REQUEST FOR PROPOSALS (RFP)

PRE-DEVELOPMENT PLANNING AND MARKETING OF 68-76 HAYWOOD STREET

CITY OF ASHEVILLE, NORTH CAROLINA

Important Dates

Responses Due: November 6, 2014

Anticipated Award of Contract: January 30, 2015

Project Start Date: Upon Contract Award

Community and Economic Development Department
City of Asheville
P.O. Box 7148
70 Court Plaza, 5th Floor
Asheville, North Carolina 28802

Contact: Sam Powers, Director
Community and Economic Development Department
Phone (828) 259-5433
http://www.ashevillenc.gov/Departments/EconomicDevelopment.aspx

The City of Asheville Community and Economic Development Department is seeking proposals from qualified consultants to prepare and provide Pre-development Planning and Site Marketing Services for a City of Asheville owned property located at 68-76 Haywood Street in downtown Asheville.

Request for Proposals are available in the Community and Economic Development Department, City Hall, 70 Court Plaza, 5th Floor, Asheville, North Carolina. Proposals must be submitted as one unbound, untabbed, signed original, and one digital (.pdf) copy. The printed original should be mailed or delivered in a sealed envelope and labeled: **"City of Asheville Pre-Development Planning and Marketing Proposal"** to the City of Asheville Community and Economic Development Department, 70 Court Plaza, 5th Floor, Asheville, North Carolina, 28802. The Digital Copy must be received via e-mail at clong@ashevillenc.gov or by submission of a CD-ROM or flash drive. **Fax submissions will not be accepted**.

Any questions regarding this proposal request must be submitted no later than October 30, 2014 via email to:

Sam Powers, Director
Community and Economic Development Department
City of Asheville
spowers@ashevillenc.gov.

All questions and answers will be posted on the City of Asheville website at http://www.ashevillenc.gov/Departments/EconomicDevelopment.aspx

All proposals must be received by 4:00 pm, November 6, 2014

REQUEST FOR PROPOSALS
PRE-DEVELOPMENT PLANNING AND MARKETING OF 68-76 HAYWOOD STREET
CITY OF ASHEVILLE, NORTH CAROLINA

The City of Asheville, North Carolina, through its Community and Economic Development Department, invites proposals from qualified firms for the preparation of the Pre-Development Planning and Marketing of 68-76 Haywood Street. These services will result in the sale of this City-owned property. This RFP is available to the public online at: http://www.ashevillenc.gov/Departments/EconomicDevelopment.aspx

PROJECT DESCRIPTION

The City of Asheville Community and Economic Development Department will contract with a qualified consultant to perform pre-development planning, including market analysis and site planning, and marketing to result in the sale of City-owned property located at 68-76 Haywood Street, in the heart of downtown Asheville.

The Consultant's work should:

1. Support the stated Council goals for this property (see City Council Resolution, below).
2. Provide the City with a broad understanding of the current market and predictable trends for commercial development in downtown Asheville, in the context of local, regional and national economic perspectives.
3. Delineate the current specific market for the site, with specific attention to the existing demand and supply of a range of uses, including but not necessarily limited to hospitality, office, retail, production, cultural arts, residential and institutional markets, and parking and open space.
4. Provide information that will lead to an understanding of the existing site conditions, including market pricing, environmental conditions, geotechnical conditions, etc.
5. Share the Asheville City Council's goals for the project with the public and provide opportunity for public feedback.
6. Provide form and massing alternatives for property development that aligns with marketable uses, assists in the public information process, and provides guidance to prospective developers.
7. Create and publish a Request for Proposals for qualified development firms to submit proposals on the site.
8. Manage the process of the City's marketing of the property to prospective owner/developers, including being the primary resource for information to prospective purchasers.
9. Advise the City about public investments that may be required to achieve Council goals and result in the successful sale and development of the property.
10. Assist in the selection of the qualified development firm and the final structure of the sale.

BACKGROUND

The City of Asheville is located in the mountain region of western North Carolina. The City's population is about 83,000, located in Buncombe County with a population of 238,000. Additional demographic and economic information about Asheville may be found at http://www.ashevillechamber.org/asheville.

In the past 20 years, downtown Asheville has changed from a dilapidated area abandoned for the malls and strip shopping centers to a vibrant economic engine for the entire western North Carolina region. The City of Asheville has supported this revitalization through its planning and economic development initiatives. These include the creation of The Downtown Commission, a City Council appointed board, and the Downtown Master Plan. More information about these initiatives may be found here:
http://www.ashevillenc.gov/Departments/EconomicDevelopment/ProjectsInitiatives.aspx

68-76 Haywood Street

Site

The subject property consists of approximately 3/4 of an acre located on the southern side of the intersection of Haywood Street and Page Avenue in downtown Asheville. The U.S. Cellular Center, Vanderbilt Apartments, and Pack Memorial Library are across Haywood Street to the east. Property owned by the Catholic Church, currently vacant, is located immediately across Page Avenue to the North, slightly beyond that, and across Haywood Street, as it curves to the west is St. Lawrence Basilica. The Battery Park Apartments are across Page Avenue to the west. Immediately adjacent to the South are building in various commercial and office uses. The Grove Arcade is located to the south and west. The property is traversed by Battery Park Alley, running north to south.

The City acquired this property in several transactions occurring during 2001 to 2004 in connection with a parking facility that was planned but not built. The property was to be used initially for staging for the parking deck construction. Upon completion of the parking deck, the property was to be developed for commercial or mixed use purposes.

Previous Process

In 2005-06, City Council directed staff to market for-sale the 68-76 Haywood Street site, along with two other sites. The City retained a national real estate consulting firm to conduct an overview of the market conditions and to provide recommendations on appropriate development opportunities for each site.

In 2007 – 2008, the City undertook a two-part process; an RFQ process to prequalify potential developers, and after the prequalified developers were selected, an RFP which solicited proposals from developers for the development of the subject property. In February of 2008, the City selected the proposal submitted by McKibbon Hotel Group ("MHG") for a 140 room hotel as the one with which it wished to proceed. The proposal was revised to delete public parking at the request of adjacent property owners and City Council and resubmitted in September of 2008.

The timeline from 2009-2011 included numerous interactions with Planning & Economic Development Committee (PED), Renaissance Computing Institute (RENCI), and the public during the development for the Downtown Master Plan. There was also mutual agreement between City Council and McKibbon Hotel Group to prioritize development efforts on a public/private partnership to construct a city parking deck and private hotel project at 51 Biltmore Avenue, which had been identified in the city's parking study as a top location for development of public parking, but which had been previously unavailable for redevelopment. There was mutual agreement that 68-76 Haywood Street would proceed after 51 Biltmore was complete.

In December 2011 the City received an unsolicited offer to purchase the subject property from the Catholic Diocese of Charlotte. The City spent the next several month reviewing the process, and in August 2012 confirmed the city's position and entered into an agreement with MHG to purchase the property and undertake a due diligence period prior to execution of the option.

MHG in late 2013 notified the city, as allowed in the purchase agreement, that they would not purchase the site.

City Council Resolution

In February of 2014, the City Council reconfirmed its direction that the site should be sold. The City Council resolution stated that staff should proceed with an RFQ/RFP process for the City-owned property at 68-76 Haywood Street, with the following preferences (allowable under the law) to help our development partners understand the specifics of what the City leadership is interested in:

(1) That the development must support the goals of the Downtown Master Plan;
(2) That the project preferably be developed for expanding the tax base;
(3) That the street level of the project incorporate uses that adds a vibrancy and public activity on the streets;
(4) That the development move forward in the near term and that we avoid partnering with a developer that would acquire the property with a view that they may develop it multiple years down the road;
(5) That the development would complement the use of the U.S. Cellular Center;
(6) That the development would protect and respect the Basilica and the Basilica's architecture;
(7) That the development favor the creation, along with the development of a publicly-accessible plaza, and that in order to achieve the plaza, that a public-private partnership be pursued to make that economically feasible.

Scope of Work

Project Purpose
The Consultant will undertake and complete a pre-development process to identify a development program and thereafter lead and manage a Request for Proposals process to select a qualified development firm that will ultimately result in the sale and redevelopment of the City-owned 68-76 Haywood Street site. The objectives that will guide the Consultant's work and final recommendations to the City include:

- Realizing the sale of the property at Fair Market value.
- Promoting the City's economic development by attracting private investment in the site. Economic development is understood as additional private investment in and around the site, enhanced property values in the surrounding area, and increased commerce in downtown Asheville.
- Promoting other public service benefits including but not limited to public space such as a plaza or green space.

Activities

The Consultant will prepare a detailed response to the Scope of Work that will specify how each specific work element will be approached and satisfied.

Phase 1: Project Initiation Phase

Determine Project Development Criteria and Preferred Outcomes
The Consultant will, through a review of existing stated public policy, stakeholder engagement and public information, create a clear statement of the preferred development outcome, leading to a clear statement of the City's development criteria at the RFP stage of the development process.

- Review of Existing Policy
  The Consultant will review materials provided by City staff pertaining to the development of downtown Asheville, and in particular, the subject site. This will include materials pertinent to the development process initiated in 2006 and subsequent proposed sale to McKibbon Group; the Downtown Master Plan; materials pertinent to the proposed creation of the downtown BID; and City Council minutes and public comment that illuminate the Council decision to initiate the current process as well as publicized response to it.

- Stakeholder Engagement
  The Consultant will follow a program of stakeholder engagement that will flow through project initiation to development agreement. During the Project Initiation Phase, The Stakeholder Engagement process will include:

- A structured meeting with the Downtown Commission, an official advisory body of the City of Asheville responsible for review and approval of the design of the built environment. This group will act as an advisory board for the project.
- At least one meeting with City of Asheville staff and selected staff-level invitees to review project final scope. This group will act as the project Steering Committee.

The result of this phase will be a concise statement of the preferred project outcomes, stated as a refinement of project objectives.

Phase 2: Opportunity Assessment Phase
Based on the preferred outcomes, the Consultant will assess use options for the site, leading to a use concept that is grounded in current and predictable future market conditions, site capacity, economic conditions and timing considerations.

Assess Market Feasibility
The Consultant will conduct a Market Analysis to determine marketable uses for the site. The Market Analyses will be conducted using both statistical information and information gleaned from sources deemed by the consultant and City to be credible (such as Smith Travel Research), and interviews with developers. The Consultant will assess and report on the general market trends influencing real estate development decisions in the City of Asheville, and more specifically in downtown Asheville. The Consultant will study and report on local supply and demand dynamics for a range of potential uses of the site, including but not necessarily limited to residential, retail, office, hotel/hospitality, cultural arts, parking and open space.

The Consultant will identify the level of support and need for expansion of each use and determine highest and best use of site (may include a mix of uses). The Consultant will create a matrix or other suitable report to inform the City of the viable site development opportunities, and how those opportunities relate to current and projected demand, and current and projected property values. The Consultant will provide an estimate of time needed to market the property for the viable uses.

The Consultant, based upon this Market Analysis, will provide a preliminary recommendation on most probable marketable use or uses.

Assess Site Opportunities
The Consultant will assess the site, and using digital graphic tools provide information to help the City understand massing and access alternatives pertinent to most probable uses.

The assessment will include the identification of development opportunities and constraints due to zoning, size, shape, and conditions of site, including the impact of proposed uses on neighboring buildings and infrastructure, and specifically on adjoining landmark structures. The

Consultant will assess site geo-technical conditions, to be conducted by a qualified subcontractor, and will report those findings and an analysis of any impacts.

Preliminary Financial Analysis

The Consultant will prepare a preliminary financial analysis to assist the City in understanding the required scale and scope of a project that meets the market findings and the site capacity findings.

The financial analysis will include a development pro-forma with anticipated development costs and estimated income and expenses. The Consultant will provide an estimate of fair market value of the site, and will provide a justification and note sources for the development cost estimate.

From this base, the Consultant will assess and report the necessary scale of the project to approach market-based, risk-adjusted returns. The Consultant will identify any probable financial requirements based on current economic conditions. The Consultant will also identify highly desired public interest amenities or public infrastructure requirements that would affect the ability of a developer to achieve market-based, risk-adjusted returns. The developer will provide a probable level of cost of those elements at different levels of attainment for further consideration.

Stakeholder Engagement and Public Information

- Stakeholder Engagement
  The Consultant will continue the stakeholder engagement process.
    - Organize and facilitate one meeting with the Downtown Commission to review the feasibility analysis results.
    - Organize and facilitate one joint work-session between the Downtown Commission and the Asheville City Council.
    - At least two meetings with project Steering Committee will be held during the Opportunity Assessment Phase.
- Public Information
  The Consultant will share Council goals, reports project findings and record public feedback in a studio-style opportunity, to be sponsored by the City and partners recruited by the City. All comments will be summarized by the consultants and made part of the public record of the project.

Phase 3: Development Criteria and Development Program

Development Criteria

Based upon all findings from the Project Use Assessment Phase, the Consultant will propose the specific development criteria that will ultimately form the basis for a Request for Proposals

from qualified developers. These criteria will spell out in detail the preferred uses for the site, the desired public amenities, the available or to-be-made available infrastructure and the preferred scale of the project. The proposed Criteria will be reviewed and approved by the Downtown Commission and recommended to the Asheville City Council.

Development Program

Based upon approved Criteria and the feedback received on the City's desired participation, the Consultant will recommend a development program for approval. The Development Program will include:

- Development Criteria;
- Proposed selling price for the site, as–is;
- City's options to participate in the project and potential financial and policy tools that would enable public priorities to be achieved and ensure a project marketable within an agreed upon time frame;
- The defined impact area to be used to measure new investment and property appreciation;
- A report on the baseline revenues and expenses to City from the site and surrounding area; and the estimated potential incremental increase due to project;
- A firm time frame for release of a Request for Proposals, and a projected time frame for receipt, evaluation of proposals and negotiation of sale.

Stakeholder Engagement and Public Information

- Stakeholder Engagement

The Consultant will continue the stakeholder engagement process.

  - Organize and facilitate one meeting with the Downtown Commission to review the development criteria and program recommendations.
  - At least two meetings with project Steering Committee will be held during the Development Criteria and Program Phase.

Phase 4: Market Site and Choose Developer

Develop and Distribute RFP

The Consultant will develop, and with staff approval, oversee the distribution of a Request for Proposals to potential purchasers and developers of the site. The Consultant will propose a process for the receipt and evaluation of proposals. Minimum evaluative criteria will include experience of developer, quality of plan, financial capacity to achieve plan, and ability to execute plan, in-line with the development criteria.

The Consultant will market the project to qualified developers, through media and contact based means. A web site or web page for posting on the City's web site will be prepared and brought on-line.

The Consultant will work with interested parties to create high-quality responses, by conducting pre-bid site meetings, answering inquiries about the site, development criteria and possible partnership opportunities.

Developer Selection

The Consultant will facilitate proposal evaluation meetings to include a designated Evaluation Team. The Evaluation Team will rank development proposals and recommend the sale of the property, and any other conditions of that sale, to City Council.

The Consultant will advise the City regarding proposals that request City participation in public-private partnership with a developer, how that requested partnership affects the developer's ability to meet the project criteria and what City participation may be necessary beyond fee-simple transfer of title to the property to achieve the desired outcomes.

Upon Council approval, the Consultant will assist the City in creating a development agreement between the City and the City's preferred development team. The Consultant will assist in negotiating any City participation, establish a firm date for sale and be present at sale closing to assist with any final items affecting sale.

Project Schedule (Example)

Pre-Development Process Timeline											
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Phase 1: Project Initiation Phase											
	Review of Existing Policy										
	Stakeholder Engagement										
	Public Input										
Phase 2: Project Use Assessment Phase											
	Assess Market Feasibility										
	Assess Site Capacity										
	Preliminary Financial Analysis										
Phase 3: Dev. Criteria and Program											
	Development Criteria										
	Options for City Participation										
	Development Program										
Phase 4: Market Site, Choose Developer											
	Develop and Distribute RFP										
	Developer Selection										

DELIVERABLES

- Market Analysis
- Financial Analysis
- Development Criteria
- RFP/RFQ, Marketing Program
- Development Agreement

PROPOSAL SUBMISSION REQUIREMENTS

1. **Organizational Information**

A proposal must include the full name and address of your firm or organization and, if applicable, the branch office or other subordinate element that will perform or assist in performing the scope of work outlined in this proposal. The proposal submission must also indicate whether you operate as an individual or partnership or corporation and include the state in which your firm or organization is incorporated. If a joint venture is contemplated, name the firms involved. Also, subcontractors to be used for completion of the Analysis must be identified in a similar manner.

2. **Statement of Experience**

A proposal must evidence your firm or organization's experience in completing activities that comprise the project Scope of Work. Please provide examples of project experience involving staff members who will work on the Asheville project using the following format:

- Client name,
- Contact person and phone number,
- Services provided,
- Original estimate or project costs and actual project costs, and
- Original estimated Project completion schedule and actual completion schedule

3. **Project team**

The proposal must include the names, qualifications, and background information (resumes) of your Project Team, including Project Manager, and other professional staff who will be assigned to complete the Scope of Work, including subcontractors, if any.

4. **Work Plan**

Present in detail your proposed work plan for this project, including all major and minor work tasks to be achieved and related work products. Also, present in detail any "Additional Recommended Items" that you deem appropriate to be included as part of the work plan, even if not specifically mentioned.

5. **Schedule**

Please provide a work schedule outlining the time frame to complete the work including "Additional Recommended Items" and the estimated time required for the completion of each major and minor task.

6. **Cost proposal**

Provide the not to exceed cost for delivery of the Scope of Work. Demonstrate the level of effort for the Project by listing, by position, the number of hours necessary to complete the plan based on the work plan, including a detailed outline of professional personnel (including subcontractors, if any) and the hourly labor rate for each person working on the project. Include a schedule of all other direct and indirect costs. This Cost proposal will be considered an "all-in" proposal for the completion of all work detailed herein.

7. **Minority and Women Business Enterprises**

The City of Asheville has adopted a Minority Business Outreach Plan to encourage participation by women and minority businesses in the public bidding process. The purpose of this outreach effort is to increase the likelihood of success in the award of contracts. Bidders are hereby notified that this RFP is subject to the provisions of this Outreach Plan. Questions regarding the Minority Business Outreach Plan may be directed to, Brenda Mills, Economic Development Specialist, City of Asheville, Post Office Box 7148, Asheville, NC 28802-7148 or by phone at (828) 259-8050 or by e-mail at minoritybusiness@ashevillenc.gov or bmills@ashevillenc.gov. You can access a listing of certified minority firms at either https://www.ips.state.nc.us/Vendor/SearchVendor.aspx (State of North Carolina's VendorLink search) or www.doa.state.nc.us/hub (Link for Office of Historically Underutilized Businesses to search for HUB vendors directly). It is the policy of the City to (1) provide minorities an equal opportunity to participate in all aspects of its contracting and procurement programs and (2) to prohibit any and all discrimination against persons or businesses in pursuit of these opportunities. **Provide a statement documenting your outreach efforts and indicate any utilized minority and/or women firms.**

EVALUATION CRITERIA

Proposals will be evaluated by City of Asheville staff. The proposals will be evaluated on the firm's ability to meet the requirements of this RFP. Specific evaluation criteria, among other factors, will include:

Qualification and experience of the proposed team:
History of the firm and its experience in similar projects
Proposal of a qualified project manager with relevant previous experience
Quality and availability of staff assigned to the project
Knowledge of technical requirements
Creativity and relevance of past work
Understanding and knowledge about the project market area

Proposed approach to the project:
Responsiveness to project description
Proposed distribution of work and time between team members
Proposed time frame for the project
Knowledge of technical requirements
Technical analysis tools and techniques proposed
Proposed approach to the scope of work and deliverables

Quality of proposal:

Concise description of tasks, staff and process proposed
Clarity of roles and responsibilities of key team members

Responsiveness to other City requirements

MWBE Response
Understanding and acceptance of federal and City regulations and policies

Competitiveness and Completeness of Cost Proposal

Reasonable allocation of human resources to project
Cost Competitive within range of proposals submitted

Sufficient detail to facilitate final cost negotiations to enable project to be completed with budget

Depending on the analysis of all submittals, personal interviews may be scheduled.

FINAL SELECTION AND REQUIREMENTS

- All proposals become the property of the City of Asheville upon submission.
- The cost of preparing, submitting and presenting a proposal is the sole expense of the consultant.
- The City of Asheville reserves the right to reject any and all proposals received as a result of this solicitation, to negotiate with any qualified source, to waive any formality and any technicalities or to cancel the RFP in part or in its entirety if it is in the best interest of the City of Asheville. This solicitation of proposals in no way obligates the City of Asheville to award a contract.
    - All data, analysis and final report and recommendations will become the property of the City of Asheville in perpetuity and may not be used by the consultant for any other set of studies without prior written approval.
    - Data and analysis will be provided in written and electronic formats in order to create an ongoing source for research and analysis on housing market trends.
- Uses of data should be documented and include a wide number of sources from local, regional, state and national data sources.
        - The contract for the completion of the Pre-Development Planning and Marketing of 68-76 Haywood Street project will be awarded in accordance with all appropriate City of Asheville procurement requirements.
        - The contract for completion of the Pre-Development Planning and Marketing of 68-76 Haywood Street project will be awarded in accordance with the State of North Carolina's E-Verify requirements.
        - The consultant shall submit and maintain a schedule with specified milestone dates for the project. The schedules must allow for necessary review periods for all parties involved with the project.
        - The consultant shall submit invoices with a written, status report on each project element to the City of Asheville project director, who reserves the

right to request supplemental information to ensure appropriate project progress.

- **INSURANCE:** The (Successful Bidder) Consultant agrees to keep and maintain for the duration of this Agreement including but not limited to commercial general liability, auto liability, professional liability, workers' compensation, employer's liability, and umbrella coverage with at least the minimum limits shown below. **Consultant shall provide evidence of insurance coverage consistent with this requirement prior to contract award.** The Consultant shall furnish the City with certificates of insurance for each type of insurance described herein, with the City listed as Certificate Holder and as an additional insured on the Consultant's general liability policy. In the event of bodily injury or property damage loss caused by the Consultant's negligent acts or omissions in connection with Consultant's services performed under this Agreement, the Consultant's Liability insurance shall be primary with respect to any other insurance which may be available to the City, regardless of how the "Other Insurance" provisions may read. No work shall be performed until the Consultant has furnished to the City the above referenced certificates of insurance and associated endorsements, in a form suitable to the City.

Commercial General Liability:	$1,000,000 per occurrence
Excess (Umbrella) Liability:	$1,000,000
Commercial Auto Liability:	$1,000,000 combined single limit
Professional Liability:	$1,000,000 per claim-made
Workers' Compensation:	Statutory
Employer's Liability:	$500,000

- **INDEMNIFICATION:** The Successful Bidder (Consultant) shall indemnify, defend and hold harmless the City and its subsidiaries, divisions, officers, directors and employees from all liability, loss, costs, claims, damages, expenses, attorney fees, judgments and awards arising or claimed to have arisen, from any injury caused by, or allegedly caused by, either in whole or in part, any act or omission of the Contractor or any employee, agent or assign of the Consultant. This provision is not applicable to any claim arising out of or related to any active or primary negligence of or by City, its officers or employees. Nothing herein shall be construed as a waiver on the part of the City to any defense of any claim, including, but not limited to the defense of governmental immunity.

Timeline

- Request for Proposal issued: October 10, 2014
- RFP submittals due: November 6, 2014
- Consultant selection and contract negotiation: January 15, 2015
- Contract execution January 30, 2015
- Begin project: January 30, 2015
- Final deliverables due: Based upon contract

Submit by 4PM on November 6, 2014 to:
Sam Powers, Director
Community and Economic Development Department
70 Court Plaza
City Hall, Fifth Floor
PO Box 7148
Asheville, NC 28802
spowers@ashevillenc.gov