



REDEVELOPMENT AGENCY OF SALT LAKE CITY

# REQUEST FOR PROPOSALS

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**1500 WEST NORTH TEMPLE STREET, SALT LAKE CITY, UTAH**

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SUBMISSION DEADLINE | May 7, 2018

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## SECTION I: REQUEST FOR PROPOSALS

### ***REQUEST FOR PROPOSALS (“RFP”)***

The Redevelopment Agency of Salt Lake City (“RDA”) owns 2.07 acres of property located at 1500 West North Temple Street (“Property”) in the RDA’s North Temple Project Area. The RDA is requesting proposals (“Responses”) from experienced developers interested in purchasing the Property and working with the Agency to design and construct a mixed-use, mixed-income affordable housing project (“Project”) on the Property.

The RDA will enter into a public-private partnership with the selected developer to build a successful and financially viable development that maximizes public benefit. The selected developer must have previous experience in the successful financing, building, and operating of one or more mixed-use/mixed-income residential projects. The Agency may be willing to provide financial tools and incentives to a project that meets a high level of affordable housing and community benefits, as provided in the *Project Requirements and Preferences (Exhibit “B”)*.

### ***PROPERTY INFORMATION***

The property fronts North Temple Boulevard, Cornell Street, and 1460 West Street. The property is a regular shape with two street corners. It is located adjacent to a Utah Transit Authority Light Rail Station (“Power Station”). The existing vacant structures consist a single-family house and 54-room motel with restaurant.

Please refer to *Exhibit “A” Property Description* for additional information about the Property.

### ***PURCHASE PRICE***

The purchase price for the property is \$4,000,000.

### ***PREFERRED SCOPE OF DEVELOPMENT***

The Agency is seeking a developer willing to plan and develop a Project that includes all the land specified in *Exhibit “A” Property Description* and according to the *Project Requirements and Preferences* outlined in *Exhibit “B.”*

### ***WRITTEN AGREEMENTS REQUIRED***

The selected developer must be willing to enter into certain agreements pertaining to the Project that outline the type, size, uses, and timeframe for development. These agreements include, but are not limited to:

1. Option to Purchase Agreement for the purchase of the Property.
2. A Development Agreement that addresses the proposed developer improvements, timeframe for construction, and any post-construction requirements or restrictions for the Project.

3. Option to Repurchase Agreement that provides if the Project is not completed and used as agreed, the Agency has the option to re-purchase the Property. The Option to Repurchase Agreement must be executed at the time of the closing of the purchase of the property.
4. Restrictive Use Agreement that places restrictive covenants on the affordable housing units which run with the land for a period of at least fifty (50) years.
5. Other agreements as recommended by RDA legal counsel.

## ***DEVELOPER'S OBLIGATIONS***

Developer's obligations under the agreements with the Agency shall include the following:

1. The developer will be responsible for all due diligence and site investigations and the planning, entitlement, construction and maintenance of all aspects of the Project, including any needed demolition and/or structural remediation, site preparation, and public improvements.
2. The developer will present conceptual design, schematic, design development, and final construction documents for review and approval by the Agency as required in the Option to Purchase Agreement and Development Agreement. Approval by the Agency does not in any way relieve the developer of its obligation to comply with zoning regulations, building codes, and all other applicable regulations adopted by Salt Lake City Corporation.
3. The developer will be responsible for obtaining adequate financing for all aspects of the development, including predevelopment, construction, and operations.
4. The developer will be responsible for designing and building the development in a manner that produces a high-quality, enduring living environment.
5. The developer's contractor will be required to obtain payment and performance bonds or an equivalent form of security approved by the RDA.
6. The developer will be required to maintain, or cause others to maintain, property, contractor, architect, and other applicable insurance in an amount and form approved by the RDA.
7. The developer will be required to prepare and record covenants, conditions, and restrictions (CC&Rs) against the Property specifying the rules for the use and maintenance of any common areas and shared improvements.
8. The developer will be responsible for owning, managing, and operating the development in a manner that ensures long-term financial viability and high-quality living environment for its residents.

## **PROJECT MANAGER**

For additional information concerning this Request for Proposals, as well as any issued Addenda, interested parties may contact Jill Wilkerson-Smith, Project Manager, at the following e-mail address: [jill.wilkerson-smith@slcgov.com](mailto:jill.wilkerson-smith@slcgov.com) or by phone at (801) 535-7243.

## **SECTION II - SUBMISSION REQUIREMENTS AND PROCEDURE/SUBMISSION REQUIREMENTS**

As part of a response to this RFQ, the developer shall provide the following information. Responses must address all items and clearly label all sections, graphics, and tables within the Response. The RDA may reject any incomplete Responses during the selection process.

### **Development Interest and Approach**

1. Briefly describe the specific reasons for the Developer's interest in pursuing the Project.
2. Provide a brief narrative of the Developer's preliminary concepts for the site's development. This should provide insight into the Developer's general approach to development, proven ability to navigate similar projects, record of ability to complete a community-responsive mixed-use/mixed-income residential development, including and understanding of creative solutions and financing tools.
3. List of Development Team including all principals with individual biography or resume, role to be undertaken in the project, and relevant project experience of each team member.

### **Project Proposal**

Provide a written description of the proposed development in response to the RFP Preferred Scope of Development, including the following information:

1. A description of the types and composition of uses to be included in the project, including number of total housing units to be built and breakdown of number of housing units for each income level to be served, as well as approximate square footage of commercial space and other uses;
2. Project features that emphasize adjacent Power Station;
3. Energy efficient building that will utilize environmentally-friendly project features and materials;
4. Proposed design of sidewalk and pathway connections that promote safe pedestrian activity to and from North Temple Boulevard, Cornell Street, and 1460 West Street;

5. Information detailing the benefit of the project to the community;
6. Proposed approach to engage community in design process.
7. General design concepts that include:
  - a. Site plan for the project that illustrates building configuration, parking location/size, circulation
  - b. North, South, East, and West elevation drawings illustrating building scale, access points, and relationship to street.
8. Proposed project timetable (be specific).

#### Project Proforma/Financial Information

1. Proposed Sources and Uses for the project including a 20-year operating proforma, and any requested RDA participation in the form of a tax increment reimbursement, loan, or land write-down.
2. If project owner is an existing company, accountant-prepared financial statements for the last three years; OR current personal financial statement for each individual owning 20% or more of the project, including detail of all real estate holdings.
3. List of similar projects completed by the Applicant in the last three years with reference contact information.

#### Qualifications and Experience

1. Provide a description of the Developer's qualifications and relevant experience with comparable projects, including:
2. A description of the legal entity with whom the Agency would contract.
3. Identification and role of key individuals in the development team and any key consultants who would be involved in negotiations, project management, project design, and implementation, including their background and experience. Provide resumes of all key people reflecting their capabilities and experience with similar projects.
4. Examples of the developer's experience with comparable projects. Provide no more than five (5) examples highlighting experience with development and operation of projects of similar size and scope, with particular emphasis on complex, mixed-use, mixed-income transit-oriented development projects located in an urban environment and projects developed through public-private partnerships. Examples should include images,

location, development program, breakdown of residential affordability mix, members of the development team, total development cost, financing structure, project schedule, role of the public sector, information on challenges faced and solutions achieved, and a local reference.

5. A description of the developer's experience in financing mixed-use, affordable or mixed-income housing, securing grants and public funding sources, and financing references. Provide the composition of the current real estate portfolio owned and/or managed by the respondent and a list of all projects in the development pipeline including location, status, schedule, estimated cost and financing structure. Please also describe the developer's capacity for completing the proposed Project in the context of the current development pipeline.
6. A description of the financial capacity of the developer. The selected developer will be required to submit additional financial information about the development entity and its owners while negotiating the Option to Purchase Agreement with the Agency. If a newly formed entity is proposed as the legal vehicle for acting as the developer, the proposed guarantors of the entity and their net worth must be identified. This description should include the following: 1) evidence of developer's ability to fund predevelopment costs, and 2) anticipated sources of funds, current relationships with lenders and equity investors, and ability to obtain necessary financing for the proposed development, including recent history of obtaining debt and equity financing.
7. The Agency requires the use of sustainable building practices and the inclusion of energy efficiency elements in all of its development projects. The developer may include as part of its qualifications a description of the sustainable building practices and/or energy efficiency measures that have been incorporated in previous projects.
8. Disclosure of any litigation that could have a materially adverse effect on the development entities financial condition. Disclosure of any bankruptcy filings by the development entity or affiliates within the past five (5) years.

## ***SUBMISSION PROCEDURE***

The developer shall submit eight (8) copies (8.5" x 11" format) of the complete Response, including all documents required as a part of the Request for Proposals. The developer should also submit an electronic copy of the Response in PDF format on a portable drive. Submissions lacking one or more of the requested documents may be considered incomplete or irregular. All Responses, including attachments, supplementary materials, addenda, etc., shall become the property of the RDA and will not be returned.

It is the developer's sole responsibility to read and interpret this Request for Proposals and the written instructions contained herein. The first page of the Response shall:



1. State that the developer “has read and understands this Request for Proposals and accepts the written instructions contained herein.”
2. Be signed by an officer or employee authorized to bind the developer contractually.
3. Provide the name, contact phone number, email address, and mailing address of the person to whom all correspondence should be sent regarding questions about the Response, requests for interviews, or notifications regarding developer selection. (This person will be responsible for disseminating information to you and your development team.)

Responses shall be submitted in a sealed envelope with the developer’s name, address, date of submittal, and the title “RFP Response: 1500 West North Temple Street” shown on the outside of the envelope. Please submit Responses to the Request for Proposals to:

Danny Walz, Chief Operating Officer  
Redevelopment Agency of Salt Lake City  
451 South State Street, Room 418  
P.O. Box 145518  
Salt Lake City, Utah 84114-5518

Responses are due in the Agency’s office on or before May 7, 2018 by 3:00 p.m. Responses to the Request for Proposals that are not received in the Agency offices prior to the time and date specified will be considered late. *Late responses may be denied at the option of the RDA.* The Redevelopment Agency of Salt Lake City reserves the right to reject any incomplete or irregular response and reserves the right to waive any non-material irregularity in responses.

## SECTION III – SELECTION PROCESS AND CRITERIA

### ***SELECTION PROCESS***

The Agency will make every effort to ensure that all Responses are treated fairly and equally throughout the selection process. The Agency intends to administer the following selection process:

1. Identify a Short-list of Developers  
The Agency will form a Selection Advisory Committee comprised of representatives from public and private stakeholders to review the submitted Responses and provide recommendations to the Agency. The Agency will take the Selection Advisory Committee’s recommendations into consideration and identify a shortlist of developers.
2. Identify a First- and Second-ranked Developer  
The Agency will notify the developers selected for the shortlist and may ask them to participate in an interview to discuss their qualifications in further detail. The Agency may select a first-ranked and second-ranked developer.





3. Negotiations with First-ranked Developer

The first-ranked developer will be given a defined period of time to negotiate and execute an Option to Purchase Agreement with the Agency. In the event that exclusive negotiations are conducted and an agreement is not reached, the Agency reserves the right to enter into negotiations with the next highest ranked developer without the need to repeat the formal solicitation process.

## ***SELECTION CRITERIA***

The following is a guide to the criteria that will be used in evaluating development teams:

1. Development Team Characteristics

- a. Quality and completeness of information submitted in response to this RFQ;
- b. Evaluation of past projects and experience;
- c. Experience with planning, constructing and operating similar projects;
- d. Experience with designing and developing mixed-income affordable housing projects;
- e. Experience with affordable housing financing mechanisms, including low income housing tax credits (if use is proposed);
- f. Experience in effective property management of affordable housing, market rate housing, commercial space, parking facilities, and other components of the subject project;
- g. Evaluation of ownership structure and experience of key members; and
- h. Capacity to undertake and complete the project in a timely manner.

2. Financial Capability

- a. Ability to deploy the necessary resources to analyze the current conditions of the Property and proceed with demolition and site preparation in a timely manner;
- b. Demonstrated ability to secure project funding, including experience with public-private partnerships;
- c. Verifiable likelihood that sources and terms are realistic and accessible.

The Agency is interested in a Project that provides a high level of public benefit that will revitalize and activate the area and maximize light rail use. As such, developers with experience consistent with the Project Requirements and Preferences (Exhibit “B”) will receive priority during the selection process. The Agency is willing to provide financial incentives for a Project that meets a high level of public benefit. Refer to Section V – Agency Financial Incentives and Loans for additional information.

## **SECTION IV – DESIGN REVIEW**

During the period specified under the Option to Purchase Agreement, the selected developer will work with the Agency on the Project’s design, including architectural, urban design and landscape architectural elements. The design review process will include the following:

1. The Agency expects the Project built on the Property to incorporate high quality and enduring exterior building materials.
2. The Project design shall incorporate access to the Power Station Light Rail Stop.
3. The design review process will require the selected developer to obtain approval for the Conceptual Design, Schematic Design, Design Development, and Final Construction Documents for the proposed development.

## SECTION V – AGENCY FINANCIAL INCENTIVES AND LOANS

Given the current status and complex nature of the Property—as well as the public benefits envisioned for the Property’s redevelopment—the Agency is willing to consider providing financial incentives for a Project that meets a high level of public benefit as outlined in the Project Requirements and Preferences (Exhibit “B”). Tools and incentives may include the following:

1. Land Write-Down  
The Agency’s Board of Directors has the ability to write-down the Property’s sale price to decrease the overall development cost for projects that provide a high level of public benefit.
2. Tax Increment Reimbursement  
The Property is located in the Agency’s North Temple Project Area and is therefore eligible for the Agency’s Tax Increment Reimbursement Program, which provides reimbursement to developers for a portion of the increased property taxes received by the Agency due to the new development.
3. Loans  
The Property is located in the Agency’s North Temple Project Area and is therefore eligible for the Agency’s Loan Program, which provides gap financing for projects that advance the Agency’s goals and objectives.

The allocation of Agency resources is subject to existing policy guidelines and approval by the Agency’s Board of Directors. Policies for the aforementioned RDA programs can be accessed by visiting the RDA’s website at <http://www.slcrda.com/programs-guidelines/>.

## SECTION VI – MISCELLANEOUS

1. All information submitted to the Agency by the developer will be binding upon the developer.
2. All Responses, including attachments, supplementary materials, and addenda shall become the property of the Agency at the time of submission and will not be returned to

the developer. Information contained in the Responses, excepting financial statements of the development entity or partners and information labeled “Not for Public Disclosure” in accordance with the law, will be available to the public upon inquiry immediately following the execution of a written agreement with the selected developer by the Agency.

3. The developer, by submitting a Response to the Agency, waives all rights to protest or seek any legal remedies whatsoever regarding any aspect of the Agency including, but not limited to, the Agency’s selection of a developer with whom to enter into negotiations, the Agency’s rejection of any or all Responses, and the terms of any subsequent Option to Purchase Agreement and Development Agreement that might be entered into as a result of the Request for Proposals.
4. The Agency reserves the right to negotiate changes in the terms of development with the selected developer as may be required.
5. The Agency reserves the right to withdraw or suspend the offering of the Property at any time during the marketing and developer selection process.
6. The Agency reserves the right to reject any or all Responses received. Furthermore, the Agency shall have the right to waive any informality or technical defect in Responses received when in the best interest of the Agency.
7. No Response shall be accepted from, or contract awarded to, any person, firm or corporation that is in arrears to the Agency or Salt Lake City (“City”) upon a debt or contract or that is in default, as surety or otherwise, upon any obligation to the Agency or City, or that may be deemed irresponsible or unreliable by the Agency or City Purchasing & Contracts Division. Developers may be required to submit satisfactory evidence that they have the necessary financial resources to perform and complete the work outlined in this RFP.
8. Pending Agency approval, and per the Agency Logo Usage Guide and Agency Acknowledgement Guide, the selected developer will be required to include the Agency logo and names, and acknowledge the Agency’s contributions or assistance to the Project.
9. The selected developer shall agree not to contest the formation of any assessment district that shall include Property and be used for the purpose of infrastructure installation, maintenance, and/or programming.
10. The selected developer shall agree to provide a written Project Report to the Agency and County Assessor within 2 weeks of receiving a Certificate of Occupancy. The report shall include the following information:
  - a. Total square footage of Property improvements
  - b. Total development cost
  - c. Description of the development



- d. Lease rates for the development
  - e. Actual or anticipated sales prices
11. The selected developer shall agree to provide an annual leasing and sales report to the Agency and County Assessor that discloses the lease rates being charged to all tenants and the actual prices of the for sale units.
12. The developer, its tenants, employees, contractors, and primary subcontractors will not discriminate against or with respect to any person or group of persons on any unlawful basis in the construction, sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property or any improvements erected or to be erected thereon, or any part thereof.

## SECTION VII – AGENCY AND CITY NON-LIABILITY & RELATED MATTERS

1. No Representation or Warranties  
All facts and opinions stated herein, any additional data including, but not limited to statistical and economic data and projections, are based on available information, and no representation or warranty is made with respect thereto by Salt Lake City or the Agency.
2. Building Permits, Zoning Variances, and Financial Viability  
The Agency through the sale of the Property in no way guarantees or warrants the issuance of building permits, zoning variances, or the financial viability of the Project.
3. RDA Discretion, Non-Liability, Waivers, and Hold Harmless  
Developers acknowledge by submitting information and Responses to the Agency that the Agency and Salt Lake City do not undertake and shall have no liability with respect to the development program, the RFP, and responses thereto or with respect to any matters related to any submission by a developer. By submitting a Response to the RFP, the developer releases the Agency and the City from all liability with respect to the development program, the RFP, and all matters related thereto, covenants not to sue the Agency or Salt Lake City regarding such matters, and agrees to hold the Agency and Salt Lake City harmless from any claims made by the developer or anyone claiming by, through, or under the developer in connection therewith.

## SECTION VIII – EXHIBITS

Exhibit A: Property Description

Exhibit B: Project Requirements and Preferences

***EXHIBIT "A"***  
**PROPERTY DESCRIPTION**

*Property Address:* 1500 West North Temple Street, Salt Lake City, Utah

*Parcel Number:* 08-34-476-017-0000

*Total Acreage:* 2.07

*Zoning:* TSA-MUEC-C

*Legal Description:* BEG S 89°58'38" W 11.5 FT & N 00°01'56" W 12.64 FT FR SE CORLOT 1, BLK 1, AGRICULTURAL PARK PL B; N 00°01'56" W 330.8 FTM OR L; S 89°58'38" W 264.32 FT; S 00°01'56" E 338.56 FT M OR L; S 49°32'39" E 7.51 FT; N 89°58'38" E 170.86 FT M OR L; N 87°05'57" E 49.82 FT; N 10.15 FT; E 37.98 FT TO BEG.



## ***EXHIBIT “B”***

### **PROJECT REQUIREMENTS AND PREFERENCES**

While the Agency is selecting a developer for the Property through a request for proposals process, the Agency has outlined the Project Requirements and Preferences below to help articulate the Agency’s vision for redevelopment of the Property.

#### **MINIMUM REQUIREMENTS**

The selected developer will be required to partner with the Agency to plan and construct a mixed-income residential project with ground floor commercial that includes the following:

- A residential component offering a minimum of fifty percent (50%) of the units affordable to households between 50% and 60% of the area median income (AMI), and fifty percent (50%) of the units at market rate. Affordable units will have a minimum affordability period of fifty (50) years.
- Ground floor commercial described in Salt Lake City’s TSA-MUEC zoning ordinance that contains neighborhood-scale retail and commercial uses that activate the North Temple Boulevard streetscape, with the option to create additional commercial opportunities on either 1460 West or Cornell Street;
- Alignment with Salt Lake City’s housing policy as outlined in Grow SLC: A Five Year Housing Plan, 2018-2022. (This document is available on-line at [http://www.slcdocs.com/hand/Growing\\_SLC\\_Final\\_Attachments.pdf](http://www.slcdocs.com/hand/Growing_SLC_Final_Attachments.pdf))
- Alignment with Salt Lake City’s North Temple Boulevard Plan Key Recommendations for Cornell Station. <http://www.slcdocs.com/Planning/MasterPlansMaps/NTMP.pdf>
- Consideration of Salt Lake City’s Transit Station Area Development Guidelines. <http://www.slcdocs.com/Planning/Applications/TSADesignGuidelines.pdf>.
- Incorporation of Salt Lake City Planning Transit Station Design Guidelines for TSA-MUEC zoning and basic elements to be used for scoring of Project. (see TSA Development Review and TSA Design Guidelines at: <http://www.slcgov.com/planning/planning-applications>);
- Structured parking that conforms with Salt Lake City’s TSA-MUEC zoning ordinance and is designed to be safe, functional, and attractive for residents and visitors;
- One or more pedestrian mid-block walkways that connect Cornell Street, 1460 West, and North Temple Boulevard consistent with the North Temple Boulevard Plan (Cornell Station section), to be publicly-accessible and privately owned and maintained;

- A high level of concern for architectural and urban design principles;
- Maximization of allowable density;
- A sustainable construction and building design plan for the Project.

