



CENTRALIA ELEMENTARY SCHOOL DISTRICT

**REQUEST FOR PROPOSALS  
FOR THE GROUND LEASE  
OF REAL PROPERTY**

**RFP #2023-24-01**

**(16.71 acres of real property located at 7300 La Palma Avenue, Buena Park, CA 90620,  
known as the Walter Knott Education Center Property)**

**Dated: October 16, 2023**

## I. INTRODUCTION AND BACKGROUND

The Centralia Elementary School District (“District”) is seeking proposals (“Proposals”) from qualified parties (“Respondents”) who are interested in entering into a long-term ground lease for the District’s property, more particularly described as follows:

Approximately 16.71 acres of real property located at 7300 La Palma Avenue, Buena Park, CA 90620, known generally as the Walter Knott Education Center (the “Property”). The Property is depicted in **Exhibit A**, which is attached hereto.

The Property, Education Center, and related buildings thereon were built-out in 1957, and subsequently closed in 2010. The Property is zoned currently as RS-6, Single Family Residential. The General Plan was updated in 2010, and the land use for this Property was noted as AAR (Amusement Resort) or ECSP Entertainment Corridor Specific Plan.

The District is currently using the Property, on an interim basis, for various District Office and Governing Board Meeting purposes while it completes its District Office property construction project. Furthermore, the District is currently using the Property for the Childcare Program’s administrative offices, testing space for the District’s audiologist, and overflow warehouse storage. However, assuming the District decides to lease the Property, the District has the ability to relocate these programs within other District facilities.

In addition to the District’s use of the Property as described above, the Property is currently being utilized, by way of written agreement, as follows:

Apple Tree Early Intervention Center, Inc.: This agreement is for the use of four classrooms and one administrative space located in Building 11 at the Property. These spaces are used to provide early intervention services including occupational therapy and speech services to children who have not yet reached school age. The agreement expires annually on November 1<sup>st</sup> and can be terminated without cause by either party with prior written notice.

Catalyst Family Inc.: This agreement is for the use of classrooms K1 and K2 at the Property and includes the use of two parking spaces. The use of these rooms is limited to providing preschool services. This agreement expires annually on July 1<sup>st</sup>. The agreement may be terminated without cause by either party with 90 days’ notice.

Accordingly, the District is seeking, by way of this RFP, Proposals from Respondents who are interested in entering into a long-term development and ground lease of all or some portion of the Property. Therefore, while the District may prefer Proposals which include leasing the entire Property, this confirms that the District is willing to entertain Proposals for the leasing of less than the entire Property.

The Education Code requires the District to follow a specific procedure to lease surplus District Property which includes a public competitive bid process. However, the District is seeking a waiver from the California Department of Education which will allow the District to use an alternative “Request for Proposal” procedure in which the District seeks proposals from any party interested in leasing the District Property pursuant to the conditions set forth in the District’s Request for Proposal (“RFP”). Therefore, the District’s ultimate lease of the Property pursuant to this RFP is contingent upon the receipt by the District of the anticipated waiver (which is currently scheduled to be obtained by mid-November 2024). As set forth below, the District reserves the right to terminate this RFP, and reject any submitted proposal, in the very unlikely event that the District’s waiver is denied, delayed, or otherwise not approved for any reason.

**Responses to this RFP must be submitted to the District, in accordance with the process set forth below, on or before 4:00p.m. (PST), on November 17, 2023 (the “Proposal Deadline”).**

The District will review all submitted proposals pursuant to the Proposal Process discussed below. If the District can reach an agreement with any of the Respondents, the specific terms and legal considerations of the lease agreement will be documented in a formal agreement to be entered into by the District and the successful Respondent.

**II. THE PROPERTY**

As noted above, the Property is comprised of approximately 16.71 acres of real property located at 7300 located at 7300 La Palma Avenue, Buena Park, CA 90620, known as the former Walter Knott Education Center Property, as further described in Exhibit A.

**III. GENERAL QUALIFICATIONS**

All Respondents seeking to enter into an agreement for the Property must provide the following basic information:

1. Name and contact information of person/private business firm.
2. A statement of financial qualifications that includes the following information:
  - a. Is the Respondent a subsidiary of, or affiliated with, any other corporation, corporations, partnerships or firms? If so, please specify. If the Respondent is a subsidiary, please indicate the extent to which the parent entity will guarantee performance by the subsidiary.
  - b. Names and addresses of three financial references, including a primary bank.
  - c. Has the Respondent or its officers, principal members, shareholders or investors, or any of its parent, subsidiary or affiliated entities or other interested parties been adjudged bankrupt, either voluntary or involuntarily, within the past ten years? If so, explain.
  - d. Is there pending litigation against the Respondent entity or its officers, principal members, shareholders or investors, or any parent, subsidiary or affiliated entities or other interested parties other than minor personal injury suits involving claims under \$250,000? If so, explain.
  - e. Audited financial statements for the previous three years for the Respondent with whom the District will contract or, in the likely event that the contracting entity is a newly formed special purpose entity, the member or members of that entity who will be responsible for financial obligations and on whom the District should rely for financial performance whether the final formal documentation calls for guarantees.
  - f. Report from any financial credit rating service for the Respondent with whom the District will contract or, in the likely event that the contracting entity is a newly formed special purpose entity, the member or members of that entity who will be

responsible for financial obligations and on whom the District should rely for financial performance whether the final formal documentation calls for guarantees.

- g. Any other financial statements and/or other documents that would indicate acceptable financial standing and the ability of Respondent to fund the proposed acquisition of the Property.

Item(s) submitted should be sufficient to permit the District to determine the Respondent's financial capacity to fund the proposed acquisition of the District Property. The Respondent may wish to mark his/her financial statements, as "CONFIDENTIAL" or "PROPRIETARY." As such, it will be treated as confidential by the District to the extent permitted by law, as discussed below.

3. All responses submitted must be accompanied by a cashier's check for TWENTY-FIVE THOUSAND DOLLARS (\$25,000) payable to Centralia Elementary School District. Upon selection of the successful Respondent by the District's Governing Board, the successful Respondent's check shall become non-refundable and non-applicable to the ground lease transaction. This amount is required to cover all or a portion of the District's costs to negotiate a potential agreement. All other checks (*i.e.*, except the check received from the successful Respondent), shall be returned promptly after the selection of the successful Respondent.

#### **IV. POTENTIAL LEASE TERMS**

Respondents interested in acquiring the District Property shall provide the following information in addition to the General Qualification information discussed above and the Proposal Process discussed below.

The purpose of this RFP is to give Respondents the flexibility to submit proposals that will meet their specific needs. However, the following guidelines are provided to summarize the terms that the District would like to see within the final ground lease agreement with the selected Respondent. Respondents will be required to enter into an agreement drafted by the District which will include the terms discussed herein and in Respondent's proposal. The District may consider all Respondents submitted pursuant to this RFP and, at its sole discretion, may enter direct negotiations with any Respondent during which the terms and conditions of the Agreement may be negotiated to determine if the Parties can reach a mutually acceptable agreement. However, the following guidelines are provided to indicate the terms that the District is likely to accept and/or require.

- The District will give high priority to the Respondent offering the highest rent, both in terms of monthly rental payments as well as total payment over the term of the ground lease.
- Respondents must identify its planned development of the Property. Regardless of the lease sought, Respondents should discuss how the Property will be returned to the District at the end of the lease including any special considerations the Respondent will provide, such as improving the existing structures at the end of the lease.
- Respondent must identify the total length of the lease term. The District is willing to consider any proposed term depending on the features of a particular proposal. The District is also willing to consider optional extension periods whereby the Respondent agrees to lease the District Property for a certain initial term with the right (unilateral or mutual) to agree to one or more additional term(s) after the initial term expires.

- Respondent may request a “Due Diligence Period” to take all actions Respondent deems necessary to ensure the Property can be used for the Respondent’s intended use. Respondent shall identify the total number of days required for the “Due Diligence Period” but the District may give special consideration to Respondents who seek a shorter Due Diligence Period to begin after execution of the Agreement. Respondent must describe the anticipated activities it will conduct on the Property to complete its inspection requirements and must confirm that it will return the Property to its original condition after its due diligence inspections. Respondents must acknowledge and consider that their access to the Property during the Due Diligence Period must be coordinated with the District, and Respondent must provide customary indemnification and insurance for such access and investigation. Respondents must also work with the City during the Due Diligence Period to obtain the necessary approvals for its planned development of the Property.
- If a Due Diligence Period is requested, Respondent shall also identify a Good Faith Deposit that will be provided to the District in consideration for the Due Diligence Period. Respondent may terminate the agreement during the Due Diligence Period for any reason. However, upon termination, the District shall keep the Good Faith Deposit. If Respondent does not terminate the ground lease agreement during the Due Diligence Period, the Good Faith Deposit shall be applied towards Respondent’s rental payments. If Respondent requests the option to extend the Due Diligence Period beyond the initial period, it must also identify additional Good Faith Deposits that will be provided to the District if Respondent exercises the due diligence extensions.
- The District prefers a relatively short option/escrow period. However, a longer option/escrow will be evaluated against deposit amounts, interest payments on the unpaid balance during escrow, and other financial and timing factors in the total context of the offer(s). The RFP response should identify the option/escrow timeframe sought by the Respondent after the Due Diligence Period, as well as the deposit and interest payments the Respondent is willing to pay.
- Respondent should identify the potential governmental agency reviews and approvals necessary for its anticipated use of the Property, including rezoning, conditional use permits, and any anticipated environmental review document. Respondent may request the District’s assistance in obtaining any necessary approvals during the Due Diligence Period. However, such assistance shall not be mandatory and shall be provided at no cost to the District, whatsoever. Respondent must confirm that it will be solely responsible for obtaining any necessary approval for the Respondent’s intended use of the Property.
- Respondent must describe in detail the anticipated use of the Property. The District will accept any use that complies with local zoning and all applicable regulations, including any and all proposed zoning/entitlement modification(s) anticipated by Respondent, but will give special positive consideration to any use that aids the local economy or provides a benefit to local community.
- Respondent must address how its intended use of the Property will impact the surrounding area and how such impacts will be mitigated by Respondent. Such considerations shall include all traffic and access issues related to the intended use, and how such proposed traffic and access will be accomplished (*i.e.*, Respondent will note if acquisition of the Property is adequate for its purposes, or if other access easement(s), further transfer of acreage, or other shared use may be necessary to accomplish its goals with respect to its intended project).

## **V. PROPOSAL PROCESS**

1. The District will begin accepting Proposals upon the date of issuance of this RFP and will continue to accept Proposals until the Proposal Deadline as set forth above.
2. Proposals shall include the \$25,000 cashier's check noted above.
3. Proposals shall include twelve (12) copies of the Proposal delivered to the District Contacts, as identified below along with one electronic copy, emailed to the District Contacts, identified below. All Proposals shall be sealed and clearly marked: "Centralia Elementary School District Ground Lease Proposal." Respondents are responsible to ensure their Proposals are received by the deadline.
4. Telephonic or electronic Proposals will not be accepted for purposes of the Proposal Deadline; however, electronic copies of Proposals are strongly encouraged.
5. Costs incurred by the Respondent in preparation of the response to the Request for Proposals are the sole responsibility of the Respondent.
6. The District may choose to interview the Respondents at the District's discretion. The District may select solely on the basis of the written Proposal.
7. All Proposals should be verified before submission. Adjustments may not be permitted after submission to the District. The District will not be held responsible for any errors or omissions on the part of the Respondent in the preparation of their Proposal.
8. The District reserves the right to reject any and/or all Proposals, or to refuse to negotiate or withhold the award of any contract, for any reason. The District may also waive or decline to waive irregularities in any Proposal.
9. The District may begin negotiations with selected Respondents at the District's discretion. If negotiations are successful, the District's Governing Board may invite one or more Respondents to present its/their Proposal(s) to the Governing Board.
10. Upon selection of a Respondent, the District shall provide an option agreement and ground lease for negotiation by the Parties which will set forth the terms of the transaction. The District reserves the right to terminate this process at any point prior to the selection of the successful Respondent and solicitation of Proposals in no way obliges the District to proceed with any particular transaction.
11. If Respondent is represented by a Broker, Respondent will be responsible for the payment of its own Brokers commission.

## **VI. ADDITIONAL INFORMATION**

Additional information may be obtained by contacting the District Contact identified below. Respondents are not to contact District officials including, but not limited to, Governing Board Members, the Superintendent, or any other management employee or representative of the District, other than the District

Contact (or representatives expressly approved by the District Contact) regarding this RFP, the District Property, or the District's planned ground lease of the Property. **Contacting District Governing Board Members, officials, employees and/or representatives, other than the District Contact (or representatives expressly approved by the District Contact), MAY RESULT IN THE DISQUALIFICATION OF YOUR PROPOSAL.**

Furthermore, all Respondents must disclose if any member, principal, or manager of Respondent has any known family member relationship(s) with any District officials including, but not limited to, Governing Board Members, the Superintendent, or any other management employee or representative of the District. **Failure to disclose of any such known family member relationship(s) MAY RESULT IN THE DISQUALIFICATION OF YOUR PROPOSAL.**

The District will allow for site visits of the Property to interested parties upon appointment only. Anyone interested in reviewing the Property may contact the District Contacts to schedule an appointment. Under no circumstances shall any interested party conduct any structural inspection or testing on the District Property or take any action that will disturb the physical state of the Property during such site visits. Nothing in the RFP shall be construed as guaranteeing any party the right to site visit or requiring the Property to provide site visits to any party, and any party who is unable to participate in a site visit for any reason shall not be granted any special consideration.

## **VII. RECEIPT OF PROPOSALS; DISTRICT CONTACTS INFORMATION**

Proposals shall be received by, and additional information may be obtained from, the following "District Contacts" in writing:

Andreas Chialtas, Esq.  
Legal Counsel for Centralia Elementary School District  
c/o Atkinson, Andelson, Loya, Ruud & Romo  
12800 Center Court Drive, Suite 300  
Cerritos, CA 90730  
Email: [achialtas@aalrr.com](mailto:achialtas@aalrr.com)  
Phone: 562-653-3460

Stephen McLoughlin, Esq.  
Legal Counsel for Centralia Elementary School District  
c/o Atkinson, Andelson, Loya, Ruud & Romo  
12800 Center Court Drive, Suite 300  
Cerritos, CA 90730  
Email: [smcloughlin@aalrr.com](mailto:smcloughlin@aalrr.com)  
Phone: 562-653-3200

Any questions regarding the Property or the RFP process must be emailed to the District Contacts pursuant to the requirement of the Questions section below.

All RFP responses must also be addressed and delivered to the District Contacts by the Proposal Deadline at the address above, through hand delivery or mail. The District is not responsible for any problems or issues with the mail delivery system and therefore, Respondents must take all acts necessary to ensure the timely delivery of their Proposals. All correspondence with the District Contacts should be done in writing.

Any oral statement made to or by the District Contacts shall not be considered part of the RFP and shall in no event bind the District.

Furthermore, please note that the District Contacts may be augmented to include one or more District broker representatives. Any information in this regard, or how such additional District Contacts may be contacted or may conduct future scheduled site visits, shall be conveyed by the District in writing via one or more Addenda to this RFP.

## **VIII. QUESTIONS**

Any party who has questions about the Property may submit questions in writing to the District Contacts via email as noted above **on or before 4:00p.m. (PST), on November 6, 2023.** The District will post responses to all questions received on the District website at: <https://bit.ly/BID-RFP> on or about **2:30p.m. (PST), on November 6, 2023.** Respondents must incorporate the information provided by the District in response to the questions into their Proposals. The District shall not provide responses to any oral questions and any oral statement made by any person shall not be construed as part of the District's RFP package.

## **IX. PUBLIC NATURE OF PROPOSAL MATERIAL**

Responses to this RFP become the exclusive property of the District. All Proposals received in response to this RFP become a matter of public record and shall be regarded as public records, with the possible exception of those elements in each Proposal as follows: Respondents may mark portions of their response which are defined by the Respondent as business or trade secrets and plainly marked as "Confidential," "Trade Secret," or "Proprietary"; however, the District does not guarantee that any information so marked will be protected from public disclosure. Respondents recognize that the District, as a public agency, is subject to disclosure requirements of with the exception of where disclosure is required under the California Public Records Act. Any Proposal which contains language purporting to render all or significant portions of the Proposal "Confidential," "Trade Secret," or "Proprietary" may be rejected or regarded as non-responsive.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the Centralia Elementary School District shall not be in a position to establish that the information contained in any Proposal is a trade secret. If a Public Records Act request is made for information marked "Confidential," "Trade Secret," or "Proprietary," the District will provide the entity making the Proposal in question with reasonable notice before releasing the information. However, the District will comply with its Public Records Act requirements unless the entity making the Proposal seeks and obtains protection from disclosure by a court of competent jurisdiction.

## **X. CONDITIONS AND LIMITATIONS**

This RFP does not represent an offer or commitment by Centralia Elementary School District to enter into an agreement with a Respondent or to pay any costs incurred in the preparation of a response to this request. The Proposal and any information made a part of the Proposal will not be returned to Respondent.



Respondent may request that the District provide certain representations and warranties regarding the District's ownership of the District Property, including warranty that the District holds fee title in and to the District Property without competing claims to possession. However, Respondent must take sole responsibility for conducting all the inspections necessary to determine that the District Property is suitable for the Respondent's intended purpose.

The Respondent shall not collude in any manner or engage in any practices with any other Respondents that may restrict or eliminate competition or otherwise restrain trade. Violation of this instruction will cause the Respondent's Proposal to be rejected by the District.

The District has sole discretion and reserves the right to reject any and all Proposals received with respect to this RFP and to cancel the RFP at any time prior to entering into an agreement for the District Property. It should be noted explicitly that there is no "bidding" process intended with this submission review process, and this invitation is not an offer by the District to enter into an agreement to negotiate or any other agreement, nor is a response by an interested party to be considered as an offer that may be accepted by the District. Neither the District nor any Respondent will be bound to any agreement unless that agreement is in writing, approved by the District's Governing Board, and executed by both the interested party and an official authorized by District.

The District reserves the right to issue clarification of the RFP or additional data without changing the terms of the RFP. The District reserves the right to reject any response or all responses, to terminate discussions and to select any party with whom to deal, whether that party has responded to this RFP. The District may entertain or make a Proposal that may not conform to this RFP and may adopt terms that may have been proposed by a party not selected.

The District sincerely thanks you for your interest and looks forward to receiving Proposals for the Property.

Exhibit A

[Description of the Property]



**Centralia Elementary School District  
Site Map of Walter Knott Education Center  
7300 La Palma Ave, Buena Park, CA 90620**

**Exhibit A**

**Specs of Property**

Current Acres	16.71
Year Built	1957

