

REQUEST FOR PROPOSALS

1340 WOODEN VALLEY ROAD
NAPA, CA

APN: 033-020-019



NAPA VALLEY UNIFIED SCHOOL DISTRICT

2425 JEFFERSON STREET, NAPA, CA 94558



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EXECUTIVE SUMMARY

Responses must be submitted no later than 4:00 p.m. on Friday, July 29, 2016.

BACKGROUND AND CONTEXT

The Napa Valley Unified School District (the “District”) owns certain real property known as the former Wooden Valley School site (“Wooden Valley”) in unincorporated Napa County, located at 1340 Wooden Valley Road, Napa, CA 94558; APN [033-020-019] (the “Property”). The Property is being offered for sale or lease “As-Is” and an aerial view of the property is included in Exhibit A.

Pursuant to the California Education Code, in October 2015 the District convened a 7-11 District Advisory Committee to make recommendations regarding surplus property. In its report, the Committee stated “[b]ased on the nature of the site being vacant and very small (1.9-acres), the 7-11 Committee recommends the site be sold at its ‘Highest and Best Use,’ anticipated to be a large lot for development of a single-family residential home.” On March 17, 2016, the District’s Board of Education confirmed the surplus status of the Property and elected to move forward with the process for sale or lease of the Property.

In compliance with Education Code statutory requirements, the District will offer the Property for sale or lease to a number of designated agencies. Those agencies have priority in purchasing or leasing the Property, if they make an offer and the terms of an agreement can be reached. The period in which the agencies may make an offer for the Property will expire prior to the deadline on which proposals are due under this RFP. Through this RFP, the District is also extending its offer of the Property for sale or lease to the public at large.

In order to streamline procedures applicable to the sale or lease of surplus school property, and to provide the District with the greatest possible flexibility in marketing the Property, the District applied to the State Board of Education for a waiver of certain legal requirements otherwise applicable to surplus property sales or leases. It is anticipated that the waiver will be granted by the State Board at its meetings on July 13 and 14, 2016. If approved, the waiver will apply to Education Code sections 17473 and 17474, and to portions of sections 17455, 17466, 17469, 17472, and 17475.

OBJECTIVES

The District’s objectives are as follows:

1. Sell or lease the Property in order to generate funds that can be used within legal parameters to improve Napa Valley Unified School District schools and for the benefit of its students;
2. Determine that the contemplated use for the property is supportive of the District’s goal of enhancing its long-term fiscal sustainability and relationship with community members;
3. Obtain assurance that the buyer (or tenant) of the site has the financial capacity and proven experience to bring the proposed project (as defined in the buyer/tenant proposal response) to consummation as efficiently and as prudently possible, and finally;
4. Confirm that the buyer (or tenant) of the site is supportive of the District’s intent to mitigate impacts on surrounding neighbors, and has a demonstrated history of working collaboratively with neighborhood leaders, community members, local jurisdictions and school district staff in which they have consummated

projects in the past.

This Request for Proposals (“RFP”) encourages proposals that will achieve the above noted objectives of the Seller while also maintaining community support for the project. For purposes of developing this RFP, it is contemplated that residential development may be the primary use proposed for the site in order to meet the objectives as defined herein. With this in mind, it is anticipated that the Seller would entertain a Purchase Agreement contingent on obtaining appropriate entitlements. However, purchasers or tenants may also propose other uses which generate equivalent or greater funds especially if (1) the site can be purchased without the need to obtain entitlement approvals, (2) the funds can be paid sooner; and (3) the contemplated use for the property is supportive of the Seller’s goals.

SITE DESCRIPTION

- Property Class:** Education
- Location:** 1340 Wooden Valley Road, Napa, CA 94558
- Owner:** Napa Valley Unified School District
- APN:** 033-020-019
- Area:** 82,764 SF / 1.9 Acres
- Zoning:** Agricultural Preserve
- General Plan Designation:** Agricultural Resource
- Environmental Constraints:** Undetermined
- Title Issues:** Easements for AT&T communications facility



PROPERTY OVERVIEW

PROPERTY DESCRIPTION

The Property is a 1.9 acre site surrounded by vineyards and single family low density residential uses. The site is a former school facility which closed in 2010 due to budget constraints. It is a square flat lot in unincorporated Napa County. There is an easement from Pacific Bell (now AT&T) for a communications facility on the northeast edge of the property. There is no direct vehicle street access to the property as of now. Removal of street guardrails or a separate agreement with neighboring parcel owner would be required.



ONSITE STRUCTURES

Fencing, mature trees, communications tower, septic tank and single-story classroom. All portable structures and playground equipment have been removed.

UTILITIES

All typical urban utilities appear to be available onsite. The status and condition of the utilities would need to be explored further should the owner decide to engage in more substantive due diligence of development feasibility. Water is provided by an on-site well. There is a functioning septic system in place.

ENVIRONMENTAL CONSTRAINT

All typical urban utilities appear to be available onsite. The status and condition of the utilities would need to be explored further should the owner decide to engage in more substantive due diligence of development feasibility. The District is currently testing the lead levels of the on-site well and water pipes. Once completed, test results would be made available to the buyer.

OPPORTUNITIES & CONSTRAINTS

The property is well suited for agricultural development or a single family home given its surroundings. The presence of the communications tower on the site presents another constraint for development. As this is Agricultural Preserve designated property, the approved uses center around agriculture, winery-related activities or a single family home. It is surrounded primarily by vineyards and luxury homes. Potential opportunities include: (1) scenic location, (2) proximity to Highway 121 and (3) proximity to vineyards. Potential Constraints include: (1) the parcel falls within FEMA Flood Zone and (2) distance from downtown Napa. There is a school structure on the site with working utilities which could also be suited to a leased property.

There is no direct vehicle street access to the property as of now. Removal of street guardrails or a separate agreement with neighboring parcel owner, likely in the form of an access easement, would be required.

NOTE: A Preliminary Title Report is available upon request.

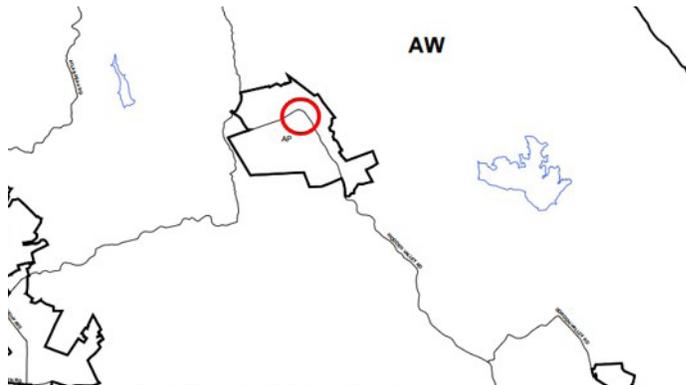
ZONING

The property is currently zoned Agricultural Preserve (AP) in the County. The AP district classification is intended to be applied in the fertile valley and foothill areas of Napa County in which agriculture is and should continue to be the predominant land use, where uses incompatible to agriculture should be precluded and where the development of urban-type uses would be detrimental to the continuance of agriculture and the maintenance of open space which are economic and aesthetic attributes and assets of the county. The surrounding zoning other than AP is primarily agricultural watershed with some low density residential and public areas.

Permitted Uses	Conditional Uses	Development Regulations
1. Agriculture	1. Family day care (large)	1. Total allowable units: 1 per parcel
2. One single-family dwelling unit	2. Winery expansion for wineries established after 1978	2. Minimum Parcel Setback: Front & Rear: 20 ft; Side (interior): 6 ft
3. Residential care facility (small)	3. Parks and rural recreation uses and facilities	3. Maximum Height Limit: 35 ft

4. Family day care home (small)	4. Farmworker housing and seasonal farmworker centers	
5. One guest cottage	5. Facilities, other than wineries, for the processing of agricultural products.	
6. Winery and related uses		
7. Minor antennas		
8. Telecommunications facilities		

The property’s General Plan designation is Agriculture Resource. The purpose of this is to identify areas in the fertile valley and foothill areas of the county in which agriculture is and should continue to be the predominant land use, where uses incompatible with agriculture should be precluded, and where the development of urban type uses would be detrimental to the continuance of agriculture and the maintenance of open space which are economic and aesthetic attributes and assets of the County of Napa.

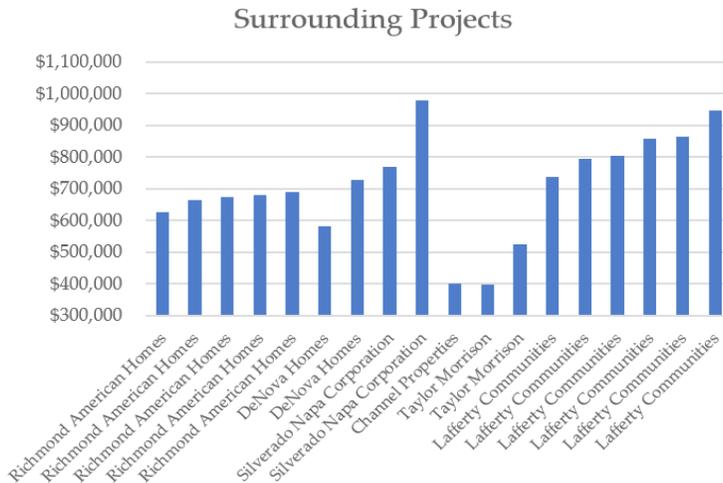


DEVELOPMENT OVERVIEW

Based on a preliminary site visit of the property, an assessment of the surrounding area to determine contextual influences on potential property uses, meetings with County of Napa staff, the community 7-11 Real Property Committee, and conversations with strategic contacts within the residential development community, it appears that the development of a single family home is the best use of the site. The zoning, flat lot and picturesque location would make this a very desirable location for the construction of an estate home and grounds. Thus this would be how such a property would be most advantageously marketed and sold as a single family residence. The Property is being sold or leased “As-Is.” There is no direct vehicle street access to the property as of now. Removal of street guardrails or a separate agreement with neighboring parcel owner would be required.



MARKET DESCRIPTION



There is very little supply of single family, detached homes currently on the market although demand remains strong. There are a handful of new home communities that are currently on the market or will be opening in the coming months of 2016.

TRANSACTION STRUCTURE

Respondents should verify all the pertinent information shared herein with the County of Napa prior to making a proposal for the Property. A sample Letter of Intent may include, but certainly is not limited to, the terms and conditions included in Exhibit B.

DISCLAIMER

While the information contained herein has been provided in good faith and in an effort to provide prospective purchasers with relevant property data, it should not be considered a substitute for a thorough due diligence investigation.

Dutra Cerro Graden has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the property's development potential, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos (or any other hazardous materials or substances), the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained herein has been obtained from sources we believe to be reliable; however, Dutra Cerro Graden has not verified, and will not verify, any of the information contained herein, nor has Dutra Cerro Graden conducted any conclusive investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided.

All potential buyers must take appropriate measures to verify all of the information set forth herein.

PROPOSAL REQUIREMENTS & REVIEW PROCESS

PROPOSER'S RESPONSIBILITIES

The selected proposer will be responsible for payment of all costs and expenses in connection with the project including, but not limited to: costs associated with securing necessary entitlements and environmental documentation; demolition, ground clearing, site preparation, and construction of new buildings; maintenance; underground utilities; insurance and taxes; permits and inspection fees; costs and mitigation fees associated with the development including school fees; and architectural, environmental, engineering and other related work. Proposer will be responsible for all brokerage commissions and fees to be paid to any real estate representative on the proposer's behalf, if any. The District will not pay any broker's fees or finder's fees, other than to their representative, Dutra Cerro Graden, Inc., dba DCG Commercial.

The selected proposer will be required to:

- Select the necessary multi-disciplinary team;
- Coordinate the General Plan and Zone change process if needed;
- Obtain all necessary entitlements and permits;
- Coordinate, manage, and facilitate the review of the project by Napa County;
- Manage the work effort of the entire entitlement team, the architect, land planner, civil and other engineers, etc.

All proposals will have two (2) required sections and in the order as set forth below. Please label each section and number all pages.

SECTION 1 - LETTER OF INTENT

SECTION 2 - STATEMENT OF FINANCIAL QUALIFICATIONS

SECTION 1 – LETTER OF INTENT

This section shall include the proposal contact and responsible party information. Set forth the scale of the development program, purchase price (or lease rate), deposits, close of escrow and summarize the critical elements of expected project timeline. Any other critical information can be summarized in this section.

SECTION 2 – STATEMENT OF FINANCIAL QUALIFICATIONS

Provide the following information:

- Is the buyer/tenant a subsidiary of, or affiliated with, any other corporation, corporations, partnerships or firms? If so, please specify. If the developer is a subsidiary, please indicate the extent to which the parent entity will guarantee performance by the subsidiary;
- Has the buyer/tenant entity or its officers, principal members, shareholders or investors, or any of its parent, subsidiary or affiliated entities or other interested parties been adjudged bankrupt, either voluntarily or

Proposal Requirements

involuntarily, within the past ten years? If so, explain;

- Has the buyer/tenant entity or its officers, principal members, shareholders or investors, or any of its parent, subsidiary or affiliated entities or other interested parties sued any California public school district in the past ten years? If so, explain;
- Has the buyer/tenant entity or its officers, principal members, shareholders or investors, or any of its parent, subsidiary or affiliated entities or other interested parties sued the County of Napa in the past ten years; and
- Is there pending litigation against the purchasing or leasing entity or its officers, principal members, shareholders or investors, or any parent, subsidiary or affiliated entities or other interested parties other than minor personal injury suits involving claims under \$250,000? If so, explain.

Item(s) submitted should be sufficient to permit the District to determine the proposer's financial capacity for undertaking the development project and operating the facilities. The proposer may wish to mark the financial statements, as "CONFIDENTIAL" or "PROPRIETARY." As such, it will be treated as confidential by the District to the full extent permitted by law.

SUBMISSION FORMAT, SCHEDULE, AND EVALUATION PROCESS

The proposer shall submit one (1) original and four (4) hard copies of a Proposal Package in 8.5" x 11" format, with one (1) copy unbound for ease of reproduction. The complete Proposal Package shall also be submitted digitally (PDF format is acceptable). The inclusion of large-scale drawings and exhibits is discouraged; if included, these shall be limited to no more than three (3) such pages in 11" x 17" format. Proposals should be organized according to the previous section, and should include at least the requested information.

All proposals must be received at or before **4:00 p.m. on Friday, July 29, 2016**, at the offices of Dutra Cerro Graden located at 7600 Dublin Boulevard, Suite 275, Dublin, CA. All sealed proposals will be time and date stamped by Concetta Lewis at the DCG offices. Proposal receipt time is determined by the official clock of Concetta Lewis, which is visible in DCG offices. Any proposals submitted after the deadline will not be considered.

The Seller's contacts for all matters regarding this property are:

Jamil Muchell

Dutra Cerro Graden, Inc.
dba DCG Commercial
7600 Dublin Blvd., Suite 275
Dublin, CA 94568
Office Phone: (925) 464 -1979
Email: jmuchell@dcgrealestate.com

All correspondence regarding the RFP process **must be in writing or by email.**

The District shall review the proposals, request written clarification from proposers if necessary, and may, at its sole discretion, select one or more proposers as finalists. The District shall have the right, but not the obligation, to appoint a proposal review committee to review the proposals received and make recommendations to the Board. The review process may include requests for clarifications and one or more presentations by the proposers. At the conclusion of the review process, the Board plans to select one proposer with whom to enter into a Purchase

Proposal Requirements

Agreement or Lease Agreement. The District reserves the right to terminate this process at any point prior to the selection of a proposer, and solicitation of proposals in no way obligates the District to proceed with any agreement or development.

EVALUATION COMMITTEE

The District shall have the right, but not the obligation, to have the evaluation of the proposal responses conducted by an “Evaluation Committee” selected by the District. The Evaluation Committee may include District staff members, representatives of other public agencies and departments, land use experts, community members and/or non-District personnel who may have demonstrated expertise.

The Evaluation Committee would rank and recommend proposals to the Superintendent who will, in turn, make recommendations to the District Board of Education. Neither the Superintendent nor the District Board of Education is bound by the recommendations of the Evaluation Committee. The District Board of Education has the ultimate authority and responsibility for the selection of a buyer, if any, for a proposed project.

EVALUATION CRITERIA

The District’s evaluation criteria would include, but are not limited to:

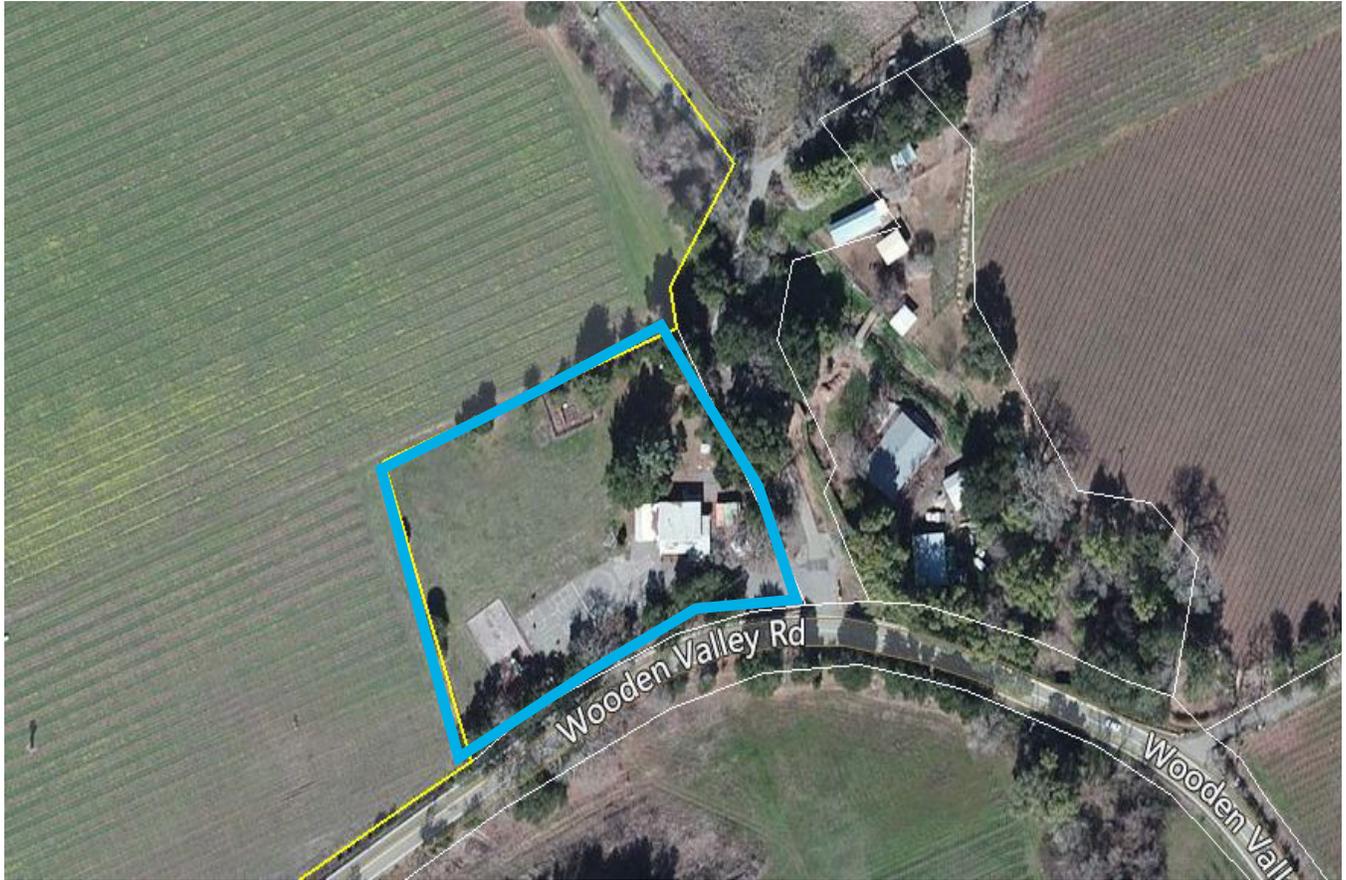
- District Objectives as detailed herein;
- Proposer experience and reputation;
- Impact on District’s ability to enhance long-term fiscal sustainability;
- Entitlement risk;
- Project quality;
- Design and construction capability and sensitivity to surrounding neighborhood;
- Project management capability, with a special emphasis on positive community engagement;
- Experience in public/private projects.

EVALUATION PROCESS

The initial review will compare all proposals for compliance with the submission requirements. Any proposals with significant omissions may be rejected and the proposers will be notified of their failure to comply with the requirements of the RFP process. The District reserves the right to request that proposers bring their submissions into compliance within a very short time period after notification.

A detailed, point-by-point comparison will be made of all complete proposals for District confidential review. Requests for clarification may be sent to a certain proposer. Proposers may be asked to attend a preliminary interview.

Based on the evaluation criteria, the proposals will be rated and, at the District’s sole discretion, sent for review by the Evaluation Committee. The Evaluation Committee may elect to choose several finalists who will be asked to an interview. The Evaluation Committee will recommend the selected proposer to the Superintendent, who will in turn make recommendations to the District Board of Education. One or more of the finalists may be requested to present their development proposals to the District Board of Education.



SAMPLE LETTER OF INTENT TO PURCHASE

This is a Letter of Intent (“LOI”) from _____ to purchase certain real property from Napa Valley Unified School District (the “District”). The “Property” is identified as:

Wooden Valley located at 1340 Wooden Valley Road, Napa, CA 94558.
APN 033-020-019

The following terms and conditions are proposed for this purchase:

- 1. Purchase Price:** \$ _____, payable in full in cash at Closing, less deposits, as described below.
- 2. Close of Escrow:** Shall occur on the earlier of (1) County Approval, or (2) _____ (number of months from the Effective Date of the Agreement).
- 3. Initial Deposit:** Buyer will make an initial deposit of \$ _____ at the time a definitive Purchase Agreement is agreed and executed, which will be immediately released to the District, and is non-refundable under any and all circumstances, but applicable to the Purchase Price.
- 4. Additional Deposits:** Buyer will make a series of additional deposits (proposal should identify the amount and timing of any and all deposits) which will be released to the District as nonrefundable, but applicable to the Purchase Price, unless the District is unable to deliver good title to the Property. These deposits will be made as specified, each of which is subject to the Buyer’s unilateral decision to proceed with the transaction. That is, if the Buyer decides to withdraw from the transaction before making any one of the deposits below, then that deposit, and any future deposits, will not be made, although those deposits already released to the District shall remain nonrefundable.
- 5. Withdrawal:** Buyer may, at any time and in the Buyer’s sole discretion, with or without stated cause, withdraw from this transaction, and thereafter have no obligations of any kind whatsoever to the District. Deposits made by Buyer prior to any such withdrawal will be retained by the District, as liquidated damages and not as a forfeiture, and Buyer will have no claim on them whatsoever, unless the reason for withdrawal is the District’s failure or inability to be able to give good title to the Property, and the District has been unable to cure that condition in a reasonable period of time. In that case, all such deposits other than the Initial Deposit shall be promptly refunded to Buyer, without interest.
- 6. Inspections:** Buyer shall be provided with the opportunity to enter the Property and conduct whatever physical inspections Buyer deems necessary and desirable. Buyer shall have the right to review any and all documentation, title reports, surveys, toxic and soil studies, and all other correspondence and documents relating to the Property, and the District shall promptly deliver to Buyer copies of all such documents in its possession, custody, or control. District staff and agents will cooperate fully with Buyer in providing such information as Buyer may reasonably require, regarding the history, use and condition of the Property. The Buyer will be responsible for repairing any damage to the property caused by its inspections and investigations.
- 7. Government Approvals:** Buyer shall be seeking various government approvals as may be required for development of the Property in the manner Buyer intends, including potential tentative subdivision map and other County permits. The District will cooperate with and assist Buyer as reasonably necessary in submitting applications for such approvals, including signing appropriate documents that may be required

by government officials.

8. Other Provisions:

8.1 Buyer will request (in a definitive Purchase Agreement) standard representations and warranties as are customary for transactions of this type, including with respect to authority, brokers, completeness of due diligence materials, absence of litigation, absence of hazardous materials or hazardous site conditions or underground storage tanks, absence of violations of law, and vacancy of all structures on the premises at Close of Escrow.

8.2 The District shall convey the Property to Buyer at Close of Escrow in substantially the same condition as at the present time and shall have cured any violation of applicable laws, regulations and codes, and shall have removed all monetary liens or other encumbrances to title that would prevent or impair good title from being passed to Buyer.

8.3 Buyer understands that the District has retained Dutra Cerro Graden, Inc. dba DCG Commercial (“DCG”) as its real estate agent in connection with this transaction, and that the District will be solely responsible for any compensation due to DCG based on its arrangements with the firm. Any compensation due to other real estate agents or brokers engaged or retained by Buyer in connection with this transaction will be the sole responsibility of the Buyer.

9. Definitive Purchase Agreement: As quickly as possible, upon the mutual execution of this Letter of Intent, Buyer intends to negotiate with the District and agree to a definitive Purchase Agreement, but until that has been done, either party may withdraw from this transaction without further obligation of any kind to the other.

10. Approval Required by District Authorities: Buyer understands and acknowledges that the District’s execution of the Purchase Agreement must be conditioned on approval of its Board of Trustees. Buyer further understands that the District will move ahead as expeditiously as possible to obtain such approval.

As Buyer has noted above, this LOI is not binding on either party, and is intended to express Buyer’s intentions to negotiate a Purchase Agreement in conformance with this letter.

Very truly yours,

Buyer

Agreed as above on (date) _____

Authorized District Representative

STUDIES AND REPORTS AVAILABLE UPON REQUEST

- Pricing and Absorption Analysis (Meyers Research)
- Preliminary Title Report (First American Title Co.)