

**REQUEST FOR LETTERS OF INTEREST
AND QUALIFICATIONS FOR
PREDEVELOPMENT ACTIVITIES
Downtown Olympia
Water Street Redevelopment Area**



Offered by: The City of Olympia.

Issued: November 23, 2015

Letters of Interest Due:
No later than 4:00 pm
December 15, 2015

Deliver in Person:

Deliver by Mail:

City of Olympia
601 4th Avenue E
Olympia, WA 98507-1967
Attention: Renee Sunde
www.ci.olympia.wa.us

City of Olympia
PO Box 1967
Olympia, WA 98507-1967
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The City of Olympia has targeted an area that totals approximately one acre between 4th Avenue and 5th Avenue east and west of Water Street – the Water Street Redevelopment Area (the Area) – for redevelopment. The City of Olympia released a request for proposals (RFP) in July of 2015 for developers interested in the area, and is now replacing that RFP in full with this Request for Letters of Interest and Qualifications (hereafter “letters of interest”).

Based on feedback from potential development interests and a detailed review of the opportunities for consolidation of property in the Area, the City has revised its approach to soliciting partners. Through our review, we have learned that teaming with a qualified developer is likely to enhance development of a market sensitive plan and property consolidation, and are therefore seeking letters of interest to partner in one or more mixed-use projects, to include residential, commercial/office/retail, and parking. The City is prepared to share in the cost of ongoing due diligence and predevelopment activities, as described in the remainder of this document.

This opportunity for partnership comes at an exciting time in downtown Olympia. Enhancing the livability and vibrancy of downtown is one of the City of Olympia's highest priorities. The City is serious about achieving successful public-private partnerships, and has already taken several steps to prepare to welcome a development partner:

- The City has retained the National Development Council (NDC) to provide technical assistance related to development finance. The NDC is expert in economic and housing development and brings expertise about federal resources such as New Market Tax Credits, Brownfields Economic Development Initiative, and Low Income Housing Tax Credits.
- The City has established a community redevelopment tool known as a Community Renewal Area (CRA - Chapter 35.81 Revised Code of Washington) to incent reinvestment in underdeveloped and blighted properties. The CRA covers all of downtown Olympia, including the Water Street Redevelopment Area.

The City seeks a development partner(s) that understands the City's objectives and wants to create a project that enhances the existing downtown and contributes to the social, environmental and economic health of the community, setting the bar for new development in our downtown.

We look forward to reviewing your letter of interest. If you have any questions or need further information, please contact Renée Sunde, Economic Development Director with the City, at (360) 753 - 8591 or cra@ci.olympia.wa.us.

Sincerely,

STEVEN HALL
City Manager

OVERVIEW OF DEVELOPMENT OPPORTUNITY

The City seeks letters of interest and qualifications for predevelopment activities in the Water Street Redevelopment Area (the Area), shown in Figure 1 below. The City is committed to promoting high quality downtown redevelopment and is looking for a partner to make it happen. The Water Street Redevelopment area consists of 1.09 acres of public and privately owned property adjacent to the City's waterfront.

Figure 1. Water Street Redevelopment Area



Descriptions of the desired development form included in the previously issued RFP have not changed. The City envisions vibrant mixed-use development in this area bringing more market rate housing, ground floor retail/restaurant space, and perhaps structured parking to the area. It remains particularly important to develop the west side of Water Street in a way that supports active public park use at the adjacent Heritage Square Park. Further, the RFP's description of the site itself, (utilities, environmental, and geotechnical findings, etc.) remain valid and should be considered in this response.

Last, the description of City resources available to support the development opportunity included in the original RFP remain valid, though it should be noted that the City is additionally in the process of finalizing grant funding that can be used to further characterize any environmental contamination on the site (\$140,000).

LETTER OF INTEREST REQUIREMENTS AND PREFERENCES

Requirements for Responses

1. Identify and describe the developer, including developer's name, corporation name (if applicable) or business name, addresses, telephone numbers, e-mail addresses, and the name of the primary project contact.
2. Identify each person or entity involved with the project team as it is currently conceived and known, including development partners (if any), technical partners (architects, engineers, others). Please briefly describe their respective roles, including:
 - Information regarding the team member's experience and qualifications.
 - Resume of key team members.
 - Example projects with which the team or key team members have been involved.
3. Briefly describe the developer's relevant project experience for up to five projects. If available, please include examples of projects in Olympia or Thurston County. The City is most interested in current or recently completed projects. The City is interested in assessing the developer's experience in participating with public private partnerships, and projects of similar scale and complexity to a potential Water Street Redevelopment. Submit photos or drawings and the following information, for projects used to demonstrate experience:
 - Project name and location
 - Description of project size and scope, including the number of units and unit type (e.g., 20 studios; 25 1-bdrm) and square footage costs for apartments, condos, and retail.
 - Total project cost and a summary of approach to project financing. This could include descriptions of sources of funds, amount of debt, equity and public participation.
 - Challenges and obstacles addressed during the development and construction process.
 - Name of the architect and contact information.
 - Name of the construction manager or general contractor and contact information.
 - If applicable, the contact name and information of the primary public official who worked with the developer on the project.
4. Briefly describe experience or strategy for marketing and managing urban redevelopment projects including approaches to public participation.

PRE-DEVELOPMENT ACTIVITIES AND FUNDING

The City expects the selected development team to work closely with the City in the coming months to undertake development due diligence, site consolidation, and conceptual development planning work. In this period of due diligence, the development team will work closely with City staff to determine whether a partnership might lead to a viable project, and to complete the elements of a full development proposal that will provide the foundation for a possible development agreement for a public-private partnership.

Specifically, the selected development team will:

- **Develop scope of work for deliverables associated with City contribution to predevelopment costs.** The scope of work will clarify the goals of the due diligence period, define roles and responsibilities for City and consultant staff as well as for the development team, and set milestones, timelines, and descriptions of deliverable products in order to receive predevelopment funds (described in more detail below). It will outline any appropriate opportunities for public engagement. The scope of work will include a development program and conceptual design, as described in a bullet below, as well as a preliminary look at financing mechanisms and capacity for implementation.
- **Coordinate with Downtown Strategy.** The Downtown Strategy will address issues relevant to site development, including transportation connectivity and open space provision in the area. Plans for the Water Street Redevelopment Area should both influence and respond to the Downtown Strategy.
- **Define development program and conceptual design.** The developer will be expected to provide information on a preliminary development program, including details on use mix, preliminary ideas on building scale and massing, and development feasibility in a pro forma spreadsheet. The developer should identify any code changes necessary to accommodate the proposed project or to make a project feasible. Drawings and plans should include the following:
 - Shared parking needs and costs
 - The building footprint, parking, and location of vehicular and pedestrian access
 - Conceptual elevations and renderings that take into account the design guidelines
 - A cross section showing a typical structure
 - A typical floor plan
 - Pedestrian circulation and access to the surrounding community
 - Architectural features and elements
 - Anticipated energy efficiency measures and LEED designation to be sought

The City understands that the complexities of site consolidation and planning, including participation in a public process through the Downtown Strategy, add unusual costs and activities for a development team. At the same time, the City

sees significant public benefit from the creation of a thoughtful implementation strategy that coordinates public and private investment. Given this situation, the City is prepared to offer predevelopment funds to offset some of the publicly-imposed costs during the period of due diligence, as follows:

- The City will provide up to **\$25,000** in predevelopment matching grant funding for a defined scope of work (outlined in sketch form above).
- As noted above, the City retains an urban design team to lead a Downtown Strategy, and expects development plans to be coordinated with this Strategy. The City will offer up to **\$10,000** in predevelopment funding to its development partner to offset the cost of the development partner's participation in this process.
- The City will also provide technical assistance to the selected development team through its urban design team and its relationship with the NDC during the due diligence period. The City may also contribute to additional environmental due diligence.

Note: All plans, drawings, illustrations, reports and studies prepared in support of the work created during the period of due diligence will be owned by the City.

Upon completion of the due diligence period and acceptance by the City of the delivered development program and conceptual design, the City intends to negotiate a development agreement with the selected team during an exclusive negotiating period leading to a public/private partnership to implement the program and design. If due diligence and site consolidation proceed in a way that is feasible for the selected developer and beneficial to the City, the project design documents generated in this process may provide the foundation for a formal Development Agreement or other legally binding contract between the City and the development team.

EVALUATION AND SELECTION

Evaluation Criteria

Evaluation of RFP responses will be based upon documented developer experience, as follows:

- Success in developing urban redevelopment projects
- Quality of representative projects
- Qualifications of project team and key project managers
- Prior development experience in the Thurston County Area
- Experience in partnering with the public sector in redevelopment projects

General Provisions and Conditions

The City reserves the right to:

- Reject any and all responses.
- Negotiate with more than one redevelopment partner.
- Waive minor irregularities in a response.
- Cancel, revise, or extend this solicitation.
- Request additional information on any response beyond that required by this RFP.
- Modify the selection process set forth in this RFP upon written notification to all respondents who have not been rejected at the time of modification.

The City shall have the final decision on whether to move forward with a development team or not.

SUBMISSION REQUIREMENTS AND SCHEDULE

Interested developers must submit 1 paper copy of the response to the RFP, including a letter of interest outlining response requirements and preferences and 1 electronic copy. The City will become owner of all submitted materials and will not pay any costs related to any responses to the letter of interest.

Submissions from short-listed proposers will be posted on the City's webpage in advance of an open house presentation and interview. Additional financial information may be requested from short-listed proposers.

The City reserves the right to modify the timeline and to issue addenda to this document.

Action	Approximate Completion
Issue Request For Letters of Interest	November 23, 2015
Responses due	December 15, 2015

CONTACT INFORMATION

City of Olympia:

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