same.

### ***Award Procedures***

**Note:** Consultant will assist City in the process and vetting of applications but *will not* make any decisions about the Developer as it is the City Council's sole discretionary selection. Consultant *will not* act as City staff or a designated "employee" to the City and *will not* make governmental decisions. The ultimate decision makers will be the City Council.

1. The Review Committee may be comprised of City staff and the Economic Development Committee and stakeholders and will evaluate responses to **Round One** RFQ.



2. Next, an interview with top respondents may or may not be set up to take place before the Review Committee. The Review Committee shall make selections for respondents to advance to **Round Two** based on the Review Committee's evaluation the respondents' submittal and potential interviews.
3. The Review Committee will notify respondents but confirm with those that have been selected to advance to **Round Two**. Those selected to advance to **Round Two** will be given the opportunity to meet with staff to discuss project approach and execution and to better understand the City's expectation in terms of design, quality, and offsite improvements before submitting a response as part of **Round Two**. Staff will clarify what the preliminary and non-binding LOI shall cover. City Economic Development Committee may also participate in the discussion.
4. The Review Committee will vet project concepts and the LOI responses to **Round Two** RFP based on their judgment as to which proposals best satisfy the objectives expressed by the City, as well as provide a desired potential development Project and financial return for the City. The Review Committee shall present the evaluation results to the City Council. The Review Committee will make a final recommendation that the City Council will then consider and make the final selection decision with the top-ranked qualified respondent with the goal of entering into an Exclusive Negotiating Agreement ("ENA") within 90 days of selection.
5. As appropriate, the selected development team must comply with statutory and administrative requirements pertaining, but not limited to, zoning ordinances, subdivision requirements, fee schedules, and other applicable City, County, State, and Federal codes and ordinances.

### ***Tentative Timeline***

**RFQ released** on Friday, August 25, 2023

- Responses to **Round One** RFQ due on Friday, September 15, 2023 at 5:00 p.m. PST
- **Round One** interviews, as appropriate, to be completed and selection of **Round Two** candidates by Monday, September 18, 2023

**Round Two** RFP anticipated release date in late September 2023

- Responses to **Round Two** RFP due in early/mid October 2023
- **Round Two** interview(s), evaluation of **Round Two** responses and Review Committee recommendation by late October 2023
- City Council to consider ENA with preferred Developer by year end

## 5. Additional Documentation and Contact Information

An online directory has been established at the following [link](#) containing additionally relevant information outlined below:

- This RFQ
- LOS OSOS Project Information and Maps
- A link to the City of Mission Viejo Master Fee Schedules
- Mission Viejo Zoning Map
- A link to the [City of Mission Viejo Municipal Code](#)
- Link to ENVISIONMV.com relevant resources (related to LOS OSOS Core Area)
- Link to the LOS OSOS Project Overview “Flip Book” sent to the current business tenants

Prospective respondents should feel free to reach out to the City and Consultant contacts included below for questions regarding this submittal. Thank you for your consideration.

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