



ALAMEDA COUNTY  
Community Development Agency

# Request for Interest/Development Concept for 3295 Castro Valley Boulevard Castro Valley, CA



**RFI/Development Concept issued: March 1, 2017**  
**Optional Site Tour & Staff Q&A: March 8, 2017**  
**Responses due by 5 PM: March 24, 2017**

## **I. Executive Summary**

### **Development Opportunity:**

Alameda County is pleased to offer an outstanding development opportunity in the heart of Castro Valley's vibrant downtown. Just minutes from the intersection of Interstate 580 & Hwy 238 and served by the Castro Valley BART Station, this prime opportunity site benefits from Castro Valley's 60,000 residents, outstanding schools, and a mean household income of \$106,850. Castro Valley is a prime location for upscale retailers, restaurants and exciting food concepts.

The County is seeking a dynamic development that will convert the vacant former Daughtrey's Department Store into an exciting restaurant, food-related and retail project that will draw customers downtown, fulfill the community's desire for new dining and shopping experiences, and build on the site's central downtown location. To that end, the County is seeking a highly qualified development team to deliver a project that will meet the community's desire for new dining and shopping opportunities. The County envisions a public/private partnership where the purchase price will be negotiated on a pro forma basis, with a strong focus on achieving the community's goals for this key opportunity site.

**Location:** 3295 Castro Valley Boulevard, Castro Valley, CA, a district in unincorporated Alameda County

A.P.N. #: 084-A-0040-018-04

See [Attachment A](#) for a map of the Castro Valley vicinity and site map.

**Optional Site Visit & Tour with Staff:** March 8, 2017, 2 to 4 PM

**Proposals Due:** Friday, March 24, 2017 by 5 PM

**Interviews with Selection Panel:** May 10 & 12, 2017

**Follow-up Interviews with Finalist(s) If Needed:** Tentative, week of May 15-19, 2017

**Tentative Selection Date for Outstanding Proposal:** June 1, 2017

### **Contact for Information:**

Susan McCue, Economic Development Manager  
Alameda County Community Development Agency  
Economic & Civic Development Department  
510/670-5335  
[susan.mccue@acgov.org](mailto:susan.mccue@acgov.org)

Electronic copies of the RFI/Development Concept are available on the County's ECD website:  
[www.acgov.org/cda/ecd](http://www.acgov.org/cda/ecd).

## **II. The Development Opportunity**

### **3295 Castro Valley Boulevard - Setting**

3295 Castro Valley Boulevard (“the Daughtrey’s Building”) is located in unincorporated Alameda County. With over 60,000 residents and close to 6,000 businesses, Castro Valley is a vibrant, successful community anchored by its downtown and benefitting from outstanding schools and a major medical cluster.

Castro Valley offers the perfect location for commuters and businesses with quick, easy access to Silicon Valley to the south, the Peninsula to the west, and Dublin, San Ramon and Walnut Creek to the east. Well-positioned between Silicon Valley and Oakland, the site is at the crossroads of the I-580/Hwy 238 interchange, under five miles from I-880, and three blocks from the Castro Valley BART Station. The Daughtrey’s Building is served by AC Transit’s #32 bus line. Castro Valley Boulevard is heavily traveled and considered an outstanding location for commercial and retail development.

Alameda County is making a major investment in the downtown, spending over \$4.8 million to build a new Shared Parking Lot and Paseo for the Daughtrey’s Building and four neighboring commercial properties. A \$9 million streetscape project was completed in 2011 with widened sidewalks, new street trees and planted medians, street furniture, improved street and pedestrian lighting, and banners to enhance walking and biking throughout the central downtown district.

### **The Daughtrey’s Building – Prime Opportunity Site**

**Site Description:** The lot size is 44,900 square feet. The vacant 39,000 square foot building has 15,000 square feet on the ground floor, a 15,000 square foot full, usable basement, plus a 9,000 square foot mezzanine. The net leasable square footage is approximately 25,000 square feet. The Daughtrey’s Building, along with four adjacent properties, will share a newly renovated parking lot with a landscaped paseo perfect for outdoor dining. An easement agreement among the property owners has been finalized. It includes each property owners’ responsibility for annual maintenance costs, of which 53% will be borne by the owner of the Daughtrey’s Building.

The Castro Village Shopping Center, directly across the street from the site, is fully leased with over 25 retail and restaurant tenants. A new Habit Burger is slated for a northeast corner parcel facing Redwood Road. The adjacent properties include the beloved Knudsen’s Ice Creamery, a new Vietnamese restaurant, a Chinese restaurant, a martial arts studio, and real estate office.

The former Alameda County Redevelopment Agency acquired the property in April of 2011 to facilitate redevelopment of the property for desired commercial uses.

The County is open to a variety of reuse concepts, including demolition and replacement with a project that meets the County’s goals for the property.

### **The County’s Expectations for Re-Use of the Daughtrey’s Building**

Successful proposals will include:

- A development project with upscale, high-quality restaurant, food-related and retail uses offering new, unique choices
- A catalyst project that will attract new customers, shoppers and diners to downtown Castro Valley
- A project that incorporates the new paseo with opportunities for outdoor dining and active uses
- A project that delivers a transformative design and outstanding architecture
- A project that will generate new sales and property tax revenues

Meeting the County’s expectations is paramount and of greater importance to the County than maximizing land value. Flexibility in the land value could play an important role in leveraging a development that fulfills these expectations.

**Land Use:** The land use designation under the Castro Valley General Plan is “Core Pedestrian Retail”. Multi-family residential uses and administrative office uses are allowed above the ground floor or behind retail frontage. Under the General Plan, the commercial density or floor area ratio is 2.0 and the residential density is 30-60 units per acre.

In addition, the *Castro Valley Central Business District Specific Plan* calls for a pedestrian-oriented retail core and high-density residential uses. “Intensive Retail” uses are required on the ground floor while professional and workplace offices are permitted as a secondary use for upper stories and interior site locations, along with residential development.

A copy of the *Specific Plan* is available at: [Castro Valley Business District Specific Plan.](#)

**Environmental Condition:** In 2010, asbestos in the roof was abated and replaced with a new roof. Other parts of the building have not been tested. A 2010 Phase 2 Analysis determined that the sub-surface ground water was contaminated, likely from prior up-gradient dry cleaning solvents. A pretreatment system for sump pump water was installed in 2011 following issuance of a State Regional Water Quality Control Board (RWQCB) permit. Water testing continues to be monitored on a quarterly basis and reported to the RWQCB. The building also includes a foundation dewatering system that which pumps water directly into the storm drain system.

**Development Entitlements:** Developers submit a Site Development Review (SDR) application to the Alameda County Planning Department, followed by a hearing and review by the Castro Valley Municipal Advisory Council (MAC). The MAC makes a recommendation to the Planning Director who may approve, conditionally approve or disapprove the application. Landscape plans, sign programs and building colors will be reviewed as part of the SDR process.

**CEQA Process:** In 2014, Alameda County prepared an Initial Study/Mitigated Negative Declaration for the “Castro Valley Shared Parking Lot and Daughtrey Building Re-Use Project”. A determination of Less than Significant with Mitigation resulted in publication of a Mitigated Negative Declaration that was approved by the Board of Supervisors in June of 2014.

**Key Demographics:** Castro Valley, known for its excellent schools, continues to attract young families with strong household earnings and high educational levels. The mean household

income is estimated at \$106,830 and over 45% of the residents have college experience. Of the 22,164 households in Castro Valley, 72% are families. The median list price for homes for sale is over \$800,000, reflecting its central location for commuters, desirable lifestyle, and award-winning schools.

The latest census places the population at 61,388 which represents a 7% growth over its 2000 population. Approximately 6,000 local businesses are thriving here; many take advantage of the strong Eden Area/Castro Valley Chamber of Commerce.

### **III. Developer Submittal Requirements**

Requests for Interest/Development Concept should provide the following:

1. Transmittal Letter
2. Development Team and its Members
3. Description of Relevant Experience
4. Demonstration of Financial Capacity and Related Information
5. Preliminary Development Concept, including preliminary architectural renderings
6. Market Overview of Proposed Use(s)
7. References

For a more detailed description of the required elements, please see [Attachment C](#).

#### **Submittal/Selection Schedule**

Wed., March 1, 2017	Issuance of RFI/Development Concept
Wed., March 8, 2 to 4 PM	Optional Site Tour & Staff Q & A
Friday, March 24	Submittals due by 5 PM
Tentative: Week of May 8-12	Interviews with Selection Panel
Tentative: Week of May 15-19	Follow-up Interviews, if necessary
Mid-June	Selection of preferred developer for exclusive negotiation process which will become the basis for Disposition & Development Agreement

#### **Staff Contact**

Please direct any questions regarding the development opportunity or selection process to:

Susan McCue, Economic Development Manager  
Alameda County Community Development Agency  
Economic & Civic Development Department  
Phone: 510/670-5335  
Email: [susan.mccue@acgov.org](mailto:susan.mccue@acgov.org)

### **Site Tour**

ECD has scheduled an optional tour of the site on Wednesday, March 8, 2017 between 2 and 4 PM. Staff will be available to answer questions. Please RSVP to Susan McCue at [susan.mccue@acgov.org](mailto:susan.mccue@acgov.org).

### **Submittal Instructions/Deadline**

**Both e-mail and hard copies are due no later than 5 PM on Friday, March 24, 2017.**

Please submit both electronic and hard copies of your response. Please send 5 unbound hard copies to:

Alameda County Community Development Agency  
Economic & Civic Development Department  
224 W. Winton Avenue, Room 110  
Hayward, CA 94544-1215  
Attention: Susan McCue, Economic Development Manager

And send electronic responses to: [susan.mccue@acgov.org](mailto:susan.mccue@acgov.org)

## **IV. Developer Selection Process**

### **Criteria for Selection:**

The County will use the following criteria to evaluate responses to the RFI/Development Concept:

- Development Team or business entities qualifications and financial capacity
- Meets the community's desire for high-quality dining, food-related and retail experiences
- Transformative design and outstanding architecture
- Proven track record in completing development projects
- Project Timing – including milestones such as construction commencement and project completion
- Revenue generation – new property and sales tax revenues

### **Selection Process:**

The County may select either one preferred developer or a “short list” of developers for additional investigation, including interviews. Based upon either outcome, the County expects to select a developer to enter into an exclusive right to negotiate process, which, if successfully completed, would result in a Disposition and Development Agreement for consideration by the Alameda County Board of Supervisors.

*The County will be the final decision-maker regarding selection of the development team, and it reserves the absolute right to reject any or all proposals. Individual submittals will not be returned and the County will bear no cost associated with responses.*

## V. Background Information/Documents & Resources

### Background Information Related to the Daughtrey's Building & Shared Parking

Dropbox: <https://tinyurl.com/zsl6dxy>

Contents:

- Aerials
- Shared Parking Agreements
- Environmental Reports
- Hazardous Materials
- Shared Parking Plans
- Structural
- Sump Pump
- Water Filtration



### Castro Valley Business District Specific Plan

The *Specific Plan* is available at: [Castro Valley Business District Specific Plan](#)

### Alameda County's Land Use & Planning Policies

Additional information on the County's land use and planning policies is available on the Planning Department's website at <http://www.acgov.org/cda/planning/>

### **For planning-related questions, please contact:**

Rodrigo Orduna, Asst. Deputy Planning Director  
Alameda County Planning Department  
224 W. Winton Avenue, Room 111  
Hayward, CA 94544  
(510) 670-6503  
[rodrigo.orduna@acgov.org](mailto:rodrigo.orduna@acgov.org)

## VI. Other Information

- *Real Estate Commissions* - Alameda County will not pay any commissions to brokers in this transaction.
- *Prevailing Wage* – Alameda County expects that the development will be built subject to prevailing wages. All information submitted in response to this RFI/Development Concept should be based upon this assumption.



**Attachment A**  
**Map of Castro Valley & Vicinity**





**Attachment B**  
**Property Boundary**



**Attachment C**  
**Shared Parking Boundary**



## Required Submittal Elements

### **1. Transmittal Letter**

Please include the following in the transmittal letter:

- Name, address, phone, etc. for the lead development company or business entity
- Anticipated legal structure of development company (e.g., corporation, LLC, joint venture, limited partnership, etc.) and date of legal establishment
- Contact information for the person designated as the primary contact (including phone number and e-mail address)
- Names and relationships of any companies and entities included in the proposal (e.g., developers, consultants, operators, etc.)

### **2. Development Team Summary**

At this time, the development team may consist solely of a development company or a retail company. However, to the extent that a more comprehensive set of team members can be identified (e.g., architect, general contractor, etc.), please do so. Please provide the following information in 3 pages or less (excluding resumes).

- Description of core business
- Number of years in business and number of full-time employees
- Describe the roles of key team members and attach resumes for staff assigned to this project. Please identify, if known, outside consultants or advisors that will assist in the planning, design, negotiations, or other aspects of the project
- If a joint venture, provide information on each partner and a description of prior working relationships

### **3. Description of Relevant Experience**

Please describe **two relevant projects completed in the last five years by the development team**. For each project, please include the following:

- Project name and location
- Square footage of commercial space
- Description of commercial component (e.g., office or retail) and project amenities and residential component (i.e., rental versus for-sale, market versus affordable)
- Photos and site plans
- Current status of the projects (i.e., construction status or number of years since completion)
- Brief summary of development cost and financing
- List of lenders for the projects, including contact information
- Did the projects involve a ground lease or purchase?

### **4. Demonstration of Financial Capacity and Related Information**

Please provide the following, and any other relevant information, to demonstrate the developer's financial capacity to undertake and complete the proposed development. **Please submit this information under separate cover labeled "Confidential"**. This information will be used solely for purposes of evaluation and kept confidential to the fullest extent allowed by law. Economic & Civic Development staff, and its outside consultant, ALH Urban & Regional Economics, will review the material and return it to the respondents. Please provide the following:

- Financial statements for the prior three fiscal years for the developer or development entity. Certified statements are preferred
- Most recent annual report(s)
- List any current non-performing or loan defaults in the past five years
- Information about development team (or members) filing for bankruptcy or projects lost to foreclosure

### **5. Preliminary Development Concept**

Describe in brief narrative form, with supporting materials as needed, your proposed development concept. Please include the following information:

- Architectural renderings showing your proposed development concept
- Demonstrate how your project incorporates the new paseo and opportunity for outdoor dining
- How are you using the building and for what proposed use(s)
- Describe the project's level of quality and amenities
- Estimated development schedule, including all predevelopment activities, and any phasing
- Are you proposing re-use and renovation or demolition and new construction?

### **6. Market Overview and Land Value Estimates**

Please provide a brief summary of your view of market conditions and trends affecting the proposed use for the site. Please also include information pertaining to land values – either an estimate or range – that may be associated with the proposed use(s) for the site.

### **7. References**

Please provide three references with company/organization names, titles, telephone numbers, and e-mail addresses for individuals who can provide information related to the following:

*Financial Sources* – One contact that has provided members of the development team with debt or equity financing of the magnitude likely to be required for the proposed development concept.

*Public or Governmental* – Two county, city, or other public officials who have been involved with a project completed by members of the development team (e.g., city managers, planning directors, economic development directors, etc.).