



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 8.2

Meeting Date: October 5, 2017

Subject: Public Hearing on Resolution No. 2961: Approve State Board of Education Waiver Request for Old Marshall Lease

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Facilities Support Services

Recommendation: Board to approve, after a public hearing, Resolution No. 2961, a waiver request to be submitted to the California Department of Education for a long term lease (more than one year) at Old Marshall.

Background/Rationale: On November 17, 2016, the Board of Education, after issuance of an RFP, directed staff to initiate negotiations with a developer for the Old Marshall School site in Midtown. A waiver is required from the State Board of Education to allow the District to enter into a lease for this District property located at 2718 G Street, Sacramento, California. The waiver request is for the purpose of maximizing community input. The statutory bid process for leases does not allow the District to evaluate proposals, with the aid and assistance of community input, in order to control the scope and uses for this unique property.

Financial Considerations: To be negotiated during the lease process. Any proposed lease agreement would be submitted to the Board for approval.

LCAP GOAL(s): Family and Community Empowerment

Documents Attached:

1. Notice of Public Hearing
2. Resolution No. 2961
3. Exhibit A Proposed Waiver to the State Board of Education

Estimated Time of Presentation: 5 minutes

Submitted by: Jorge A. Aguilar, Superintendent
Cathy Allen, Chief Operations Officer
Facilities Support Services

Approved by: Jorge A. Aguilar, Superintendent

**NOTICE OF PUBLIC HEARING FOR LEASE WAIVER BY
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

NOTICE IS HEREBY GIVEN that a public hearing will be held on October 5, 2017, beginning at 6:00 p.m., or as soon thereafter as the matter may be heard, in the Serna Center Community Conference Rooms located at 5735 47th Avenue, Sacramento, California 95824.

The hearing will be held to receive public comment before the Governing Board of the Sacramento City Unified School District considers submitting a waiver request to the State Board of Education, relating to Education Code sections 17455, 17466, 17469, 17472, 17473, 17474, and 17475. The waiver request will ask that the District be allowed to lease surplus District property located at 2718 G Street, Sacramento, California, to a developer based on the District's use of a request for proposal process intended to maximize community input.

For further information, please contact Cathy Allen, Chief Operations Officer, Facility Support Services, Sacramento City Unified School District, 5735 47th Avenue, Sacramento, California 95824; Phone: 916-643-9233.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 2961

**RESOLUTION TO APPROVE
STATE BOARD OF EDUCATION WAIVER REQUEST
FOR OLD MARSHALL LEASE**

WHEREAS, the Sacramento City Unified School District (“District”) is the owner of that certain real property located in Sacramento County, California, commonly known as Old Marshall, located at 2718 G Street, Sacramento, California (“Old Marshall Site”); and

WHEREAS, after seeking community input, including the Marshall School/New Era Park Neighborhood Association, through meetings and postings on the District’s website, the District issued a Request for Proposals (“RFP”) on August 12, 2016 seeking proposals from qualified real estate developers for the development for the Old Marshall Site; and

WHEREAS, the Board intends to seek a waiver (“Waiver”) from the State Board of Education (“SBE”) of specified sections of the Education Code, to approve the District’s use of the above-referenced RFP process and maximize the flexibility and return on a long term lease (more than one year) for the Old Marshall Site; and

WHEREAS, a true and correct copy of the proposed Waiver request is attached hereto as Exhibit “A” and incorporated herein by this reference; and

WHEREAS, prior to the Board meeting on October 5, 2017, the District consulted with its employee bargaining units regarding the Waiver request, as well as the District’s Facilities Committee; and

WHEREAS, at its meeting on October 5, 2017, the Board held a public hearing to obtain comments from the public and the community regarding the proposed Waiver, and notice was provided to the public in advance of the hearing, including publication in the Sacramento Bee on September 25, September 28, and October 1, 2017.

NOW, THEREFORE, BE IT RESOLVED by the Sacramento City Unified School

District Board of Education as follows:

1. The foregoing recitals are adopted as true and correct.

2. The Board approves the Waiver request and hereby authorizes and directs the Superintendent or his designee to take all steps necessary to submit the Waiver request to the State Board of Education for approval in conformance with SBE guidelines.

3. The Resolution shall take effect immediately upon approval of the Board.

PASSED AND ADOPTED by the Sacramento City Unified School District Board of Education on this 5th day of October, 2017, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Jay Hansen, President, Board of Education
Sacramento City Unified School District

Attest:

Jorge A. Aguilar, Secretary to the Board of Education
Sacramento City Unified School District

EXHIBIT A

PROPOSED WAIVER TO THE STATE BOARD OF EDUCATION

GENERAL WAIVER REQUEST

First Time Waiver:

Renewal Waiver:

Send Original plus one copy to:
Waiver Office, California Department of Education
1430 N Street, Suite 5602
Sacramento, CA 95814

Faxed originals will not be accepted!

CD CODE					

Local educational agency: Sacramento City Unified School District			Contact name and recipient of approval/denial notice: Cathy Allen			Contact person's e-mail address: Cathy-Allen@scusd.edu		
Address: 5735 47th Avenue		(City) Sacramento	(State) California	(ZIP) 95824	Phone (and extension, if necessary): (916) 643-9212 Fax Number: (916) 643-2020			
Period of request: (month/day/year) From: Aug. 12, 2016 to Aug. 11, 2018		Local board approval date: (Required) October 5, 2017			Date of public hearing: (Required) October 5, 2017			

LEGAL CRITERIA

1. Under the general waiver authority of *Education Code* 33050-33053, the particular *Education Code* or *California Code of Regulations* section(s) to be waived (number): 17455, 17466, 17469, 17472, 17473, 17474, 17475 Circle One: EC or CCR

Topic of the waiver: Public Bid Auction Requirements

2. If this is a renewal of a previously approved waiver, please list Waiver Number: _____ and date of SBE Approval _____

3. Collective bargaining unit information. Does the district have any employee bargaining units? No Yes If yes, please complete required information below:

Bargaining unit(s) consulted on date(s): 9/25/17 (UPE), 8/29/17 (SEIU); 8/9/17 (SCTA); 8/10/17 (Teamsters)

Name of bargaining unit and representative(s) consulted: UPE (Judy Montgomery); SCTA (David Fisher); SEIU (Ian Arnold); Teamsters (Alan Durie)

The position(s) of the bargaining unit(s): Neutral Support Oppose (*Please specify why*)

Comments (if appropriate): SCTA neither supported nor opposed and is checked neutral; other units support.

4. Public hearing requirement: A public hearing is not simply a board meeting, but a properly noticed public hearing held during a board meeting at which time the public may testify on the waiver proposal. Distribution of local board agenda does not constitute notice of a public hearing. Acceptable ways to advertise include: (1) print a notice that includes the time, date, location, and subject of the hearing in a newspaper of general circulation; or (2) in small school districts, post a formal notice at each school and three public places in the district.

How was the required public hearing advertised?

Notice in a newspaper Notice posted at each school Other: (*Please specify*) Agendized per the Brown Act

5. Advisory committee or school site councils. Please identify the council(s) or committee that reviewed this waiver:
 District Facilities Committee

6. Date the committee/council reviewed the waiver request: August 8, 2017
 Were there any objection(s)? No Yes (If there were objections please specify)

7. Education Code or California Code of Regulations section to be waived. If the request is to waive a portion of a section, type the text of the pertinent sentence of the law, or those exact phrases requested to be waived (or use a strike out key if only portions of sections are to be waived).
Please See Attachment "A"

8. Desired outcome/rationale. State what you hope to accomplish with the waiver. Describe briefly the circumstances that brought about the request and why the waiver is necessary to achieve improved student performance and/or streamline or facilitate local agency operations. If more space is needed, please attach additional pages.
Please See Attachment "B"

9. Demographic Information:
 For this waiver, (District/school/program) involved has a student population of _____ and is located in a (urban, rural, or small city etc.) in Sacramento County.

9. For a renewal waiver only, district also must certify:

True	False	
<input type="checkbox"/>	<input type="checkbox"/>	The facts that precipitated the original waiver request have not changed.
<input type="checkbox"/>	<input type="checkbox"/>	The remedy for the problem has not changed.
<input type="checkbox"/>	<input type="checkbox"/>	Members of the local governing board and district staff are not aware of the existence of any controversy over the implementation of this waiver or the request to extend it.

Renewals of General Waivers must be submitted two months before the active waiver expires. The local governing board must approve the renewal request. Retroactive waivers must go through the First Time Waiver Process.

Is this waiver associated with an apportionment related audit penalty? (per EC 41344) No Yes
 (If yes, please attach explanation or copy of audit finding)

Has there been a Categorical Program Monitoring (CPM) finding on this issue? No Yes
 (If yes, please attach explanation or copy of CPM finding)

District or County Certification – I hereby certify that the information provided on this application is correct and complete.

Signature of Superintendent or Designee:	Title: Cathy Allen, Chief Operations Officer, Facility Support Services	Date: October 5, 2017
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FOR CALIFORNIA DEPARTMENT OF EDUCATION USE ONLY

Staff Name (type or print):	Staff Signature:	Date:
Unit Manager (type or print):	Unit Manager Signature:	Date:
Division Director (type or print):	Division Director Signature:	Date:
Deputy (type or print):	Deputy Signature:	Date:

Attachment A

7. Education Code or California Code of Regulations section to be waived.

The Sacramento City Unified School District desires to waive the following sections and portions of the Education Code lined out below:

~~17455. The governing board of any school district may sell any real property belonging to the school district or may lease for a term not exceeding 99 years, any real property, together with any personal property located thereon, belonging to the school district which is not or will not be needed by the district for school classroom buildings at the time of delivery of title or possession. The sale or lease may be made without first taking a vote of the electors of the district, and shall be made in the manner provided by this article.~~

~~17466. Before ordering the sale or lease of any property the governing board, in a regular open meeting, by a two-thirds votes of all its members, shall adopt a resolution, declaring its intention to sell or lease the property, as the case may be. The resolution shall describe the property proposed to be sold or leased in such manner as to identify it and shall specify the minimum price or rental and the terms upon which it will be sold or leased and the commission, or rate thereof, if any, which the board will pay to a licensed real estate broker out of the minimum price or rental. The resolution shall fix a time not less than three weeks thereafter for a public meeting of the governing board to be held at its regular place of meeting, at which sealed proposals to purchase or lease will be received and considered.~~

~~17469. Notice of the adoption of the resolution and of the time and place of holding the meeting shall be given by posting copies of the resolution signed by the board or by a majority thereof in three public places in the district, not less than 15 days before the date of the meeting, and by publishing the notice not less than once a week for three successive weeks before the meeting in a newspaper of general circulation published in the county in which the district or any part thereof is situated, if any such newspaper is published therein.~~

~~17472. At the time and place fixed in the resolution for the meeting of the governing body, all sealed proposals which have been received shall, in public session, be opened, examined, and declared by the board. Of the proposals submitted which conform to all terms and conditions specified in the resolution of intention to sell or to lease and which are made by responsible bidders, the proposal which is the highest, after deducting therefrom the commission, if any, to be paid a licensed real estate broker in connection therewith, shall be finally accepted, unless a higher oral bid is accepted or the board rejects all bids.~~

~~17473. Before accepting any written proposal, the board shall call for oral bids. If, upon the call for oral bidding, any responsible person offers to purchase the property or to lease the property, as the case may be, upon the terms and conditions specified in the resolution, for a price or rental exceeding by at least 5 percent, the highest written proposal, after deducting the commission, if any, to be paid a licensed real estate broker in connection therewith, then the oral bid which is the highest after deducting any commission to be paid a licensed real estate broker, in connection therewith, which is made by a responsible person, shall be finally accepted. Final acceptance shall not be made, however, until the oral bid is reduced to writing and signed by the offeror.~~

~~17474. In the event of a sale on a higher oral bid to a purchaser procured by a licensed real estate broker, other than the broker who submitted the highest written proposal, and who is qualified as~~

~~provided in Section 17468 of this code, the board shall allow a commission on the full amount for which the sale is confirmed. One half of the commission on the amount of the highest written proposal shall be paid to the broker who submitted it, and the balance of the commission on the purchase price to the broker who procured the purchaser to whom the sale was confirmed.~~

17475. The final acceptance by the governing body may be made ~~either at the same session or~~ at any adjourned session of the same meeting held within the 10 days next following.

Attachment B

8. Desired Outcome/Rationale

The Sacramento City Unified School District (“District”) requests that the specified Education Code sections, or portions thereof, be waived in order to allow the District to lease its Old Marshall Site located at 2718 G Street, Sacramento, California (“Site”). Old Marshall is a 113-year-old former school that has been vacant since 2009 (see Google screenshot as of Jan. 2017; Attachment 1). The desired outcome is to use this unique asset, which cannot be achieved by the statutory bid process, in a manner that best serves the District’s schools and the surrounding community. The Marshall School/New Era Park Neighborhood Association (“Association”) has been actively involved, and will continue to be actively involved, to engage in the process of assisting the District so that the Old Marshall Site will be utilized in a manner that will be the most beneficial, not only to the District, but to the neighborhood in the uses of the Site. Accordingly, the District has pursued a process in which a Request for Proposals (“RFP”) was issued seeking proposals from qualified real estate developers for the redevelopment of the Site. Attached (Attachment 2) is the RFP that was used. Only three proposals were submitted. The best proposal for the District and the neighborhood was submitted by the team of Mogavero Architects and Bardis Homes (“Mogavero”) which has committed to establishing for the Site “. . . a neighborhood input and review process that will engage the surrounding residents as well as the neighborhood as a whole.” (See Attachment 3.) The current proposal is a “senior cohousing proposal” that will preserve “the iconic status of the Old Marshall School, provides much-needed on-going revenue to the school district, maintains connection to the property’s academic heritage, and is based on a solid, achievable pathway to success.” (See Attachment 3.)

Granting the waiver will allow maximum transparency and input from the community, which cannot be possible through the competitive bid process required by Education Code sections 17455 through 17484.

It has been the desire of the District to attract potential long-term lessees (more than one year and up to the statutory maximum) who will not only pay a fair lease price, as determined by the District, to lease the Site, but who will also enhance the Site and be compatible with the surrounding neighborhood. The process the District has and will use will be designed to achieve the best result for the District, the schools, and the community.

The proposed developer, Mogavero, needs assurance that the waiver will be granted since there will be considerable time and expense invested in due diligence activities and in securing the necessary approvals and permits from the City of Sacramento. Only with a waiver can the District and the proposed developer engage in lease negotiations which, if successful, would return to the Board, after public notice, for approval of a lease. If, for any reason, the proposed developer, Mogavero, is unable to negotiate and

enter into a mutually satisfactory lease with the District, the purpose of the waiver is to continue to allow the District the flexibility of issuing a subsequent RFP, or reviewing previous proposals, with input and recommendations from the Association and the public, to achieve the objectives of using Old Marshall for the benefit of the District and the surrounding neighborhood.

The District seeks to waive the portion of Education Code section 17466 that provides for a minimum price or rental and requires sealed proposals to lease the Site. This requirement restricts the District's flexibility in negotiating price, payment, and other terms that may yield greater economic benefit to the District and community benefits than a sealed bid process. The statutory process eliminates the District's ability to involve the community in the uses of Old Marshall.

Since the District is requesting to waive the requirement pursuant to Education Code section 17466 of fixing a time not less than three weeks thereafter for a public meeting at which sealed proposals will be received and considered, the District also seeks to waive the corresponding provisions in section 17469.

The District seeks to waive a portion of Education Code section 17472 regarding acceptance of oral bids. With a waiver of the requirement that sealed proposals be received, and that the highest bidder be awarded the contract, the District will be able to lease the Site to the lessee(s) with the most favorable proposal to the District and the community. The Board would, therefore, be able to lease to the lessee submitting the proposal that best meets the needs of the District and the community. By removing the requirement that an oral bid be accepted, it is within the discretion of the District to determine what constitutes the most desirable lease proposal.

The District requests that Education Code section 17463 be waived in its entirety since the District, in negotiating an agreement to lease the Site, will not be accepting oral bids in addition to sealed bids. Similarly, the District requests that Education Code section 17474 be waived in its entirety.

The Districts also seeks to waive the portion of Education Code section 17475 that specifies the time for final acceptance of a bid. Rather than specifying a certain number of days or a timeframe, the District seeks flexibility in leasing the Site. The District has fostered and will continue to ensure a public process whereby the reasons for the determination of the most desirable lease proposal is shared openly. Prior to the decision to lease the Site, the District has received comment from its Facilities Committee, as an advisory committee, as well as the public.



2718 G St

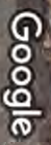


Image capture: Jan 2017 © 2017 Google United States

Sacramento, California

Google, Inc.

Street View - Jan 2017

ATTACHMENT 1

ATTACHMENT 2



Facilities Support Services
5735 47th Avenue
Sacramento, California 95824
(916) 643-9233

REQUEST FOR PROPOSALS

QUALIFIED REAL ESTATE DEVELOPERS FOR SACRAMENTO CITY UNIFIED SCHOOL DISTRICT OLD MARSHALL SITE

RFP ISSUED: August 12, 2016
DUE DATE/TIME: September 30, 2016 3:00 PM

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

CONTACT: Elena Hankard
elena-hankard@scusd.edu
916-643-9233

SUBMITTAL INSTRUCTIONS: Complete proposals must be delivered to the above address in a sealed envelope *prior* to the date and time specified. ***Late submittals will not be considered.*** In addition to your complete firm name and address, please annotate the envelope as follows: "CONFIDENTIAL – PROPOSAL FOR QUALIFIED REAL ESTATE DEVELOPERS – OLD MARSHALL"

RFP FOR QUALIFIED REAL ESTATE DEVELOPERS – “OLD MARSHALL”

The Board of Education of the Sacramento City Unified School District (“SCUSD” or “District”) is seeking a qualified developer to redevelop the real property asset hereinafter referred to as the “Old Marshall Site”.

I. INTRODUCTION

On June 28, 2016, the Board of Education (“Board”) for the SCUSD adopted a resolution authorizing SCUSD staff to release a Request for Proposal (RFP) for qualified Real Estate Developers to submit their Proposals for the redevelopment of the Old Marshall Site located 2718 G Street in Sacramento, CA (“Site” or “Subject Property”). The Subject Parcel is described in greater detail later in this RFP and is also hereinafter referred to as the “Site”. Neither the Site’s real property nor improvements are considered to any longer be suitable for school purposes or other District uses. The Board has determined that the Subject Property has a higher value to the District as an income producing asset that may also provide SCUSD with some use under a Joint Occupancy Agreement. The District reserves its rights to consider a sale, or other disposition or use, of the property pursuant to applicable provisions of the California Education Code.

Through this RFP process, SCUSD intends to select a qualified Real Estate Development Entity (“Entity”, “Development Team” or “Real Estate Developer”) to enter into an Exclusive Negotiations Agreement (ENA), and negotiate terms of a potential Joint Occupancy Agreement.

It is SCUSD’s belief that involving all of the project participants early in the selection process in a collaborative atmosphere of equals will result in projects that can be delivered with more predictable results: optimal lease rate (based on the appraised Fair Market Value (FMV) of the real estate as the minimum acceptable compensation for the Site), reasonable levels of participation by the District in the development and execution of the development proposal, and the best possible quality of the resulting project from the Entity’s executed development proposal. SCUSD seeks to gain the benefit of an environment where team members are encouraged to share ideas freely in an atmosphere of mutual respect, tolerance, and trust, and to explore ways to deliver projects that mitigate the uncertainty, frustration and risk while balancing the limited resources within the SCUSD.

The selected Entity will be expected to negotiate and work collaboratively and cooperatively with the SCUSD team, the affected community within the Site’s project area, other public agencies expected to be involved in the project proposed by the Entity including but not limited to the City and County of Sacramento, and other stakeholders identified in the process of developing and agreeing to a development plan and the resulting project development culminating in the Joint Occupancy Agreement.

The District reserves the right to verify sources available to SCUSD, and to require an interview with the entity to determine that the Entity’s stated qualifications are true,

accurate and will serve the interests of SCUSD. The District's decision regarding the most optimal proposal will be based on objective evaluation criteria.

II. CRITICAL DATES AND INFORMATION FOR THE RFP

Proposal Due Date: September 30, 2016 3:00 PM

The Proposal shall be marked: "CONFIDENTIAL – PROPOSAL FOR QUALIFIED REAL ESTATE DEVELOPERS – OLD MARSHALL"

Sacramento City Unified School District
 Facilities Support Services
 5735 47th Avenue
 Sacramento, California 95824
 ATTENTION: Elena Hankard

Submission of the Proposal by facsimile or e-mail is not acceptable. Proposals not received by the deadline will be returned unopened.

Questions Regarding the RFP:

Any questions regarding the RFP are due by 5:00 PM on September 7, 2016. Questions must be submitted in writing to Elena Hankard.

Potential Schedule of Events (Subject to Change)

EVENT	DATE
Release of RFP Documents	August 12, 2016
Site Visit	August 31, 2016
Deadline for Questions Regarding the RFP***	September 7, 2016
Response to Questions Received	September 12, 2016
Proposals Due	September 30, 2016 at 4PM
Evaluate Qualifications & Reference Checks	Week of October 3, 2016
Notification of Initial Interviews if Applicable	Week of October 3, 2016
Interviews if Necessary	Week of October 10, 2016
Selection Committee Review / Recommendation to Board for Short List	Week of October 10, 2016
Presentation of Proposals to Board by Staff in Accordance with Joint Occupancy Requirements or Ground Lease Requirements	November 3, 2016
Board Authorization to Proceed With Short List of Proposers	November 17, 2016
District to Notify Short List and Request Advanced Proposals	Week of November 21, 2016
Final Advanced Proposals Due From Short Listed Real Estate Developers	December 22, 2016
Review of Proposals From Short List of Proposers	Week of January 9, 2017

Recommendation to Board from Short List	January 19, 2017
Presentation of Proposals to Board	TBD
Board Authorization to Proceed With Negotiations With Selected Entity	TBD

*****Questions pertaining to the RFP:**

Questions related to this RFP should be submitted in writing to elena-hankard@scusd.edu no later than Wednesday, September 7, 2016 at 5:00 PM. Specify "RFP for Old Marshall Parcel" 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 September 12, 2016.

Requirements to Be Deemed Responsive

Mandatory pre-submittal conference on Wednesday, August 31, 2016. Time and location to be determined. Development Teams are required to attend. Consultants are also encouraged to attend and network with prospective Real Estate Developers, District staff and community members.

Proposals must be submitted by September 30, 2016.

Description of Properties

SCUSD is offering the 1.18 acres of RU-3-A residential zoned property located 2718 G Street in Sacramento, CA with an assessor parcel number of 003-0202-001. Site includes building improvements and is a registered historic resource in Sacramento.

An entity may, in the form a single and sole party, corporation, limited liability company or partnership, or joint venture, propose to acquire interest in the Site as described in the Transaction Parameters below.

III. Transaction Parameters

The District has determined that it seeks proposals from qualified Real Estate Developers interested in acquiring a leasehold interest in the Subject Property through a Joint Occupancy Agreement or, possibly a Long-term Ground Lease in the alternative from SCUSD.

The limiting conditions of both the Joint Occupancy and the Ground Lease property utilization options are described below.

Joint Occupancy Agreement: Under a Joint Occupancy Agreement the District is allowed to enter into a lease with any person or entity for a period of 66 years. The Joint Occupancy Agreement must include the following:

- 1) The contracting party must construct or provide for the construction of building(s) which will be jointly occupied by both parties.
- 2) Title to that portion of the building to be occupied by the private party remain the exclusive personal property of the private party.
- 3) Title to that portion of the building to be occupied by the District shall vest in the District upon completion and acceptance by the District.
- 4) No rental fee or other charges for the use of the building shall be paid by the District.
- 5) Require lessee to either post a performance bond or irrevocable letter of credit in the District's discretion.

The annual lease payment may not be less than FMV as determined by a real estate appraisal prepared by the District. The District may also negotiate other consideration in addition to the annual lease payment. Creative approaches are encouraged and the District is looking for the most advantageous financial solution that meets its programmatic requirements.

Long-term Ground Lease: Subject to other requirements by law, the District has authority to enter into a lease not to exceed 99 years with any party, so long as no

purchase option is considered in the lease agreement. Therefore, no purchase options may be considered. The annual lease payment may not be less than FMV as determined by a real estate appraisal prepared by the District. The District may also negotiate other consideration in addition to the annual lease payment.

Acceptable Proposal Characteristics

The District seeks proposals that have the following characteristics:

1. Proposed Site redevelopment for a residential mixed project with a possible retail component.
2. Proposed Site control to remain as SCUSD as the fee title owner with the Real Estate Developer holding a leasehold interest in the property.
3. The Real Estate Developer, at its cost, must secure all land use entitlements necessary for the construction of the Project.
4. No proposed grants, loans, or other financial participation from SCUSD.
5. The proposer will be required to demonstrate adequate debt and equity financing to construct and operate the property on a long term basis.
6. It is intended that the proposer would be required to pay for any remediation costs associated with any environmental issues related to the property or its improvements including but not limited to asbestos and lead based paint.
7. If at all feasible, retain all or a portion of the building improvements in the project.

Deposits

The District shall require a minimum of a \$25,000 deposit to serve as liquidated damages should the District and the Entity enter into an Exclusive Negotiations Agreement (ENA) but not enter into and close on a final Joint Occupancy Agreement through an escrow.

Any deposit that does not become liquidated damages will be applied to the transaction if necessary. Any unearned monies by the District will be returned to the entity at the close of escrow without interest.

Financing

SCUSD shall not contemplate providing seller financing to the Entity for any purpose. SCUSD does not expect to enter into any lease back agreements. Entity must secure its own financing to acquire the Subject Property and develop any proposed project at the Site.

Fees

SCUSD will not contemplate paying any development fee, brokerage fees or commissions, or finder's fees to the Entity or any affiliate or representative of the Entity. Entity profit and loss is its sole responsibility.

Project Cost

The District is offering the use of the land it owns and in return the development team would be responsible for the design, construction, operation and maintenance of the improvements and all costs associated with the Project, including community outreach and environmental concerns.

SCUSD shall not pay any cost related to the Entity's pre-development, development, financing, or construction cost associated with the Entity's proposed project at the Site. The cost of any studies or reports that SCUSD requires from the Entity shall be paid for by the Entity and will not be paid for or be credited to them through the exchange.

SCUSD Participation

SCUSD shall only commit to limited participation at its discretion to assist the Entity with due diligence by providing access to the Subject Property, providing available, pertinent documents for the Site, and sharing information with the Entity's consultants, lenders, or other parties to assist in the due diligence, feasibility analysis, project design and close of escrow; or written letters of support should the Entity apply for public financing.

IV. Scope of Relationships

Entity shall agree to engage with the constituents of the Subject Property to give information regarding any proposed project and receive feedback from the constituents regarding the proposed project. SCUSD may or may not elect to participate in such meetings.

The SCUSD team, the Entity and other stakeholders may help to establish the proposed project. Such participation may be captured within or outside of the real property exchange agreement. However, the Entity shall be solely responsible for securing any necessary and required land use approvals from the City of Sacramento. SCUSD has no authority to approve or ensure any approval of the Entity's proposed project.

V. Proposal Format and Content

The District intends to select a qualified reputable Real Estate Developer who can demonstrate strong relevant experience with similar projects, financial capacity, and sensitivity to the District's academic vision, and the local community. Evidence of ability to finance, undertake and complete the proposed project(s) is crucial to a successful submission. In addition to seeking a team that can provide proven expertise in design and development, the District is also interested in a team that will provide creative opportunities for revenue generation from the properties subject to this solicitation. The District will look favorably towards qualified teams of Real Estate Developers that provide viable ideas for revenue generation that are supported with concrete, market driven business cases and/or investments.

The proposal shall be clear, concise, complete, well organized and demonstrate entity's qualifications, ability to follow instructions, and work cooperatively with SCUSD.

Fifteen (15) bound copies of the Statement of Proposal should be provided, with all materials bound to an approximately 8-1/2" x 11" format, not to exceed forty (40) single-sided pages total length. Pages must be numbered. We will not count, in the total, the graphic cover sheet, cover letter, table of contents, financial information, blank section dividers (tabs) and a maximum of 6 resumes (demonstrating team experience with their proposed project (s) and development projects, generally).

The Proposal shall be sealed with the entity's name, address, and "CONFIDENTIAL – PROPOSAL FOR QUALIFIED REAL ESTATE DEVELOPERS – OLD MARSHALL" clearly visible on the outside.

All entities are requested to follow the order and format specified below. Please tab each section of the submittal to correspond to the numbers/headers shown below.

Submittal Cover

Include the RFP title and submittal due date, the name, address, fax number, and the telephone number of entity (or entities for joint venture or association).

1. Table of Contents

Include a complete and clear listing of headings and pages to allow easy reference to key information.

2. Cover Letter

Include a cover letter signed by an officer of the entity submitting the proposal, or signed by another person with authority to act on behalf of and bind the entity. The letter should certify that the information contained in the proposal is true and correct, and that the signatory (ies) has authority to act on behalf of and bind the entity. Please also indicate the contact person(s) for the negotiations.

3. Executive Summary

Briefly summarize or paraphrase your proposal. Entities are encouraged to provide comments on the proposed team, its track record or track record of the team members, proposed exchange parcels, other potential consideration to be given to the District if necessary to provide the District at least FMV or other agreed to consideration, and agreement terms including closing, and participation requested of SCUSD, and briefly describe your company philosophy on collaboration with public agency partners.

4. General information

Include number of employees, years in business, name(s) of owner (& home office location, local office location (if different), types of licenses held, primary business types and market areas.

5. Organization

Show an organizational chart for the team indicating principals, project managers and other vital managerial and leadership staff. Give a brief description of the roles of each person on the team and their office location. In narrative form, briefly discuss each member's experience and its relevance to the proposal.

6. Experience

Describe your specific experience with transactions with K-12 public school districts of other public agencies.

7. Proposed Financial and Other Transaction Terms

Describe the anticipated value the District shall receive and any other consideration that may be provided to ensure the District shall receive FMV for the Subject Parcel. Describe the proposed closing schedule and other pertinent terms concerning the transaction with SCUSD. Should the entity expect to have to provide other consideration to the District, the Entity shall demonstrate its ability to provide this consideration to the District in the form of a letter of credit, loan commitment, its own cash reserves, or letter from investor who can demonstrate an equal level of proof of funds to deliver the potential additional consideration.

8. Proposed Project at Subject Property

Provide a description of the proposed project to be developed at the Subject Property including product type i.e. residential or mixed use, for residential market served i.e. market rate, affordable, for rent or for sale, architectural style, approach to preserving any Site improvements, proposed land use entitlements required, and other pertinent information that describes the project(s).

Project must emphasize the characteristics stated in the Proposal Characteristics provided under that section of the Transaction Parameters.

VI. Selection Process

A. Selection Committee

The responses will be evaluated by a District selection committee ("Selection Committee") that will review the submitted responses.

B. Selection Process

The Selection Committee will evaluate submissions based on the quality of the materials submitted pursuant to this RFP. Using the evaluation criteria listed in the following table, materials will be evaluated and scored based on their completeness, feasibility, innovation, and responsiveness to the District's stated project objectives.

Evaluation Criteria

1. Demonstrate experience to successfully design, construct and operate similar facilities and demonstrate the best approach for the Project.
2. Demonstrate financial ability to provide project financing.
3. Creative approaches to achieving ancillary revenues through ground leases and revenue participation, including upfront lease payments to the District.
4. Creative and viable approaches to providing the District with a functional asset that meets its program requirements.
5. Have demonstrated ability to perform successful community engagement on projects.

District staff will select teams with the highest combined scores from the written submission. In addition, the District will conduct interviews with the highest scoring teams.

C. Development Teams are prohibited from contacting any Board member or their staff in reference to this RFP other than in public during a public hearing to assure a fair and equitable process. Development Teams failing to abide by this prohibition will be disqualified from submitting.

District Rights

The District may investigate the qualifications of any individual or firm under consideration, require confirmation of information furnished, and require additional evidence of qualifications. The District also reserves certain rights, including, but not limited to, the following:

1. Reject any or all of the proposals.
2. Issue subsequent RFPs.
3. Cancel the entire RFP.
4. Amend any part of the RFP process by addenda.
5. Appoint evaluation committees to review qualifications or proposals.
6. Seek the assistance of outside technical experts in qualification or proposal evaluation.
7. Require Development Teams to clarify submittals and to submit additional information.
8. Meet with and interview Development Teams or individual members.
9. Approve or disapprove the use of particular contractors or subcontractors.
10. Establish a short list of firms eligible for discussions.
11. Waive informalities and irregularities in the RFPs.

12. Inquire of District personnel and consultants regarding Development Team's past performance.

Capabilities of Proposers

A. Firm Experience

1. Experience with types of development proposed
2. Record for delivering projects on time and on budget
3. Financial capabilities
4. Insurance requirements
5. Claims, litigation and arbitration history
6. Experience with community outreach
7. References
8. Experience in public/private partnerships

Experience of Key Personnel on Similar Projects

1. Project management experience
2. Past experience working with other firms on the overall team
3. Sustainable design experience
4. Educational background
5. References

Evaluation Criteria/Scoring

All submittals in response to this RFP will be reviewed for their relative strengths and weaknesses based on the requirements described above. Rankings will be based generally on the completeness, responsiveness and quality of answers to this solicitation. Submittals will be evaluated more specifically based on the following weighted criteria:

A. Development Team's Expertise 30%

The following items will be the key criteria by which submissions for this section will be evaluated:

1. Resumes of key team members with the following items of importance:
 - a. Historic track record and experience with similar projects of Development Team, and Development Team architects, attorneys and property managers.
 - a. Project-based experience working with stakeholders and community engagement processes for similar projects. Of importance are specific examples of challenging projects in this regard, and the Development Team's ability to meet these challenges.
 - b. Past performance in meeting entitlement, funding and construction schedules.
2. The demonstrated record of the Real Estate Developer and development team to create and complete projects that are similar in size, type, magnitude and tenancy to the proposed project.
3. The financial capacity of the Development Team, which includes sound operating financials for the Real Estate Developer itself; demonstrated regular access to capital for project development; proven ability to gain public financing when project-appropriate; and a strategy or plan to gain financing in the current economic conditions.
4. Demonstrated ability to gain entitlements within the City of Sacramento or other locations in California including an operative knowledge of updates to the City and state development code.

B. Project Proposal 35%

The following items will be the key criteria by which submissions for this section will be evaluated:

1. Manner in which the proposed project will specifically benefit the following entities:
 - a. District
 - b. Students
 - c. Community
 - d. Development Team
2. Describe any non-monetary assets, qualification or resources that the Development Team may provide that will enhance or sustain the proposed project.
3. Description of your team's "Value Proposition" and unique expertise your team brings to this project.
4. Understanding of project scope, sensitivities and stakeholders.

5. Team organizational chart and description of reporting relationships.

6. Overall project management structure and accountabilities.

C. Public/Private Partnership Experience 15%

Describe the quality, complexity, stability and longevity of Development Team's partnerships with public agencies. Of importance is any development experience with other secondary educational institutions; any specific examples of working on a challenging project with a public entity successfully; and the quality of public sector references in this regard.

D. Operations Plan and Revenue Generation Opportunities 20%

The following items will be the key criteria by which submissions for this section will be evaluated:

1. Overall approach to operating and maintaining educational facilities.
2. Examples of where your team has successfully implemented programs and services that generate offsetting revenues. Specific expertise of team members in this area.
3. State willingness to risk share with the District in revenue generation activities (e.g., master lease of private uses) and provide examples of such activities.
4. Show financial underwriting that form the basis of the development team's proposal.

ATTACHMENT 3

Marshall School Development Summary

As a registered historic resource in Sacramento, the Old Marshall School (Marshall) is a time-honored neighborhood landmark. No longer suitable to serve as a school and in need of significant rehabilitation, the district's property presents a challenging yet unique opportunity to weave new senior housing options into the rich neighborhood fabric. The team of Mogavero Architects and Bardis Homes (Team) propose to renovate and rehabilitate the existing Marshall School and construct two new architecturally compatible structures to the east and west of the current building fronting on 27th and 28th Streets. The small annex building will need to be demolished in order to make space for the new structures. The development would ideally comprise for-sale condominiums targeting seniors and near term retirees. The proposed approach further facilitates the option for on-site caretaker accommodations and additional amenities. The iconic structure that once served the education of the neighborhood's youth will now be dedicated to caring for the needs of the neighborhood's seniors.

Our Team has a track record of collaboration; already partners on the "Good Project," 35 Townhomes in West Sacramento, both entities are well-established within the Sacramento building community. Mogavero Architects is Sacramento's leader in sustainable and innovative design, and Bardis is a well-recognized home builder known for producing strong, tight-knit communities. Our team's unique skills complement one another and our working relationship has become stronger through our history of joint-accomplishments.

As Sacramento residents and business owners, working closely with the community is a top priority. Collaborating with the school district, the local neighborhood association and neighbors, Preservation Sacramento, and the City of Sacramento, our team will honor the architectural and historical integrity of the Marshall School. The team will seek and integrate applicable input from diverse and intersecting interests in the City and the neighborhood to bring new housing to the Marshall School site. The team will establish a neighborhood input and review process that will engage the surrounding residents as well as the neighborhood as a whole.

The Mogavero/Bardis Team offers extensive experience transforming infill sites to meet the needs of current and future residents. The senior cohousing proposal preserves the iconic status of the Old Marshall School, provides much-needed on-going revenue to the school district, maintains connection to the property's academic heritage, and is based on a solid, achievable pathway to success.