

MEMORANDUM

To:	Historic Preservation Commission
From:	Zachary J. Lechner, Historic Preservation Officer
Date:	July 3, 2024
Subject:	Agenda Item #7: Presentation on Request for Proposals for area east of Hackett House and Tempe Bakery

The Historic Preservation Officer will make a presentation on the recently issued Request for Proposals (RFP) for redevelopment of approximately 0.34 acres of City of Tempe (City)-owned land at 401-405 South Maple Avenue, located adjacent to the Tempe Historic Property Register-designated Hackett House and Tempe (Hilge) Bakery building (both 1888). The site slated for redevelopment currently includes event space used by Tempe Sister Cities and a public parking lot.

The City issued the RFP on June 25, 2024; the deadline for submissions is August 20, 2024. The RFP encourages proposals for a "mixed-used high-rise project" that includes affordable housing and a boutique hotel, as well as a separate "3,500 square feet of built-out conference/event hall space to be owned and operated by the City, and which will be made available for use by Tempe Sister Cities and other community groups."

The nearby City-owned historic properties, the RFP further states, "are to remain as-is and continue to house Tempe Sister Cities operations." Furthermore, "materials on the first floor exterior are encouraged to match the design elements of the adjacent historic structures. Floors above first level should be comprised of modern design elements and materials."

Because portions of the project area carry a "Historic" zoning overlay, HPC review of and input on the winning proposal's eventual design will be required.

ATTACHMENT:

1. RFP# 25-001: Redevelopment of City-Owned Land Consisting of Approximately 0.34 Acres Located at 401-405 South Maple Avenue, Tempe, Arizona



REQUEST FOR PROPOSALS

RFP# 25-001

REDEVELOPMENT OF CITY-OWNED LAND CONSISTING OF APPROXIMATELY 0.34 ACRES LOCATED AT 401-405 SOUTH MAPLE AVENUE, TEMPE, ARIZONA

RFP ISSUE DATE: June 25, 2024

DEADLINE FOR INQUIRIES/QUESTIONS: July 30, 2024, 5:00 P.M. MST

RFP DUE DATE AND TIME:

August 20, 2024, 3:00 P.M. MST

To join the RFP opening at the due date and time via Microsoft Teams, please visit the following website: <u>Join the meeting now</u> or call in (480) 498-8745; Conference ID: 993 842 704#

> ALL INQUIRIES MUST BE DIRECTED TO: LISA GOODMAN, NIGP-CPP, CPPO, CPPB EMAIL: <u>lisa goodman@tempe.gov</u> PHONE: 480-350-8533

Submit Electronic Proposal and Documents To: https://tempe-gov.bonfirehub.com

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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 RFP response will be considered non-responsive and rejected.

This Offer is offered 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
Email			
Name of Company			
Company Address (or PO Box)	City	State	Zip
This Offer is offered by:			
Authorized Respondent	Title		Phone
			Data d Offer
Signature of Authorized Respondent Require		Date of Offer	

REQUEST FOR PROPOSALS – REDEVELOPMENT OF CITY-OWNED LAND CONSISTING OF APPROXIMATELY 0.34 ACRES LOCATED AT 401-405 SOUTH MAPLE AVENUE, TEMPE, ARIZONA

The City of Tempe ("City") herein invites all qualified and interested parties to submit proposals for the redevelopment of city-owned, improved, property consisting of approximately 0.34 acres located at 401-405 South Maple Avenue, Tempe, Arizona. (APN: 132-29-044, 132-29-045, 132-29-046, 132-29-047, 132-29-048, a portion of 132-29-049 and a portion of 132-29-231) (the "Property"). The Property is located directly east of the historic Hackett House and is currently used as event space by Tempe Sister Cities and a public parking lot. The site is in the heart of Downtown Tempe and is offered to develop a high-density, mixed-use project.

Section I – Introduction

Tempe is located within the geographic center of the Phoenix metropolitan area. The Property (defined below) is in one of the largest concentrations of major employment centers in the Phoenix metro area. The City of Tempe has a population of approximately 189,000. The Property sits close to the Tempe Transit Center, Arizona State University's Tempe Campus, and all the benefits of Downtown Tempe. The City is seeking creative, feasible proposals to transform the Property into a development compatible with the vision for Downtown Tempe while supporting the needs of Tempe Sister Cities to host events.

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."

The City encourages developers and their teams to remain mindful of this statement as they undertake projects in Tempe. For assistance in identifying and understanding requirements related to development in culturally sensitive areas, contact Zachary Lechner, Historic Preservation Officer, at 480-350-8870, or <u>zachary lechner@tempe.gov</u>.

Section III – Description of Site

The approximately 0.34-acre Property is located within the heart of Downtown Tempe in the Central Business District directly east of the historic Hackett House. The proposed development must consider the existing historic Hackett House structures (structures 1 and 2) which are to remain as-is and continue to house Tempe Sister Cities operations. The property to be redeveloped is depicted as the 'Redevelopment opportunity' in the image below.



The following Maricopa County Assessor Parcel Numbers identify the parcels that are under consideration: 132-29-044,132-29-045, 132-29-046, 132-29-047, 132-29-048, a portion of 132-29-049 and a portion of 132-29-231.

A public alley borders the site to the south, providing access to refuse and utilities. The proposed development must consider relocating refuse and transformer access. The encroachment of the existing stairway for the adjacent building shall be incorporated into the proposed development or removed as allowed by the current building code. An ALTA Survey of the site is provided in **Appendix A**.

The Property is also part of the <u>Downtown Tempe Enhanced Services District</u> and is subject to the associated assessments per the <u>Enhanced Services District Assessment Formula</u>. Please see the two links provided for further information about this District and the annual assessment. In addition, it is important to note that the assessment rate is modified every fiscal year and is not applicable until which time a Certificate of Occupancy is received.

Section IV – Description of Zoning and Projected Land Use

The Property is currently zoned CC, City Center. The General Plan 2050 projected land use and residential density for the site are Mixed-Use and High-Density Urban Core (greater than 65 du/acre), respectively. The proposed building(s) should not exceed two hundred fifty feet (250').

Section V – Redevelopment Project Goals

The City seeks to partner with a developer to turn the Property into a high-density, modern, mixed-use urban development containing residential units and an amenitized boutique hotel. The developer will determine the mix of these uses. The City encourages the developer to provide some affordable residential units (defined as being available to low- and moderate-income persons having an income between 30%-80% of the Phoenix/Mesa/Scottsdale, AZ MSA Area Median Income (AMI)) as a way to help the City meet its <u>Affordable Housing Strategy</u> and the goals of the '<u>Hometown For All</u>' initiative. In lieu of affordable housing, workforce housing may also be considered (defined as being available to persons having an income between 80%-120% of the Phoenix/Mesa/Scottsdale, AZ MSA Area Median Income (AMI)). Any number of units provided to meet this need is desirable. The developer should anticipate that a restrictive covenant will memorialize the affordability component of identified units in the development (if provided) for the duration of the lease or some agreed-upon time frame.

The City would like to see the following included in the proposals:

- Mixed-use, high-rise project that incorporates the following:
 - Residential units for sale and/or for rent
 - Some of the residential units are encouraged to be affordable. In lieu of affordable units, workforce housing (as set forth above) may be provided
 - Amenitized boutique hotel
 - The project shall be of appropriate height for the area (NTE 250'), and the residential unit density shall be equal to or greater than 65 du/acre
- 3,500 square feet of built-out conference/event hall space to be owned and operated by the City, and which will be
 made available for use by Tempe Sister Cities and other community groups. It is preferred that this space be
 included on the ground level. However, other options will be considered to achieve the best overall project success.
 This space shall also include the following elements:
 - 300 square feet of office space
 - Minimum of 100 square feet of storage space
 - Commercial kitchen of sufficient size to service the 3,500 square feet of event space and to include standard commercial-grade appliances
- Materials on the first floor exterior are encouraged to match the design elements of the adjacent historic structures.
 Floors above first level should be comprised of modern design elements and materials
- Sustainability elements to promote shade and energy efficiency
- Construct to the standards of the International Green Building Code
- No on-site parking is required; the project should be fully integrated into the downtown and encourage the use of all multi-modal infrastructure (consider maintaining 2-3 parking spaces for loading in the alleyway)
- Consider the need for back-of-house functions to be accessible from the alleyway only
- If affordable/workforce units are provided, the proposal should be prepared with no expectation of Federal funding (e.g., CDBG/HOME)
 - Demonstrate understanding of restrictive covenants referenced above by incorporating such restrictions into the proposal

• <u>The developer requirement to sign the Streetcar Agreement could be excluded based on proposed multi-modal</u> <u>options within the development.</u>

The developer will be responsible for demolishing the existing parking lot and accompanying structures, relocating utilities to develop the site, and strictly monitoring and maintaining the existing historic Hackett House during construction.

The developer should also anticipate that the City, as Declarant, will be recording a Declaration of Use Restrictions that will impact all future development on the City Lot that incorporates the following language:

"Without the prior consent of Declarant, which may be given or withheld in Declarant's sole discretion, the City Lot shall not be used for any Student Housing Project. For purposes of this Declaration, "Student Housing Project" shall mean any project with residential dwelling units offered for lease (i) that is designed for and directly marketed to students or prospective students and that is leased by the bed or room as opposed as to by the unit, (ii) that includes any units with more than three (3) bedrooms, or (iii) if twenty percent (20%) or more of the total units have three (3) bedrooms, or (iv) that is leased by the bed or room as opposed to the unit."

Section VI – Site Visit

All parties interested in submitting a proposal will be allowed an opportunity to conduct a site visit. Site visits will be held on July 15, 2024, from 9 - 11 a.m. MST and July 17, 2024, from 12 - 2 p.m. MST. Please check in at the Historic Hackett House (401-405 South Maple Avenue, Tempe, Arizona) when you arrive. Attendance at either of these site visits is not mandatory but strongly encouraged. A representative from the Economic Development Team will be on-site to answer questions.

Section VII – Method of Developer Selection

The City is interested in selecting a developer with experience completing successful, high-density, modern, mixed-use developments. After reviewing the development proposals received by the City, the City Council may select a developer to negotiate the development of the Property.

Each developer responding to this RFP must describe and demonstrate that their organization has the capacity to design, entitle, and obtain construction financing for the proposed project within a relatively short timeframe.

Developers who have filed for bankruptcy within the past five (5) years, defaulted on a loan, or 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. Late submissions will not be accepted.

Section VIII – Submittal Requirements and Evaluation Process

Submittal Requirements

Proposals must be submitted through the City's Procurement Portal (Bonfire) at <u>https://tempe-gov.bonfirehub.com</u> under the appropriate solicitation **by the deadline of 08/20/2024 at 3:00 p.m. MST**. Proposals submitted elsewhere or under the wrong solicitation will not be considered.

Submission materials should be prepared in the file formats listed under Requested Information for this opportunity in the Bonfire Portal. The maximum upload file size is 1000 MB. Documents should not be embedded within uploaded files, as the embedded files will not be accessible or evaluated.

Proposal must include the following components for consideration:

Project Design and Description

- Detailed project description, including the requested terms for the ground lease and Restrictive Covenant
- Proposed uses including:
 - Total number of proposed hotel rooms
 - Total number of proposed for sale or rental units, including density calculation
 - Minimum of 3,500 square feet of event/meeting space, including a commercial kitchen (preferred on the ground floor)
 - o Additional hotel amenities
- Residential unit blend based on the number of bedrooms and AMIs (percent of market and affordable and/or workforce)
- A site plan, floor plan, and proposed elevations
- Pro Forma

Please note that the City is seeking to enter into a long-term lease in which the developer will own only the improvements, and those improvements will be conveyed to the City upon the end of the lease. As such, please propose ground lease terms (duration of ground lease and proposed ground lease rate).

Experience

- Provide a description of the developer's recent experience developing urban, high-rise, mixed-use projects; include examples having a hotel component, if applicable
- Describe the developer's experience with other mixed-use projects completed in urban settings. For all projects, please identify:
 - The degree to which the responding organization was involved in the acquisition/purchase of the property, development and disposition agreements/negotiations, the entitlement process, and the completion of construction
 - The land size developed, the building area constructed, and the time taken to complete the project
 - Detail the roles senior/principal members of the responding organization played in each project referenced in the response
 - Contact information for at least three (3) projects referenced so that the City can confirm the project team's performance

Organizational Strength

- Financial Strength:
 - Provide a description of the developer's financial strategy for project completion, including affordable/workforce residential units, if applicable.
 - Detail the amount of liquid assets available to the developer and the amount of capital the developer is willing to invest in the development of the Property
 - A chart detailing sources and uses of funds
- Capacity:
 - Detailed description of the qualifications and roles of the principals as well as architects, engineers, and other professionals who will comprise the development team
 - List of other projects/properties currently under development and the amount of time the developer is willing to contribute to the proposed project's development
 - o Detailed description of the ability to identify and engage stakeholders in the public process

Evaluation Process

The evaluation process will include two phases, as described below:

<u>Phase I – Proposal Review</u>

The respondent's proposal shall address the following items, representing the evaluation criteria in the developer selection process. The evaluation uses a 1,000-point scoring system based on the following weighted criteria:

A. Project Design and Description (50%)

Projects, including affordable and/or workforce housing units, will be considered more favorably.

B. Experience (25%)

Special consideration will be given to firms with experience delivering projects in Arizona.

C. Organizational Strength (25%)

Upon reviewing all submitted proposals, each respondent will be notified of their submittal status and whether they have been selected to proceed in the evaluation process.

Phase II - Interviews

The Developers with the highest-scoring proposals will be invited to interview with the evaluation committee. The City reserves the right to interview any number of developer teams it deems appropriate, but at least two firms will be interviewed.

Firms invited to the interview will be given at least one week (5 business days' notice) to prepare. While it is preferred that interviews be conducted in person, the City recognizes the short timeframe and the possibility of teams being from across the US, and as such, interviews may be conducted virtually. Interviews will be scheduled to last a total of 60 minutes, comprised of 30 minutes for presentation and 30 minutes for questions and answers.

Evaluation for interviews will be done with new scoring. The scoring will utilize the same weighted criteria defined above and consider both the original proposal and the quality and information provided during the interview.

Section IX – City Council Action

An evaluation committee comprised of City staff, a Tempe Sister Cities Board Member, and others will complete the evaluation process described above and proceed to 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.

After City Council approves the recommendation of the desired proposal submission, 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 will then execute the Agreement subject to City Council approval.

Section X – Method of Conveyance, Price, and Conditions

The property will be conveyed through the Development and Disposition Agreement between the City and the selected developer. The Agreement will contain performance requirements that must be satisfied.

Section XI – General Information

Instructions

The City shall not be held responsible for any oral instructions. Any changes to this RFP will be in the form of a written addendum, which will be communicated to all vendors registered for applicable commodity codes and who have downloaded the solicitation from the City's Bonfire Portal at https://tempe-gov.bonfirehub.com.

City Rights

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

Contact with City Employees

All firms interested in this project (including the firm's employees, representatives, agents, lobbyists, attorneys, and subconsultants) 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 publicly, and 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 property should be directed to Lisa Goodman, Senior Procurement Officer at (480) 350-8533 or emailed to: lisa_goodman@tempe.gov.

Appendix A – ALTA Survey for City Lot





