

# REQUEST FOR PROPOSAL

## USPS LONG BEACH PROCESSING & DISTRIBUTION CENTER



### A. OVERVIEW

#### 1. The Offering

The United States Postal Service ("Postal Service"), an independent establishment of the Executive Branch of the United States Government (39 U.S.C. 201), invites you to make a proposal to purchase USPS property and improvements, known as the Long Beach Processing and Distribution Center at 2300 Redondo Avenue, Long Beach CA 90809 ("Property").

The Postal Service has retained CBRE, a Postal Service Representative, to assist with the preparation and issuance of this Request for Proposal (RFP) as well as the evaluation of offers submitted. Refer to section "E: Instructions and Information to Respondents" for further information.

The Postal Service may, after the initial evaluation of all offers, choose to continue evaluation of only those offers deemed to best meet the selection criteria. Negotiations may or may not conclude with a contractual agreement. Refer to Section F "Evaluation" for further information.

#### 2. Objective

The Postal Service is seeking benefits from the disposition of this Property consistent with:

- Maximizing the All Cash value of this Postal Service improved property;
- Accommodating continuing Postal Service operations without interruption;
- Providing a fair and reasonable return to the respondent;
- Accommodating adjacent property owners and community concerns without adverse impact to project feasibility; and
- Completion of the disposition of the Property in the shortest amount of time possible by selecting a respondent that will perform pursuant to an Agreement of Purchase and Sale and not protract negotiations or re-trade economics or other terms during the due diligence time period.

Section C below provides an overview of how to respond to this RFP. In addition, this disposition process is consistent with the obligations of the Postal Service, as an independent establishment of the Executive branch of the government of the United States of America, to comply with all mandatory and statutory requirements for the disposition of Postal Service-owned real property.

### B. THE EXISTING PROPERTY

The Property is improved with a one story industrial building of approximately 326,000 +/- SF and is situated on a approximately  $\pm 22.3$  acres of land. For further information you are directed to the Postal Service Representative (see Section E. 2. of this RFP) and the website [www.uspspropertiesforsale.com](http://www.uspspropertiesforsale.com) (filter by state, click on 2300 Redondo Ave. and click on the Downloads Tab).

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### 1. Operational Considerations

#### A. Permanent Operations

The successful Respondent will provide the Postal Service with at least one of the four (4) options below which allow the Postal Service to continue operating its retail station and passport operation in approximately  $\pm 22,000$  net interior square feet ( $\pm 17,000$  Sq. Ft. retail and  $\pm 5,000$  Sq. Ft. passport) after the disposition:

1. An adaptive reuse scenario in which the Postal Service continues to occupy space in the currently existing building;
2. A developer-controlled Build-to-Suit either on or off-site, for each requirement individually or together, with a preference for Postal Service ownership of the retail facility.
3. A currently existing retail space in an off-site location with a preference for ownership by the Postal Service.
4. A currently existing space for the passport office in an off-site location.

#### Project Parameters\*:

- $\pm 17,000$  Sq. Ft. owned retail operation with 165 automotive parking spaces and ten (10) docks. The operation must be on ground level and cannot be multi-level.
- Preferred area – North by: East Spring Street; South by: East Pacific Coast Highway; East by: North Bellflower Blvd; West by: Long Beach Blvd
- $\pm 5,000$  Sq. Ft. leased passport operation with a minimum of 20 automotive parking spaces
- Preferred area – Within a two (2) mile radius of the existing location at 2300 Redondo Avenue, Long Beach, CA.

\*Please note that these parameters are the ideal scenario for the Postal Service. The Postal Service has some flexibility in what it can accept. If unable to meet the exact project parameters please provide us your best possible options.

The proposed alternative(s) must provide enough detail for the Postal Service to determine whether or not it is viable and in the best interests of the Postal Service. At a minimum, the alternative(s) should include the terms by which the Respondent will lease space to the Postal Service (i.e. – term, rent, tenant improvement allowance, etc.); the layout of how the space or building will be configured for the Postal Service's occupancy, etc.

#### B. Temporary Operations

The USPS must continue its all operations on site without interruption during any proposed redevelopment of the building and/or site (unless the Postal Service relocates some or all of its operations off-site prior to any redevelopment). Therefore, the successful Respondent must delineate its plan for continuing operations and a plan for minimizing disruptions to the Postal Service retail and passport operations during such a redevelopment period.

### C. NEXT STEPS IN THE DISPOSITION PROCESS

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At the successful conclusion of the RFP process, it is anticipated that the USPS and the successful respondent will execute a standard Postal Service Purchase and Sale Agreement (PSA).

### Transaction Structure Defined

Respondents to the RFP will be required to submit a price proposal for the acquisition of the entire site. Responses to this RFP must adhere to the transaction structure described below, which is non-negotiable. An unwillingness to adhere to this transaction structure may serve as grounds for disqualification from further consideration. The Postal Service will, in its sole discretion, based on submitted responses, select the successful respondent that will be offered the opportunity to negotiate a PSA to acquire the Property. The Postal Service reserves the right to reject any or all offers.

Transaction Structure: A fixed price, single payment, **“as-is, where-is”** purchase offer.

Table 1 below sets forth the requirements for the deposit, which will be held by the Escrow Agent at the time the Purchase & Sales Agreement (PSA) is executed and applied against the purchase price at closing. A due diligence period will commence upon execution of the PSA.

Table 1: Transaction Structure and Corresponding Agreements

	Transaction Structure - Cash Purchase
Transaction type	Fixed price purchase
Target Execution of PSA	Approximately 30 calendar days after notification of successful RFP respondent
Preferred Deposit	Minimum of 2.5% of the purchase price upon execution of the PSA, with an additional 2.5% due upon removal of contingencies
Deposit	Non-Refundable at completion of the Due Diligence Period
Duration of Due Diligence Period	Responses should reflect the shortest possible Due Diligence Period
Closing	Not more than 30 calendar days after expiration of the Due Diligence Period

## D. CONDITIONS

### 1. General Statement

This solicitation, the proposals submitted in response to it from respondents, and any relationship between the Postal Service and respondents arising from this solicitation, are subject to the specific limitations, conditions, and representations expressed in this RFP.

### 2. Intention

The Postal Service intends to select a respondent and enter into a PSA as described in this RFP. However, the Postal Service reserves the right, without liability, to accept or reject, at its sole discretion, any of the

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proposals submitted in response to this RFP. The Postal Service shall not be held liable for any costs associated with the preparation, clarification, or negotiation of proposals submitted in response to this solicitation.

### 3. The Postal Service Right to Modify, Suspend and Waive

The Postal Service reserves the right to: a) modify or suspend any aspect of this RFP; and/or b) request additional information or modification of or additions to proposals as a precondition to the further consideration of any response to this RFP. The Postal Service may require, negotiate for and agree to terms in the PSA that are different than, or in addition to, terms described in this RFP and the Postal Service shall have no obligation to notify or offer such terms to other RFP respondents.

### 4. The Postal Service Representative and Respondent's Broker

The Postal Service has retained a Postal Service Representative, CBRE, Inc., to administer the issuance of and facilitate the responses to this RFP. The Postal Service Representative is neither an agent nor a spokesperson of the Postal Service and has no authority to contractually bind the Postal Service.

With the exception of the USPS Representative retained by the USPS, no claims for broker's fees will be paid by the USPS. By submitting a proposal, each respondent agrees that, in consideration of USPS's review of the proposal, the respondent shall indemnify and hold the USPS and CBRE harmless from all claims, liabilities, and costs arising from any claim for brokerage commissions, finder's fees, or other remuneration relating to the transaction contemplated herein including, without limitation to, the submission of a proposal by that respondent, any negotiation with that respondent, or the execution of a lease or other contract with that respondent.

## E. INSTRUCTIONS AND INFORMATION TO RESPONDENTS

### 1. RFP Documents

The complete RFP document consists of this document.

Additional items for respondents' due diligence may be provided on the website and updated periodically. The Postal Service and the Postal Service Representative expressly disclaim all representations and warranties of every kind with respect to the information and materials provided on the website or otherwise in connection with the proposed transaction and this RFP. The Property will be sold strictly in its AS-IS, WHERE-IS condition including all wear and tear, with all faults, including defects seen and unseen, environmental conditions and subject to all easements, encumbrances, covenants and similar obligations of record or which due diligence would reveal without right of set-off or reduction in the purchase prices and without representation of any kind, express or implied. The successful respondent will rely exclusively on its own investigations.

The Postal Service may provide additional information to the respondents for informational purposes only, which information may include, but not be limited to:

- Marketing Flyer
- Preliminary Title Reports
- Surveys
- Asbestos and Lead-Based Paint information
- Environmental Due Diligence

Respondent's proposal must take into account, at a minimum, all matters shown on the surveys, preliminary title reports and other documents received from the Postal Service, without regard to the fact that the documents are provided for informational purposes only.

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### 2. Postal Service Representative

The Postal Service has retained a Representative (CBRE, Inc.) to administer the issuance of and facilitate the responses to this RFP. They are available to answer written questions regarding the RFP. The Postal Service Representative is:

**CBRE, Inc.**  
2221 Rosecrans Ave., Suite 100  
El Segundo, CA 90245  
John Schumacher 310.363.4960  
[john.schumacher@cbre.com](mailto:john.schumacher@cbre.com) &  
Bret Quinlan 310.363.4962  
[bret.quinlan@cbre.com](mailto:bret.quinlan@cbre.com)

The Postal Service and its Representative will answer respondents' questions by posting responses to the website. All questions or matters requiring clarification shall be presented in writing only.

### 3. Site Visits

Escorted site visits will only be available on pre-scheduled dates. Requests may be arranged by contacting the Postal Service Representative only. **Please do not tour the Property without prior authorization.**

### 4. Offer Submission

All responses shall be addressed to the Postal Service Representative.

Responses must be received by the Postal Service Representative on or before 5:00 p.m., PST, March 24<sup>th</sup>, 2016, in order to be considered. The Postal Service reserves the right to consider responses submitted after the deadline.

### 5. Submission Details. Each response to this RFP should include:

- A. Letter of Intent
- B. Purchase Price and Terms. Each response should include the proposed purchase price, amount of the Earnest Money deposit, the due diligence period, amount of non-refundable monies with timing and a current financial statement of the responding entity (indicate all sources of the money to be used to close). Also, please provide target dates for any necessary approvals and closing. No funding contingency shall be considered.
- C. A brief summary of any and all capital partners that are committed and connected to the buying entity.
- D. A brief summary of your proposed development for the Property.
- E. A brief summary of your proposed plan for Postal Service continuing operations either on or off-site during and after redevelopment.

## F. EVALUATION

### 1. Evaluators

The responses to this RFP will be evaluated by the Postal Service selection team and the Postal Service Representative.

### 2. Selection

The Postal Service may, after the initial evaluation of all responses, choose to continue evaluation of only those responses deemed to best meet the selection criteria. Based on the results of the negotiations, the Postal Service

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may enter into a contract with one respondent as the Buyer.

### 3. Selection Process

#### A. Initial Review

The Postal Service will review all responses to make an initial determination of completeness and adherence to the terms and requirements of this RFP. Incomplete responses may be rejected.

Complete and acceptable responses will be thoroughly reviewed for their development scheme and compliance with the RFP. The selection criteria will include, but is not limited to the following:

- The most advantageous pricing and terms for the Postal Service
- The least number of contingencies (zoning or otherwise)
- The Property's redevelopment vision
- The continuing operation, with minimal disturbance, of the Postal Service retail station and Passport office and, if necessary, a plan for temporary continuity
- The financial feasibility of the project as determined by the Postal Service
- Understanding the scope of any additional environmental due diligence respondent will require as part of its due diligence
- Confidence in selecting a respondent that will close escrow "As-Is, Where-Is", based upon the time frames described herein, as well as, but not be limited to, respondent's understanding of the current zoning and environmental conditions.

Those respondents submitting responses that are determined to best meet the selection criteria will be considered competitive and be given further consideration.

#### B. Additional Review

The Postal Service reserves the right to require additional information in order to continue evaluations.

#### C. Negotiations

The Postal Service may enter into negotiations with one or more of the respondents for the purchase of the Property. The purpose of these negotiations is to identify the respondent who will provide the best value to the Postal Service, all selection criteria considered. The Postal Service reserves the right to seek best and final offers from respondents at any time prior to selection of a respondent with whom to enter PSA negotiations. Negotiations may continue until the Postal Service identifies one of the respondents as the party offering the maximum benefits. The Postal Service reserves the right to reject all offers for the Property as a result of this RFP or any subsequent process.

### 4. Contractual Agreement

The Postal Service may enter into a PSA with the selected respondent. The PSA will include firm financial details based upon mutually agreed project constraints. The Postal Service reserves the right to negotiate any and all terms of the PSA. If such negotiations cannot be concluded successfully with a selected respondent, the Postal Service may choose to terminate negotiations with that entity and negotiate an agreement with the next selected respondent, to terminate the selection process, or to begin a new RFP process.

All PSAs will be subject to the applicable internal Postal Service approvals, intergovernmental cooperation requirements, the National Environmental Protection Act, the National Historic Preservation Act, community notification, consultations and design review requirements, and community relations requirements.