



FACILITIES SUPPORT SERVICES
5735 47TH AVENUE
SACRAMENTO, CA 95824
(916) 643-9233

LETTER OF INTEREST

REAL ESTATE DEVELOPMENT OPPORTUNITIES
FOR
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT PROPERTY LOCATED AT
2418 G STREET, SACRAMENTO, CA

ISSUED: May 17, 2016

RESPONSES DUE: June 3, 2016 - 4:00 p.m.

PLACE: Facilities Support Services
5735 47th Avenue
Sacramento, CA 95824

CONTACT: Cathy Allen
Chief Operations Officer

SUBMITTAL INSTRUCTIONS: Letter of interest must be delivered to the above address in a sealed envelope *prior* to the date and time specified. Sealed envelope shall be marked on the outside lower left corner with the words “LOI Real Estate Development Opportunities.” ***Late submittals will not be considered.*** No respondent may contact any member of the Board of Education regarding their response prior to the due date.

**LETTER OF INTEREST
REAL ESTATE DEVELOPMENT OPPORTUNITIES
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT FOR PROPERTY LOCATED AT
2418 G STREET, SACRAMENTO, CA**

I. INTRODUCTION

The Sacramento City Unified School District (SCUSD) has an interest in returning the real property described below to a beneficial and productive use. The Board of Education of the (SCUSD) is seeking Letters of Interest from qualified development entities for consideration for real estate development opportunities on the real property and associated improvements located at 1619 N Street (Subject Parcel)], owned by SCUSD.

On May 3, 2016 the SCUSD Facilities Adhoc Committee made recommendation that the SCUSD Board of Education (Board) pursue Letters of Interest (LOI) that present conceptual real estate development ideas for development, redevelopment, or reuse/utilization of the site.

On May 5, 2016 at a regularly scheduled SCUSD Board Meeting, the Board heard an informational item regarding the request for LOI and gave direction to SCUSD staff to move forward with drafting and publishing the LOI.

The Subject Parcel has not been determined to be excess land in the SCUSD inventory. However, the Subject Parcel is no longer suitable for school purposes, the site improvements are functionally obsolete for school use, and the SCUSD has an interest to return the Subject Property to a beneficial use.

Depending on the ideas received and the potential project opportunities that may benefit the SCUSD and the community where the Subject Parcel is located, SCUSD may proceed with a formal Request for Proposals (RFP) process. The parties invited to participate in the RFP process may come in part or solely from a short-list of respondents to this LOI request. SCUSD may ultimately enter into an Exclusive Negotiations Agreement (ENA), negotiate terms of a Disposition and Development Agreement (DDA), and work with the SCUSD Chief Operations Officer, its Strategic Real Estate Advisory Consultant and the Standing Facilities (collectively referred to as the SCUSD Team) to develop a suitable development proposal for the Subject Property. Submittal of an LOI is no indication of the entity moving forward in any of these processes.

It is SCUSD's belief that involving all of the project participants early in the process in a collaborative atmosphere of equals will result in projects that can be delivered with more predictable results: optimal financial outcome for the SCUSD (based on the appraised Fair Market Value (FMV) of the real estate as the minimum), reasonable levels of participation by the SCUSD in the development and execution of the development proposal, and best possible quality of the resulting project from the entity's executed development proposal.

II. CRITICAL DATES

Questions Pertaining to the LOI:

Questions related to this LOI should be submitted in writing to elena-hankard@scusd.edu no later than Friday May 27, 2016 at 12 pm. Specify “LOI Real Estate Development Opportunities” in the subject line. Responses to all questions received will be posted on the District website, <http://www.scusd.edu/old-marshall-and-thomas-jefferson-information> no later than 5:00 pm. on June 1, 2016.

LOI Due Date:

The LOI shall be delivered no later than June 3, 2016 by 4 p.m.

Sacramento City Unified School District
Facilities Support Services
5735 47th Avenue
Sacramento, CA 95824
ATTENTION: Cathy Allen, Chief Operations Officer

Submission of LOI by facsimile or e-mail is not acceptable. LOI's not received by the deadline will be disposed of and unopened.

Schedule of Events (subject to change)

EVENT	DATE
Release of LOI Request	May 17, 2016
LOI Due	June 3, 2016
Review LOIs at Standing Facilities Meeting	June 8, 2016
Review and Recommendation to Entire Board	June 16, 2016
Notification of Next Steps	TBD

III. SUBJECT PROPERTY DESCRIPTION

The property is described below.

Old Marshall: 1.18 acres of RU-3-A residential zoned property located 2418 G Street. Site includes building improvements and is a historic resource in the City of Sacramento.

IV. PROPOSED TRANSACTION APPROACH AND METHOD

In the LOI, the entity must state its approach to the transaction and method of “acquisition” of the Subject Property. Responders of this LOI are hereby advised that SCUSD must receive no less than Fair Market Value (FMV) for the lease, exchange or purchase for the Subject Parcel as determined by a real estate appraisal prepared by SCUSD through the closing of the transaction. Proposals to lease, exchange, or purchase the property for anything less than FMV may not be considered.

SCUSD seeks to achieve the following goals and objectives:

1. Where feasible, maintain ownership or acquire ownership interest in other property(ies) that suite other SCUSD needs.
2. Derive long-term income from the retained ownership interest of the Subject Property.
3. Retain historical value and character of the Subject Property.
4. Deliver long-term community benefits through development of Subject Property and retain character of neighborhood.
5. Minimize the SCUSD financial exposure and risk through limited or no financial participation in any proposed project.
6. Carry out any real estate transaction within the requirements of the California Education Code regarding property disposition and utilization.

SCUSD is open to the following approaches and methods of property transfer or utilization. The forms of property transfer or disposition that may be considered are provided below.

1. Exchange for other parcels owned or controlled (under a verifiable contract) by the proposed entity or its affiliates.
2. If the Subject Property were determined to be surplus, SCUSD may consider a sale or lease with purchase option of the Subject Property.

An alternative to property transfer or disposition is utilization of the Subject Property by the entity or its affiliates with the SCUSD retaining ownership. Utilization options are provided below.

1. Long-term lease without purchase option not to exceed 99 years.
2. Joint Occupancy Agreement. SCUSD must retain a useable portion of the site or have the benefit of a use at the property. Maximum lease term available would be 66 years.

V. LOI FORMAT AND CONTENT

The LOI should be clear, concise, complete, well organized and demonstrate entity's ability to carry out their conceptual idea. The entity should submit nine (9) copies of their letter. The LOI should be limited to ten (10) pages not including any attachments that the entity may elect to provide. The SCUSD is not requesting or expecting any financial information, pro forma, architectural renderings or site plans, or any other similar work product as typically requested in a request for proposals.

The LOI must include the following information:

1. Introduction of entity, any potential joint ventures, and identification of any affiliates that may be involved where appropriate.
2. Real estate development concept the entity envisions for the Subject Property.
3. Proposed approach to the transaction and explanation of why the approach was selected by the entity. Approaches that will receive strong consideration include:
 - a. Property exchange.
 - b. Long-term lease.
 - c. Joint Occupancy.

4. Proposed method of financing project and indication of any required public finance for the proposed project.
5. The type of participation the entity may seek from the SCUSD.
6. The entities track record over the past five years delivering similar projects. References for the project. Successful history of working with school districts will receive strong consideration.

VI. DOCUMENTS AVAILABLE FOR USE AND REVIEW

Various documents regarding this property are located on our website:

<http://www.scusd.edu/old-marshall-and-thomas-jefferson-information>

VII. DETERMINATION PROCESS

All LOI will be presented to and discussed in an open meeting with the SCUSD Standing Facilities Committee at its meeting scheduled for June 8, 2016. A subsequent review and recommendation to the entire Board of Education is tentatively scheduled for June 16, 2016. Review and discussion of the LOI shall provide no direction to the entity to move forward in the process. SCUSD retains the right to reject any and all LOI and is under no obligation to move forward with any entity submitting an LOI to pursue an RFP, formal development proposal, enter into an ENA, DDA or any other transaction process. There is no appeal process for this LOI process.