



Issued by the City of Santa Monica  
Economic Development Division

**REQUEST FOR PROPOSALS TO LEASE  
1431 Second Street, Santa Monica  
Up to 6,600(±) sf. Divisible  
Ground Floor Retail Space**



**[www.smgov.net/1431SecondSt](http://www.smgov.net/1431SecondSt)**

**Proposals Due: ongoing basis until filled**

**Send to: Attn: 1431 Second Street RFP**

**Economic Development Division**

**1901 Main Street, Ste E.**

**Santa Monica, CA 90405**

## 1.0 Introduction

The City of Santa Monica is pleased to announce a leasing opportunity in Downtown Santa Monica and is seeking proposals from interested and qualified entities (“Tenant”) to design, construct and operate a pedestrian-oriented retail business at 1431 Second Street, located on the ground floor of Public Parking Structure Number Six.

Parking Structure Number Six is currently under construction and is estimated to be completed by November 2013.

The architecturally distinctive parking structure will have over 700 public parking spaces on three subterranean levels and eight above-ground parking levels, space for up to 90 bicycles in racks and 19 motorcycles. In addition to the 6,600 square feet (divisible) of retail space fronting Second Street, the Structure will also house workspace for the City’s Farmers Market and Downtown Santa Monica Inc. Ambassador staff.



## 1.5 Background

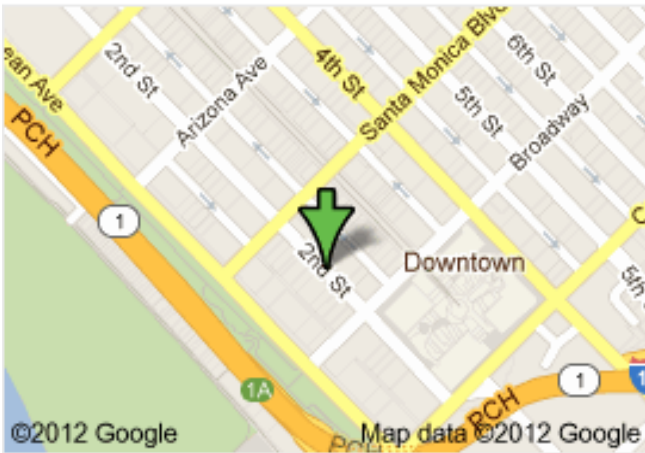
The City of Santa Monica sits on the California coast overlooking the Pacific Ocean and offers incredible natural beauty together with urban sophistication -- home to a diverse collection of residential and commercial areas and exquisite recreational resources. Santa Monica has an estimated residential population of 89,000, which blossoms to a daytime population of over 300,000.

Downtown Santa Monica is the center of the City’s shopping, entertainment and tourism district and recently named by Forbes magazine as one of the most “alluring downtowns” in the nation. Phenomenal demographics, strong customer loyalty, and worldwide exposure have made Downtown Santa Monica one of the most sought-after retail locations in the United States.

**2.0 The Opportunity**

|                              |   |
|------------------------------|---|
| <b>Address</b>               | 1431 Second Street, Santa Monica CA 90401   |
| <b>Location</b>              | Located in the heart of Downtown Santa Monica, one block west of the Third Street Promenade – the nation’s most successful outdoor pedestrian shopping street and a short walk to the Santa Monica Pier, beaches and future “Expo Line” light rail stop.  |
| <b>Leasehold Description</b> | <p>Up to 6,600 sq. ft. interior space (divisible) on the ground floor of Parking Structure Number Six. Retail space fronts on Second Street between Broadway and Santa Monica Blvd. Floor plan is illustrated in Exhibit A. Architectural, Electrical, Plumbing and HVAC Plans can be viewed at: <a href="http://www.smgov.net/1431SecondSt">www.smgov.net/1431SecondSt</a></p> <p>Additional storage area is available at below grade levels but Tenant must install own enclosures.</p> |

|                      |   |
|----------------------|---|
| <b>Preferred Use</b> | <p>Neighborhood and community oriented retail uses offering the public quality, service and value. Retail only -no restaurants.</p> <p>City-Owned properties within the Bayside District are subject to a preference for local independent, non-formula business and community services that are financially and operationally capable of providing the preferred uses.</p> |
|----------------------|---|



**Property Disposition** Triple Net Lease.

**Condition of Space** Shell Condition.

|                     |   |
|---------------------|---|
| <b>Improvements</b> | <p>Landlord will construct common tenant-only restrooms and will install HVAC ducting and conduit to the retail space for electrical, phone and data and will install sewer and water connections.</p> <p>Construction of all other tenant improvements including but not limited to leveling floor, demising walls, fire protection system (sprinklers), HVAC units, electrical subpanel, wiring, meters and other utilities will be at Tenant’s sole cost. Tenant’s improvement must meet LEED Tenant Improvement standards as well as with all applicable regulations and codes.</p> |
|---------------------|---|

### 3.0 How to Submit a Proposal

Proposals for this space will be accepted on an ongoing basis until filled. Please address the questions contained **Exhibit B** of this RFP and send proposals to:

Attn: 1431 Second Street RFP  
Economic Development Division  
1901 Main Street, Ste E  
Santa Monica, CA 90405

Faxed proposals will not be accepted.

### 4.0 Lease Agreement

Lease Agreement to be prepared by the City of Santa Monica.

### 5.0 Lease Term

It is anticipated that, if granted, the Lease will be for a period of up to ten years. Depending upon capital investment, one five-year option may be considered.

### 6.0 Lease Rate

The Tenant shall specify the monthly Rental Amount in the proposal. The Rental Amount will be determined by the outcome of the competitive RFP process. However, the tenant shall be expected to pay a minimum monthly rental fee to be specified in the proposal, but not less than \$3.00 per square foot, adjusted annually to reflect any increase in the Los Angeles CPI if requesting the entire space, or \$4.00 per square foot if requesting a smaller area. Tenant shall specify the monthly Lease Fee in the proposal and desired square footage.

### 7.0 Rental Concession

The City does not have available Tenant Improvement funds to offer Tenant at this time. However depending on the level of capital improvement proposed by the selected Tenant, a generous rent credit/rental relief may be considered.

### 8.0 Site Visit

It will be difficult for prospective tenants to tour the site because the area is an active construction zone. Site visits will be **strictly by appointment only**. To arrange an appointment, please contact staff member Elana Buegoff at (310) 458-8763

### 9.0 Proposal Form and Form of Submission

All proposals must utilize the Proposal Submission Form (Exhibit B) which contains the questions relating to Tenant's organization, personnel, and experience that would substantiate its qualification and capabilities to perform the services required by the scope of the RFP.

Consistent with the spirit of the Sustainable City Program, please avoid the use of plastic bindings, plastic pages, or laminated pages, as well as superfluous paper such as separate title sheets or

chapter dividers. Recycled and/or tree-free paper is preferred, as are recycled and/or recyclable folders or presentation binders, if utilized.

#### **10.0 Cost Liability**

The Tenant shall bear all costs associated with submitting the proposal.

The City of Santa Monica does not pay finder's fees or commissions for opportunities arising under this RFP. Any such compensation must be negotiated between the proposer and his or her agent or broker, if any.

#### **11.0 Statement of Rights and Understanding**

The City reserves, and may in its sole discretion, exercise the following rights and options with respect to this Request for Proposals (RFP)

- a. to accept, reject or negotiate modifications to any and all proposals as it shall, in its sole discretion, deem to be in its best interest; submission of an RFP does not bind the City to any action or to any party. Submissions do not create or assume any relationship, agency or obligation by the City, its officers or employees.
- b. to issue additional solicitations for proposals and/or addenda to the RFP;
- c. to award the Lease to the Tenant the City has determined to be most responsive, who has submitted a complete proposal which meets the specifications and requirements which are deemed by the City most advantageous to and in the best interest of the City;
- d. to negotiate with any one or more of the respondents;
- e. to waive any irregularities in any proposal;
- f. to select any proposal as the basis for negotiations or a Lease Agreement, and to negotiate with respondents for amendment or other modifications to their proposals;
- g. to conduct investigations with respect to the qualification of each respondent;  
to obtain additional information deemed necessary to determine the ability of the respondent to carry out the obligations of the Lease. This includes information needed to evaluate the experience and financial capability of the respondent.

#### **12.0 Minimum Qualification of Tenant**

Certain minimum qualifications have been established in order for proposals to be considered for the Lease as described in this RFP:

- Tenant shall have three or more years of continuous experience in the development, management and operation of a high quality retail operation.
- Tenant must have demonstrated managerial, and staffing resources to maintain high quality, successful operation.
- Tenant must have demonstrated financial capacity to finance improvements and operating costs for the project that it proposes.

### **13.0 Indemnification and Insurance**

If the Tenant is selected, before beginning operations, Tenant shall procure and maintain at Tenant's own expense for the duration of the agreement, the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the possession, occupancy, operation and use of the Premises by Tenant, Tenant's agents, representatives, employees or subcontractors.

- Comprehensive/Commercial General Liability of not less than \$1,000,000 per occurrence.
- Workers' Compensation and Employer's Liability.
- Property insurance against all of risks of loss to any tenant improvements and personal property at full replacement cost with no coinsurance penalty provision.

### **14.0 Independent Contractor**

Tenant in the performance of the Lease Agreement will be acting in the wholly independent capacity and not as agents, employees, partners, or joint ventures of the City.

### **15.0 Proposal Evaluation**

An Evaluation Committee will review all proposals. Respondents who submit a proposal in response to this RFP may be required to give an oral presentation to the Committee. This will provide an opportunity for the Respondent to clarify or elaborate on the proposal.

The City will award the Lease based on the proposal that best meets the City's requirements outlined in this RFP, would provide the best service to the public, and would provide the greatest return to the City.

### **16.0 Evaluation Criteria**

The following criteria, not necessarily listed in order of importance, will be used to evaluate proposals. The City reserves the right to weigh its evaluation criteria in any manner it deems appropriate.

1. Thoroughness and completeness of proposal; responsiveness to RFP requirements.
2. The scope, extent, applicability and quality of proposer's experience.
3. Financial resources, history and references of the proponents as well as the feasibility of the proposal.
4. Financial and managerial capacity of respondent to accomplish and maintain all aspects of the operation including initial build-out.
5. Compatibility of proposed operation with the surrounding uses and local community.
6. Competitiveness, appropriateness, feasibility of proposed Lease Fee.
7. Evaluation of professional qualifications, and personal background of the individuals involved in the operation.

## **17.0 Disclosure Forms**

Proposer is required to submit a completed Oaks Initiative Disclosure Form (Exhibit D) and State of Arizona Disclosure Form (Exhibit E).

*Oaks Initiative:* Under the provisions of the City of Santa Monica Taxpayer Protection Amendment of 2000 ("Taxpayer Protection Act"), the proposer, if selected, will be considered a "recipient of a public benefit." Under the Taxpayer Protection Act, City public officials who approve this lease are prohibited from receiving gifts, campaign contributions or employment from contractor for a specified time (Exhibit D). This prohibition extends to individuals and entities that are specified and identified in the Taxpayer Protection Act and includes Tenant and its trustees, directors, partners, corporate officers and those with more than a 10% equity, participation, or revenue interest in the lease. Proposer understands and agrees that: (A) Proposer is aware of the Taxpayer Protection Act; (B) Proposer will complete and return the forms provided by the City in Exhibit D in order to identify all of the recipients of a public benefit specified in the Taxpayer Protection Act; and (C) Proposer will not make any prohibited gift, campaign contribution or offer of employment to any public official who approved this lease.

*State of Arizona Disclosure Form:* The City Council of the City of Santa Monica adopted Resolution No. 10479 (CCS) on May 25, 2010, which requires a review of all current and likely future agreements and contracts with Arizona-based businesses to examine the feasibility of acquiring such products and services elsewhere while the Arizona law remains in effect (Exhibit E). Please review, sign and submit the form (Exhibit E).

## **18.0 Questions and Inquiries**

Inquiries and requests for clarification of the RFP arising during the process or proposal preparation may be directed to:

Elana Buegoff, Economic Development Division  
(310) 458-8763  
[elana.buegoff@smgov.net](mailto:elana.buegoff@smgov.net)

### **Attachments:**

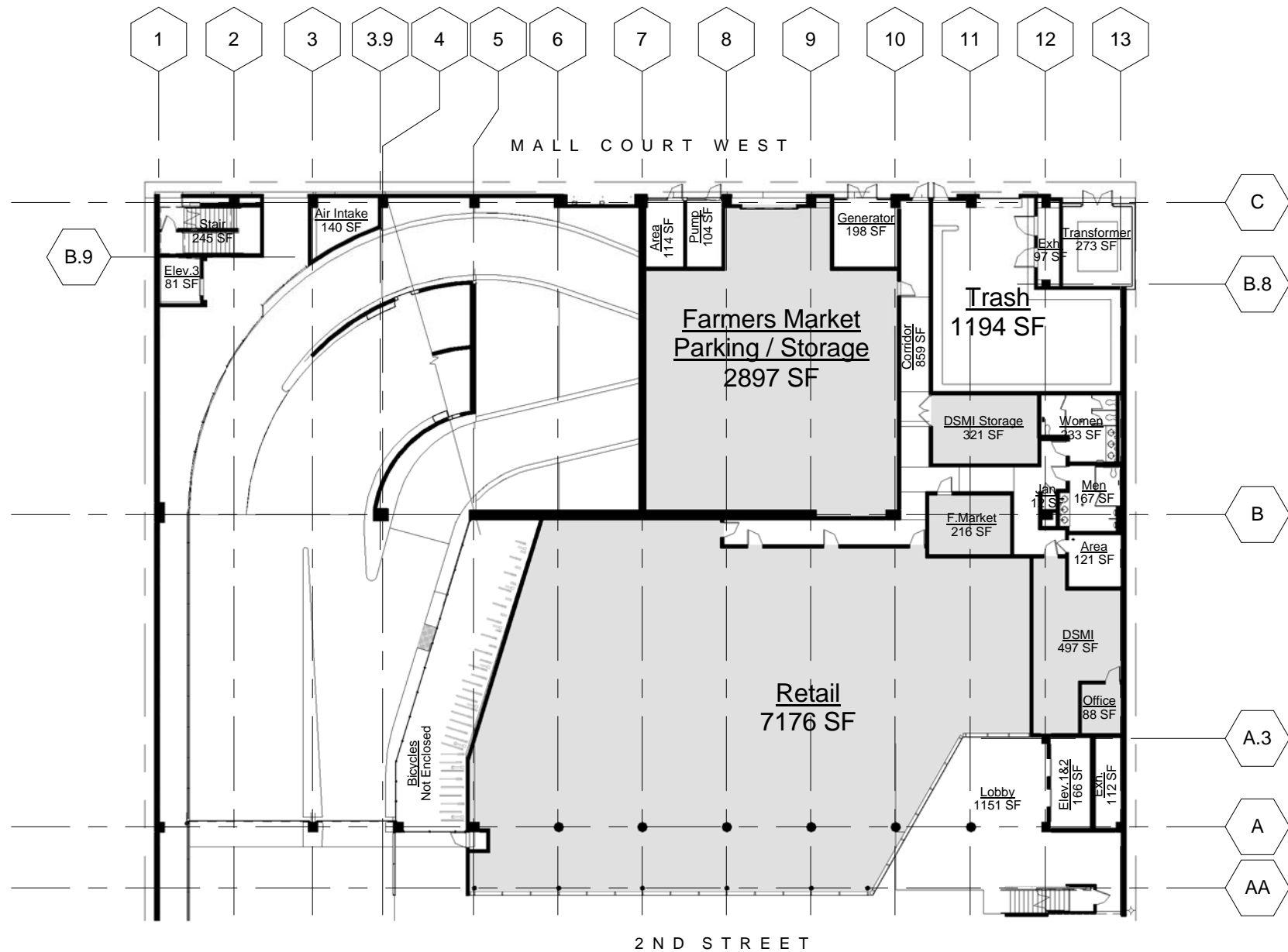
|           |                                 |
|-----------|---------------------------------|
| EXHIBIT A | Floor Plan                      |
| EXHIBIT B | Proposal Submission Form        |
| EXHIBIT C | Additional Information          |
| EXHIBIT D | Oaks Initiative Disclosure Form |
| EXHIBIT E | Arizona Disclosure Form         |

**RFP and Architectural, Electrical, Plumbing and HVAC Plans can be viewed at:**

[www.smgov.net/1431SecondSt](http://www.smgov.net/1431SecondSt)

Exhibit A  
**Floor Plan**





① GROUND LEVEL AREA  
1" = 30'-0"

CITY OF SANTA MONICA PARKING STRUCTURE #6

10-526

5.22.2012



SK-08

1" = 30'-0"

## EXHIBIT B

### PROPOSAL SUBMISSION FORM:

1431 Second Street

All proposals must include this Proposal Submission Form containing the questions relating to Proposer's organization, personnel, experience and concept that would substantiate its qualification and capabilities to perform the services required by the scope of the RFP. In filling out this Proposal Submission Form respondent may: (1) replicate this format, or (2) utilize this format and fill in the appropriate information, attaching extra pages when additional space is needed. If replicated, the respondent assumes all responsibility for ensuring that all sections and wording are replicated and all requested information is provided utilizing the required format.

#### SECTION I. COMPANY INFORMATION

Print Clearly or Type

1. Company Name as Submitted to IRS: \_\_\_\_\_

2. Form of Organization: Individual \_\_\_\_, Corporation \_\_\_\_, Partnership \_\_\_\_,  
Other \_\_\_\_ (explain: \_\_\_\_\_)

3. If Corporation, please complete the following: Organized under the Laws of: \_\_\_\_\_

4. Authorized Representative Name and Title: \_\_\_\_\_

5. Address of Company: \_\_\_\_\_

6. City / State / Zip Code: \_\_\_\_\_

7. Telephone Number and Fax Number: \_\_\_\_\_

8. Email address and website: \_\_\_\_\_

#### Section II. REFERENCES

##### Industry References

Please provide at least two industry references that can furnish the City information regarding organization or individual's experience. Include contact names and phone numbers. This information will be used to evaluate each Tenant's service history.

1. Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
Brief Description of Relationship: \_\_\_\_\_

2. Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
Brief Description of Relationship: \_\_\_\_\_

##### Credit/Bank References

Please provide at least two bank, lender or other financial institution references that can furnish the City with information regarding organizations or individual's accounts and credit history. Include contact names and phone numbers.

1. Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_

Brief Description of Relationship: \_\_\_\_\_

2. Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
Brief Description of Relationship: \_\_\_\_\_

**Landlord References**

Please provide at least two recent landlord references (including current landlord if leasing). Include contact names, phone numbers and address of property leased.

1. Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
Address of Property Leased: \_\_\_\_\_

2. Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
Address of Property Leased: \_\_\_\_\_

**Section III. SUBMISSION REQUIREMENTS**

A) Statement of Interest: this letter should provide a statement of interest highlighting the Proposer's qualifications, experience, and its understanding of the elements of this opportunity.

B) Experience: Provide a detailed history and description of organization's or individual's experience including specific role and accomplishments, dates, size, type of operation, type of tenant improvement. Company brochure, annual report, photographs of existing retail locations, or similar material, if available.

C) Concept and Operation: Provide a detailed description of the type of operation you propose including hours of operation and items to be sold. If possible please include a proposed design rendering and/or floor plan illustrating your concept.

D) Proposed Rent and Term: The tenant shall be expected to pay a rental fee to be specified in the proposal. Please describe in detail the proposed lease rate and length of term for the proposed operation.

E) Improvements, Estimated Capital Investment and Source of Funding: Provide a description including estimated amount of all proposed physical improvements, equipment and other investments you intend to make, and the time frame for making those improvements.

F) Financial Capability: (THIS ITEM TO BE SUBMITTED CONFIDENTIALLY UNDER SEPARATE COVER MARKED CONFIDENTIAL) Present evidence that the Proposer has the financial capability to carry out the proposed commitments. Evidence may include complete financial statement, audited if possible, for the last completed fiscal year; detailed financial resume/balance sheet of principal participant(s) listing all income, expenses and assets including partial ownership interest in and income from any partially owned assets and list direct and contingent liabilities. This information will assist City to determine if Proposer retains the financial resources to carry out the operation as well as provide a guarantee of lease.

G) Please provide any comments and/or additional suggestion for consideration by the City.

Proposals may be delivered by mail or by hand to:

Attn: 1431 Second Street RFP  
Economic Development Division  
1901 Main Street, Ste E  
Santa Monica, CA 90405

## EXHIBIT C

### **ADDITIONAL INFORMATION**

**Q: What will the interior finishes include?**

**A:** The space will be delivered “as-is.”

**Q: Can we request Tenant Improvement (TI) credit?**

**A:** Depending on the level of capital improvement proposed by the selected Tenant, a rent credit will be considered.

**Q: Can the Tenant place signs on the building?**

**A:** Signs must be reviewed and approved by the City’s Architectural Review Board; contact Planning and Community Development for additional information.

**Q: Are there other charges or assessments?**

**A:** In addition to the monthly rental fee there are the following:

Security Deposit: One month’s rent, refundable at the termination of the agreement;

CAM charges: None

Santa Monica Business License: Contact (310) 458-8745 for additional information.

Possessory Interest Tax: The Tenant will be responsible for direct payment of this tax, which is levied by the Los Angeles County Assessor. Tax is based on several factors including square footage, length of term and lease rate. Please contact (310) 458-8763 for additional information.

Utilities: The utilities to this space should be separately metered.

Special Assessments: There are additional business fees on retail businesses; portions of your business may or may not be covered (check with Business License at (310) 458-8745 to see if your proposal is classified as “retail”). There is a Maintenance Assessment Fee which equals one times the business license tax, and also a Retail Assessment Fee (1/15th of 1% of taxable sales per year up to a maximum of \$1,000). Tenant will also be responsible for its prorated share of PBAD assessment fees. Specific info can be found at:

[http://santamonica.org/economic\\_development/bus\\_improvement\\_districts.htm](http://santamonica.org/economic_development/bus_improvement_districts.htm)

Other: This is a “triple net” agreement, with all expenses to be paid by the Tenant.

EXHIBIT D  
Oaks Initiative Disclosure Form

## **Oaks Initiative Notice**

CITY OF SANTA MONICA

### **NOTICE TO APPLICANTS, BIDDERS, PROPOSERS AND OTHERS SEEKING DISCRETIONARY PERMITS, CONTRACTS, OR OTHER BENEFITS FROM THE CITY OF SANTA MONICA**

Santa Monica's voters adopted a City Charter amendment commonly known as the Oaks Initiative. It prohibits a public official from receiving specified personal benefits from a person or entity after the official votes, or otherwise takes official action, to award a "public benefit" to that person or entity. Examples of a "public benefit" include public contracts to provide goods or services worth more than \$25,000 or a land use approval worth more than \$25,000.

The Oaks Initiative requires the City to provide this note and information about the Initiative's requirements. An information sheet on the Oaks Initiative is attached. You may obtain a full copy of the Initiative's text from the City Clerk.

In order to facilitate compliance with the requirements of the Oaks Initiative, the City compiles and maintains certain information. That information includes the name of any person who is seeking a "public benefit." If the "public benefit" is sought by an entity, rather than an individual person, the information includes the name of every: (a) trustee, (b) director, (c) partner, (d) officers, or (e) ten percent interest in the entity. Therefore, if you are seeking a "public benefit" covered by the Oaks Initiative, you must supply that information on the attached form (Attachment A).



(Attachment A)

**City of Santa Monica  
Oaks Initiative Disclosure Form**

*All persons or entities receiving public benefits defined below from the City of Santa Monica shall provide the names of trustees, directors, partners and officers and names of those with more than a 10% equity, participation or revenue interest. This information is required by City Charter Article XXII—Taxpayer Protection.*

**Name of Entity:** \_\_\_\_\_

**NAME(S) OF PERSONS OR ENTITIES RECEIVING PUBLIC BENEFIT:**

**NAME(S) OF TRUSTEES, DIRECTORS, PARTNERS, AND OFFICERS:**

**NAME(S) OF THOSE WITH MORE THAN A 10% EQUITY, PARTICIPATION OR REVENUE INTEREST:**

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**Public benefits include:**

1. Personal services contracts in excess of \$25,000 over any 12-month period;
2. Sale of material, equipment or supplies to the City in excess of \$25,000 over a 12-month period;
3. Purchase, sale or lease of real property to or from the City in excess of \$25,000 over a 12-month period;
4. Non-competitive franchise awards with gross revenue of \$50,000 or more in any 12-month period;
5. Land use variance, special use permit, or other exception to an established land use plan, where the decision has a value in excess of \$25,000;
6. Tax "abatement, exception, or benefit" of a value in excess of \$5,000 in any 12-month period; or
7. Payment of "cash or specie" of a net value to the recipient of \$10,000 in any 12-month period.

**Prepared by:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**FOR CITY USE ONLY:**

**Bid/PO/Contract #** \_\_\_\_\_ **Permit #** \_\_\_\_\_

EXHIBIT E  
State of Arizona Disclosure Form



**NOTICE:**  
**City Policy on Doing Business with Arizona Firms**

CITY OF SANTA MONICA

NOTICE TO APPLICANTS, BIDDERS, PROPOSERS AND OTHERS SEEKING TO DO  
BUSINESS WITH THE CITY OF SANTA MONICA

The City Council of the City of Santa Monica adopted Resolution No. 10479 (CCS) on May 25, 2010, which requires a review of all current and likely future agreements and contracts with Arizona-based businesses to examine the feasibility of acquiring such products and services elsewhere while the Arizona law remains in effect.

Additionally, vendors offering goods or services to the City of Santa Monica must complete and sign the attached disclosure form; this applies to all solicitations, including but not limited to, bids and proposals. Please review, sign and submit the form with your bid packet prior to the closing date of bid.

Contractors that do not have headquarters in the State of Arizona and those that will not be working with Arizona-headquartered subcontractors to provide goods and/or services as specified in this solicitation will take priority in the bidding process.

NOTE: Headquarter location or residency may not be considered as a factor if prohibited by applicable law.

*Failure to return this form or inability to certify as to its provisions will render your bid or proposal non-responsive.*

State of Arizona Disclosure Form - see next page.



**City of Santa Monica  
State of Arizona Disclosure Form**

***TO BE COMPLETED BY ALL VENDORS PROVIDING GOODS AND SERVICES TO  
THE CITY OF SANTA MONICA***

Headquarter location or residency may not be considered as a factor if prohibited by applicable law.

Please check the appropriate boxes below.

*Our company's headquarters are located in the State of Arizona.*

☐ Yes

☐ No

*Goods or services pertaining to this solicitation will be provided by a subcontractor whose business is headquartered in the State of Arizona.*

☐ Yes

☐ No

If the response to the statement above was "yes", please list any and all subcontractors headquartered in the State of Arizona that may be providing goods or services (pertaining to this solicitation) to the City of Santa Monica.

*If more than one, attach a list of additional subcontractors, including the physical address of each location.*

Name of Subcontractor: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**\*\*\* PORTION BELOW TO BE COMPLETED BY ALL VENDORS \*\*\***

\*\*\*\*\*

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Printed name: \_\_\_\_\_ Title: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Street Address of Headquarters: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone # (including area code): \_\_\_\_\_ Email: \_\_\_\_\_

FOR CITY USE ONLY

NOTES: \_\_\_\_\_