

Fillmore Heritage Center – Request for Interest

Q&A

Posted February 19, 2016

Updated March 25, 2016

For Questions Submitted as of March 4, 2016

Note: Some questions have been slightly modified and/or aggregated.

Questions about the Existing Property

Q: Where can I find more detailed plans and depictions of the Property, including locations of loading docks, exiting, etc.?

A: During the RFP process, the City and OCII shall make the plans in their possession available for review. Further, during the issuance of the RFP, the City shall provide scheduled tours of the Property.

Q: What is the condition of the Property, including the equipment and building systems such as HVAC, kitchen equipment, sound equipment, etc.? Are there any contracts that will be transferred?

A: The Property was in full operation as a restaurant and performance venue through January 2015. No building equipment or systems have been modified, removed, tested, or maintained since that time. Potential buyers should anticipate normal maintenance required for ten-year-old equipment and systems. The City will allow scheduled tours of the Property during the RFP process for interested Buyers to inspect and test equipment under City supervision. Potential buyers should also anticipate the need to update permits and licenses, including permits for the conveyances on the property. The only active contract is with an alarm company and may be assumed by a new owner.

Q: Can you provide a list of current and historical revenues and expenses associated with the Property?

A: During the RFP process, the City will make available the public information available associated with past and current operations. Currently the only revenues generated are associated with the parking garage and 1300 on Fillmore.



Q: What are some of the ongoing expenses associated with the Property?

A: The future owner of the Property would be obligated to pay Common Area Maintenance Expenses (“CAM Fees”) as part of the existing Reciprocal Easement and Maintenance Agreement with Fillmore Heritage Center HOA and Property Taxes, including business personal property taxes. Current CAM fees being paid by the City and OCII are approximately \$8,940 per month for 1330 Fillmore and 1320 Fillmore and \$14,500 per month for the commercial garage.

Q: Can you explain the appraisal in more detail?

A: The appraisal was done in July 2015 and resulted in an appraised value of \$11.2M. This was based upon the continued use as an entertainment venue/restaurant, commercial parking garage, and the restaurant 1300 on Fillmore. More detail about the appraisal will be made available in the RFP and whomever is selected by the Selection Committee will be able to review the appraisal in detail during the due diligence period prior to acquisition.

Updates since 2/19/16

Q: Is the City selling both the land and the structure or just the structure with a ground-lease? Is the Fee being sold?

A: OCII is transferring fee interest of the land to the City, including a portion of the structure (which is Yoshi’s, garage, lobby and 1300 on Fillmore), which the City intends to sell through the RFP process.

Q: Is the lobby part of the sale and can it be modified?

A: The lobby is part of the sale of the building. However, the lobby also serves as the entrance and exit to the commercial garage, therefore, modifications to the lobby may be restricted by regulatory agencies requiring clear and safe paths of travel.

Questions about Future Uses and Terms of Sale

Q: Will the City consider a proposal that does not have an entertainment or commerce-driven focus?

A: Yes, the City will consider any proposal, however the RFP will indicate the specific preferences regarding uses, such as entertainment. Above all else, the City prioritizes creativity, activation, flexibility, long-term success, and integration with the fabric of the Western Addition community, culture and history.



Q: Can I modify the physical condition of the Property, interior and exterior?

A: The City, in its role as seller, cannot make any representations about what is or is not allowable under law, including the codes of the Planning and Building Commissions. The City, as seller, is not looking to restrict or direct the physical properties or configuration of the Property, rather, it only insists on assuring the uses and community benefits promised are fulfilled.

Q: Would a buyer be purchasing the restaurant 1300 on Fillmore and the commercial parking garage?

A: The City's current intention is that the Buyer would acquire the portion of the Property containing 1300 on Fillmore and the commercial parking garage as part of the purchase. Any revenues, expenses, and obligations associated with those portions of the Property would belong to the Buyer. At minimum, a letter of intent outlining the financial terms of the lease at 1300 on Fillmore will be made available early in the RFP process.

Q: Will the Buyer be responsible for any conflicts associated with the ground lease, or other debt, liens, and liabilities on the Property upon acquisition?

A: In the RFP, the City will disclose all known obligations against the Property. In the Purchase and Sale Agreement between the City and a Buyer, the City will indemnify Buyer from any other obligations not satisfied at the time the Property is sold.

Q: How can the City ensure that the uses promised by a Buyer are fulfilled into the future?

A: The Property's deed will be restricted to the extent possible by law in order to ensure that promises are fulfilled and lawfully enforceable. In the event a Buyer purchase the Property below the appraised value of \$11.2M, then the City shall require a conditional loan against the Property in the amount of the difference, immediately payable to City in the event of default under the Purchase and Sale Agreement.

Q: Will the City consider leasing the property?

A: During this RFP process, the City will only consider the sale of the building.

Q: Please provide the contact information about community organizations that have or would like to have a stake in the project.

A: Please visit the Fillmore District web site and see the section on the Fillmore Community for a list of local organizations. <http://www.thefillmoredistrict.com/community.html>



Questions about the Process

Q: When will the Request for Proposal be available?

A: The City's intention is to release the RFP later this Spring (2016).

Q: What is the process for community members to apply for the RFP Selection Committee?

A: Community members are invited to apply to become members of the Selection Committee. [Applications](#), which can be found on the Real Estate Department web site documents page for the Fillmore Heritage Center, are due March 11 at 5pm. City staff will select committee members and will notify the applicants and the public of the make-up of the committee prior to the release of the Request for Proposals.

Q: When is the next opportunity for a tour of the Fillmore Heritage Center?

A: Additional tours will be scheduled while the Request for Proposals is open.

Q: When is the next community meeting about the Fillmore Heritage Center?

A: The next community meeting will be scheduled after the release of the Request for Proposals.

Q: How will applicants' information submitted through the Request for Information be made public?

A: Applicants may elect to have their RFI submittal or just their contact information made available to the public. This information will be posted on the Real Estate Department web site documents page for the Fillmore Heritage Center. It will be posted there after the March 4 deadline for RFI submissions but prior to the release of the RFP.

Q: When will the terms and conditions of the transfer of ownership of the Property from the Successor Agency to the City be made available to the public?

A: Terms of the transfer will be made public prior to or on the date of the sale.

Q: Which department within the City will have lead responsibility for oversight of the Property when it is transferred from the City?

A: Upon sale of the Property, the Mayor's Office of Housing and Community Development will enforce the obligations under any conditional loan to be repaid to City. The Mayor's Office of Economic Workforce Development and the Office of the City Attorney will monitor the Property to ensure there is no violation of any restrictions as may be recorded in the Property's deed.

