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# 6400 State Farm Drive Developer Selection

CITY COUNCIL MEETING  
AUGUST 27, 2024

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# Timeline

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**March 22, 2016:** City adopts Priority Development Area plan and final environmental impact report (EIR) for area that includes 6400 State Farm Drive. Downtown District Amenity Zone (DDAZ)—which includes the property and parcels immediately adjacent—is also established.

**Nov. 27, 2018:** City adopts Ordinance No. 927 and establishes form-based zoning within and to be consistent with the DDAZ.

**April/May 2022:** City purchases 6400 State Farm Drive.

**March 4, 2023:** City adopts resolution declaring the property “exempt surplus land” in line with the California Surplus Land Act (SLA).

**April 14, 2023:** the California Department of Housing and Community Development (“HCD”) agrees with the City’s SLA determination, allowing the City to dispose of the land.

**Nov. 1, 2023:** City issues a Request for Qualifications (“RFQ”) for developers to propose building housing and commercial space on the site. (Outreach included ads in real estate development publications and email to HCD lists.)

**Jan. 18, 2024:** RFQ application period closes.

# City Vision

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- Walkable, mixed-use district
- 300-500 residential units
  - 25% of which are deed-restricted affordable housing at or below 80% of Area Median Income)
- Unique/non-formula food, art, and beverage destinations
- A signature boutique hospitality venue
- A rich and interesting public realm consisting of walkable streets
- A central community plaza or square

# Selection Process

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- Opened RFQ application period from November 1, 2023, to January 18, 2024.
- Received 5 submissions: CenterCal, City Ventures/Burbank, Grupe/Rogal, LRE, and STG.
- > Selection Committee reviewed submissions then rated and determined the highest-ranking firms that would move to the next phase, identifying 3: CenterCal, CV/Burbank, Grupe/Rogal.
- The 3 developers were interviewed and staff visited sites developed by each group.
- > As a result of the RFQ process, subsequent site visits and interview, staff recommends the selection of CenterCal Properties LLC to developer all or portions of 6400 State Farm Drive.

# Review Criteria

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- Development team experience:
  - Mixed-use
  - Public/Private
  - Affordable housing
- Financial Capacity
  - Ability to secure capital
  - Conceptual pro forma
- Project Understanding and Approach
  - Similar project designs
  - Development phasing and schedule
  - Alignment with City's vision
- Local workforce priority
  - Commitment to meet Local Workforce Protection Requirements
  - If any project components are funded by public monies, construction of those components will be subject to the payment of prevailing wages and applicable apprenticeship requirements, as well as applicable skilled and trained workforce requirements
- Sustainability
  - Alignment with City's plans to mitigate and adapt to climate change)
- References
  - Up to 5 and at least 3 references

# Grupe Company, Rogal + Partners

For the project, Grupe Co. and Rogal + Partners would act as co-master developers of a group featuring Runyon Group (for retail), Impact Residential Group and Tableau Development (for affordable housing).

Grupe is a housing developer of single-family and multifamily homes, with over 40,000 homes built and being part of 23 master planned communities.

Rogal is known for the 27-acre Carneros Inn, located along Highway 121 on the Napa side of the of the Sonoma/Napa border. Locally, Rogal is in the midst of construction on the Napa Pipe development (945 housing units, a hotel, retail, and a public park); has a commitment to redeveloping a parking structure in downtown Santa Rosa into housing or mixed-use; and has a commitment to build Sonoma Development Center near the City of Sonoma (also with Grupe).

Individually, each member of the Grupe/Rogal team shows exemplary ability and experience for site creation and housing development; however, there was a lack of cohesion and team synergy on their vision for this site, and how it aligned with the city's vision, when their individual members were pressed. In interviews and in site visits, the team gave no solid examples of retail creation, highlighting concerns over whether the most requested component of the downtown—the retail and community experience around that retail—could be delivered.

# Site Visits

Grupe/Rogal



Oakland, Sacramento, & Napa

## City Ventures, Burbank Housing, Related California

City Ventures is a housing developer mainly building in California and the Bay Area, with many recent and ongoing projects in Sonoma County. This housing experience makes them well qualified for this portion of the project as they understand the scope of the development of the site and the housing market.

City Ventures would act as master developer of the project, working with Related California and Burbank Housing on the affordable housing side; Sonari Capital Partners on the hotel; but the group did not have a named retail developer for the retail side, implying they'd lean on city staff for vision.

As stated in the RFQ, the City is seeking a master developer team with mixed-use experience, and this team had limited experience with these types of projects.

# Site Visits

## City Ventures/Burbank/Related



Novato, Richmond, & Santa Rosa

# CenterCal Properties Inc.

A retail-focused master developer, CenterCal is an all-in-one development group, with 20 years of experience, who aims to keep all elements of its development as in-house as possible.

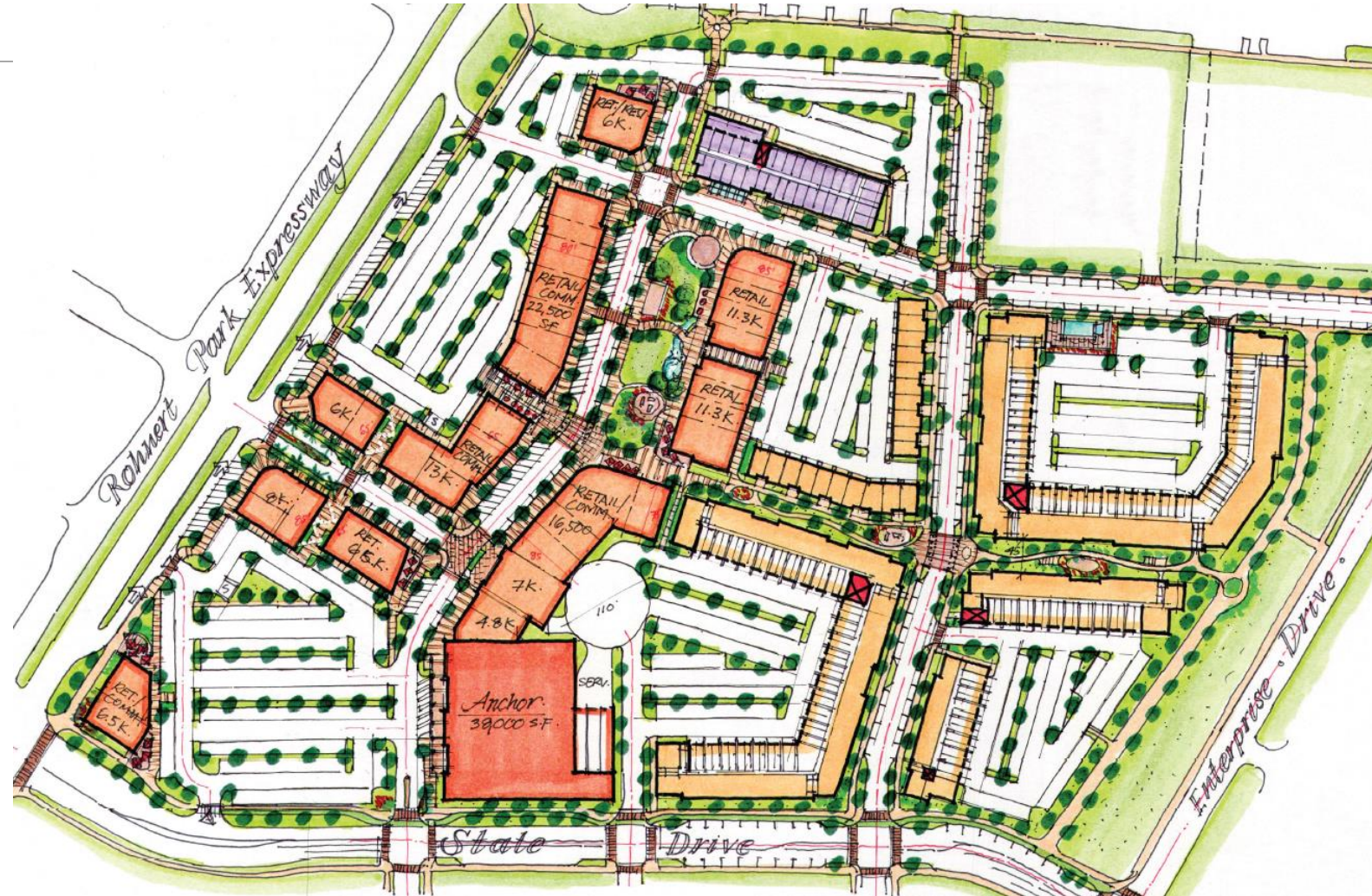
CenterCal operates at least 17 retail centers in California, Idaho, Washington, and Utah, with some properties owned through purchase then refurbished (Bay Street Emeryville) and some developed (or redeveloped) from the ground up (The Village at Totem Lake in Kirkland, Wash.).

Site visits included trips to the Kirkland, Wash., as well as in Utah: Park City, Riverton, Farmington, and areas in and around Salt Lake City.

City recommends CenterCal as they aligned with the City's values, bringing a shared vision to the site and strong development experience.

# Plan Submittal

- 157,600 sq. ft. of retail
  - 38,000 sq. ft. of specialty grocer
  - Pop-up kiosk
- 420 housing units
  - 100 affordable
  - 320 market rate
- 110-130-room hotel
- Community space:
  - Town square
  - Public walkways
  - Stage area



# Site Visits

CenterCal



Farmington and Riverton, Utah

# Site Visits

CenterCal



Kirkland, Wash.

## Developer Recommendation

# CenterCal

Overall, CenterCal has the experience, ability, and thoroughness to create and manage what will ultimately be the most dynamic component of this property: the retail.

While the other developers showcased incredible ideas and ease with the other commercial property types, CenterCal's proposal, knowledge, and capacity in retail highlighted a company ready to move forward swiftly.

In addition, while not as strong in housing as other developers, CenterCal showed in site tours its strong capabilities in housing development and management.

The overall transparency and willingness to work with the City on final plans, staff found CenterCal excited and highly interested to build in Rohnert Park and to work with City staff and the community in bringing a shared vision, with shared values, to Rohnert Park.

# Timeline After Today

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## **2024 - 2026**

- Contract negotiations and review/approvals of PSA, DA/DDA, tentative map, etc. (9 months to 1 year)
- Improvement plan development/review and site demo/clean-up

## **2026/2027**

- Site infrastructure improvements (streets, sidewalks, street lights, etc.)

## **2027/2028**

- Final map approvals (may be phased)
- Phase One vertical construction (note: affordable housing development requirements)

## **2028 to 2030**

- Approvals of final maps (may be phased)
  - Subsequent building permit approvals
- Subsequent Phases of vertical construction
- Project completion

# Questions?

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# Action

Approve recommendation to select developer for the development of 6400 State Farm Drive