



## **REQUEST FOR QUALIFICATIONS**

**255 SOUTH STATE STREET  
SALT LAKE CITY, UTAH**

RELEASE DATE | February 21, 2018

SUBMISSION DEADLINE | April 23, 2018

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## SECTION I - PROJECT INFORMATION

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### REQUEST FOR QUALIFICATIONS (“RFQ”)

The Redevelopment Agency of Salt Lake City (“Agency”) owns 1.12 acres of property located at 255 South State Street (“Property”) in the heart of Salt Lake City’s Central Business District. The Agency requests statements of qualifications (“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 Agency seeks to enter into a public-private partnership with the selected developer that will result in a successful and financially viable development that maximizes public benefit. To this end, the Agency seeks a developer with the experience, capabilities, and resources necessary to address the current issues associated with the Property, which include partial construction of a project by a previous developer, and preservation of a historic structure. In addition, the Agency seeks a developer experienced with urban infill, and the financing and operation of mixed-income housing. 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”).

Once selected by the Agency, the developer must be willing to complete the following as part of the Project:

- Analyze the Property and determine how to remove and/or remediate existing structures with structural deficiencies.
- Design a new Project for the Property containing a vibrant mix of uses, including affordable and market rate housing, ground floor commercial, resident amenity spaces, a publicly-accessible mid-block walkway connecting State Street with Floral Street, preservation of a historic structure on the Property, and parking improvements.
- Acquire the Property at a price to be negotiated with the Agency, taking into account the above requirements.
- Construct and operate the Project as agreed with the Agency.

### BACKGROUND AND FORMER DEVELOPMENT EFFORTS

The Agency was created to revitalize economically challenged areas in Salt Lake City and to stimulate private investment in these areas. The Central Business District Project Area is one of the areas in which the Agency has concentrated efforts to create housing opportunities, improve infrastructure, and expand economic development activities.

In furtherance of its redevelopment efforts in the Central Business District, in April 2012 the Agency sold the Property to a previous developer (“Former Developer”), who began construction of a project

on the Property but ultimately failed to complete it. The Agency subsequently purchased the property at foreclosure on October 25, 2017.

*The Property is currently subject to a 180-day redemption period.*

## CURRENT STATUS

Fronting State Street, the Property is 1.12 acres in size and benefits from close proximity to downtown amenities including Gallivan Plaza and TRAX light rail.

The existing structure is partially constructed up to the fifth floor to varying degrees. The entire structure, including the sub-grade levels, is structurally deficient. The Agency is currently working to deconstruct all above-grade improvements. Upon completion of the Agency's demolition efforts, the existing above-grade structure and associated construction materials will be removed from the site. The developer selected through the Agency's request for qualifications process will need to conduct a thorough assessment of the remaining structures on the Property and remove and/or remediate them as necessary in order to construct the selected developer's preferred program on the Property. This includes correcting deficiencies or completion of demolition of the below-grade levels, as well as shoring of the soil around the foundation as part of the new Project constructed on the Property.

Condition of title is subject to the developer's due diligence.

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

## 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. Easement Agreement that ensures public pedestrian access to a mid-block walkway connecting State Street to Floral Street.

## 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 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 Agency.
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 Agency.
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.
9. The developer will be responsible for construction and maintenance of the mid-block walkway connecting State Street to Floral Street.

## PROJECT MANAGER

For additional information concerning this Request for Qualifications, as well as any issued Addenda, interested parties may contact Kort Utley, Senior Project Manager, at the following e-mail address: [kort.utley@slcgov.com](mailto:kort.utley@slcgov.com) or by phone at (801) 535-7219.

## 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 Agency has not set a specific page limit for Responses; however, there is an expectation to receive Responses that are thorough but concise.

#### 1. Development Interest and Approach

- a. Briefly describe the specific reasons for the Developer's interest in pursuing the Project.
- b. Provide a description of the Developer's approach to dealing with the complexity of the Project, including dealing with the current structural deficiencies relating to the improvements currently in-place on the Property.
- c. 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 complex projects, record of community-responsive urban infill developments that provide public benefits, and understanding of creative solutions and financing tools. This is an opportunity to provide a preliminary high level vision. No architectural drawings or financial projections are expected at this stage.

#### 2. Qualifications and Experience

Provide a description of the Developer's qualifications and relevant experience with comparable projects, including:

- a. A description of the legal entity with whom the Agency would contract.
- b. 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.
- c. 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 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.
- d. 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.

- e. 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.
- f. The Agency strongly encourages 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.
- g. 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 Qualifications. 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 City and will not be returned.

It is the developer's sole responsibility to read and interpret this Request for Qualifications 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 Qualifications 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 “255 South State Street” shown on the outside of the envelope. Please submit Responses to the Request for Qualifications 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 April 23, 2018 by 3:00 p.m.*** Responses to the Request for Qualifications 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 submission and reserves the right to waive any non-material irregularity in submissions.

## **SECTION III – SELECTION PROCESS AND CRITERIA**

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### **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 follow 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 and implementing urban infill projects of similar complexity;
  - d. Experience with designing and developing mixed-income affordable housing projects;
  - e. Experience with affordable housing financing mechanisms, including low income housing tax credits;
  - f. Experience in effective property management of affordable housing, market rate housing, commercial space, parking facilities, and other components of urban infill projects;
  - 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 structure on the Property and chart a path forward regarding demolition of the structure’s unsuitable elements;
  - b. Demonstrated ability to secure 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, including deeply affordable housing and community-oriented services. 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 addition 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 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. *Long-Term Ground Lease*

The Agency intends on conveying title of the Property to the selected developer. However, under certain circumstances, the Agency would consider providing a long-term ground lease to enable Agency ownership of the land in perpetuity. By entering into a long-term (75 year or more) lease with the Agency, the selected developer would be given the right to build and own the Project improvements without having to purchase the land.

2. *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.

3. *Tax Increment Reimbursement*

The Property is located in the Agency's Central Business District 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.

4. *Loans*

The Property is located in the Agency's Central Business District 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. Details about the Loan Program are available on the Agency's website at [www.slclda.com/programs-guidelines/](http://www.slclda.com/programs-guidelines/).

The allocation of Agency resources is subject to approval by the Agency's Board of Directors and standard Agency practices.

## **SECTION VI – MISCELLANEOUS**

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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 Qualifications.
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 RFQ.
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 (for a period of 25 years) 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 any 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 RFQ, and responses thereto or with respect to any matters related to any submission by a developer. By submitting a Response to the RFQ, the developer releases the Agency and the City from all liability with respect to the development program, the RFQ, 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

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Exhibit A: Property Description

Exhibit B: Project Requirements and Preferences

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

**Property Address:** 255 South State Street, Salt Lake City, Utah

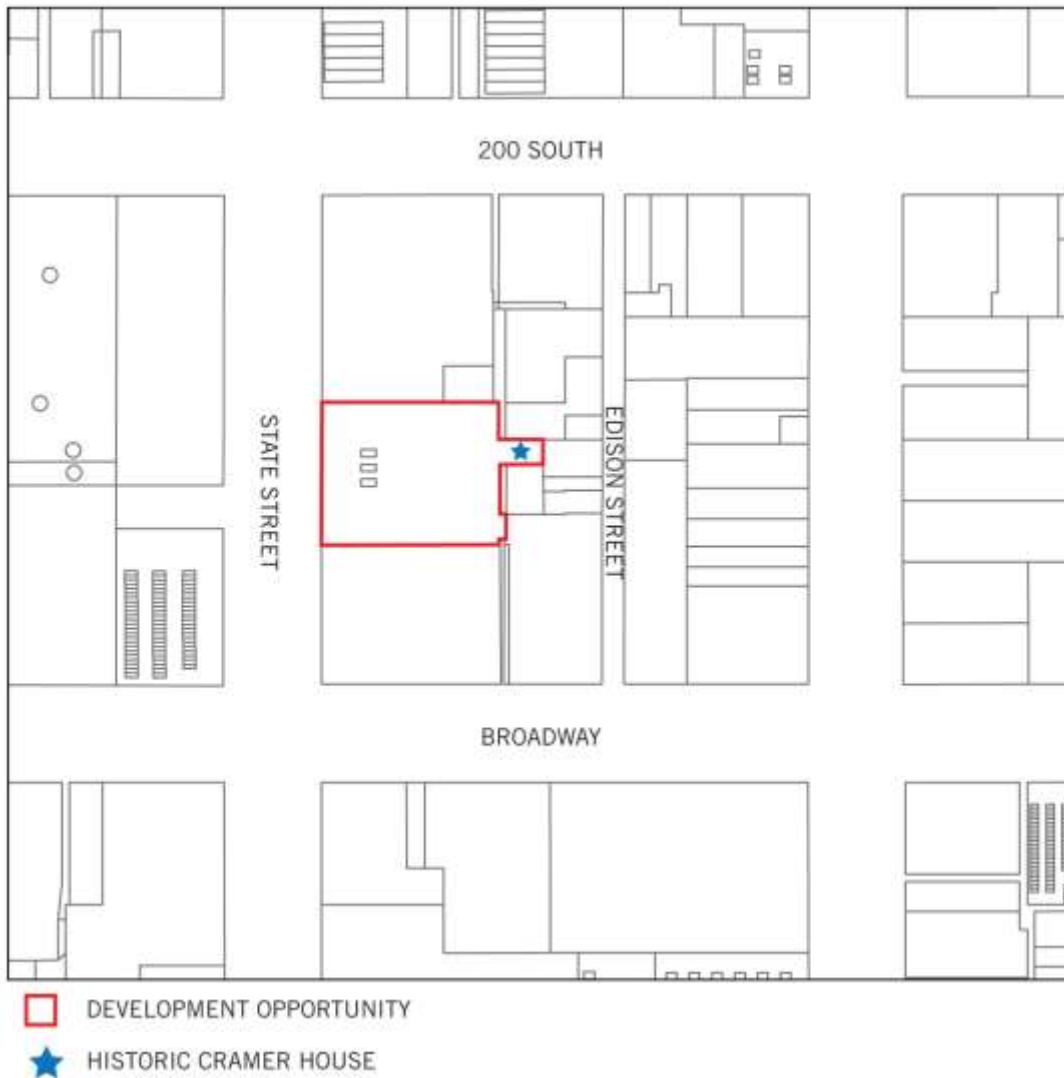
**Parcel Number:** 16-06-157-004-0000

**Total Acreage:** 1.12

**Zoning:** D-1

**Legal Description:**

BEG N 00°02'30" E 50.34 FT FR SW COR OF LOT 5, BLK 56, PL A, SLC SUR; N 89°58'19" E 240 FT; S 00°02'30" W 50.39 FT; N 89°58'33" E 60.33 FT; S 00°02'30" W 34 FT; S 89°58'33" W 58.33 FT; S 00°02'30" W 67 FT; N 89°58'33" E 8 FT; S 00°02'30" W 33 FT; S 89°58'33" W 8 FT; S 00°02'30" W 8.02 FT; S 89°58'38" W 242 FT; N 00°02'30" E 192.39 FT TO BEG. 1.12 AC M OR L. LESS UNITS. (BEING THE COMMON AREA FOR PLAZA AT STATE STREET CONDO).



**EXHIBIT “B”**  
**PROJECT REQUIREMENTS AND PREFERENCES**

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

The Agency is willing to provide financial incentives for a Project that demonstrates a high level of consistency with the Requirements and Preferences stated below. Refer to *Section V – Agency Financial Incentives and Loans* for addition information.

**MINIMUM REQUIREMENTS**

The selected developer will be required to partner with the Agency to plan and construct a vertical mixed-use project that includes the following:

- A residential component offering a minimum of forty percent (40%) of the units affordable to households at or below 60% of the area median income (AMI), or twenty percent (20%) of the units affordable to households at or below 50% AMI. Affordable units will have a minimum affordability period of fifty (50) years.

The Olene Walker Housing Loan Fund (“Fund”) was a participant in the Former Developer’s project that was initiated on the Property, and it is the Agency’s intent to follow-through with the Fund’s goals for the project, which include the following:

- Ten (10) units set-aside for persons living with HIV/AIDS rented at 35% of area median income (AMI);
- Six (6) units set-aside for persons with disabilities:
  - Two of those units rented at 50% AMI; and,
  - Four of those units rented at 80% AMI;
- 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))
- Underground or structured parking to minimize or eliminate the need for surface parking;
- A site plan and building design that promotes an active street life, thriving commercial or community space, and integration of the Project into the local context, as shown in the Downtown Master Plan;
- A pedestrian, mid-block walkway connecting State Street and Floral Street, as shown in the Downtown Master Plan, to be publicly-accessible and privately owned and maintained;
- Preservation of the historic Cramer House, which is located at the easternmost segment of the Property;
- A high level of concern for architectural and urban design principles;
- Maximization of allowable density;

- Constructed to LEED Silver stands (or equivalent) to promote enduring, healthy, and energy-efficient building(s) that utilize sustainable, environmentally friendly materials and methods;

## **PREFERENCES**

In addition to the Minimum Requirements listed above, the Agency seeks a development partner interested in maximizing the public benefit derived from the Project that will be constructed on the Property. As such, Responses from developers with experience in the following areas will receive priority during the selection process:

- More deeply affordable housing beyond the minimum requirements stated above, with a preference for maximizing housing affordable to households at or below forty percent (40%) AMI;
- Housing that includes robust resident services programming, with a partner and financing plan provided;
- Gold-level Certification by the U.S. Green Building Council or equivalent.