



REQUEST FOR PROPOSAL

RFP# 22-030

**PURCHASE AND/OR LEASE AND DEVELOPMENT OF CITY-OWNED LAND
CONSISTING OF APPROXIMATELY 46 ACRES LOCATED AT THE NORTHEAST
CORNER OF RIO SALADO PARKWAY AND PRIEST DRIVE, TEMPE, ARIZONA**

RFP ISSUE DATE:
JULY 22, 2021

DEADLINE FOR INQUIRIES/QUESTIONS:
THURSDAY, August 5, 2021, 5:00 P.M. LOCAL ARIZONA TIME

RFP DUE DATE AND TIME:
THURSDAY, AUGUST 19, 2021, 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 proposal via e-mail to the following address:
Bids@tempe.gov

No hard copy proposals will be accepted at this time.

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Offer Form

“Return this Section with your Response”

It is **MANDATORY** that Offeror **COMPLETE, SIGN** and **SUBMIT** the original of 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 Name

Title

Phone

Name of Company

Company Address (or PO Box)

City

State

Zip

This Offer is offered by:

Authorized Respondent Name

Title

Phone

Signature of Authorized Respondent Required

Date of Offer

REQUEST FOR PROPOSAL – Purchase and/or lease and development of City-owned land consisting of approximately 46 acres located at the northeast corner of Rio Salado Parkway and of Priest Drive, Tempe, AZ.

Section I - Introduction

Tempe is located in the geographic core of the Phoenix metropolitan area. The City Property (defined below) 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 192,000. 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 this City property into a 24 / 7 / 365 destination location as described further herein.

Section II – Description of Site

The City-owned land (the “Property”) is located on Rio Salado Parkway immediately west of the IDEA Campus and east of Priest Drive. A map of the location is attached (Appendix A) and consists of approximately 46 acres. It is the responsibility of the respondent to verify the exact square footage. The area is a known brownfield site. Appendices B through G provide soil investigation reports and currently known remediation details as well as approved documents for the City’s vision of the area.

The parcels that are under consideration are identified by the following Maricopa County Assessor Parcel Numbers:

- 124-27-013
- 124-27-014

There is currently a City municipal operations yard on the northeast corner of Priest Drive and Rio Salado Parkway (APN 124-27-013). All proposals must allow for the City to relocate those operations to another location, no sooner than June 30, 2024.

The Property lies within a noise mitigation area identified by the City of Phoenix in connection with the operation of Phoenix Sky Harbor International Airport, and it is incumbent upon the developer to obtain the most current noise contour maps from the City of Phoenix. City recommends that the developer adhere to the most recently updated FAA Noise Mitigation measures identified in Phoenix Sky Harbor International Airport F.A.R. Part 150 Noise Compatibility Study for all new construction in the area within which the Property is located. Developer will assume full responsibility for obtaining any necessary approvals from the FAA and any other federal agency whose approval is required in connection with the development of the Property.

Finally, it will be respondent’s financial responsibility to remediate the land in accordance with a mutually agreeable schedule incorporated into a Development and Disposition Agreement and commence construction immediately after remediation is completed. The exact terms of any financial incentives provided by the City will be considered during the negotiation of the Development and Disposition Agreement after the respondent has identified public benefits for City consideration.

Section III – Description of Zoning and Projected Land Use

- | | |
|--|---|
| • General Plan Designation: | Commercial/Public Open Space/Industrial |
| • General Plan Amendment (GPA) Required: | Yes |
| • Zoning Map Designation: | R1-6, GID |
| • Zoning Map Amendment Required: | Yes |
| • Character Area: | Rio Salado/Downtown/ASU (Approved June 7, 2018) |
| • Other: | Rio Salado Overlay District |

Please note that allowable FAA Height is approximately 100+ feet. In addition, respondent must submit GPA and Rezoning applications and complete the process in accordance with normal City procedures.

Section IV – Description of Possible Development

The City of Tempe herein invites all qualified and interested parties to submit offers for the development of City-owned land located at the northeast corner of Rio Salado Parkway and Priest Drive in Tempe, Arizona. The approximately 46-acre parcel is offered for the development of a mixed-use project with the following minimum components (provide all components in a unit and square foot breakdown as well as conceptual site plan):

- Development of a mixed-use Sports and Entertainment District that is home to a professional sports franchise
- 1,000 residential units
- 200,000 SF retail
- Sports stadium/arena and practice facility
- Large plaza area with numerous amenities and shaded, which will be made available for public gatherings and events
- Thirty percent (30%) of tenanting with LOIs/MOUs
- Strategy and uses to activate the district allowing for large public gatherings and a proposed schedule of activities.
- Name recognition for Tempe and an opportunity for Tempe public service announcements
- Open space and walkability connecting to Innovation Discovery Education Arts (IDEA) Tempe, the Tempe Center for the Arts and Tempe Town Lake trail system
- Appropriate parking and transit options for multi-modal transportation
- Conceptual designs to meet urban trends
- Local retail tenants
- Preference for green sustainable building practices. Developer agrees to use its commercially reasonable efforts to register and utilize apprenticeship and highly skilled worker programs.

All proposals must include all of the following items in the proposal to be considered complete:

1. Site Plan with proposed elevations and renderings

- Details of the mix/intensity of uses including proposed heights, density, square footage and number of units/keys
- Open space and proposed public amenities
- Creative ideas for parking and transit options for multi-modal transportation
- LOIs and list of potential tenants

2. Economic Impact Summary that illustrates the following:

- Anticipated economic benefit to Tempe, which impact must justify moving the City's Priest Yard facilities
- The types of jobs that will be offered and estimates of the number of new jobs
- The average salaries associated with those jobs
- Market cannibalization analysis, particularly with respect to the impact to Mill Avenue and other business in the downtown.

3. Public Benefit Summary that demonstrates and calculates how the project complies with Arizona's "Gift Clause," contained in article 9 of its Constitution:

- Direct public benefits the development will contribute to the City of Tempe as documented in a development agreement such as the following:
 - Sustainability Measures
 - Traffic Reduction/20 Minute City
 - Streetcar/Orbit contributions
 - Park and Ride Options

- Cross-parking agreements
 - Multi-modal incentives
 - Workforce Development Programs
 - Culture and Literacy
 - Arts programming
 - Tempe Pre-K/Career Ready Tempe
 - Open Space and Parks
 - Event planning for City of Tempe events
 - Housing Affordability
 - Tempe Coalition for Affordable Housing, Inc.
 - Restrictive Covenant for Workforce Housing if any Multifamily Housing is proposed as part of the project
 - Guaranteed Job Creation
 - Guaranteed Tax Revenue
 - Public Amenities
 - Plaza and event areas
 - Amenitized public spaces with resort-inspired landscaping
 - Public service announcements and guaranteed public use
 - Calculations for proposed incentive request(s)
 - Please identify any public vs. private infrastructure requirements in terms of incentives and direct public benefits.
4. **Demonstrated financial ability.** Detail the amount of liquid assets currently available to the Developer to commit to the Project and the amount of capital the Developer is willing to invest in the development of the City-owned land. The respondent should demonstrate its ability to develop all of the City-owned land and the financial capacity to complete a large development project upon approval of a Development and Disposition Agreement and commence construction immediately after remediation is completed.
 - **Please submit financial statements and project pro forma including details on sources and uses of funds under a separate confidential cover when proposal is submitted.**
5. **Proven experience developing brownfield properties** and large master-planned mixed-use projects within the last seven (7) years. Please list all development partners and investors and provide a development resume for each, indicating their past experience on a comparable project.
6. **Traffic Study** detailing the impact of the project on traffic in the area and identifying mitigation opportunities.
7. **Public Safety Study** detailing the impact of the project on public safety in the area and identifying mitigation opportunities.
8. **As stated above, the City-owned land consists of two parcels with the City's Priest Yard on Maricopa County Assessor Parcel No. 124-27-013. This parcel is subject to certain rights pursuant to that certain Development and Disposition Agreement (Multiple Parcels Near the Corner of Rio Salado Parkway and Priest Drive) dated February 14, 2013 and recorded on March 18, 2013 as Maricopa County Official Recorder's No. 20130246646. The aforementioned rights are currently held by Verde Investments, Inc., an Arizona corporation, pursuant to that certain Assignment and Assumption of Interest in Development and Disposition Agreement dated August 2, 2019 and recorded on August 2, 2019 as Maricopa County Official Recorder's No. 20190592025. The proposal must include respondent's plan for acquisition of this parcel, proposed financing for doing so and acquiescence from Verde Investments, Inc., or current entity that holds the aforementioned rights.**
9. **Project timeline and plan** for these items:
 - Conveyance plan for the property identified in #8 above
 - Relocation of the Priest Yard
 - Remediation of the site
 - Development of the site

Section V – Method of Developer Selection

The interest of the City of Tempe is to select a mixed-use developer who demonstrates the best advantage to produce a successful development of this size and has experience in developing sports and entertainment mixed-use projects. 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 Proposal must describe and demonstrate their organizational capacity to initiate the project within 24 months, as evidenced by commencement of remediation efforts.

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 of Tempe will be excluded from the selection process.

The City reserves the right to reject all submittals and to award portions of the Property to different 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 VI – Submittal Requirement and Evaluation Criteria

Submit a single e-copy of the signed and completed RFP 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.

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

The following criteria are stated as indicators to interested respondents, 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. Experience (20%)

Provide a description of the respondent's experience in the past seven years demonstrating up to three projects developing a large mixed-use, sports and entertainment project. For all projects identify the degree to which the responding organization was involved in the acquisition/purchase of the property, the entitlement process, and the completion of construction.

For each project referenced, please state the amount of land developed, the building area constructed, and the amount of time taken to complete the project. Detail the role senior/principal members of the responding organization played in each project referenced in the response.

Include contact information for at least three (3) of the projects referenced so that the City has the ability to confirm the performance of the project team.

B. Financial Strength (20%)

Demonstrated financial ability. Detail the amount of liquid assets currently available to the Developer and the amount of capital the Developer is willing to invest in the purchase and development of the City-owned land. The respondent should demonstrate its ability to develop all of the City-owned land and the financial capacity to complete a large development project upon approval of a Development and Disposition Agreement and commence within 24 months. Please submit financial statements and project pro forma including details on sources and uses of funds under a separate cover.

C. Organizational Capacity (20%)

Include a detailed description of the Proposals of the principals as well as architects, engineers, contractors and other professionals who will comprise the development team. In addition, please state the role each of these individuals/professionals will play in the development of the City-owned land. The response should list other projects/properties currently under development, and the amount of time the developer is willing to contribute to the development of the proposed project. In addition, the developer should detail their ability to identify and engage stakeholders in public process.

D. Project Design (20%)

See above for details. The proposed site plan will be subject to the City's Preliminary Site Plan Review process.

E. Project Feasibility (20%)

The developer must describe the feasibility of this project in the following terms:

- From a financial perspective:
 - Please include details on all proposed financing mechanisms for land acquisition, remediation and infrastructure, and project construction as well as any other financial obligations the site imposes.
 - Also, detail the financial commitments that comprise the proposal to give assurances of project feasibility to complete the development as proposed in the timeframe proposed.
- From a public benefit perspective: How will the project provide direct public benefits to the City of Tempe in order to offset any requested incentives?
- From a local (not regional) economic impact perspective: What is the long-term economic impact to the entire City of Tempe after any proposed City monies are repaid and factoring out market cannibalization that might occur? Specifically, how will the project impact downtown Tempe?

F. 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 as well as the feasibility of the project proposed.

Section VII – 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 VIII – Method of Conveyance, Price and Conditions

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

Section IX – Proposal Submission

Tempe will only accept an electronic copy of the completed and signed offer via email to Bids@tempe.gov. Offer shall be submitted before Thursday, August 19, 2021, 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 to the last minute to submit your e-proposal in order to allow sufficient electronic transmittal time.

Section X – 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 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.

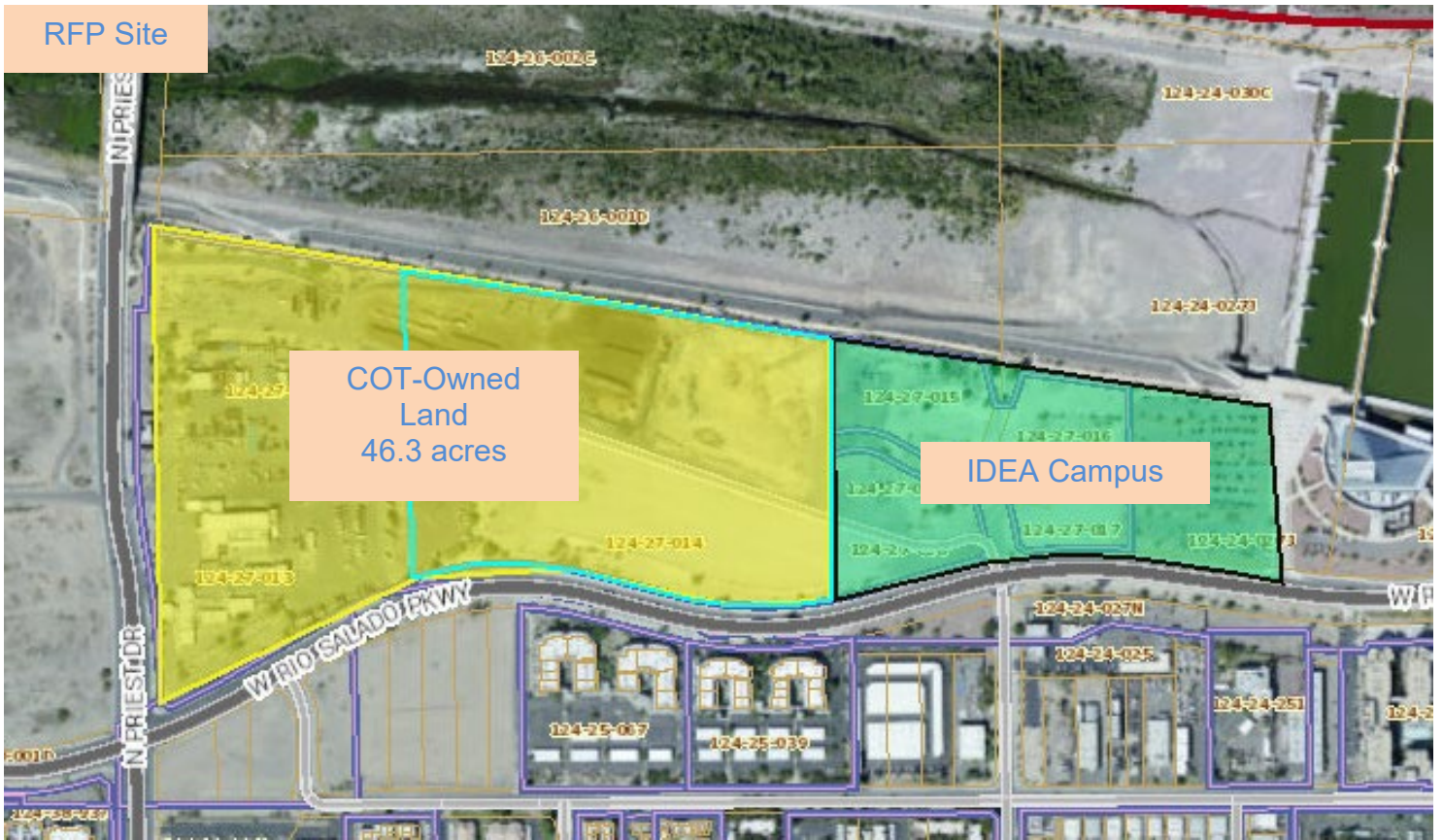
All firms interested in this project (including the firm's employees, representatives, agents, lobbyists, attorneys, and sub-consultants) will refrain, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process 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 – Map of Area



Appendices B - G – Downloadable Documents

The following documents are available on the City of Tempe Procurement Division Website (www.tempe.gov/procurement) using the link provided after registration.

1. Appendix B – Geotechnical Report
2. Appendix C – ESA Phase I
3. Appendix D – Rio Salado and Beach Park Masterplan Vision