

REQUEST FOR QUALIFICATIONS



HOTEL DEVELOPMENT OPPORTUNITY IN HISTORIC DOWNTOWN UKIAH



Issue Date: June 1, 2017

Due Date: Open ended

The City of Ukiah welcomes you!

INVITATION



The City of Ukiah is pleased to announce a hotel development opportunity within the historic downtown Ukiah. The intent of this request for qualifications is to find the right development partner to develop, finance, own and operate a full-service hotel that will serve as a catalyst, linking Ukiah's conference center, courthouse, and hospital with its up-and-coming restaurant scene and mixed-use historic district. A recently-commissioned market

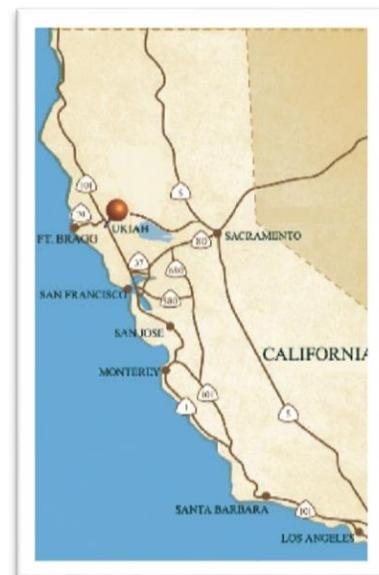
study has been completed by industry professionals CBRE (formerly PKF) and is provided for your information.

To serve the unmet lodging needs of Ukiah, CBRE recommends that the proposed hotel be positioned as an independent, upscale hotel, affiliated with one of the major hotel companies as a "soft brand." The hotel may contain up to 75 guestrooms, a full service restaurant/bar, approximately 1,500 to 2,500 square feet of meeting space, possibly a tasting room, and typical amenities found at upscale hotels (fitness center, business center, etc.).

In the downtown, there are three publicly controlled properties for consideration, as well as adjacent privately-owned properties that may be available. The City is open to receiving proposals that include other commercial and/or retail development components in addition to the hotel. We are interested in conducting open and honest dialogue with top proposers and giving the flexibility to modify initial requirements in order to reach a mutually beneficial partnership.

LOCATION, LOCATION, LOCATION

Ukiah is the largest city in Mendocino County and the county seat. With its accessible location along the busy north/south Highway 101 corridor and near the east/west Highway 20 corridor, Ukiah serves as a hub for both Mendocino County and much of neighboring Lake County. The city has an



estimated population of approximately 16,075 people. However, as the Mendocino County seat and the business/education/shopping center for much of the region, the weekday population swells to roughly 35,000.

Ukiah is surrounded by natural beauty and hosts a variety of recreational activities, including the county's only 18-hole golf course, three disc golf courses, Lake Mendocino for boating, fishing, hiking, and camping, and thousands of acres of BLM land for recreation and off-road vehicle use. It possesses a vibrant and diversified economy and a mix of small town charm and big city



culture. For these reasons, Ukiah is rapidly being discovered by visitors looking for an easy, inspiring getaway.

Since 2010, visitor spending in Ukiah has increased by nearly 50% and continues to grow. The area is well-poised for continued economic growth, and due to the abundance of visitor attractions and proximity to major population centers, Ukiah is projected to remain a very desirable visitor destination.

MORE OF WHAT MAKES UKIAH UNIQUE:

- Ukiah was voted “Best in California” and “6th Best Small Town in the U.S.” by Norman Crampton’s *The 100 Best Small Towns in America* and one of the “8 Great Places You’ve Never Heard Of” by Mother Earth News.
- Ukiah is centrally located to over 30 winery tasting rooms, making it an ideal location for residents of nearby San Francisco or Sacramento interested in a weekend of wine-tasting as an alternative to the more expensive and crowded Napa or Sonoma Counties. The region is also a national leader in organic vineyard practices and has been dubbed the greenest wine region in America. In June and November, the city hosts the weekend-long event A Taste of Redwood Valley, a celebration of the region’s wineries. Wine tourism is one of the primary lodging demand generators in Ukiah.
- Downtown Ukiah is home to a multitude of visitor attractions, including a bustling restaurant scene largely focused around local, organically grown produce, meats, and wines; the Grace Hudson Museum and Sun House, an art and history museum that features the intricate basketry of the local Pomo Indian tribe; and a wide variety of family-owned boutiques appealing to window shoppers, souvenir seekers, and locals alike. Additionally,

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Ukiah is home to the City of 10,000 Buddhas, one of the largest Buddhist communities in the Western Hemisphere, and Montgomery Woods Redwood Grove, one of the most pristine redwood tree groves anywhere. Historic Vichy Springs, the only warm and naturally carbonated mineral baths in North America, is just outside the city limits. Orr Hot Springs, the first commercial hot springs in the country, is approximately 25 minutes outside of town.

- The region's multitude of wineries, combined with its spectacular natural beauty and abundance of visitor attractions, make it a popular destination for events such as weddings and reunions.
- A variety of major projects will bring significant changes to Ukiah over the next several years. Some of these include the new Costco development near Talmage Road and

“On average, the City of Ukiah’s development fees are 50 to 60 percent lower than other cities in the area.”

Highway 101; the new Ukiah Courthouse, which is estimated at more than \$100 million; a new affordable senior housing project and more multi-family housing to support the growing population; an extension of the existing Rail Trail, which will create a safe and efficient pedestrian and bike pathway through the city; and the Downtown

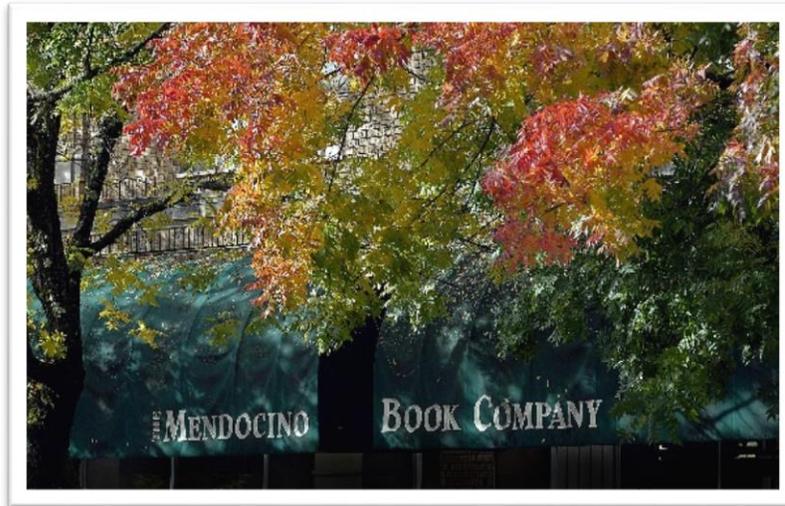
Streetscape Project between Mill and Henry Streets, which will include widened sidewalks, bulbouts for greater pedestrian safety, and improved traffic circulation. Additionally, an expansion of the Ukiah Valley Medical Center, which serves 122,000 people annually, was approved in 2014. This expansion will help the facility's efforts to advance its trauma designation from level 4 to level 3.

- Ukiah has a vibrant economy and a friendly business climate, in part due to its comprehensive workforce development network which includes education, training, support services, and the facilitation of business development, job retention, and expansion. On average, the City of Ukiah's development fees are 50 to 60 percent lower than other cities in the area, and there are no school impact fees.



- A long list of innovators and industry leaders are based in the Ukiah area. Among others, Maverick Enterprises, a privately owned company that produces capsules and alternative closures for the wine, distilled spirits, and specialty food and beverage industries, and Factory Pipe, which makes specialized mufflers for snowmobiles and jet skis, are based in

Ukiah. Solar Living Institute, which manages the Solar Living Center, a 12-acre renewable energy and sustainable living demonstration site that is visited by 200,000 people annually, is located in nearby Hopland. Advance Power, which was the first California business to be solar and wind powered and has been a leader in the energy production industry since



1978, is located just north of Ukiah in Redwood Valley. The area is also home to Parducci Wine Cellars, the first carbon neutral winery in the U.S., and the birthplace of Fetzer Winery, the sixth largest wine producer in the U.S., the first California winery to operate on 100 percent renewable energy, the first winery to achieve zero waste, and the site of the

largest solar array in the wine industry.

- Ukiah offers an array of post-secondary educational opportunities. Mendocino College, founded in 1973, is located in Ukiah and is part of the Mendocino-Lake Community College District. The 127-acre campus enrolls approximately 5,150 students and employs 55 full-time and 200 adjunct faculty members. Sonoma State University offers an upper-division extension program in Ukiah leading to a Bachelor of Arts in Liberal Studies, with an emphasis on American Studies. In nearby Hopland, the University of California Davis operates a Research and Extension Center, one of nine such centers operated by the UC Division of Agriculture and Natural Resources.

What is Ukiah missing? It's missing an upscale hotel, particularly in the downtown.

THE OPPORTUNITY

The City of Ukiah is looking for the right development partner for this important project. The three primary locations that may be suitable for this development are City-owned and in close proximity to shopping and dining, the Ukiah Valley Conference Center, the Ukiah Valley Medical Center, the County Courthouse, and more. The City is interested in entering into a ground lease for the project, and is open to proposals beyond the scope of what was outlined in the CBRE study.

Ukiah's tourism industry is growing tremendously and has already outpaced the existing lodging inventory. The timing for a new, upscale development is ripe, and we have done the market study to demonstrate that readiness. At the City of Ukiah, we have the Planning and Economic Development capacity to give this project our full attention.



SUBMITTAL REQUIREMENTS

All responses to the RFQ shall be submitted via email to:

Shannon Riley, Deputy City Manager
sriley@cityofukiah.com
(707) 467-5793

The City requests one electronic copy via e-mail (in PDF format).

Please direct any and all questions regarding this RFQ to Shannon Riley at the above contact information.

SUBMITTAL CONTENT

1. Cover Letter

- Please provide a cover letter introducing the Developer and identifying the primary contacts or representatives. The cover letter must be executed by an officer or other authorized representative of the Developer.

2. Development Team Qualifications

- This section should document the qualifications and experience of the Developer. Specifically, it should provide information that demonstrates the qualifications and professional expertise of the Developer and its individual members.

3. Project Experience and References

- Please provide a list and description of at least three previously completed projects similar to the proposed project. Please provide the names and contact information of project references (private and/or public sector) for each project described.

4. Written Statement of Interest

- Please describe the key reasons your team is considering investing in the Ukiah area and the compelling reasons why the City should negotiate with your team.

5. Financial Capacity of Developer

- Submittals to this RFQ must demonstrate that the development firm has the financial capacity and willingness to carry out the project, should you be selected. The following information should be included:
 - Audited/certified financial statements of the most recent three calendar or fiscal years for the development entity.
 - List and explanation of any litigation or disputes that the development entity is involved in that could result in a financial settlement having a materially adverse effect on the ability to execute the project.
 - Statement detailing whether the development entity, or any of the named individuals in the project, ever filed for bankruptcy or had projects that have been foreclosed. If yes, please list the dates and circumstances.
 - Willingness and ability to provide guarantees, if necessary, to lenders or investors.

RFQ TIMELINE AND PROCESS

Evaluation of submittals will be conducted by committee as they are received. The committee's goal will be to identify the developer who best meets the needs of Ukiah as determined from reviewing the submittals and subsequent investigation of the same by the City. The committee

shall make a recommendation as to the developer with whom it should negotiate. Upon mutual agreement, the City and the Developer shall enter into an Exclusive Negotiating Agreement (ENA) and negotiate until such time that a final agreement for development is reached. Award of an Agreement is subject to the approval of City Council.

CONCLUSION

Thank you for taking the time to consider this proposal and submit your response.

The City of Ukiah and its Historic Downtown are eager to facilitate this project and look forward to the possibility of working with you.

