

OJAI UNIFIED SCHOOL DISTRICT

**BOARD AGENDA ITEM SUMMARY**

MEETING DATE: December 12, 2018

FOR: Action

TITLE: Approve and Authorize Release of a Request for Proposal Package to Seek Proposals from Parties Interested in Leasing District Surplus Property Located at 414 E. Ojai Avenue, Ojai, CA 93023 Generally Known as The District's Administrative Office/Chaparral High School

EXHIBIT:

EXPLANATION:

The District's Board previously declared approximately 7.54 acres of real property located at 414 E. Ojai Avenue, Ojai, CA 93023, generally known as the District's Administrative Office/Chaparral High School site ("the Property") surplus property pursuant to the Education Code section 17455 et seq. and instructed staff to pursue leasing the Property. Pursuant to direction from the District Board, District staff also received authorization from the State Board of Education ("SBE") to use a "Request for Proposal" process to solicit proposals from parties interested in leasing the Property. In summary, SBE granted the District a waiver of the surplus property lease property set forth in the Education Code, which generally requires school districts seeking to lease surplus property to use a bid auction procedure whereby the lease is awarded to the highest bidder.

The RFP process authorized by SBE for this Property allows the District to seek proposals from parties interested in leasing the Property and select the party that offers the best overall terms and conditions to the District. Instead of being required to award to the highest bidder, the RFP process allows the District to consider and negotiate other lease terms, such as the length of the lease and the proposed use of the Property.

Pursuant to the District's Board direction and the waiver granted by SBE, District staff, in consultation with legal counsel, prepared a RFP document which establishes the information interested parties must submit to be considered for the Property lease and the process by which the District will assess proposals and negotiate the lease agreement. As set forth in the RFP, the RFP does not require the District to enter into a lease or accept any specific terms. Instead, the RFP allows the District to accept and review proposals to determine if an acceptable lease agreement can be formed. Upon receipt and review of any proposals received, District staff will present the results to the District Board for further direction.

RECOMMENDATION:

The Board is asked to approve the attached RFP and authorize staff to solicit proposals for the Property lease by circulating RFP and considering proposals pursuant to the process set for in the RFP. Staff will present the results of the RFP process to the Board and seek further authorization before entering a lease.

Motion by: \_\_\_\_\_ Second By: \_\_\_\_\_ Vote: Y \_\_\_ N \_\_\_ A \_\_\_

OJAI UNIFIED SCHOOL DISTRICT

**REQUEST FOR PROPOSALS FOR THE  
LEASE OF SCHOOL DISTRICT  
SURPLUS REAL PROPERTY**

**Real property located at  
414 E. Ojai Avenue, Ojai, CA 93023**

**known as the District's Administrative Office / Chaparral High School Property**

Dated: December 14, 2018

## **I. INTRODUCTION AND BACKGROUND**

The Ojai Unified School District is seeking proposals from qualified parties (“Respondents”) who are interested in leasing approximately 7.54 acres of real property located at 414 E. Ojai Avenue, Ojai, CA 93023, APN: 022-140-01, generally known as the District’s Administrative Office / Chaparral High School site (“Property”), as more particularly identified in the legal description and map depiction attached hereto as Exhibit “A.”

The District previously appointed a Surplus Property Advisory Committee to advise the District’s Board of Education 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 pursuing a lease of the Property.

The Education Code requires the District to follow a specific procedure lease surplus property which includes a public competitive bid process. However, 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 option for the District to lease the Property, as described below.

The District anticipates that following the less formal RFP process will allow the District to negotiate a lease agreement which better accommodates the needs of both the District and the interested party. Respondents are encouraged to submit a proposal to lease the Property in accordance with the requirements set forth herein. The District will review all submitted proposals pursuant to 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 agreement will be documented in a formal agreement to be entered into by the District and the successful Respondent.

**All proposals must be received by 3:00 pm, February 15, 2019**  
**(the “Proposal Deadline”).**

## **II. THE PROPERTY**

The Property, in total, is approximately 7.54 acres of District land located at 414 E. Ojai Avenue, Ojai, CA 93023, APN: 022-140-01. The Property includes buildings used by the District for its administration offices as well as a high school site. Thus, the Property, and the buildings, are generally suitable for education or administration uses, but can be utilized for any purpose in accordance with applicable (existing or future-approved) zoning rules and regulations.

## **III. QUALIFICATIONS/ PROPOSAL REQUIREMENTS**

The District will consider proposals to lease the Property pursuant to a lease agreement to be prepared by the District in accordance with the terms and requirements set forth herein. Proposals shall comply with the requirements established in this RFP.

## 1. GENERAL QUALIFICATIONS

All Respondents seeking to lease the Property must provide the following basic information:

1. Name and contact information of person/private business firm.
2. A statement of financial qualifications that includes the following information:
  - a. Is the Respondent a subsidiary of, or affiliated with, any other corporation, corporations, partnerships or firms? If so, please specify. If the Respondent is a subsidiary, please indicate the extent to which the parent entity will guarantee performance by the subsidiary.
  - b. Names and addresses of three financial references, including a primary bank.
  - c. Has the Respondent 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 voluntary or involuntarily, within the past ten years? If so, explain.
  - d. Is there pending litigation against the Respondent 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.
  - e. Audited financial statements for the previous three years for the Respondent with whom the District will contract or, in the likely event that the contracting entity is a newly formed special purpose entity, the member or members of that entity who will be responsible for financial obligations and on whom the District should rely for financial performance whether or not the final formal documentation calls for guarantees.
  - f. Report from any financial credit rating service for the Respondent with whom the District will contract or, in the likely event that the contracting entity is a newly formed special purpose entity, the member or members of that entity who will be responsible for financial obligations and on whom the District should rely for financial performance whether or not the final formal documentation calls for guarantees.
  - g. Any other financial statements and/or other documents that would indicate acceptable financial standing and the ability of Respondent to fund the proposed lease of the Property.

Item(s) submitted should be sufficient to permit the District to determine the Respondent's financial capacity to fund the proposed lease of the Property. The Respondent may wish to mark his/her financial statements, as "CONFIDENTIAL" or "PROPRIETARY." As such, it will be treated as confidential by the District to the extent permitted by law, as discussed in Section VI below.

3. All responses submitted must be accompanied by a cashier's check for \$20,000 payable to Ojai Unified School District. All checks, except that received from the successful Respondent, shall be returned upon the selection of the successful Respondent. This amount is required to cover all or a portion of the District's costs to negotiate a potential agreement.

## 2. REQUIREMENTS FOR LEASE PROPOSALS

Respondents interested in leasing the Property shall provide the following information in addition to the General Qualification information discussed above.

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 the District would like to see within the lease agreement. Respondents will be required to enter into a lease agreement drafted by the District which will include the terms discussed herein and in Respondent's proposal. The District may consider all Respondents 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 lease may be negotiated to determine if the Parties can reach a mutually acceptable lease agreement. However, the following guidelines are provided to indicate the terms that the District is likely to accept and/or require.

- 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 lease.
- Respondents must identify whether they seek a Ground Lease Agreement, generally used for Respondents seeking to redevelop the Property; or a Structural Lease Agreement, generally used for Respondents seeking to maintain most of the structural elements on the Property. Regardless of the lease sought, Respondents should discuss how the property will be returned to the District at the end of the Ground Lease or Structural Lease including any special considerations the Respondent will provide, such as improving the existing structures at the end of the Structural Lease or providing the District with new structures at the end of the Lease.
- Respondent must identify the total length of the lease term. The District is willing to consider any proposed term depending on the features of a particular proposal. The District is also 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. However, the District envisions a long-term lease for the Property, which could likely be between fifty (50) to ninety-nine (99) years.
- 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" but the District may give special consideration to Respondents who seek a shorter Due Diligence Period to begin after execution of the Lease Agreement. 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. If a Due Diligence Period is agreed upon, the District may require a separate Option Agreement to establish the terms of the Due Diligence Period.

- 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 Good Faith Deposit that will be provided to the District in consideration for the Due Diligence Period. Respondent may terminate the lease agreement during the Due Diligence Period for any reason. However, upon termination, the District shall keep the Good Faith Deposit. If Respondent does not terminate the lease agreement during the Due Diligence Period, 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 the 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. 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 approval for the Respondent's intended use of the Property.
- Respondent must describe in detail the anticipated use of the Property during the lease. The District will accept any use that complies with local zoning and all applicable regulations, including any and all proposed zoning/entitlement modification(s) anticipated by Respondent, but will give special positive consideration to any use that aids the local economy or provides a benefit to local community, and/or provides Respondent with a source of income that can be used to pay its Property rent obligations.
- Respondent must address how its intended use of the Property will impact the surrounding facilities and how such impacts will be mitigated by Respondent. Such considerations shall include all traffic and access issues related to the intended use, and how such proposed traffic and access will be accomplished (i.e., Respondent will note if acquisition of the Property is adequate for its purposes, or if other access easement(s), further transfer of acreage, or other shared use may be necessary to accomplish its goals with respect to its intended project).
- The District will consider any requests from Respondent to make physical changes to the Property, including improvements, alterations and additions to the Property buildings after the Respondent executes the lease agreement ("Property Adjustments"). Respondent must agree to include a provision within the lease agreement indemnifying the District, and all District employees from any claim, harm, damage, or demand arising from any work performed on the Property at the request of the Respondent. The District is willing to cooperate with Respondent to accomplish any Property Adjustments Respondent deems necessary to ensure the Property meets its intended use. Respondent shall describe the work requested from the District in detail in its proposal.

- Respondent shall identify the insurance it will carry during the entire term of the 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 its insurance coverages.
- Respondent shall confirm that it will be responsible for any hazardous material it uses on the Property during the lease agreement.
- Respondent may request the right to let, sublet or license the whole or portion of the Property (a "Sublet") upon obtaining prior written consent of the District of the specific Sublet. However, Respondent must confirm that it will remain solely liable for all financial obligations established by the Lease Agreement if Respondent enters into any Sublet.
- The District's fee interest in the Property shall not be subordinated at any time during the Lease.

#### **IV. PROPOSAL PROCESS**

1. The District will begin accepting proposals upon date of issuance of this RFP, and will continue to accept proposals until the Proposal Deadline of **3:00 pm, February 15, 2019**. Proposals must be submitted to the address set forth below. Respondents are solely responsible for ensuring their Proposals are received by the deadline set forth herein. All dates herein are subject to change at the sole discretion of the District.
2. Proposals shall include ten (10) copies of the proposal along with any exhibits, colored pages, brochures or other marketing materials are to be included. Respondents submitting fewer than ten (10) copies 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 submittals, or to waive any irregularities or information in the submittals. As noted above, the District further reserves the right to further negotiate with some, any, or all of the Respondents to establish the specific terms of the agreement to lease the Property.
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: "Ojai USD Surplus Property Lease 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. The District will not pay for any broker's commission and/or finder's fee incurred by the Respondent applicable to the Property.

7. The District reserves the right to reject any and/or all responses, refuse to negotiate or to 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 an agreement for negotiation by the Parties which will set forth the terms of the lease agreement. The District reserves the right to terminate this process at any point prior to the selection of the successful Respondent and solicitation of proposals in no way obliges the District to proceed with any transaction.

## **V. PUBLIC NATURE OF PROPOSAL MATERIAL**

Responses to this RFP become the exclusive property of the District. All Proposals received in response to this RFP become a matter of public record and shall be regarded as public records, with the possible exception of those elements in each proposal as follows: Proposers may mark portions of their response which are defined by the Proposer as business or trade secrets and plainly marked as "Confidential," "Trade Secret," or "Proprietary"; however, the District does not guarantee that any information so marked will be protected from public disclosure. Proposers recognize that the District, as a public agency, is subject to disclosure requirements of with the exception of where disclosure is required under the California Public Records Act. Any Proposal which contains language purporting to render all or significant portions of the proposal "Confidential," "Trade Secret," or "Proprietary" shall may be rejected or regarded as non-responsive.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the Ojai Unified School District shall not be in a position to establish that the information contained in any Proposal is a trade secret. If a Public Records Act request is made for information marked "Confidential," "Trade Secret," or "Proprietary," the District will provide the entity making the Proposal in question with reasonable notice before releasing the information. However, the District will comply with its Public Records Act requirements unless the entity making the Proposal seeks and obtains protection from disclosure by a court of competent jurisdiction.



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

Proposals shall be received by, and additional information may be obtained from, the following "District Contact":

**Andrew Cantwell**  
**Superintendent**  
**Ojai Unified School District**  
**414 E. Ojai Avenue**  
**Ojai, CA 93023**  
**Email: [acantwell@ojaiusd.org](mailto:acantwell@ojaiusd.org)**

Any questions regarding the Property or the RFP process must be emailed to the District Contact pursuant to the requirement of the Questions section below.

All RFP responses must also be addressed and delivered to the District Contact by the Proposal Deadline at the address above, through hand delivery or mail. The District is not responsible for any problems or issues with the mail delivery system and therefore, Respondents must take all acts necessary to ensure the delivery of the RFP response. All correspondence with the District Contract should be done in writing; Any oral statement made to or by the District Contact shall not be considered part of the RFP and shall in no event bind the District.

## **VII. QUESTIONS**

Any party who has questions about the Property may submit questions in writing to the District via email at [acantwell@ojaiusd.org](mailto:acantwell@ojaiusd.org) to the District Contact above. The District shall respond to all questions submitted on or before 4:00 p.m. on January 24, 2019 in writing via an addendum which will be posted on the District's website at [www.ojaiusd.org](http://www.ojaiusd.org). The District's addendum will be posted on or before January 31, 2019. The District shall not provide responses to any oral questions and any oral statement made by any person shall not be construed as part of the District's RFP package.

## **VIII. PROPERTY VISIT**

The District will hold a non-mandatory walk-through inspection of the Property on January 17, 2019 at 4:00 p.m. Interested parties must appear at the Property's front office doors at the Superintendent's Office Building on or before the scheduled time. Additional dates will be considered upon request at the District's sole discretion but is not guaranteed.

Such walk-through inspection shall be a visual inspection only and shall consist solely of walking through the Property to visually review its conditions. 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 walk-through.

In order to participate in a walk-through during the time designated above, any interested party must sign in with District staff during the designated walk-through time and may not enter the site without express permission of District staff. Nothing in this RFP shall be construed as guaranteeing any party

the right to perform a walk-through or requiring the District to provide a walk-through to any party. Any party who is unable to participate in a walk-through for any reason shall not be granted any special consideration. However, participation in the walk-through is not a requirement to submit a Proposal to lease the Property.

## **IX. CONDITIONS AND LIMITATIONS**

This RFP does not represent an offer or commitment by Ojai Unified School District to enter into an agreement with a Respondent or to pay any costs incurred in the preparation of a response to this request. The proposal and any information made a part of the proposal will not be returned to Respondent.

Respondent may request that the District provide certain representations and warranties regarding the District's ownership of the Property, including warranty that the District holds fee title in and to the Property without competing claims to possession. However, Respondent must take sole responsibility for conducting all the inspections necessary to determine that the Property is suitable for the Respondent's intended purpose.

The Respondent shall not collude in any manner or engage in any practices with any other Respondent (s) that may restrict or eliminate competition or otherwise restrain trade. Violation of this instruction will cause the Respondent's submittal to be rejected by the District. The prohibition is not intended to preclude joint ventures or subcontracts that are identified in the proposal.

The District has sole discretion and reserves the right to reject any and all proposals received with respect to this RFP and to cancel the RFP at any time prior to entering into an agreement for the lease of the Property. It should be noted explicitly that there is no "bidding" process intended with this submission review process, and this invitation is not an offer by the District to enter into an agreement to negotiate or any other agreement, nor is a response by an interested party to be considered as an offer that may be accepted by the District. Neither the District nor any Respondent will be bound to any agreement unless that agreement is in writing, approved by the District's Board, and executed by both the interested party and an official authorized by District.

The District reserves the right to request clarification of the RFP or additional data without changing the terms of the RFP. The District reserves the right to reject any response or all responses, to terminate discussions and to select any party with whom to deal, whether or not that party has responded to this RFP. The District may entertain or make a proposal that may not conform to this RFP and may adopt terms that may have been proposed by a party not selected. Decisions of the District may be based on subjective as well as objective evaluations.

**EXHIBIT "A"**

**MAP DEPICTION AND SUMMARY OF PROPERTY**

**LEGAL DESCRIPTION**

PARCEL A:

That portion of Parcel 2, in the City of Ojai, County of Ventura, State of California, as shown on the survey filed in Book 2 Page 24 of Records of Survey, in the office of the County Recorder of Ventura County, as shown and described as Parcel 1 on Lot Line Adjustment LLA 05-04, recorded February 27, 2007 as Document No. 20070227-00039281 of Official Records.

PARCEL B:

Those portions of Lot 15, Bard's Subdivision of the Rancho Ojai, in the City of Ojai, County of Ventura, State of California, according to the map thereof recorded in Book 5 Page 25 1/2 of Maps, in the office of the County Recorder of said County; and of Fairview Tract, in said City of Ojai, County of Ventura, State of California, according to the map recorded in Book 2 Page 170 of Miscellaneous Records, in the office of the County Recorder of said County, described as whole as follows:

Beginning at the intersection of the Northerly line of Ojai Avenue with the Easterly line of Montgomery Street, as said Avenue and Street are shown on said map of Fairview Tract; thence along the Northerly line of said Ojai Avenue and prolongation thereof,

1st: North 84° 15' East 575.52 feet to the Southeasterly corner of the land conveyed to Nordhoff Union Elementary School District by deed recorded in Book 546 Page 75 of Official Records; thence along the Easterly and Northerly boundary of said last mentioned land by the following four courses,

2nd: North 20° 14' East 251.00 feet to a 1-inch iron pipe, marked "JAD RE 224"; thence,

3rd: North 24° 47' West 92.00 feet to a 1-inch iron pipe, marked "JAD RE 224"; thence,

4th: North 22° 51' East 179.57 feet to a 1-inch iron pipe, marked "JAD RE 224", set at the most Easterly corner of said last mentioned land; thence,

5th: South 84° 14' West 319.95 feet to the Westerly line of Parcel 2 as shown on Licensed Surveyors Map filed in Book 2 page 24 of Records of Survey, being also the Easterly line of Fox Street, 30.00 feet wide; thence along said last mentioned Easterly line,

6th: North 0° 10' West 185.86 feet, more or less, to the intersection with the Southerly line, or Easterly prolongation of the land, described in Parcel A and called "East Aliso Street", in the deed to City of Ojai, dated September 23, 1925 and recorded in Book 88 Page 125 of Official Records; thence along said prolongation and said Southerly line,

7th: South 84° 15' West 379.27 feet, more or less, to the Easterly line of said Montgomery Street; thence along said last mentioned Easterly line,

8th: South 0° 15' East 656.14 to the point of beginning.

EXCEPT that portion of said land described as Parcels 1 and 2 in the Lot Line Adjustment LLA 05-04, recorded February 27, 2007 as Document No. 20070227-00039281 of Official Records.

APN: 022-140-01



**Ojai Unified School District Property**  
**450 E. Ojai Avenue**  
**Ojai, California**