



REQUEST FOR PROPOSAL

RFP# 22-050

**LEASE AND DEVELOPMENT OF CITY-OWNED LAND
CONSISTING OF APPROXIMATELY 5 ACRES COMPRISING THE
HAYDEN FLOUR MILL LOCATED AT THE SOUTHEAST CORNER OF
MILL AVENUE AND RIO SALADO PARKWAY, TEMPE, ARIZONA**

RFP ISSUE DATE:
SEPTEMBER 10, 2021

DEADLINE FOR INQUIRIES/QUESTIONS:
FRIDAY, OCTOBER 8, 2021, 5:00 P.M. LOCAL ARIZONA TIME

RFP DUE DATE AND TIME:
THURSDAY, NOVEMBER 4, 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-19 pandemic, 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 – LEASE AND DEVELOPMENT OF CITY-OWNED LAND CONSISTING OF APPROXIMATELY 5 ACRES COMPRISING THE HAYDEN FLOUR MILL LOCATED AT THE SOUTHEAST CORNER OF MILL AVENUE AND RIO SALADO PARKWAY, TEMPE, ARIZONA.

The City of Tempe (“City”) herein invites all qualified and interested parties to submit proposals for the development of approximately 5 acres of City-owned land located at the southeast corner of Mill Avenue and Rio Salado Parkway in Tempe, Arizona (APN: 132-30-340A). Refer to Appendix A for a City Lot Map. The land is at the base of the Hayden Butte Preserve and currently has one building, one structure, and multiple objects on the property, specifically a vacant mill building and grain silos. The mill building was constructed in 1918 and the silos were constructed in 1951. The site and structures are landmarks to the City and an integral part of the Community’s history. The site is listed in the Tempe Historic Property Register and determined to be eligible for listing in the National Register of Historic Places by the National Park Service and the structures hold a high symbolic value among Tempe residents. The site is also a vital link between the historic Tempe Downtown and burgeoning Tempe Town Lake. Additional site information can be found in Appendix B – ALTA Survey for City Lot.

Section I - Introduction

Tempe is located in the geographic center 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 Tempe Beach Park, Tempe Town Lake, Arizona State University’s Tempe Campus and all of the benefits of the Downtown Tempe. The City is seeking creative, feasible proposals for transforming the City Property into a mixed-use reuse project that preserves the iconic mill features with a preference that the property remains eligible for listing in the National Register of Historic Places under Criterion C, while also promoting walkability and integration with the City’s Downtown District.

Section II – Description of Site

The City Property is located on approximately 5 acres of City-owned land located at the base of the Hayden Butte Preserve and currently has one building, one structure, and multiple objects on the property - a vacant mill building and grain silos (APN: 132-30-340A) as depicted in Appendix A. Additional site information can be found in Appendix B.

The City Property is also part of the Downtown Tempe Enhanced Services District and is subject to the associated assessments (See Appendix C – Enhanced Services District Assessment Formula). The assessments are based on location, square footage and use. The current rate of assessment per year per square foot 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

As well as the following floor charges:

\$0.069648	Basement per SF
\$0.096240	Floor 1 per SF
\$0.069648	Floor 2 per SF
\$0.055718	Floor 3+ per SF

Section III – Description of Zoning and Projected Land Use

The City Property is currently zoned CC(PAD)(TOD)(RSOD)(H), City Center District with a Planned Area Development Overlay, within the Transportation Overlay District, within the Rio Salado Overlay District, and a Historic Overlay with the Tempe Historic Property Register. The PAD and development standards are available upon request. The General Plan 2040 projected land use and residential density for the site are Mixed-Use and High-Density Urban Core (greater than 65 du/acre), respectively. The Downtown Community Design Principles identify the area as “Hayden Ferry South Special Study Area” with relevant policy guidelines.

Section IV – Description of Possible Development

The City seeks creative, feasible proposals for the rehabilitation of the mill and silos and the redevelopment and reuse of the remainder of the 5-acre City-owned parcel into a mix of uses for a family-friendly project designed to appeal to all ages and reflecting the rapidly evolving lifestyle environment of Downtown Tempe. If City Council agrees, the City would seek to enter into a long-term master lease that allows the City to remain the owner and ultimate steward of the Hayden Flour Mill. In exchange, the master lease would give the joint venture development team full creative and managerial control of the property's design, programming, construction, financial strategy, subleasing, operations, and maintenance. In this way, both parties can develop a true public private partnership that allows the City to participate in revenue generation based on agreed upon development milestones. However, please note that since the site is listed in the THPR, Historic Preservation Commission review will be undertaken.

Below are the proposed components of the RFP:

- Mixed-use project that rehabilitates and reuses the mill building and silos in a manner that conforms to the Secretary of the Interior's Standards for Rehabilitation.
- The Hayden Flour Mill and Tempe Butte are listed in the Tempe Historic Property Register and eligible for and listed in, respectively, the National Register of Historic Places. Tempe Butte, to include the Hayden Flour Mill property, is a Traditional Cultural Property and a known archaeological site. Development proposals will be subject to the review and decisioning processes outlined in Tempe City Code §§ 14A-6, 14A-7, and 14A-9, as well as all other applicable preservation and culture resource management laws and regulations.
- Lessee will provide the City façade and airspace conservation easements memorializing and protecting the mill and silo building elevations and the airspace above said building and structure for the entirety of the lease term
- Preserve the Butte as a habitat for desert vegetation, wildlife and natural resources, including such features as natural washes, native vegetation, rock outcroppings, and archaeological and paleontological features in a manner sensitive to the Butte's current listing in the National Register of Historic Places while providing appropriate public access, including established trailheads.
- Develop below the existing disturbed portion of the Butte, roughly the 1,180 feet above mean sea level (AMSL) line with potential areas of undisturbed portions of the Butte along the rail cut and former quarry area. See topographic maps in Appendix D.
- Incorporate significant archaeological features integrating both arts and cultural elements that tell the story of the property's rich history, represent the full diversity of Tempe's founding citizens, and respect the Butte's significance to the Oodham, Piipaash, and their Ancestors.
- Encourage premier retail food and beverage consisting of both core anchors and smaller-scale operators in an environment that supports entrepreneurship by providing vendors at all phases of their business lifecycle the opportunity to participate.
- Provide a creative and entrepreneurial use for the historic mill to house office space tenants that continue Downtown's diversification into a hub of creative knowledge works
- Provide plazas and courtyards to host events and hospitality opportunities for food and beverage.
- Provide rooftop activation concepts, taking advantage of direct views of Downtown Tempe, Mill Avenue bridge, and Tempe Town Lake.
- Sustainability elements to promote shade and energy efficiency.

- Open space and connectivity to promote walkability and integration with the other commercial areas in the plaza as well as a pedestrian connection to the Butte trail system.
- Design and development that promotes diversity, local identity, and opportunities for events and art.

Additionally, the RFP would request a project timeline and financial capacity for a multi-phase and multi-use project as well as demonstrated experience on the part of the development team to ensure such a project could be achieved.

Section V – Method of Developer Selection

The interest of the City Tempe is to select a developer who has completed successful high-density mixed-use developments and has experience in developing multi-phase, multi-use historic preservation projects. After review of the proposals received by the City, the City Council may select a developer for the right to negotiate for the development of the City Property.

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

Developers who have filed for bankruptcy within the past five (5) years, 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. Each respondent will be notified whether its submittal is to be considered for final selection. Submission of proposals by the deadline provided on the cover sheet will be used as a method of selection. No late proposals 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 can accept 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 multiple sections and e-mail in separate messages clearly indicating the solicitation number on the subject line and denoting Part 1 of number of responses.

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

A. Project Design (30%)

The developer must submit a schematic site plan demonstrating the project elements and how they conform to the Secretary of the Interior's Standards for Rehabilitation and other preservation and cultural resource management guidelines and practices, as well as proposed elevations and a detailed description of the project. The submitted site plan will be subject to the City's Preliminary Site Plan Review process.

B. Experience (25%)

Provide a description of the developer's recent experience developing urban mixed-used projects. In addition, please describe the developer's experience with historic preservation/rehabilitation and adaptive reuse projects. 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 roles 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.

Describe any partnerships or associations to be developed to ensure compliance and programming.

C. Financial Strength (25%)

Provide a description of the developer's financial strategy for the development of project and a proposed proforma for the project. 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 City Lot.

D. Organizational Capacity (20%)

Include a detailed description of the qualifications of the principals as well as architects, engineers, 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. Special consideration will be given to respondents presenting evidence of having successfully completed a project as challenging as this one will be.

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 VII – City Council Action

An evaluation committee comprised of City staff and others will review the proposals and make a recommendation to the City Council. Acceptance of any proposal 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 proposals 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 Development and Disposition Agreement will contain performance requirements that must be satisfied.

Section IX – Proposal Submission

The City will only accept an electronic copy of the completed and signed proposals via email to Bids@tempe.gov. Proposals shall be submitted before Thursday, November 4, 2021, 3:00 P.M. (Local Arizona Time). Proposals submitted after that date and time will not be considered. No hard copy of proposals will be accepted at this 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 Directors, 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 solicitation 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.

Site Information

Location

Southeast corner of Mill Avenue and Rio Salado Parkway.
Parcel Number of study area:
132-30-340

Property

General Description

The property is directly south of the Rio Salado Parkway, a major east-west arterial, and directly east of Mill Avenue, a major north-south arterial. The southern end of the property is the north property line of the Mission Palms parking lot and the light rail line further east. The property is on the north end of Downtown Tempe and in the middle of the southside of the Rio Salado Project. The property at street curb is roughly 1161' AMSL and the grade gradually slopes up to the base of the undisturbed portion of Tempe Butte (roughly 1180' AMSL). From that point, the Butte rises more steeply to a peak of 1495' AMSL. There is one building, one structure, and multiple objects on the property. A four to five story Mill building (built in 1918) that is roughly 1250' AMSL at its highest point and Grain Silos (built in 1951) east of the Mill Building that are roughly 1310' AMSL.

Ownership

City of Tempe

Adjacent Properties

East – Tempe Butte
South – Tempe Mission Palms parking lot
West – Hayden House
North – Hayden Ferry Lakeside

Tempe General Plan Designation

2040 – Mixed Use (Source GP 2040)

Zoning

CC(PAD)(TOD)(RSOD)(H), City Center District with a Planned Area Development Overlay, within the Transportation Overlay District, within the Rio Salado Overlay District, and a Historic Overlay with the Tempe Historic Property Register.

Park Preserve

Resolution 2002.43 established 27 acres of City-owned land Hayden Butte Preserve.

Deed Restrictions and Consensual Lien

The site is currently encumbered with a number of deed restrictions. The Declaration of Restrictions can be found at the Maricopa County Records at instrument no. 20010048701 and 20010048700.

Environmental Studies

A Phase I Environmental Site Assessment (ESA) was completed on July 2, 2004 by Ninyo & Moore. The assessment revealed no evidence of recognized environmental conditions in connection with the property. Ninyo & Moore do recommend that the City notify any demolition or remodeling contractor of the likely presence of Lead-based paint, asbestos materials, and potentially PCB-containing light ballasts throughout the historic mill building.

Archaeological Studies

The property is located within a known archaeological site subject to the provisions of the Arizona Antiquities Act. Archaeological Consulting Services completed Phase I and Phase II work for most of the parcel in June 2008; limited areas still require mitigation.

Aviation Issues

Most all of the site is inside of the 2015 – 65 to 70 DNL contours as shown in the Phoenix Sky Harbor International Airport F.A.R. Part 150 Noise Compatibility Program Update. Building heights are reviewed by the Federal Aviation Administration for compliance with flight path height restrictions.

Traffic Impact Analysis

Depending on the size of development on the site, a Traffic Impact Analysis may need to be performed.

Transit Issues

Light Rail

There is a light rail station on the southwest corner of Mill Avenue and 3rd Street. The station is roughly 550' from the Mill Building itself.

Modern Streetcar

The new Streetcar, scheduled to open by 2022, runs on a guided track along Mill Avenue and Rio Salado Parkway, adjacent to this site. The closest Streetcar stop is just south of the site.

Utilities

Water

There is a 12" D.I.P. waterline on the south side of the Rio Salado Parkway right-of-way adjacent to this site. There is also a 12" D.I.P. waterline on the west side of Mill Avenue right-of-way. These two water lines are available to provide water supply for development on the site.

Sewer

There are two 8-inch sewer lines with available capacity for this site. One is located in Mill Avenue and Rio Salado Parkway and flows west. The other is located in Mill Avenue and flows around the Hayden House site eventually connecting to the same Rio Salado pipeline flowing to the west. The invert elevations of the upstream manhole on each of these lines are approximately 1154.20 and 1156.00 respectively.

Storm Water/Drainage

The site is within the Alternative Retention Criteria Area (ARCA) which requires a 2-year event be maintained on site as appose to a 100-year event. Other Best Management Practices (BMP) applies within the ARCA. Consult the Storm Water Management Plan for specific requirements.

Art in Private Development (AIPD)

Any new development additions containing 50,000 SF or more of commercial uses will be required to participate in the AIPD program, contributing a percentage of the total construction costs to public art.

Appendices C & D

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

- Appendix C – Enhanced Services District Assessment Formula
- Appendix D – Topographic Maps of the City Property