



CITY OF TEMPE
HISTORIC PRESERVATION COMMISSION

Meeting Date: 02/08/2023
Agenda Item: 5

Memorandum

To: Historic Preservation Commission

From: Zachary J. Lechner, Historic Preservation Officer

Date: February 1, 2023

Subject: Agenda Item #5: Update on the Gonzales-Martinez House property

The HPO wishes to share the following updates pertaining to the Gonzales-Martinez House, located near the intersection of 1st Street and Farmer Avenue:

FY23 Heritage Fund Grant:

In December 2022, Arizona State Parks and Trails awarded the City of Tempe a \$150,000 Heritage Fund Historic Preservation Grant to assist in the rehabilitation of the Gonzales-Martinez House. As previously reported to the HPC, this money is designed to act as a match for the \$200,000 in Capital Improvements Program (CIP) funding already allocated by the City for rehabilitation efforts. An additional \$108,336 in CIP funding was previously allotted for stabilization of the adobe portion of the home.

Request for Qualifications (RFQ):

On January 11, 2023, the City issued a request for qualifications (RFQ) for a mixed-used redevelopment project on a previously state-owned parcel (124-24-003A) and the City-owned parcel directly to its east on which the Gonzales-Martinez House sits (124-24-171A). The RFQ was issued after 1st & Farmer, LLC, an entity associated with ongoing redevelopment activities along Farmer Avenue, purchased the state-owned parcel, on November 22, 2022, for \$2.75 million after submitting the lone bid at an online state lands auction. The developer desires to purchase the City-owned parcel too, including the Gonzales-Martinez House, and to redevelop the combined parcels.

The HPO recommended to City supervisors and managers that the Gonzales-Martinez House be retained and preserved in place. As a result, the RFQ includes the stipulation that “the Gonzales-Martinez House must be retained and incorporated into the project according to preservation standards as specified in a development agreement.” The RFQ call closed on January 25. The winning respondent to the RFQ (the purchaser of the previously state-owned parcel) will be expected to assist in the cost of rehabilitating and preserving the Gonzales-Martinez House and to grant the City a façade conservation easement on the building. Specific details will be worked out in the development agreement, which may include a requirement for the developer to deed back the Gonzales-Martinez House to the City.

Though specific plans for the combined parcels are still pending, the City’s issuance of the RFQ signals its commitment to facilitating the redevelopment of a long-neglected site, while also ensuring that the Gonzales-Martinez House is rehabilitated and preserved for future—as-yet-undetermined—use.

Attachments:

1. Request for Qualifications (RFQ #23-112) (“for mixed-use redevelopment project at First Street and Farmer including City-owned land consisting of approximately 2.5 acres located at the northeast corner of First Street and Farmer Avenue, Tempe, Arizona”)



REQUEST FOR QUALIFICATIONS

RFQ# 23-112

**DEVELOPMENT TEAM FOR MIXED-USE REDEVELOPMENT PROJECT
AT FIRST STREET AND FARMER INCLUDING CITY-OWNED LAND
CONSISTING OF APPROXIMATELY 2.5 ACRES LOCATED AT THE
NORTHEAST CORNER OF FIRST STREET AND FARMER AVENUE,
TEMPE, ARIZONA**

RFQ ISSUE DATE:
JANUARY 11, 2023

DEADLINE FOR INQUIRIES/QUESTIONS:
JANUARY 18, 2023, 5:00 P.M. LOCAL ARIZONA TIME

RFQ DUE DATE AND TIME:
JANUARY 25, 2023, 3:00 P.M. LOCAL ARIZONA TIME

ALL INQUIRIES MUST BE DIRECTED TO:
LISA GOODMAN, NIGP-CPP, CPPO, CPPB
EMAIL: lisa_goodman@tempe.gov
PHONE: 480-350-8533

SUBMITTAL LOCATION: Due to the COVID Virus, Tempe will only accept an e-copy of the completed and signed RFQ response via e-mail to the following address:
Bids@tempe.gov

No hard copy RFQ responses will be accepted at this time.

Table of Contents

Offer Form.....	3
Section I - Introduction.....	4
Section II – Land Acknowledgement.....	4
Section III – Description of Site	5
Section IV – Description of Zoning and Projected Land Use.....	6
Section V – Description of Possible Development.....	6
Section VI – Method of Developer Selection.....	7
Section VII – Submittal Requirements and Evaluation Criteria	7
Section VIII – City Council Action.....	8
Section IX – Method of Conveyance, Price and Conditions	8
Section X – Offer Submission.....	8
Section XI – General Information.....	8
Appendix A – Site Map	10
Appendix B – Enhanced Services District Assessment Formula	11

Offer Form

“Return this Section with your Response”

It is **MANDATORY** that Offeror **COMPLETE, SIGN** and **SUBMIT** this form to the City of Tempe Procurement Office with the (your) offer. An unsigned “Offer Form” and/or late RFQ response will be considered non-responsive and rejected.

This Offer is submitted by:

Company/Organization Name

To the City of Tempe:

By signing this Offer, Offeror acknowledges acceptance of all conditions contained herein. Offeror certifies that the Offer was independently developed without consultation with any other offerors or potential offerors.

For clarification of this Offer, contact:

Respondent Contact

Title

Phone

Name of Company

Company Address (or PO Box)

City

State

Zip

This Offer is offered by:

Authorized Respondent

Title

Phone

Signature of Authorized Respondent Required

Date of Offer

REQUEST FOR QUALIFICATIONS – Development team for mixed-use redevelopment project at First Street and Farmer Avenue including City-owned land consisting of approximately 2.5 acres located at the northeast corner of First Street and Farmer Avenue, Tempe, AZ.

The City of Tempe (“City”) herein invites all qualified and interested parties to submit their qualifications to serve as the development team for the mixed-use redevelopment of at First Street and Farmer Avenue including City-owned land consisting of approximately 2.5 acres located at the northeast corner of First Street and Farmer Avenue in Tempe, Arizona. The City parcel is offered for the development of a mixed-use project.

The City is seeking creative, mixed-use development offers that meet the following criteria:

- Proposals will only be considered by applicants that control the land adjacent to the west of the City site.
- The City’s property will be sold to the applicant at the appraised market value.
- The Gonzales-Martinez House must be retained and incorporated into the project according to preservation standards as specified in a development agreement.
- Developer must sign onto the Streetcar Agreement.
- Developer must add a pedestrian bridge to link to Tempe Town Lake.

Once offers are received, an evaluation committee will rate the responses and make a recommendation to City Council. City Council will approve the recommendation of the Offer that meets the eligibility requirements. Upon award of the RFQ, the City will conduct an appraisal of the City-owned parcel to determine the market value.

Section I - Introduction

Tempe is located in the geographic core of the Phoenix metropolitan area. The City Property (defined in Section II) is located in one of the largest concentrations of major employment centers in the Phoenix metro area. The City of Tempe has a population of approximately 182,000. The City Property is located close to the surrounding communities of Phoenix, Mesa and Scottsdale, within five miles of a population of 250,000 persons and some 80,000 households, and within two miles of all general residential services. The City is seeking creative, feasible proposals for transforming the City property into mixed-income for-rent housing developments that are compatible with the surrounding residential neighborhood.

Section II – Land Acknowledgement

On January 14, 2021, Tempe City Council adopted a resolution acknowledging the land that comprises present day Tempe as being culturally affiliated with the O’Odham, Piipaash, and their ancestors be reverently memorialized and made available for use in City of Tempe educational endeavors, programs, ceremonies, holiday observances, land use decisions, and other applicable purposes: The resolution included the following statements:

“We wish to acknowledge that Tempe is the homeland of the Native people who have inhabited this landscape since time immemorial. Anthropological studies document large and advanced Ancestral O’Odham settlements located throughout the entirety of present-day Tempe and recognize the ancestral lands of the O’Odham (known as the Pima), Piipaash (known as the Maricopa), and their ancestors as extending far beyond our community. This land continues to be spiritually connected to the O’Odham of the Salt River Pima-Maricopa Indian Community and Gila River Indian Community. The SRP-MIC and GRIC, located northeast and south of Tempe, respectively, are confederations of two unique groups with their own languages, customs, cultures, religions, and histories; the O’Odham and the Piipaash. Both the O’Odham and the Piipaash are oral history cultures.

The landscape is sacred to the O’Odham and Piipaash and reflects cultural values that are central to their way of life and their self-definition. Their oral history and song culture are indelibly tied to tangible places that are associated with specific historic, cultural, and religious values. Settlement patterns, advanced irrigation practices, and other lifeways driven by a deep understanding of and respect for the landscape are directly attributable to the ancestors of the O’Odham and Piipaash and served as the template for the establishment of Tempe. We accept the responsibility of stewarding those places and solemnly pledge to consider this commitment in every action.”

As Tempe continues to develop in areas that are culturally sensitive, consideration may be given to including the land acknowledgement resolution information in the solicitation of proposals. Inclusion of language would ensure that the surrounding tribes are involved and notified of projects going forward.

Section III – Description of Site

The City-owned land is located on the eastern portion of the northeast corner of First Street and Farmer Avenue.

1. The site is in Tempe's Central Business District (CBD) and the University-Hayden Butte Redevelopment Area.
2. The property is the site of the Gonzalez-Martinez House: Built in 1880 by Ramon Gonzales, the house is one of only three remaining structures associated with the first ten years of Tempe's history. Next to the Charles T. Hayden House (La Casa Vieja), another territory-era adobe building, the Gonzales-Martinez House is the oldest remaining building in Tempe. The building is a rare local example of a house type illustrative of the lifestyle and settlement pattern of the predominantly Mexican population of early Tempe and has been listed in the National Register of Historic Places since 1984. Moving the home would surely result in its delisting from the National Register of Historic Places. The Gonzales-Martinez House's history and historic integrity are inextricably linked to the building's location near the Salt River and its connection to the Hayden's Ferry townsite. Ramon Gonzales was an employee of Charles Hayden, whose son, Carl, later helped to raise hogs on the property. Relocating the home to, for example, land adjacent to the 1930 Rose Eisendrath House (1400 North College Avenue) would result in an incongruous, inauthentic display of two residences that possess very different histories and periods of significance. The current deteriorated (but restorable) condition of the uncovered adobe portion of the Gonzales-Martinez House would make relocating the structure nearly impossible. To move an adobe house, it must be taken apart and then reassembled brick by brick. The Gonzales-Martinez House's sections of exposed, crumbling adobe would make it supremely difficult to complete this time-consuming, laborious process. Relocation would also be cost prohibitive. The funds needed to break down, move, and reassemble the Gonzales-Martinez House, especially in a climate of ballooning construction costs, would surely run into the millions of dollars. For all of these reasons, the City requests the Gonzales-Martinez House be incorporated into the final development project.
3. The property also contains two additional Historic-era properties. One, straddling the north-south property line between the Farmer Arts and COT parcels, is a cabin that was moved to the property from Phoenix in the 1940s. The other, which sits entirely on the City-owned parcel, housed transients riding the nearby rail line during the Great Depression. The developer will be required to hire a qualified cultural resources professional to evaluate the structures for historic integrity and to determine if they will need to be documented before the developer decides how to proceed with them.
4. This property is not located in an Arizona State Museum-designated (ASM) archaeological site; however, since at least a portion of the property lies within 250 feet of an adjacent ASM-designated archaeological site, per COT's updated Historic Preservation Plan, monitoring conducted by a qualified archaeological firm will be required during ground-disturbing activity. Due to the potential for unanticipated disturbance, Developer would be required to budget for the potential costs associated with complying with A.R.S. § 41-844 and 41-865, which, according to the Arizona State Museum, "[e]nsure that Human Remains, Funerary Objects, Sacred Objects, and Objects of Cultural Patrimony discovered on State lands and Human Remains and associated objects from private lands, are treated with respect and dignity."
5. Potential issues with property lines as depicted on the Maricopa County Assessor's website: staff is conducting a survey to determine lot lines as well as legal descriptions for each of the lots. This area presents several title challenges and any development project would help to clear up outstanding issues. However, there is a likelihood that the developer would not seek to include all of the area in the ultimate development.
6. The site is encumbered by several easements and Rights of Way (ROW) including SRPAIPD 230 kV lines, Railroad ROW and the Val Vista Water Line. Additionally, the northern portion of the site is in a Federal Emergency Management Agency (FEMA) "Zone AE", which requires building above the base flood elevation or a letter of map revision.

7. In October of this year, the construction firm Adolphson and Peterson (A&P) signed a temporary license agreement with the City to use the City property at First and Farmer as a laydown yard during the construction of the Wexford First and Farmer multifamily development. The development agreement for this project was approved by Council on June 23, 2022 and construction on the project is expected to begin in January. The City commonly executes license agreements for laydown yards on City land to assist construction, especially in our downtown. Please note that the temporary license agreement indicates the following:

“Since the parties have been negotiating the terms of this License, the City has learned that a parcel contiguous to the Subject Property may be sold by the State Land Department at an auction being conducted in November 2022. Should this parcel be held by a private party, City may be interested in issuing a request for proposals/qualifications to develop the Subject Property and the State Land parcel. Because such development may need to be commenced prior to one year from the Effective Date, the parties agree that A&P shall move all operations on the Subject Property to a mutually agreed upon location at the expense of the City. The parties agree that the City / Private Party shall have all zoning in place and the building permits should be submitted and approved prior to Grantee moving.”

Section IV – Description of Zoning and Projected Land Use

The site, including the City-owned land is currently zoned GID, General Industrial. The General Plan 2040 projected land use for the site is Mixed-Use.

The Property is also part of the Downtown Tempe Enhanced Services District and is subject to the associated assessments. The assessments are based on location, square footage and use. The rate of assessment per year for various uses for the site are provided below:

\$0.139295	Restaurant
\$0.096240	Retail
\$0.055718	Office
\$0.055718	Gov/Nonprofit/Parking
\$0.027859	Industrial
\$41.788502	Hotel per unit
\$60.783275	Apartment per unit

Section V – Description of Possible Development

There are numerous scenarios for redevelopment for this site. The City will consider partnering with a developer to redevelop this site into a vibrant mixed-use corner. The selected team must demonstrate how they will redevelop this site to maximize the City’s investment. Below are concepts the City would like to see included:

- § Preferred mixed-income residential project with appropriate density and height for the area that includes mix of housing types. Ground floor commercial is required.
- § Sustainability elements to promote shade and energy efficiency.
- § Connectivity to promote walkability and integration with Tempe Town Lake and Tempe Beach Park as well as to streetcar and other transit stops.
- § Developer must sign onto the Streetcar Agreement.
- § Historic preservation of the Gonzales-Martinez House.
- § Developer will provide the City a façade conservation easement memorializing and protecting the structure.

Section VI – Method of Developer Selection

The City will select a development team that meets the above eligibility requirements in order to maximize the redevelopment opportunity. After review of the offers received by the City, the City Council may select a developer for the right to negotiate for the development of the project.

Each developer responding to this Request for Qualifications must describe and demonstrate their organization has the capacity to initiate the project within 12 months and complete development within a reasonable time thereafter. Capacity is assessed on financial capability and other resources necessary to complete the project.

Developers who have, within the past five (5) years, filed for bankruptcy, defaulted on a loan, or have failed to perform under any agreement with the City will be excluded from the selection process.

The City reserves the right to reject all submittals and to award portions of the City-owned land to multiple developers. Each respondent will be notified whether its submittal is to be considered for final selection. Submission of offers by the deadline provided below will be used as a method of selection. No late submissions will be accepted. The City may require top-rated candidates to participate in an interview process.

Section VII – Submittal Requirements and Evaluation Criteria

Submit a single e-copy of the signed and completed RFQ response. The City's e-mail is capable of accepting up to a 10MB attachment. Please try and keep the submittal under this size limit. However, if you need to exceed 10MB, please break the submittal response up into two sections and e-mail in two separate messages clearly indicating the solicitation number on the subject line and denoting Part 1 and Part 2 response.

Offerors shall respond particularly to the following items, which represent criteria in the developer selection process.

The following criteria are stated as indicators to interested developers, to give general guidance for the Offers, but are not exclusive of other considerations that may be deemed by the City as appropriate, given the content of Offers:

A. Ownership (25%)

Provide a description of the proposer's fee title ownership demonstrating control of the land adjacent to the west of the City site.

B. Financial Strength (25%)

Provide a description of the Offeror's financial strategy for the redevelopment opportunity. Detail the amount of liquid assets available to the developer and available to purchase the City site at appraised market value, as well as the amount of capital the developer is willing to invest in the development of the City-owned land. Also, describe and demonstrate the developer's capacity to initiate the project within 12 months and complete the development in a timely manner.

C. Development Approach (25%)

Include a detailed description of the development approach that the Offeror will take to identify qualified partners to ensure a successful development. Please include any qualifications of the principals, as well as architects, engineers, contractors and other professionals who will comprise the development team, with specific attention to the role of historic preservation of the Gonzales-Martinez House. State the role each of these individuals/professionals will play in the development of the City-owned land. In addition, the Offeror should detail their ability to identify and engage stakeholders in public process.

D. Project Concept (25%)

The Offeror must submit a detailed description of the proposed concept and how it will incorporate the City-owned land taking into consideration the criteria listed on page 4 and the concepts outlined in Section IV. A schematic site plan including the location and proposed layout is preferred. The Offeror acknowledges that it will be responsible for relocation and/or undergrounding of utilities as necessary to develop the project, as well as all off-site improvements and dedications not previously installed or made.

E. Interview (if conducted) (200 points)

The overall quality and content of the interview will be evaluated to determine the cohesiveness and effectiveness of the project team.

Section VIII – City Council Action

An evaluation committee comprised of City staff and others will review the responses and make a recommendation to the City Council. Acceptance of any response may be made at any regular meeting of the City Council within 120 days after receipt of said proposals or within such longer period of time as may be deemed reasonable by the City.

The City reserves the right to reject all submittals at any time for any reason.

After City Council approves the recommendation of a qualified developer, the City and the selected developer will attempt to negotiate the terms of a Development and Disposition Agreement; if the negotiations are successful, the parties would then execute the Development and Disposition Agreement subject to Council approval.

Section IX – Method of Conveyance, Price and Conditions

The conveyance of the City-owned land will be by Development and Disposition Agreement between the City and the selected developer. The City-owned land may be conveyed in phases and the Development and Disposition Agreement will contain performance requirements and timelines that must be satisfied.

Section X – Offer Submission

The City will only accept an electronic copy of the completed and signed offer via email to Bids@tempe.gov. Offers must be submitted before **Thursday, January 25, 2023, 3:00 P.M. (Local Arizona Time)**. Offers submitted after that date and time will not be considered. No hard copy of offers will be accepted at this time.

Please do not wait until the last minute to submit your response and allow for transmission times. Please contact the Procurement Office if you have any questions or issues submitting your response.

Section XI – General Information

Instructions

The City shall not be held responsible for any oral instructions. Any changes to this RFQ will be in the form of a written addendum which will be communicated to all vendors registered for applicable commodity codes and who downloaded the solicitation from the Procurement Division's web page.

City Rights

The City reserves the right to accept or reject any or all responses, to waive any informality or irregularity in any response received, and to be the sole judge of the merits of the respective responses received.

Contact with City Employees

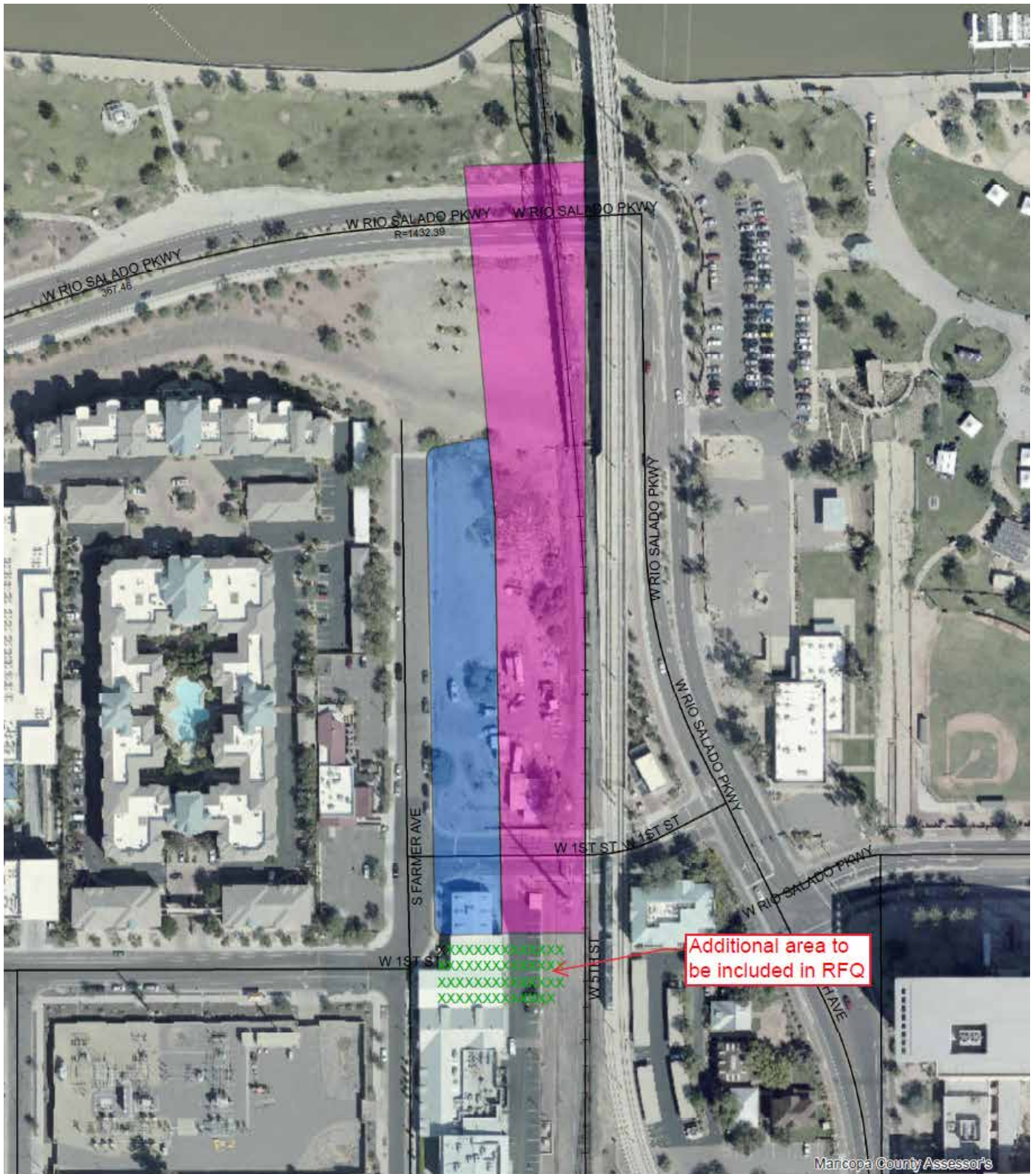
All firms interested in this project (including the firm's employees, representatives, agents, lobbyists, attorneys, and sub-consultants) will refrain, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including, but not limited to, the evaluation panel, City Council, the City Manager, Deputy City Manager, Department Heads and other City staff.



This policy is intended to create an objective review process for all potential firms, assure that contract decisions are made in public and to protect the integrity of the selection process. All contact on this selection process must only be addressed to the authorized representative identified below.

Questions

Questions pertaining to the selection process or questions related to the property should be directed to Lisa Goodman, Procurement Officer at (480) 350-8533 or emailed to: lisa_goodman@tempe.gov.

Appendix A – Site Map



-  State Parcel now Privately Owned COT
-  Parcel - Sussex



Appendix B – Enhanced Services District Assessment Formula

Appendix B must be downloaded as a separate pdf document from the City Procurement Office solicitation website at [City of Tempe - Purchasing Solicitations](#) and selecting RFQ #23-112.