



**County of Los Angeles
Chief Executive Office**

**Request for Information
for Honor Ranch
Development Opportunity**

October 2018

1.0 PURPOSE

The County of Los Angeles (County) Chief Executive Office (CEO) is releasing this Request for Information (RFI) to obtain input from qualified developers, businesses, and/or organizations (Respondents) that are interested in a mixed-use development opportunity on the County-owned 206-acre Honor Ranch Site (Honor Ranch) in the Santa Clarita Valley area of Los Angeles County.

The CEO recently conducted its own preliminary site due diligence and market research for future Honor Ranch development, followed by the creation of sample development models. This preliminary work, together with a broad overview of existing site conditions and other background information is attached as the "EXECUTIVE SUMMARY" (*please note that the Executive Summary is provided for informational purposes only and is subject to verification by others, and no guarantee is made of its accuracy*).

The County is excited to present this unique opportunity to the development community, and intends to ultimately engage a Respondent to conceptualize a vision and later transform Honor Ranch into a state-of-the-art development that provides high-quality jobs within the diverse, growing economy of Santa Clarita Valley.

With this RFI the CEO seeks to obtain feedback to assess the interest of qualified Respondents who can work together with the County to realize Honor Ranch's highest and best development potential. Feedback should include: potential development concepts; tenant interest; and potential alternative uses. Among other examples, types of Respondents may include an entity seeking the site for its own use or a traditional real estate developer that will improve the site for future tenants.

While the CEO believes that a form of public-private partnership is in the best interests of the County, the CEO also seeks information about other types of transaction structures which should be considered.

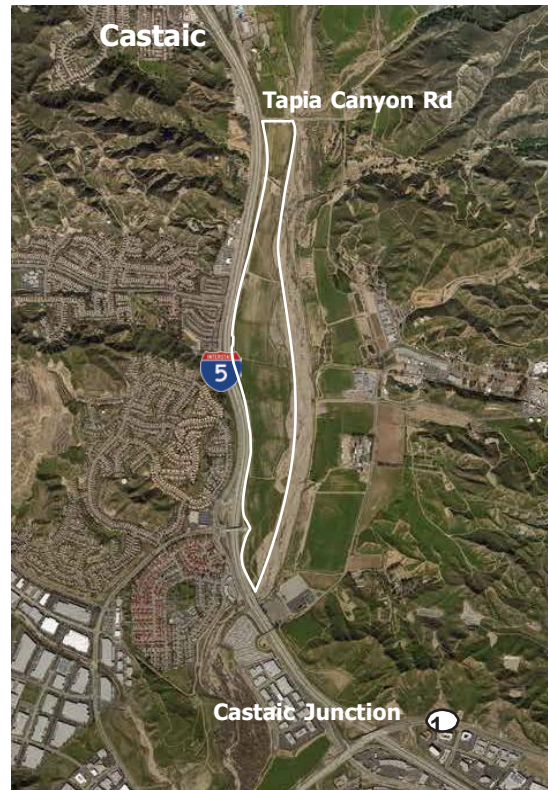
Note that in all scenarios, the County will retain ownership of the site. This RFI is an exploratory request. It does not commit Respondents, or the County, to contract or partner in any way. We ask Respondents to share their best ideas in supporting the County's potential development of the site.

2.0 BACKGROUND

About Honor Ranch

Located in the Santa Clarita Valley (SCV), Honor Ranch consists of 206 contiguous undeveloped acres owned by the County.

The site is located just south of Castaic, California, approximately 40 miles north of downtown Los Angeles. The site lies between the I-5 Freeway and the Castaic Creek Wash. It is bounded by Tapia Canyon Road to the north, and Biscailuz Drive to the south



County Policy Objectives

In 2015, the County Board of Supervisors made economic development a priority to stimulate regional job growth and lift residents out of poverty. A priority identified in the County's economic development strategy is the need to emphasize high-return asset utilization strategies. With this renewed focus on asset management, the CEO is increasingly looking to maximize value with respect to existing assets and future capital projects.

Per a May 20, 2016 CEO report to the Board of Supervisors:

Leverage Private Sector Input on County Projects

The January Motion referenced the need for a systematic approach to improving, developing, and disposing of County assets to help cultivate public and private sector partnerships. This can be done on County projects that may incorporate a commercial, retail, nonprofit or affordable housing component. It can also be done to capture value and generate revenue from an existing County asset, and use this financial gain to help offset the cost of critical capital projects for County facilities. Indeed, the goal of maximizing utility from existing County assets is one of the fundamental themes of the Program and will be actively managed by the CEO.

Per a July 12, 2016 Board motion related to Honor Ranch:

Honor Ranch currently incorporates County-owned land that has gone underutilized and has contributed to blight of the surrounding area. Honor Ranch provides key opportunities for the County to realize significant revenue streams, sustainable development at one of the largest County facilities, economic development that aligns with current Board actions for small business development and workforce, and a multi-benefit flood control zone. These project goals will be pursued to enhance the aesthetic and appeal of the landscape relative to Castaic Lake.

Specific County policy objectives include:

- create jobs that include various income levels, the potential for career advancement and career paths;
- provide opportunity for small businesses and local workers;
- maximize multiple revenue streams;
- create sustainable development projects; and
- mitigate the current physical challenges at the site (flood control, seismic, etc) to allow for development of the site.

Physical Site Conditions

The site's two miles of I-5 freeway frontage offer substantial direct views of the site. The abundant freeway visibility and access from an existing interchange are considered key value-adding attributes of the site's location and configuration.

The eastern boundary of the site is the Castaic Creek Wash, east of which is the County's Pitchess Detention Center (PDC). North of the site is Tapia Canyon Road and Castaic Sports Complex. West of the site beyond I-5 is predominately single family residential use. Castaic Junction development is located southwest of the site and south of the site is Biscailuz Drive, which provides access to the PDC.

The diversity of land uses surrounding Honor Ranch present both benefits and challenges for development. Nearby commercial and light industrial developments such as the Valencia Commerce Center and Southern California Innovation Park help create an existing concentration of high-salary sectors, offering increased opportunity for synergistic relationships between Honor Ranch and surrounding uses. However, other nearby land uses may create noise issues for Honor Ranch, particularly those associated with an existing PDC firing range, and traffic from the I-5. Additionally, the site's proximity to the PDC and associated perceptions concerning safety may need to be addressed.



Summary of Honor Ranch Opportunities and Constraints

In addition to the site's surrounding land uses, there are various aspects of the site's physical conditions that may favorably impact, as well as pose challenges to the development of Honor Ranch. The site's generally flat topography is more conducive to development than the more hilly and disjointed undeveloped sites in SCV. Value-added site attributes include the presence of Castaic Creek as well as the sight lines to the surrounding mountains and natural beauty of SCV.

Physical site conditions related to Honor Ranch's hydrology, geotechnical suitability, environmental concerns, accessibility, and utilities are detailed in the Executive Summary. Key points regarding these preliminary findings concerning site conditions are:

- **Hydrology.** Although a majority of the Honor Ranch site is impacted by the FEMA 100-year Flood Insurance Rate Map (FIRM), preliminary hydrologic modeling revealed that some of the site immediately east of the I-5 appears to not be in the 100-year FEMA FIRM zone. The western side of the site may lie predominantly outside of the floodplain. However, for on-site areas within the flood zone, approximately five feet of fill is recommended to meet current County Department of Public Works requirements.
- **Geotechnical Suitability.** A geotechnical suitability study dated March 1988 by LeRoy Crandall and Associates indicates that the site is located on the alluvial plain of Castaic Creek as well as on a fault line (part of the San Gabriel Fault zone) in the northern portion of the site. Other County resources show varying fault information, therefore further geotechnical investigation is needed to define the locations and level of fault activity. Additional soil investigation is also needed because the upper alluvial soils could be subject to hydro-compaction, subsidence, or similar effects.
- **Environmental.** The California Natural Biodiversity Database (July 2017) indicates a 2005 recorded sighting of a special-status wildlife species, the Unarmored Threespine Stickleback, at the edge of the southern point of the project site. Because the Unarmored Threespine Stickleback is protected under both the federal and state Endangered Species Acts, development would need to include measures to avoid potential impacts to the species during project construction and operation. Prior to any development, further biological, wetland, and cultural investigation should occur.
- **Accessibility.** Honor Ranch is located directly adjacent to the I-5 with over two miles of interstate frontage. Although the site is accessible from the I-5 via existing interchanges to the north and south, improvements to the interchanges and connecting road networks to the planned development will likely be needed.

- Utilities. Honor Ranch has many existing utilities and related easements, including water lines, non-active oil wells, and existing gas lines. Prior to development, an American Land Title Association (ALTA) survey is needed along with further confirmation of easements, particularly those associated with oil and gas. Contact with utility providers will also be needed to determine the ability to expand utilities to serve the Honor Ranch site and to confirm the capacity for water, sewer, gas, electric, and communications.

3.0 DEVELOPMENT OPPORTUNITY

The Opportunity

Honor Ranch presents a rare opportunity for development on a large contiguous site with high-visibility along the I-5 Freeway in the SCV. Initial studies suggest the site's 206 total acres could yield approximately 160 developable acres and over two million square feet of new development. The remaining acres could be devoted to infrastructure, circulation, as well as parks and passive or active open space.

The County seeks to retain a qualified Respondent with a long-term vision for the site that achieves the County's policy objectives.

The large size of the site presents an opportunity for many types of nonresidential land uses, ranging from light industrial and flex space to Class-A office products. Proposed land use types should reflect the diversity of the SCV economy, with potential tenants ranging from local start-up companies to a more aspirational corporate end-user seeking a high-profile flagship location.

As stated in the Executive Summary, given the proximity to the I5 and the PDC, and the abundance of residential development in the area, residential uses are not recommended for the site, as the County prefers a development with high-job density land uses. However, the County will consider land use programs that incorporate other uses if they can be positioned in a manner that advances the County's policy objectives.

Guiding Principles

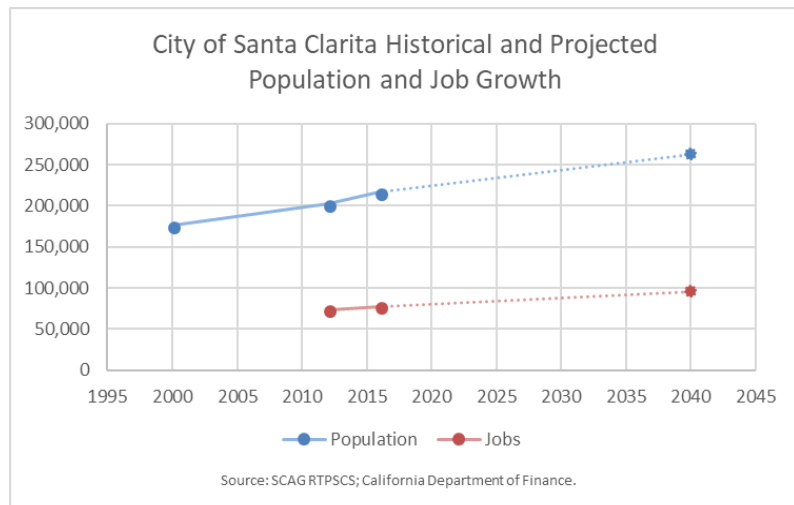
The County developed the following guiding principles for developing Honor Ranch:

1. Realistically evaluate the wide array of constraints to ensure feasibility.
2. Pursue a multi-benefits concept addressing the goals of the County and surrounding community.
3. Enhance the region's employment base with high quality jobs and best-in-class workplace environments.
4. Optimize value and absorption in a 'complete business community' of supporting/food services, wellness, and accessible open land.

5. Develop a phased strategy that realistically balances long-term benefits with near-term economic feasibility.
6. Create a stair-step of job types from incubator through corporate campus to support local business growth and increase absorption velocity.
7. Exploit I-5 frontage, viewshed, and access with product types most responsive to such benefits.
8. Achieve a balance between built-form and landscape, providing an attractive workplace environment with high-quality placemaking.
9. Showcase best sustainability practices regarding renewable energy, potable water, storm water treatment, mobility, and landscaping.

Santa Clarita Valley Economy

The SCV has experienced significant population and economic growth over the last few decades. The City of Santa Clarita (Santa Clarita) is the largest community in the SCV and has become the third most populous city in Los Angeles County with a population of 220,000 residents in 2016. The Santa Clarita residential population and employment are



projected to continue to grow through 2040 along with the rest of the SCV (more detailed demographic and market information can be found in the Executive Summary). Key growth characteristics for the Santa Clarita population and job sectors are summarized below:

- projected Santa Clarita population growth of 30% by 2040 is nearly twice the overall County rate of 16%;
- projected Santa Clarita job growth of 30% compared to 21% in the overall County; and
- Santa Clarita jobs/household ratio is projected to drop slightly to 1.06, compared to 1.32 for the County, as the City remains a net “out commuter.”

Honor Ranch is within a 45-minute commute from employment centers in Los Angeles and Ventura Counties. As of 2017, 150,938 people lived within a 15-minute drive from the site in Castaic and Santa Clarita; 1.2 million people lived in the Central San Fernando Valley within a 30-minute drive from the site; and 2.9 million people lived within a 45-minute drive from the site in the San Fernando Valley, Pasadena, Glendale, Hollywood, and parts of Brentwood/Westwood.

The SCV has a diverse economy including: aerospace and defense; medical devices; advanced manufacturing; digital media and entertainment; and information technology.

The SCV area features a relatively high concentration of goods-producing jobs and a moderate concentration of professional services. SCV has significant clustering in higher-salary sectors for high-tech manufacturing, which may be tied to the area's historically strong aerospace industry. Although the aerospace industry's presence has generally declined across Southern California, the industry remains an important part of the SCV economy due to its proximity to related facilities in the Antelope Valley communities of Lancaster, Palmdale, and Edwards Air Force Base.

The increasing diversity of the SCV is demonstrated by the types of companies that are moving to the area, including the headquarters of corporations like Princess Cruise Lines and Sunkist Growers. Other major businesses range from internet marketing company Scorpion to Boston Scientific's Neuromodulation Group. As the SCV grows, both in population and as a choice location for a diverse set of business sectors, development sites like Honor Ranch have great potential to capture expected growth and further enhance the economic development of the area.

4.0 INFORMATION REQUESTED

The County requests that Respondents submit a letter or narrative response to the inquiries below. Please include the name, address, telephone, and email address of the primary contact person for the Respondent on the first page of the narrative.

1. Organizational Background

Please provide information covering the following:

- A brief introduction of the Respondent and each member of the Respondent Team (if applicable);
- A brief description of the project concept(s) and anticipated approach to the development opportunity at Honor Ranch;
- A summary of the Respondent's experience with development projects similar to Respondent's anticipated approach to Honor Ranch; and
- Identify the primary contact person for the Respondent so that s/he can be notified if there are any announcements regarding the Honor Ranch development opportunity.

2. Project Understanding and Assessment

Please provide a narrative description of the Respondent's vision for Honor Ranch, and how this is consistent with the County's Guiding Principles described in Section 3 of this RFI. Respondents are encouraged to offer any feedback they may have regarding the Respondent's assessment of the development opportunity, such as site compatibility, cost considerations, preferred deal structures, or other aspects of the overall opportunity.

3. Approach to Development

Please provide a narrative description of the specific project concept(s) and contribution(s) proposed, and how the proposed project realizes the County's objectives and Guiding Principles.

Please define a land use program for Honor Ranch, indicating the proposed mix of land uses and product types offered, and any thoughts on potential tenants. Formal site plans are not required at this stage; however, support graphics and images are encouraged.

Describe the Respondent's approach to master planning and development of the site, including potential strategies for phasing. Financing capacity and funding strategies are also key components of the Respondent's approach. Please provide a description of how the Respondent will approach the overall structure for financing, delivery, and operation of the project, including preferred deal structure and proposed development/partnership structure.

4. Qualifications and Relevant Experience

In narrative form, please demonstrate the Respondent's or Respondent team's experience developing and operating relevant large-scale projects. The County is looking for relevant experience with respect to the development and operation of undertakings of similar uses and scale where the Respondent held a financial interest throughout the duration of the project.

5.0 SUBMISSION INSTRUCTIONS & COMMUNICATION

If you are interested in responding to this RFI, please send us a narrative responding to our inquiries. Responses should be submitted in the form of a single PDF (if possible). All sections must be labeled by number in the sequence above. Please limit the narrative to fifteen pages or less, excluding the cover letter, drawings, and exhibits.

If you have any clarifying questions about this RFI or need additional information, please email your questions to economicdevelopment@ceo.lacounty.gov by December 12, 2018.

Responses to this RFI are due on or before 12:00 noon (Pacific Time) on January 17, 2019. Late submittals may be accepted at the County's sole discretion.

Responses should be sent by email to:
Economic Development Division
County of Los Angeles - Chief Executive Office

economicdevelopment@ceo.lacounty.gov

Please include "RFI – Honor Ranch" in the subject line of the email, attaching a PDF of the narrative.

All RFI submissions and questions will receive a confirmation email from the County that the message has been received.

It is anticipated that the County may issue a Request for Proposals after the completion of the initial RFI process, the content of which will likely be informed by the responses received.

6.0 ADDITIONAL NOTICES

This RFI does not commit the County to make an investment or contract for any services whatsoever. Further, the County shall not be liable in any way or have any responsibility for any costs incurred regarding the preparation, submittal, or presentation of any response to this RFI.

Responses to this RFI shall become the exclusive property of the County. Responses to this RFI become a matter of public record, except for those parts of each proposal which are justifiably defined as business or trade secrets, and, if by the proposer, plainly marked as "Trade Secret," "Confidential," or "Proprietary." Please mark your response as appropriate.

A blanket statement of confidentiality or the marking of each page of the proposal as confidential shall not be deemed sufficient notice of exception. The Respondents must specifically label only those provisions of their respective proposal which are "Trade Secrets," "Confidential," or "Proprietary" in nature.