

COVINA-VALLEY UNIFIED SCHOOL DISTRICT

**REQUEST FOR PROPOSALS  
FOR THE COVINA-VALLEY OF SURPLUS REAL  
PROPERTY**

**(Approximately 8.07 acres of property located at 1024 W. Workman Ave., West Covina,  
California 91790)**

Dated: February 22, 2017

## **I. INTRODUCTION AND BACKGROUND**

The Covina-Valley Unified School District is seeking proposals (“Proposals”) from qualified parties (“Respondents”) to lease or exchange an approximately 8.07 acres of property located at 1024 W. Workman Ave., West Covina, California 91790, known generally as the District’s Vincent Children’s Center site (“Property”), as more particularly identified below and the legal description and map depiction attached hereto as Exhibits “A” and “B,” respectively.

The District previously appointed a Surplus Property Advisory Committee to advise the District’s Board of Education (“Board”) in the development of District-wide policies regarding the use or disposition of District property not needed for school purposes. The Advisory Committee recommended declaring the Property surplus and on September 21, 2015, the Board passed and adopted Resolution 15-16-10, which declared the Property surplus and declared the Board’s intention to lease the Property. The Education Code requires the District to follow a specific procedure to lease surplus property which includes a public competitive bid process. The District did offer the property to certain public agencies, and conducted a bid; however, was not able to reach agreement with a potential lessee. Thus, the District sought and received a waiver from the California Department of Education which allows the District to use an alternative “Request for Proposal” procedure in which the District seeks Proposals from any party interested in leasing the Property pursuant to the conditions set forth in the District’s Request for Proposal (“RFP”). The District will assess all Proposals and determine the best options for the District, as described below.

The District anticipates that following the less formal RFP process will allow the District to negotiate a ground lease which better accommodates the needs of both the District and the potential lessees.

Concurrently, the District is also seeking Proposals from qualified parties regarding the exchange of property(ies) owned by persons or private business firms for the Property. The anticipated exchange of Property would occur in accordance with Education Code section 17536 *et seq.* These sections provide that a school district’s board may exchange any of its real property for the real property of another person or private business firm. Said exchange may be upon the terms and conditions agreed to by the parties and need not comply with other Education Code provisions governing the disposal of surplus property. Thus, while the District is not required to follow a specific selection process to find a person or private business firm interested in exchange, it has done so here to seek the broadest potential pool of exchange properties.

Before ordering the exchange of real property the governing board of a school district must adopt, by a two-thirds vote of its members, a resolution declaring its intention to exchange the property. The resolution must describe the properties to be exchanged, including identifying information and the terms and conditions upon which they will be exchanged.

Respondents (“Respondents”) are encouraged to submit a ground lease and/or exchange Proposal in accordance with the requirements set forth herein. The District will review all submitted Proposals in accordance with the Proposal Process discussed below. If the District is able to reach an agreement with any of the Respondents, the specific terms and legal considerations of the ground lease or exchange agreement will be documented in a formal ground lease or exchange agreement to be entered into by the District and the successful Respondent.

The District is interested in receiving Proposals from Respondents desiring to either lease the Property or exchange the Property for property(ies) owned by persons or private business firms.

## **II. THE PROPERTY**

The Property is approximately 8.07 acres of property located at 1024 W. Workman Ave., West Covina, California 91790, known generally as the District's Vincent Children's Center site.

## **III. PROPOSAL REQUIREMENTS**

The District invites qualified Respondents to submit Proposals in response to this RFP. Proposals shall comply with the requirements set forth herein. Respondents must provide the following basic information:

1. Introduction Letter and Executive Summary
2. Table of Contents
3. Name and Contact Information of Respondent
4. Financial Information:
  - a. Report from any financial credit rating service; and
  - b. Any other financial statements and/or other documents that would indicate acceptable financial standing and the ability to fund the proposed project
5. Either:
  - a. Provide information required in the Proposed Ground Lease Guidelines listed in Section IV below and any additional information or description that will evidence Respondent's ability to perform its proposed project; or
  - b. Provide information required in the Proposed Exchange Guidelines provided in Section V below and any additional information or description that will evidence Respondent's ability to perform its proposed project
6. References

## **IV. PROPOSED GROUND LEASE GUIDELINES**

The purpose of this RFP is to give Respondents the flexibility to submit Proposals that will meet their specific needs. However, the following guidelines are provided to summarize the terms that that District would like to see within the final ground lease agreement. Respondents will be required to enter into a ground lease drafted by the District, which will include the terms discussed herein and in Respondent's Proposal. The District may consider all Proposals submitted pursuant to this RFP and, at its sole discretion, may enter into direct negotiations with any Respondent during which the terms and conditions of the ground lease may be negotiated to determine if the Parties can reach a mutually acceptable ground lease agreement. However, the following guidelines are provided to indicate the terms that the District is likely to accept and/or require.

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- The District will give high priority to the Respondent offering the highest rent, both in terms of monthly rental payments as well as total payment over the term of the ground lease. The District is looking for a minimum annual rental of Six Hundred Seventy-Five Thousand Dollars (\$675,000.00), plus annual rent increases.
- Respondent must identify the total length of the ground lease term. The District is looking to lease the Property for a minimum of thirty (30) years when accounting for the initial term and any and all extension periods. The District is willing to consider a longer or shorter term depending on the features of a particular Proposal. The District is willing to consider optional extension periods whereby the Respondent agrees to lease the Property for a certain initial term with the right (unilateral or mutual) to agree to one or more additional term(s) after the initial term expires.
- Respondent may request a “Due Diligence Period” to take any and all actions Respondent deems necessary to ensure the Property can be used for the Respondent’s intended use. Respondent shall identify the total number of days required for the Due Diligence Period. During the Due Diligence Period, the Respondent may request access to the Property to conduct inspections, testing, and investigations on the Property to determine if the Property is acceptable. Respondent must describe the anticipated activities it will conduct on the Property to complete its inspection requirements and must confirm that it will return the Property to its original condition after its due diligence inspections. Respondents must acknowledge and consider that their access to the Property during the Due Diligence Period must be coordinated with the District, and Respondent must provide customary indemnification and insurance for such access and investigation. Respondents cannot rely on any statement or document provided by the District to assess the viability of the Property, and therefore must use the Due Diligence Period to conduct all investigations it deems necessary to assess the Property.
- If a Due Diligence Period is requested, Respondent shall also identify a non-refundable Good Faith Deposit that will be provided to the District in consideration for the Due Diligence Period. Should the District and Respondent enter into a ground lease, the Good Faith Deposit shall be applied towards Respondent’s rental payments. If Respondent requests the option to extend the Due Diligence Period beyond the initial period, it must also identify additional Good Faith Deposits that will be provided to the District if Respondent exercises such due diligence extensions.
- Respondent should identify the potential governmental agency reviews and approvals necessary for its anticipated use of the Property, including rezoning, conditional use permits, and any anticipated environmental review document. Respondent may request the District’s assistance in obtaining any necessary approvals during the Due Diligence Period; provided, however, such assistance shall not be mandatory and shall be provided at no cost to the District, whatsoever. Respondent must confirm that it will be solely responsible for obtaining any necessary approvals for the Respondent’s intended use of the Property.
- Respondent must describe in detail the anticipated use of the Property during the ground lease and describe the development concept. The District may accept any use that complies with local zoning and all applicable regulations, including any and all proposed zoning/entitlement modification(s) anticipated by Respondent. Respondent must describe its successful track record on similar development projects.

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- Respondent shall identify the insurance it will carry during the entire term of the ground lease agreement, which should include liability insurance for claims arising from the Respondent's use of the Property. The Proposal should identify the limits on Respondent's insurance coverages.
- Respondent shall confirm that it will be responsible for any hazardous material it uses on the Property during the ground lease agreement.
- The District will not pay for any broker's commission and/or finder's fee of Respondent applicable to the ground lease of the Property. Therefore, any commission and/or finder's fee to be paid to any broker or representative of the successful Respondent shall be paid directly by the successful Respondent by a separate arrangement which does not involve the District.

## V. PROPOSED EXCHANGE GUIDELINES

The purpose of this RFP is to give Respondents the flexibility to submit Proposals that will meet their specific needs. However, the following guidelines are provided to summarize the terms that that District would like to see within an exchange agreement. Respondents will be required to enter into an exchange agreement drafted by the District, which will include the terms discussed herein and in Respondent's Proposal. The District may consider all Proposals submitted pursuant to this RFP and, at its sole discretion, may enter into direct negotiations with any Respondent during which the terms and conditions of the exchange agreement may be negotiated to determine if the Parties can reach a mutually acceptable exchange agreement. However, the following guidelines are provided to indicate the terms that the District is likely to accept and/or require.

- The District will entertain exchange Proposals from private persons or private business firms only.
- The Proposal may include a combination of a single property or multiple properties.
- The District will consider an exchange for an income producing property(ies) which generate a minimum income of Nine Hundred Thousand (\$900,000.00) NNN/year and is/are occupied by a National tenant with a NNN lease of 10+ years at a minimum appraised value of 5 Cap. Respondent should include a description of the current lessee(s) and deal points of current leases at the proposed exchange property(ies).
- Proposals should include a proposed timeline for escrow/exchange, including any environmental compliance, entitlements, tract map approval, general plan amendment (if necessary).
- During escrow the Respondent shall, if requested, provide the following documentation regarding the proposed exchange property(ies):
  - a. Preliminary Title Report(s)
  - b. Appraisal(s)
  - c. All existing leases, easements or granting of property interests affecting the property(ies)
  - d. Current rent roll(s)
  - e. Current income and expense budget(s)

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- f. Operating statements for the last three years
- g. Property tax bill(s)
- h. Site plan(s)
- i. Parking plan(s)
- j. Service agreement(s)
- k. Roof report(s)
- l. Materials addressing land use, utilities, environmental concerns, and any other documents available to the Respondent regarding the use of the proposed property

## VI. PROPOSAL PROCESS

1. The District will begin accepting Proposals upon date of issuance of this RFP, and will continue to accept Proposals until **Friday, March 24, 2017 at 4:00 p.m.**. It is anticipated that the District's Board will meet in March for the purpose of considering all Proposals submitted for the lease or exchange of the Property and that subsequent District Board meetings will include such considerations.
2. Respondents must submit one (1) signed and unbound original Proposal along with five (5) copies and one (1) electronic copy of the Proposal on a thumb drive. Respondents submitting fewer than the required number of copies of the Proposal may be considered non-responsive.
3. All Proposals should be verified before submission. Adjustments will not be permitted after submission to the District. The District will not be held responsible for any errors or omissions on the part of the Respondent in the preparation of their Proposal. The District reserves the right to reject any and all Proposals, or to waive any irregularities or information in the Proposals.
4. Proposals may be mailed or delivered to the address listed at the end of this RFP. All Proposals shall be sealed and clearly marked: "VCC Property Lease or Exchange Proposal." Respondents shall be solely responsible for ensuring its Proposal arrives to the District by the deadline set forth above. The District shall not be responsible for any issues with mail delivery or circulation.
5. Telephone or electronic submittals will not be accepted.
6. Any costs incurred by the Respondents in the preparation of any information or material submitted in response to this RFP shall be the sole responsibility of the Respondent.
7. The District reserves the right to reject any and/or all Proposals, or to refuse to negotiate or withhold the award of any contract, for any reason. The District may also waive or decline to waive irregularities in any Proposal.
8. The District may begin negotiations with selected Respondents at the District's discretion. If negotiations are successful, the District's Board may invite one or more Respondents to present its/their Proposal(s) to the Board.
9. Upon selection of a Respondent, the District shall provide a ground lease agreement and related agreements, or exchange agreement, for negotiation by the Parties.

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10. All Proposals submitted in response to the RFP become the property of the District and a public record (with the exception of financial information) and as such, might be subject to public view.

### **VII. RECEIPT OF PROPOSALS; CONTACT INFORMATION**

Respondents are not to contact District officials including Board members, the Superintendent or any other employee or representative of the District, other than those persons listed below. Contacting District officials, employees and/or representatives, other than those persons listed below, may result in the disqualification of the Respondent.

All inquiries or questions for additional information should be directed in writing to Sam S. Manoukian, RE/MAX OPTIMA-Director of Commercial Division, at [remaxglendale@msn.com](mailto:remaxglendale@msn.com) or 333 E. Glenoaks Blvd. Suite 100, Glendale, CA 91207. Replies will be issued by written notice and mailed or emailed to all parties recorded by District as having received the RFP documents. Questions received less than five (5) days prior to the RFP due date will not be answered. Only questions answered by formal written notice will be binding.

Please note that the District will allow for site visits of the Property to interested parties upon appointment only. Interested parties should contact Sam Manoukian at the contact information noted immediately above. Under no circumstances shall any interested party conduct any structural inspection or testing on the Property or take any action that will disturb the physical state of the Property during such site visits. Nothing in this RFP shall be construed as guaranteeing any party the right to site visit or requiring the District to provide site visits to any party. Any party who is unable to participate in a site visit for any reason shall not be granted any special consideration.

**On or before 4:00 p.m. on March 24, 2017**, by the clock in the District's Business Services office, one (1) signed and unbound original Proposal along with five (5) copies and one (1) electronic copy of the Proposal on a thumb drive shall be submitted to:

Robert McEntire  
Chief Business Officer  
Covina-Valley Unified School District  
519 E. Badillo Street  
Covina, CA 91723  
P(626) 974-7000x800121

**EXHIBIT A**  
**LEGAL DESCRIPTION**



**PARCEL 1:**

The westerly 132 feet measured along the north line thereof, of that part of lot 4 of the 576.50 acre tract known as the W. R. Rowland Tract, in the Rancho La Puente, in the City of West Covina, County of Los Angeles, State of California, as per map recorded in book 43, page 45 of Miscellaneous Records, in the office of the county recorder of said county, described as follows:

Beginning at the northeast corner of said lot 4; thence South 4° 16' West along the easterly line of said lot, 346.48 feet; thence westerly parallel with the north line of said lot, 593.69 feet to the westerly line of said lot; thence North 4° 16' East along said westerly line to the northwest corner of said lot; thence easterly along the north line of said lot to the point of beginning.

EXCEPT the interest in the northerly 10 feet as granted to the City of West Covina by deed recorded March 16, 1932 in book 11493, page 112 of Official Records.

ALSO EXCEPT therefrom the interest granted to the City of West Covina by deed recorded August 28, 1951 in book 37090, page 374 of Official Records.

ALSO EXCEPT the southerly 139 feet measured along the east line thereof.

ALSO EXCEPT therefrom the "precious metals and ores thereof" as excepted from the partition between John Rowland, Sr., and William Workman in the partition deed recorded in book 10, page 39 of Deeds.

**PARCEL 2:**

That portion of Lot 4 of the 576.50 acre Tract known

1 as the W. R. Rowland Tract, in the Rancho La Puente, in the  
2 City of West Covina, County of Los Angeles, State of  
3 California, as per map recorded in book 43, page 45 of  
4 Miscellaneous Records, in the office of the county recorder  
5 of said county, described as follows:

6 Beginning at the intersection of the south line of the  
7 north 30 feet of said lot with the westerly line of the  
8 land described in the deed to James Wilkins and wife,  
9 recorded on August 21, 1951, in book 37036, page 303 of  
10 Official Records of said county; thence westerly along said  
11 south line 85 feet to the easterly line of the westerly 132  
12 feet of said lot (measured along the north line thereof;)  
13 thence parallel with the westerly line of said lot South 4°  
14 16' West 177.40 feet to a line that is parallel with the  
15 north line of said lot and which passes through a point in  
16 the easterly line of said lot that is distant thereon South  
17 4° 16' West 207.48 feet from the northeast corner of said  
18 lot; thence easterly along said parallel line 85 feet to  
19 said westerly line of the land so described in the above  
20 mentioned deed; thence along said westerly line North 4° 16'  
21 East 177.40 feet to the point of beginning.

22 **PARCEL 3:**

23 That portion of lot 4 of the 576.50 acre tract known as  
24 the W. R. Rowland Tract, in the Rancho La Puente, in the  
25 City of West Covina, as per map recorded in book 43, page  
26 45 of Miscellaneous Records, in the office of the county  
27 recorder of said county, described as follows:

28 Beginning at the intersection of the south line of the  
29 north 30 feet of said lot with the westerly line of the land  
30 described in the deed to Merle E. Rearty and wife, recorded  
31 on February 14, 1947, in book 24213, page 352 of Official  
32 Records of said county; thence westerly along said South

1 line 85 feet; thence parallel with the westerly line of  
2 said lot, South 4° 16' West 177.40 feet to a line that is  
3 parallel with the North line of said lot and which passes  
4 through a point in the easterly line of said lot that is  
5 distant thereon South 4° 16' West 207.48 feet from the  
6 northeast corner of said lot; thence easterly along said  
7 parallel line 85 feet to said westerly line of the land so  
8 described in the above mentioned deed; thence along said  
9 westerly line, North 4° 16' East 177.40 feet to the point of  
10 beginning.

11 EXCEPT therefrom the "precious metals and ores thereof"  
12 as excepted from the partition between John Rowland, Sr.,  
13 and William Workman in the partition deed recorded in book  
14 10, page 39 of Deeds.

15 PARCEL 4:

16 The easterly 104 feet of the westerly 406 feet measured  
17 along the north line thereof of that part of lot 4 of the  
18 576.50 acre tract known as the W. R. Rowland Tract, in the  
19 Rancho La Puente, in the City of West Covina, County of Los  
20 Angeles, State of California, as per map recorded in book  
21 42, page 45 of Miscellaneous Records, in the office of the  
22 county recorder of said county, described as follows:

23 Beginning at the northeast corner of said lot 4; thence  
24 South 4° 16' West along the easterly line of said lot 346.48  
25 feet; thence westerly parallel with the north line of said  
26 lot 593.69 feet to the westerly line of said lot; thence  
27 North 4° 16' East along said westerly line to the northwest  
28 corner of said lot; thence easterly along the north line of  
29 said lot to the point of beginning.

30 EXCEPT the southerly 139 feet measured along the east  
31 line thereof.

32 ALSO EXCEPT therefrom the "precious metals and ores

1       thereof" as excepted from the partition between John  
2       Rowland, Sr., and William Workman, in the partition deed  
3       recorded in book 10, page 39 of Deeds.

4       PARCEL 5:

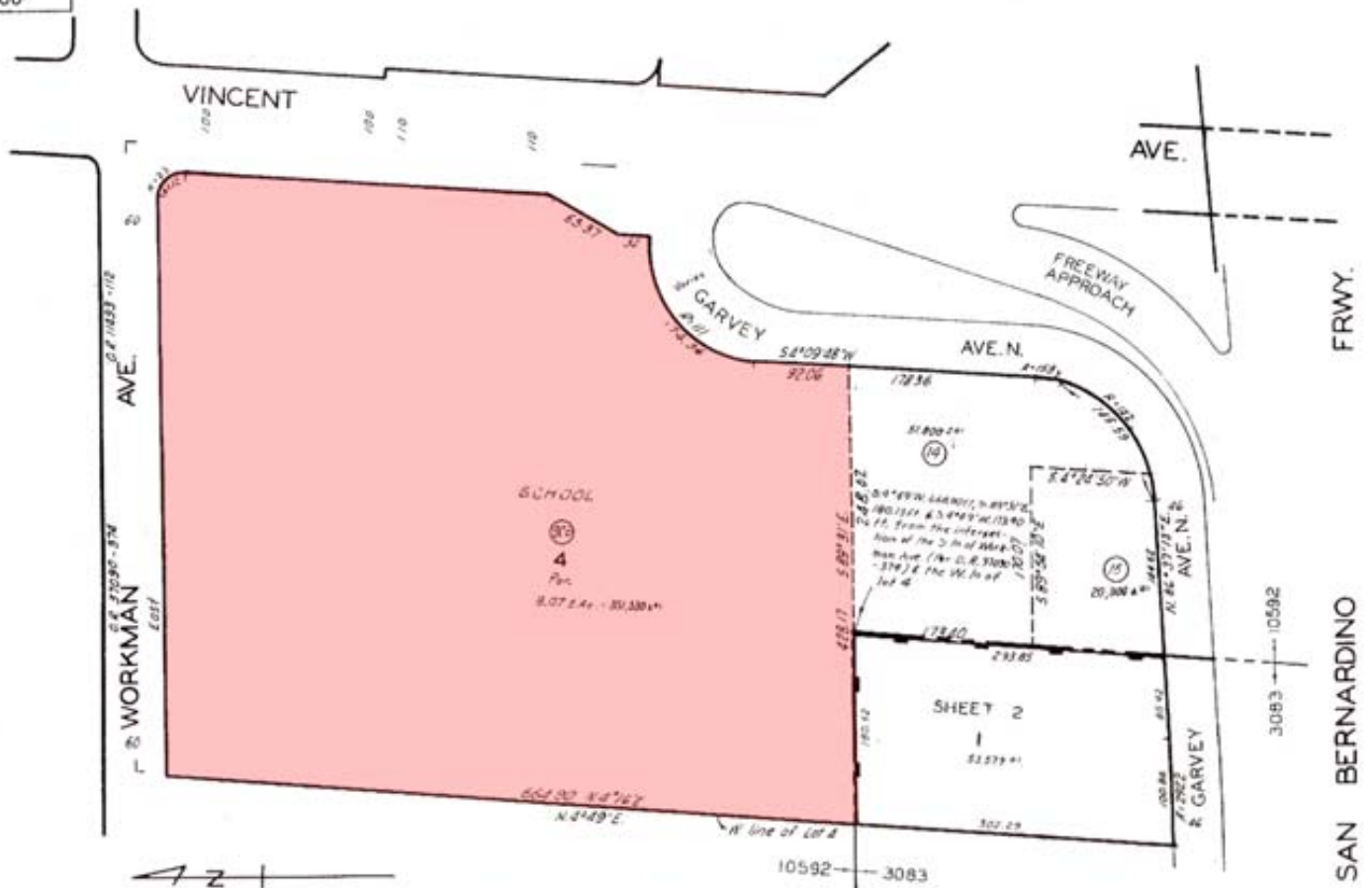
5               The northerly 207.48 feet, measured along the easterly  
6       line of Lot 4, of the 576.50 acre tract known as W. R.  
7       Rowland Tract, in the City of West Covina, County of Los  
8       Angeles, State of California, as per map recorded in book  
9       42, page 45 of Miscellaneous Records, in the office of the  
10      county recorder of said county.

11             EXCEPT the westerly 406 feet measured along the northerly  
12      line of said land.

13             ALSO EXCEPT the northerly 10 feet of said northerly  
14      207.48 feet within the lines of Workman Avenue.

15             ALSO EXCEPTING therefrom the "precious metals and ores  
16      thereof" as excepted from the partition between John Rowland,  
17      Sr., and William Workman in the partition deed recorded in  
18      book 10, page 39 of Deeds.

**EXHIBIT B**  
**MAP DEPICTION**



576.50 ACRE TRACT  
KNOWN AS W.R. ROWLAND TRACT  
M.R. 42-45

CONDOMINIUM  
TRACT NO. 42861  
M. B. 1028-98-99