

LACERA RFP Questions and Responses

- List of SMA Investment Managers
 1. DWS
 2. Stockbridge Core and Value advisors
 3. Clarion Partners
 4. Heitman Capital Management
 5. Cityview
- How do we define “bulk” portfolio sales? (Question 3M)
 - Currently, sales are managed individually by the separate account managers. We would like brokers to explore the potential for bulk, or portfolio sale(s) that can involve the entire portfolio or sales of smaller portfolio groupings. This might involve selling assets across multiple SMA manager portfolios. There are approximately 65 assets in the entire LACERA portfolio.
- List of assets with relevant fields of information that you can disclose
 - LACERA intends to disclose the asset level information to the selected broker(s).
- Please provide a schedule of the loans associated with the assets (original loan amount, commencement, maturity date, structure, assumption terms, prepayment terms, are any loans cross collateralized, etc.)
 - LACERA intends to disclose more detailed asset level information to the selected broker(s).
- Are there specific timing goals/considerations with respect to the disposition process?
 - In 2022 the board approved an orderly liquidation of assets over a 3-5 year period. There is interest in maintaining diversification across the remaining portfolio as sales are undertaken, considering property type and geographic exposure. This is less of a priority for in the later stages of the sales process.
- Are there disposition goals that can be disclosed (e.g., maximum proceeds, surety of proceeds etc.)
 - The goal is to orchestrate a disposition timeline that will maximize price via efficient transactions that consider buyer execution likelihood.
- Are there limitations/goals/considerations with respect to transaction size(s)?
 - LACERA intends to undertake a steady sale pace but making adjustments for market conditions. Selected brokers would be expected to evaluate potential for bulk sales, assist in identifying when the market would be supportive of faster execution in bulk, and be in a position to readily execute into such market windows.
- Please comment on the intended involvement of the existing advisors in the disposition process
 - The separate account managers will continue to be responsible for running the disposition process for individual asset sales and fully support the process for bulk sales of their portfolio selling through the broker(s) selected. Managers will continue to be responsible for negotiating terms in collaboration with the selected brokers. In the event of a bulk sale, the broker would need to coordinate across managers to execute.

- Are there any encumbered properties that limit disposition in the short to intermediate term (e.g., active litigation, environmental cleanup, condemnation proceeding, structural repair, etc.)
 - While there are no major impediments to sale, property conditions vary. LACERA would welcome selected brokers insight on the extent to which there is compelling positive ROI on improvements which would potentially enhance a sales process. , Some assets are held in JVs and others involve ground leases.
- Are there any properties that are subject to a ground lease, if so, please include the ground lease terms in the property data tape
 - Three properties managed by DWS are subject to a ground lease either in full or in part
 - 1) Multifamily in Marina Del Rey, CA
 - 2) Retail in San Leandro, CA (partial)
 - 3) Ground lease in N.Y. (ie, LACERA is the ground lessor.
 - One property managed by Cityview is subject to a ground lease
 - 1) Multifamily in San Francisco, CA
 - The ground lease terms will be provided to the selected broker(s)