

REQUEST FOR QUALIFICATIONS

Hotel or Hotel/Office Development Opportunity

**750 Moffett Boulevard
Mountain View, California**



Issue Date: January 17, 2014

Due Date: February 24, 2014

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CITY OF MOUNTAIN VIEW
COMMUNITY DEVELOPMENT DEPARTMENT
Attention: Economic Development Manager
500 Castro Street
Mountain View, CA 94041

RFQ: Hotel or Hotel/Office Development Opportunity	REQUEST FOR QUALIFICATIONS (RFQ)	Response Closing Date: Feb. 24, 2014 @ 5:00 p.m., Pacific Standard Time
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Subject: Moffett Gateway Request for Qualifications (RFQ)

Company: _____ Name: _____
(PRINT OR TYPE)
Federal Tax I.D. No. _____ Signature* _____
Street Address: _____ Title: _____
City: _____ Date: _____
State: _____ Zip Code: _____
Tel. No. _____ Fax No. _____
E-Mail: _____

**Authorized Signature: The signer declares under penalty of perjury that she/he is authorized to sign this document and bind the company or organization to the terms of this Agreement. The Qualifications submittal and any other documents submitted in response to the foregoing shall form a part of and be construed with the purchase order/contract.*

**ONLY RESPONSES WITH AN ORIGINAL SIGNATURE
WILL BE ACCEPTED.**

This cover page must be completed and submitted as part of your response.

FOR QUESTIONS REGARDING THIS REQUEST FOR QUALIFICATIONS, PLEASE CONTACT:

Alex Andrade, Economic Development Manager
Telephone: (650) 903-6549
E-mail: alex.andrade@mountainview.gov

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I. SUMMARY OF THE OFFERING

A. Introduction

The City of Mountain View (City) is pleased to issue this Request for Qualifications (RFQ) to developers interested in developing and leasing the strategically located, 6.69-acre Moffett Gateway property (Attachment A). The site is available for development on a long-term ground lease from the City to a highly qualified development team. The City has a long-standing strategy of utilizing land and ground leases to help strengthen the local economic base. Development of the site will fulfill the City's goal of a mixed-use hotel and office project, or exclusively a hotel development, which generates a long-term revenue stream for the City. The ideal development team will have the demonstrated experience, financial and technical capability, and capacity to develop the property consistent with City goals for a high-quality mixed-use hotel and office project. The City will also consider a two hotel development option.

The process for marketing the Moffett Gateway property for development begins with this Request for Qualifications (RFQ), and will be followed by a Request for Proposals (RFP) issued to a small number of respondents that the City, in its sole discretion, determines to be best qualified. Responses to this RFQ are due on February 24, 2014 by 5:00 p.m. For further details on the developer selection process and RFQ/RFP schedule, please refer to Page 11.

B. Project Objectives

The primary project objectives are as follows:

- High-quality mixed-use development project including hotel (minimum of three-diamond rating and limited-service) and office uses. The City will consider a two hotel development option.
- The financial return to the City.
- Consistency with City goals for the Moffett Gateway property.
- Development team and City will execute an Exclusive Right to Negotiate Agreement (Attachment B), which will form the foundation for the required Disposition and Development Agreement and ground lease.
- Development firm must adhere, to the extent possible, to the projected project development schedule.

C. RFQ Evaluation Criteria

The following evaluation criteria will be used to select the top qualifying development teams during the RFQ process:

- Agreement to RFQ requirements and minimum business terms.
- Viability of the proposed development concept.
- Expertise in developing high-quality, infill development of similar scope and scale.
- Financial capability of the development team and willingness to develop the project according to the Disposition and Development Agreement and ground lease.
- Overall quality of the development team.
- Development team's proven ability to accomplish the development and meet the City's goals, including demonstrated financial capability to undertake the project.
- For respondents proposing to joint-venture in the development of the site as a mixed-use hotel and office project, demonstrated ability of the development partners to work effectively together.
- Experience with long-term ground leases and other similar public/private development agreements with public agencies.
- Experience with comparable developments in Silicon Valley and California.
- Quality and completeness of the RFQ.

D. Setting

The City of Mountain View lies approximately 10 miles north of San Jose and 35 miles south of San Francisco. The City is bordered by San Francisco Bay to the north, Palo Alto to the west, Los Altos to the south, and Sunnyvale to the east.

The Moffett Gateway property is strategically located at the interchange of Highways 85 and 101, and Moffett Boulevard, in Mountain View. Mountain View is located in the heart of Silicon Valley and is home to many established high-

technology firms and respected institutions. There are over 62 million square feet of research and development and office space in Mountain View and the two adjacent cities of Palo Alto and Sunnyvale. Google, Microsoft, LinkedIn, Intuit, Symantec, Synopsys, and the NASA Ames Research Center all have major campuses within 1.5 miles of the Moffett Gateway property. San Francisco and San Jose International Airports are both located within a 30- to 45-minute driving time.

Mountain View has a vibrant and pedestrian-friendly downtown centered on Castro Street. Castro Street (an extension of Moffett Boulevard) is located one mile south of the Moffett Gateway property. The downtown has a strong concentration of restaurants, cafes, and shops, and most recently has evolved into the destination of choice for high-technology start-up businesses. At the north end of Castro Street is the Mountain View Transit Center, a multi-modal transit hub served by Caltrain commuter rail, Santa Clara Valley Transportation Authority (VTA) light rail and bus service, and numerous employer shuttles to the employment center of the North Bayshore and the Whisman/Ellis research and development/industrial district.

Complementing the area's business and intellectual activity nodes are a variety of outdoor amenities. Within two miles of the development site is the Shoreline Amphitheatre, the 750-acre Shoreline Regional Park featuring an originally designed Robert Trent Jones II championship golf course, a sailing lake, and miles of biking and hiking trails. The very popular Stevens Creek Trail, connecting residential neighborhoods, the downtown, employment centers, and recreational opportunities of the North Bayshore, is located along the west boundary of the Moffett Gateway property. The San Francisco Bay is less than two miles from the site.

E. Hotel and Office Real Estate Market

Hotel Market Conditions

Hotels in Mountain View and the rest of the Silicon Valley market are experiencing very strong operating performances. A publication from HVS in November, 2013 entitled "Silicon Valley, California—from Dot-Com Bust to Boom" noted "Silicon Valley's tech firms, venture capital, clean tech companies, and private developers are leading vigorous economic development and growth in the region and giving

its lodging market a robust outlook.” A Historical Trends Report from STR indicates that the recent performance of the existing 22 branded, upscale, limited-service hotels in Silicon Valley is very strong, as follows:

	Occupancy	Average Daily Rate	Revenue Per Available Room
2013	82.0%	\$158.93	\$130.25
2012	79.5%	\$142.08	\$112.94
2011	73.3%	\$132.36	\$97.08
2010	74.0%	\$119.14	\$88.22
2009	64.4%	\$118.34	\$76.24
2008	71.6%	\$141.80	\$101.50
2007	74.0%	\$135.68	\$100.40

Note: 2013 results are through 1/30/13.

The hotels in the competitive set included the following brands: Aloft, Courtyard, Four Points, Hilton Garden Inn, Homewood Suites, Hyatt Place, Hyatt House, Residence Inn, and Staybridge Suites.

These hotels were located in the following cities surrounding Mountain View: Campbell, Cupertino, Los Altos, Milpitas, Palo Alto, San Jose, Santa Clara, and Sunnyvale.

The hotel market seems to be approaching a new peak level of operating performance, indicating that it is time to begin to look for opportunities to develop new hotels. This Mountain View site represents one of those exceptional opportunities.

Silicon Valley Office Market Conditions

The Silicon Valley is one of the most active office markets in the United States. Growing technology tenants drive employment, and demand for office space has pushed unemployment, measured at 6.3% in November, down to pre-2007 recession levels. Large occupiers and major technology companies are the primary drivers of demand. According to a national brokerage firm active in Silicon Valley, 45 lease transactions over 100,000 square feet have been completed since 2010. Market-wide vacancy has fallen from its peak of nearly 28% in 2009 to approximately 11% at the end of 2013.

Average asking rents across the market are reported to have grown approximately 3% per quarter over the last three years, increasing to \$3.30 per square foot/month (NNN) for Class A product. Mountain View, however, is among Silicon Valley's prime office markets, hosting growing technology tenants such as Google, Microsoft, LinkedIn, and others, and demand continues to outpace supply. The Mountain View/Los Altos office sub-market, totaling approximately 5.9 million square feet, is reported in a recent market report to boast vacancy of 3.2% and average asking rents of \$5.67 per square foot/month. These rents, however, are still significantly below the peak of the dot.com era of 2000. Landlord-favorable conditions are forecasted in Mountain View through 2016.



Moffett Gateway Aerial

F. Development Site

The Moffett Gateway property is a 6.69-acre property located in the southwest quadrant of Highway 101 and Moffett Boulevard. (Highway 101 runs generally east-west through this part of Santa Clara County). The property has a street address of 750 Moffett Boulevard and is otherwise identified as APN 153-19-007 (Attachment A). The property is bounded by Stevens Creek and Highway 85 to the west, Highway 101 and a 3.03-acre surplus Caltrans property to the north (the Caltrans property is not included as part of this developer selection process), Moffett Boulevard to the east, and a PG&E substation to the south. The site is generally level and at street grade.

Trees

A June 2011 independent arborist report inventoried 256 trees on the Moffett Gateway property, 196 of which are eligible for Heritage tree status. (See arborist report included with available RFQ downloads.) Many of the trees are on the perimeter of the property. Although the City Council is aware that a significant number of trees will have to be removed to accommodate development, proposers during the subsequent RFP stage of this selection process will have to submit a tree preservation plan that preserves as many of those in “good” to “excellent” condition as reasonably possible.

Access

As of the writing of this RFQ, access to the property is limited to a 40-foot driveway near the PG&E substation. Caltrans currently controls the remaining access rights along Moffett Boulevard. However, Caltrans has determined that they no longer need the access rights along Moffett Boulevard, and the City is currently negotiating acquisition of additional public access rights from Caltrans. This negotiation process is expected to be completed in March 2014. The additional access rights would extend from 150 feet south of the controlled intersection of the Highway 101 exit and Moffett Boulevard, and extend to the existing access point. The additional access rights will allow for at least one right-in/right-out driveway along Moffett Boulevard, in addition to an expanded driveway at the current access point. Pursuant to Caltrans regulations, access to the Moffett Gateway property from highway off-ramp is not a viable option.

Easements and Utility Lines

Two storm sewer and one sanitary sewer line, which are closely aligned, and a PG&E gas main crosses the property. The general locations of the utility lines are illustrated on Attachment C. The City will provide an ALTA Survey of the

property, which will be prepared at the City's expense, to those highly qualified firms invited to participate in the RFP process. The utility lines may be relocated, but the cost to relocate the lines would be the responsibility of the selected development firm with no financial assistance from the City. In addition, the existing PG&E gas easement is only ten feet in width; PG&E has stated that any relocation of their gas line would require a 50-foot wide easement to meet current safety standards.

Environmental Site Conditions

The City has completed a comprehensive Subsurface Soil Investigation of the Moffett Gateway property. The investigation confirms the existence of trichloroethylene (TCE) in shallow and deeper aquifers. Except for one small plume near the site of a former building, it is apparent the major plume originates from an off-site source. The Federal Environmental Protection Agency, in concert with the Regional Water Quality Control Board, is continuing to investigate the source and responsible party(ies) for the TCE release. The Subsurface Soil Investigation concludes the level and extent of TCE groundwater contamination would not preclude development of the property, although some protective measures may need to be taken during design and construction (e.g., installation of vapor barriers). Nine pairs of groundwater monitoring wells are currently scattered about the property and could be relocated to accommodate development following consultation with the Regional Water Quality Control Board. As part of their due diligence, proposers are encouraged to have a qualified party review various environmental documents available to the public through the web portals outlined on Attachment D.

PG&E Substation

PG&E has no plans to relocate or abandon the existing substation, including the transmission lines at the south end of the Moffett Gateway property, and site development planning should acknowledge this fact.

Information contained in this RFQ is believed to be accurate; however, no warranties are expressed or implied. The responsibility to conduct independent research and confirm the information lies with interested parties.

G. Planning and Entitlements

In June 2012, the City of Mountain View adopted the 2030 General Plan. The 2030 General Plan land use designation for the Moffett Gateway property is Mixed-Use Corridor. Permitted land uses under the Mixed-Use Corridor designation include lodging, office, commercial, and residential. The allowable floor area ratio (FAR)

is 1.85, of which up to 0.50 FAR can be for office use. The City Council may be willing to consider a higher FAR and building height in exchange for substantial community benefits. Four stories are allowed per the 2030 General Plan. The City Council favors a mixed-use development with a minimum three-diamond hotel that accommodates between 120 to 150 rooms, and an office building or a two hotel development option.

Parking requirements for the hotel development are one parking space per guest room. Parking requirements for the office development are one parking space per 300 square feet. Shared parking between the hotel and office uses is encouraged, which could result in an opportunity for reduced overall parking requirements.

Permits and Entitlements

The following permits and entitlements will be required for the development process of the property:

- The concurrent permit process includes a Precise Plan, a Planned Community Permit, Tree Removal Plan, and environmental review. A public hearing by the Environmental Planning Commission regarding project design and mix of land uses is a required step in the approval of the Planned Community Permit. The Environmental Planning Commission will make a recommendation to City Council regarding the approval of the Planned Community Permit.
- The City has established a preliminary review process for development proposals. This includes an initial review by City staff and at least one round of comments by the Development Review Committee (DRC). This process is intended to provide feedback, which will help prepare a project for formal application submittal.

As part of the approval process, the selected development team will pay all normal planning, public works, and building fees related to the proposed development.

H. Project Development Schedule (Projected)

The selected development firm is expected to enter into an Exclusive Right to Negotiate with the City in 2014, which will form the foundation for the required Disposition and Development Agreement (DDA) and ground lease. Upon execution of the DDA and ground lease, the development firm is expected to submit development plans for the

Moffett Gateway site and commence the environmental review phase. Below is a projected development schedule:

3rd Quarter 2014 – City and selected development firm enter into Exclusive Right to Negotiate Agreement

1st Quarter 2015 – City and selected development firm negotiate and execute DDA and ground lease (including performance milestones)

3rd Quarter 2015 – Developer submits development plans and application

2nd Quarter 2016 – Entitlements and Environmental Review Complete

4th Quarter 2016 – Construction drawings and building permit

1st Quarter 2017 – Construction begins

1st Quarter 2018 – Project complete

II. KEY BUSINESS TERMS

The City anticipates entering into a Disposition and Development Agreement (DDA) and long-term ground lease for the Property. The following section briefly describes minimum business terms. In their submittals, prospective developers should indicate acceptance of these minimum business terms, or identify areas of proposed modification with an explanation as to why they need to be modified and suggest alternative ways to address them.

- **Sufficient Quality and Magnitude of Development** – The City has a preference for a mixed-use development project including hotel (minimum of three-diamond rating and limited-service) and office uses. Hotel baseline requirements should be in a range of 120 to 150 rooms and a multi-story office building. The City will also consider a two hotel development option without an office building.
- **Financial Return to the City** – Development firms that are short-listed to receive an invitation to respond to the subsequent RFP will be expected to demonstrate the long-term financial return to the City through ground rent, Transient Occupancy Taxes, and any other applicable stream of revenue.
- **Subordination** – The fee ownership and minimum base rent will not be subordinated.

- **Lease Term**—The City will agree to a lease term appropriate to the proposed use and based upon market conditions. It is expected that the initial lease term will be 55 years, with extension options (up to four 10-year options).
- **Base Rent**—Base rent is expected to represent a market rate of return on a land value for the office portion of the mixed-use development. Periodic adjustments will be required and re-appraisals of base rent are desirable.
- **Participation Rent**—Some form of participation and/or percentage rent is highly desirable for the hotel. On an annual basis, such rent must be based upon gross rather than net revenues (as an example, 6% of total revenues). Additionally, participation in net proceeds from occasional capital events such as refinancing and sales is also desirable.
- **Possessory Interest Tax**—The Lessee will be expected to pay a possessory interest tax in lieu of property tax.
- **Good Faith Deposit**—The selected development firm for the Moffett Gateway project will be required to submit a good-faith deposit of \$100,000 (cashier's check) to offset any costs associated with the Dispositions and Development Agreement and ground lease process prior to entering into the Exclusive Right to Negotiate Agreement with the City. The payee on the check will be the City of Mountain View. The initial \$100,000 good-faith deposit will become immediately nonrefundable. If the Exclusive Right to Negotiate Agreement process extends beyond 90-days, a 60-day extension may be considered and an additional \$25,000 good-faith deposit would be required.
- **Predevelopment Costs**—The development team will be responsible for all customary and published City fees and private predevelopment costs, including the preparation of all required submittals to the City in order to receive land use and environmental approvals. The City will facilitate the predevelopment process and will be responsible for all costs incurred by City staff, including project administration.
- **Assurances**—The DDA will include provisions for performance bonds, or other remedies to ensure completion of the project.
- **Insurance**—The Lessee will be required to maintain certain prescribed minimum insurance coverage throughout the term of the lease.
- **Assignment**—The lessor will have a reasonable right to approve any assignment of the lease, as well as any changes in hotel franchisor or operator.

- **Labor Neutrality**—Development firms shall provide information about their experience, if any, with Labor Neutrality Agreements in response to this RFQ. Development firms that are short-listed to receive an invitation to respond to the subsequent RFP will be expected to identify whether their pro forma accounts for a Labor Neutrality Agreement or not. Proposers may submit alternate pro formas, with and without Labor Neutrality Agreements, if desired. The City has not made a determination about whether a Labor Neutrality Agreement would be required for the Moffett Gateway development.
- **Real Estate Commissions**—The City will not pay commissions to brokers in this transaction.

III. DEVELOPER SELECTION PROCESS

The process for marketing the Moffett Gateway property begins with this RFQ and will be followed by an RFP issued to a small number of respondents that the City, in its sole discretion, determines to be best qualified. The RFP phase will require the submittal of more detailed information about the proposed development, business terms, evidence of likely financing, comprehensive hotel and office development pro formas, performance milestones and benchmarks, Tree Preservation and Removal Plan, and fulfillment of City development objectives and revenue stream. The City has ultimate responsibility for the selection process, with the assistance of its consultants as needed.

A. RFQ/RFP Schedule

<u>Date</u>	<u>Activities</u>
January 17, 2014	Issuance of RFQ
January 30, 2014	RFQ Presubmittal conference for questions/information requests
February 3, 2014	Development firms submit questions on RFQ
February 10, 2014	City responds to questions
February 24, 2014	RFQ qualification submittals due
March 17, 2014	Short list announced
March 17, 2014	Issuance of Request for Proposals (RFP)
March 24, 2014	RFP Preproposal conference for questions/information requests
March 28, 2014	Last date for questions and request for clarification on RFP
April 4, 2014	City responds to questions
April 28, 2014	RFP responses due

<u>Date</u>	<u>Activities</u>
May 8/9, 2014	Developer interviews
June 2014	Developer selected for 90-day Exclusive Right to Negotiation resulting in Detailed Business Term Sheet to become basis for DDA and ground lease.

The City of Mountain View may amend this schedule with written notice to all proposers.

IV. STATEMENT OF QUALIFICATIONS – REQUIRED SUBMITTAL INFORMATION AND EVALUATION CRITERIA

In the RFQ phase of the selection process, emphasis will be placed on directly relevant qualifications and experience, proven financial capability and ability to undertake the proposed development, proposed approach to the site’s development, and acceptance of the minimum business terms. Each response to the RFQ should include the following five components, which are further described below:

- Cover Letter and Acceptance of RFQ Terms
- Proposed Development Concept
- Development Team Description and Qualifications
- Relevant Development Experience
- Financial Capability

A. Cover Letter and Acceptance of RFQ Terms

The submission must contain a cover (or transmittal) letter signed by the “team representative,” the person authorized to represent and negotiate on behalf of the development team. The letter should include the following:

- Brief description of development team members.
- Brief description of the proposed development concept.
- State the team’s agreement to the Agency’s RFQ/RFP requirements, as described in this solicitation, or present any proposed modifications to them, particularly noting the following:

- Agreement to the minimum business terms.
- Agreement to submit the required non-refundable deposit of \$100,000, if selected and before signing an Exclusive Right to Negotiate Agreement.
- Agreement to fund all private predevelopment costs and pay required City fees.

B. Proposed Development Concept

A narrative description of the proposed project taking into account the unique attributes of this site, which should include the following:

- **Summary of Development Project**

- Hotel description, including room count, guest services, anticipated brand, and AAA diamond rating.
- Office building description, number of stories, total square feet, and building amenities.
- Parking Plan Concept (e.g., how parking is handled – structured versus surface).
- Approximate Floor Area Ratio (FAR) of the project.
- Expected development quality and sustainability features, including proposed LEED rating and general approach to tree preservation.
- Other design features of critical importance to development success.

- **Anticipated Market Positioning and Project Revenues**

- Description of target market for proposed uses and why this site is particularly well-positioned for the proposed development concept.
- Preliminary estimate of anticipated annual revenue to the City from all sources, including ground rent, Possessory Interest Tax, and Transient Occupancy Taxes. Describe the basis of the revenue projection to the City.

C. Development Team Description and Qualifications

Please provide the following description of the development team and relevant qualifications.

- Summarize the qualifications and experience of the development entity that will serve as the lead developer for the proposed development and indicate who will be the person that is authorized to represent and negotiate on behalf of the development team (“team representative”), including the following specific information (maximum of six pages):
 - Identify the development entity’s name, street address, telephone number, fax number, and e-mail address.
 - Include a one page description of relevant development qualifications, including description of core business activities and mission, amount of development that has been historically built and currently underway by this entity, and recent experience in Silicon Valley.
 - Provide organizational information on the development entity including number of employees, office locations, and other organizational information.
 - Indicate “team representative” who has the authority to represent and make legally binding commitments and responsible for negotiating the Disposition and Development Agreement and ground lease with the City.
 - Indicate the name of the team’s “project manager” (if different from above).
 - Provide resumes for the development team.
- In the event that different entities will lead the development of different product types (e.g., hotel, office), outline the likely structure of the development joint venture (or other legal working relationship), describe the roles and authorities of the development entities, and describe any prior experience working together. If relevant, describe the same level of detail as outlined above for each additional developer entity (maximum six pages each).

- Provide a one- to two-page description of the hotel component:
 - Proposed hotel brand and summary of hotels in operation in Silicon Valley and California.
 - Proposed hotel management company and summary of hotels in operation in Silicon Valley and California.
- Any other relevant information regarding qualifications and experience in California.

D. Relevant Development Experience

Please provide a description of three completed hotel and/or hotel and office projects built and operated by members of the development team within the past ten years. Members of the proposed development team for Moffett Gateway should have had a significant role in these past projects. For each project, please include the following:

- Project name and location.
- Description of each development including land uses by square feet, number of hotel rooms, construction schedule, completion date, development cost, and financing summary.
- A description of the quality level (e.g., number of AAA diamonds, guest services, business services), market mix (e.g., group, individual business traveler, leisure) and amenities (e.g., fitness facilities, restaurants, lounges, retail) of the project.
- Photos (including an aerial photo of the site) and site plans of the project.
- Names and roles of other companies, organizations, or partners that had a major role in the project, including franchisor, hotel operator, lenders, equity investors, and public agencies.
- A clear statement of the roles performed by respective members of the Moffett Gateway team.
- Indication of whether the project involved a ground lease.
- Indication of whether the project involved a business relationship with a public agency, and a description of the nature of any such relationship.

- Indication of whether the project involved Labor Neutrality Agreements, and a brief description of the provisions of any such agreements that were negotiated.
- Relevant project references to include at minimum contact information for project lender(s) and public agencies for each project.

E. Financial Capability

Submittals to this RFQ must demonstrate that the development team has the financial capacity and willingness to carry out the proposed project and initiate development in accordance with the proposed Disposition and Development Agreement and ground lease. For each development entity, submittals should include the following:

- Overall financial track record and capacity.
 - Audited/certified financial statements for the most recent three calendar or fiscal years for all development entities that are proposed to be involved (2011 and 2012 audited/certified financial statements and 2013 financial statements).
 - If not included in the notes of the balance sheet, please attach a list of all outstanding long-term debt including the name of lender, amount, and date due. If the lead development company is also a subsidiary, please also provide the financial statements of the parent company.
- Potential sources of equity and financing for the proposed development and experience with such sources.
- Demonstrated ability to raise debt and equity for a project of the magnitude that is proposed:
 - Strength of current relationships with financial institutions, as evidenced by number and amount of loans over past decade.
 - Provide references to at least two lenders and two equity investors that have provided capital for projects of a similar scale to what is proposed.
- List and explain any litigation or disputes the development entity is involved in that could result in a financial settlement having a materially adverse effect on the ability of the development entity to complete this project.

- Statement detailing whether the development entity, or any of the named individuals in the proposed project team, ever filed for bankruptcy or have had projects that have been foreclosed. If yes, please list the dates and circumstances.

The City recognizes the sensitive nature of the financial information requested in this RFQ; therefore, such requested information may be submitted under separate cover and labeled "Confidential." All proposals are considered confidential until the City makes a selection, at which time the proposals shall become public information and available to the public for review. However, all financial statement portions of each proposal will be treated as confidential and will not be available for public review at any time. In addition, confidential records may be returned to those not selected as being "highly qualified," if so requested.

V. QUESTIONS AND CORRESPONDENCE

All questions regarding the RFQ document, the property, and/or the process must be addressed in writing no later than February 3, 2014 to:

Alex Andrade, Economic Development Manager
Community Development Department
City of Mountain View
500 Castro Street, First Floor
Mountain View, CA 94041
alex.andrade@mountainview.gov

Interested responders who have received this RFQ from a source other than the contact listed above should immediately contact Alex Andrade and provide their name and contact information in order to ensure that other communications, such as addenda to the RFQ, can be sent to them. Responders who fail to notify the City with this information assume complete responsibility in the event that they do not receive communications from the City prior to the closing date.

VI. DEADLINE AND DELIVERY OF QUALIFICATION STATEMENTS

One signed original hard copy with wet signature plus eight (8) hard copies are required of the Qualification Statement labeled "Moffett Gateway RFQ" and are due by 5:00 p.m. on Monday, February 24, 2014, to the above address. In addition, submit one electronic response to this RFQ via thumb drive or CD-ROM disk (in PDF format).

All hard copies of the submittal must be enclosed in a sealed envelope. The face of the envelope must reference "Moffett Gateway RFQ" and the name and address of the

submitting organization(s). The City of Mountain View will not provide any preselection information concerning the status of submittals other than the acknowledgment that they were received. Responders must number all pages of the RFQ submittal and follow the same format under the Table of Contents.

The development team should allow for sufficient mail delivery time to ensure timely receipt by the issuing office. Any response, modification to responses, or request for withdrawal of responses arriving after the closing date and time will be considered late. Delivery of the RFQ response to the specified location by the prescribed time and date is the sole responsibility of responders.

As noted above in the Project Schedule, the City will host an informational Presubmittal Conference for interested parties on January 30, 2014 from 9:30 a.m. to 11:00 a.m. This meeting will be held in the Plaza Conference Room, Second Floor, City Hall, 500 Castro Street, Mountain View. Attendance at this informational meeting is not required, but is strongly encouraged. If you do desire to attend, please confirm your attendance by calling Joanne Francis at (650) 903-6379 or by e-mail at joanne.francis@mountainview.gov by January 27, 2014.

ATTACHMENT A

Map of Moffett Gateway Property
6.69 Acres



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ATTACHMENT B

SAMPLE Exclusive Right to Negotiate Agreement

THIS EXCLUSIVE RIGHT TO NEGOTIATE (ERN) AGREEMENT (the "Agreement") is dated for identification this ___ day of _____, 2014, by and between the CITY OF MOUNTAIN VIEW, a California Charter City and municipal corporation (hereinafter "CITY"), and _____ ALLCAPS _____ (hereinafter "DEVELOPER"), on behalf of itself on the terms and conditions set forth below. CITY and DEVELOPER hereby agree as follows:

I. NEGOTIATIONS

A. Good-Faith Negotiations

DEVELOPER and CITY agree to negotiate diligently and in good faith for the negotiation period set forth in Section (I)(B) toward one (1) or more definitive agreements (collectively, Disposition and Development Agreement and Ground Lease "DDA and Ground Lease") regarding the lease by CITY to DEVELOPER of certain property (the "Site"), known and described as consisting of the Moffett Gateway property, approximately 6.69 acres, and located in the City of Mountain View, California, as generally depicted on Exhibit A, attached hereto, and the proposed development on the Site by DEVELOPER to develop a hotel or hotel and office development project (the "Project") within the City of Mountain View.

B. Negotiation Period

1. CITY agrees not to negotiate with any other persons or entities regarding the lease or development of the Site or any portion of the Site for a period of ninety (90) calendar days from __Month/Day__, 2014 to __Month/Day__ 2014 (the "ERN Period"). DEVELOPER agrees not to negotiate with any other persons or entities for development of a similar project during the ERN Period; provided, however, that DEVELOPER shall have the right to negotiate and enter into agreements for the purchase, lease, or development of other properties to the extent the same are in addition to, and not in lieu of, the development contemplated for the Site. This prohibition shall not prevent CITY from providing information regarding the Site to persons or entities who may request such information; provided, however, that CITY shall not disclose any information of a confidential or proprietary nature respecting the Site or the proposed Project which is provided by DEVELOPER to CITY in confidence, unless required to do so by law (but only after providing DEVELOPER with at least two (2) business days' prior notice of such disclosure). This Agreement shall terminate at

the expiration of the ERN Period, __Month/Day__, 2014, unless mutually extended in writing by CITY and DEVELOPER for an additional sixty (60) day period.

2. If an ERN Agreement is reached within ninety (90) calendar days, the parties will then have four (4) to six (6) months to finalize a DDA and Ground Lease and other necessary agreements.

C. Consideration

Upon execution of this Agreement, DEVELOPER shall provide CITY with a One Hundred Thousand Dollar (\$100,000) good-faith and security deposit ("Deposit"). During the ERN Period, CITY may pay third-party costs it incurs during the ERN Period in connection with the negotiation of the DDA and Ground Lease, (i.e., legal counsel, consultants, surveyors, etc.) or, if DEVELOPER shall fail to perform its obligations under Paragraph II.C. below, costs incurred by CITY to perform the same, from this Deposit. An additional deposit of Twenty-Five Thousand Dollars (\$25,000) would be required for a sixty (60) day extension of the ERN period.

D. Cost of Studies

The cost of studies conducted by or at the request of DEVELOPER during the ERN Period shall be the responsibility of DEVELOPER. Except as provided in Paragraph I.C., above, CITY shall be responsible for the cost of: (i) studies performed, environmental site assessment, and arborist report prior to the ERN Period or otherwise conducted by or at the request of CITY during the ERN Period; (ii) an ALTA survey of the Site; and (iii) a current preliminary title report for the Site. DEVELOPER shall not be responsible for any costs incurred by CITY in excess of the Deposit amount set forth in Paragraph I.C. above, except as the parties otherwise agree.

II. RIGHT OF ACCESS

A. During the ERN Period, DEVELOPER may enter any portion of the Site owned by CITY for the purpose of conducting such tests, inspections, investigations, and studies as DEVELOPER deems desirable or necessary, including, without limitation, conducting surveys, and collecting surface and subsurface soils and groundwater samples. Prior to any such entry upon the Site, DEVELOPER shall provide CITY with fax or e-mail notice of the purpose of such entry a minimum of twenty-four (24) hours prior to entry, the location of any sampling to be performed, and the time such sampling will occur.

B. DEVELOPER shall indemnify, defend, and hold CITY and its respective employees, officers, agents, and representatives harmless against any claim for damages to persons or property arising from any activity of DEVELOPER, DEVELOPER's

employees, officers, agents, representatives, contractors, subcontractors, or consultants on the Site during the ERN Period; provided, however, that the foregoing shall not apply to liability resulting from the findings and conclusions of any such tests, inspections, investigations, or studies. During the ERN Period, DEVELOPER shall obtain and maintain a policy or policies of comprehensive General and Automobile Liability insurance in an amount of not less than Five Million Dollars (\$5,000,000) per occurrence, including bodily injury, death, contractual liability, including, without limitation, performance by DEVELOPER of the indemnity provisions contained above to the extent it is insurable, and property damage as a combined single limit or equivalent, and such insurance shall name CITY as an additional insured.

C. DEVELOPER will receive a copy of all reports regarding the condition of the Site prepared by CITY's consultants during the ERN Period. CITY will receive a copy of all reports regarding the condition of the Site prepared by DEVELOPER's consultants during the ERN Period. All testing wells will be properly closed by DEVELOPER, and there shall be proper disposal of any test byproducts by DEVELOPER. Upon expiration of the ERN Period, DEVELOPER shall repair any damage or injury to the Site caused by the activities of DEVELOPER and its agents, employees, contractors, subcontractors, and consultants thereon.

D. CITY shall, within ninety (90) days following the execution of this Agreement, provide to DEVELOPER an ALTA survey for the Site and a current preliminary title report issued by a title company acceptable to DEVELOPER, with a legal description corresponding to the survey, along with copies of all underlying documents.

E. CITY shall maintain in confidence all reports and studies submitted by DEVELOPER to CITY, unless CITY is required to disclose such reports and studies by law (but only after providing DEVELOPER with at least two (2) business days' prior notice of such disclosure).

III. APPROVAL OF GROUND LEASE

DEVELOPER agrees and understands that the DDA and Ground Lease resulting from the negotiations under this Agreement shall become effective only after, and only if, the DDA and Ground Lease have been considered and approved by the City Council of CITY after a Public Hearing is conducted.

IV. LIMITATIONS

CITY's execution of this Agreement does not constitute CITY's commitment or agreement to undertake: (a) disposition of land to DEVELOPER; or (b) any other acts or

activities requiring a subsequently independent exercise of discretion by CITY or any agency or department thereof.

This Agreement does not constitute a disposition of property or exercise of control over property by CITY. Execution of this Agreement by CITY is merely an agreement to enter into a period of exclusive negotiations and to negotiate diligently and in good faith toward a definitive DDA and Ground Lease for the Site according to the terms hereof, reserving final approval by the City Council of CITY as to the final DDA and Ground Lease, and all proceedings and decisions in connection therewith.

Execution of this Agreement by DEVELOPER is merely an agreement to negotiate diligently and in good faith toward a definitive DDA and Ground Lease for the Site according to the terms hereof, reserving final approval by the board of directors and/or authorized officers of, as applicable, as to the final DDA and Ground Lease and such other agreements in connection therewith.

V. NOTICES

Any and all notices required by this Agreement may be directed by fax or mail as follows:

City of Mountain View _____
Attention: _____
500 Castro Street _____
Mountain View, CA 94041 _____
Fax No. (650) 962-8502 Fax No. _____

VI. AUTHORITY

Each party hereto represents and warrants to the other that it has the legal power, right, and authority to enter into this Agreement, and all requisite action has been taken or obtained by said party in connection therewith. Each signatory of a party hereto represents and warrants to the other party that it is duly authorized to enter into this Agreement on behalf of said party and bind said party to the terms and conditions hereof.

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IN WITNESS WHEREOF, this Agreement has been executed in duplicate by the parties hereto on the day and year first above written.

“CITY”:
CITY OF MOUNTAIN VIEW,
a California charter city and municipal
corporation

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

“DEVELOPER”:
_____ ALL CAPS _____
_____ (legal entity) _____

By: _____

Printed Name: _____

Title: _____

APPROVED AS TO FORM:

By: _____

Printed Name: _____

Title: _____

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ATTACHMENT C

Moffett Gateway Utilities Map



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ATTACHMENT D

Important Document Links

As part of their due diligence, proposers are encouraged to have a qualified party review various environmental documents available to the public on the following web portals:

<http://geotracker.waterboards.ca.gov/> (Property address is 750 Moffett Boulevard)

http://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=60000183

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