

# REQUEST FOR PROPOSALS

59<sup>TH</sup> AND MARKET - "NEW WEST TOD"

FEBRUARY 2014



PHILADELPHIA REDEVELOPMENT AUTHORITY  
1234 MARKET STREET, 16<sup>TH</sup> FLOOR  
PHILADELPHIA, PA 19107

**PRA - 59<sup>th</sup> and Market "New West" TOD RFP - DRAFT**

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## I. INTRODUCTION

The Philadelphia Redevelopment Authority (“PRA”) is soliciting proposals from developers to purchase and develop a 1.5 acre site in the Haddington neighborhood in West Philadelphia.

The site is located on the northwest corner of 59<sup>th</sup> and Market Street and is bounded by 59<sup>th</sup> Street, Market Street, Salford Street and Filbert Street (the “Parcel”).

PRA, the City of Philadelphia and Septa owns all of the land offered, which will be assembled as one Parcel. PRA will be the managing entity for all aspects of this solicitation process, and will coordinate disposition of the Parcel to the winning developer. PRA expects competitive offers for the Parcel. Please note any contingencies to the submitted offer price.

The deadline for submission of proposals is **March 7, 2014, 4:00 PM**. Proposals must be delivered to the Philadelphia Redevelopment Authority at 1234 Market Street, 16th Floor, Philadelphia, PA 19107. Proposals must meet the submission and format requirements outlined in Sections IV and V of this RFP for consideration.

## II. SITE OVERVIEW

The 1.5 acre Parcel is currently zoned C2 / CMX2 and has frontage on the Market Street commercial corridor.

Bounded by 59th Street, Market Street, Salford Street and Filbert Street, the parcel combines the following addresses: 5901-13 Market Street (including 22-30 N. 59<sup>th</sup>, and 5910-12 Filbert), 5915-17 Market Street and 5919-31 Market Street.

The Parcel also has excellent transportation access. It is less than 200 feet from the 60<sup>th</sup> Street stop of the Market-Frankford “El” line, providing direct connections within 10 minutes to the education and employment center of University City and Center City - the central business district - to the east. Via the westbound train to 69<sup>th</sup> Street Station, the El also provides direct connections to suburban trolley lines, bus lines and the Norristown High Speed Rail line.

Access to I-95 is within 6 miles from the Parcel and I-76 is approximately 3 miles distance. It is also approximately 6 miles from the Ben Franklin bridge, providing easy access to New Jersey and destinations throughout the region and the greater Northeast. The parcel is also 10 miles via highway to the Philadelphia International Airport.

### Environmental Background

PRA has indication that the property known as 5901-13 Market Street was used as a gasoline service station and that underground tanks may be on the site. Zoning files from the Department of Licenses and Inspections indicate that the following underground storage tanks were installed at the site:

- 1968 – two 8,000 gallon tanks and two 550 gallon tanks;
- 1973 – one 6,000 gallon tank;

- 1984 – removal and replacement of two 550 gallon tanks

The selected developer will assume responsibility for confirmation and further assessment of environmental conditions.

## SUMMARY DATA

**PROPERTY:** 5901-31 Market (Exhibit A)

**PROPERTY AREA:** 24,861 SF / 1.5 acres

**ZONING CLASSIFICATION:** C2 / CMX2



## **DEVELOPMENT VISION**

The Parcel is within steps of an access point to the Market-Frankford Elevated rail line. Proposals for a transit-oriented mixed-use development are desired.

The development should seek to establish a new anchor for this portion of the Market Street corridor dubbed “New West”; it should also seek to reinforce the existing uses in the 60<sup>th</sup> Street commercial district.

Developers are encouraged to consider a mid-rise, mixed use development concept with commercial space affording both office and retail uses. Multiple stories of workforce housing should be considered, as well as the provision of shared open spaces for building residents and workers.

A public plaza along Market Street may provide a place for community-oriented gatherings and public events. Green roofs and other sustainable design elements are encouraged for all aspects of the development. On-site parking may be considered, but should be limited given the transit-oriented advantages of the Parcel.

Current CMX-2 zoning allows a max building height of 38 feet, among other limitations not conducive to the vision for the site. Other appropriate zoning may be considered in keeping with the applicants vision.

In January 2013, the Philadelphia City Planning Commission (PCPC) published a document that includes a vision for the site communicated by West Market Street stakeholders. This document and other reports produced by PCPC can be obtained at:

<http://www.phila.gov/CityPlanning/plans/communityplans/Pages/AreaPlans.aspx>

## **IV. PROPOSAL SUBMISSION REQUIREMENTS**

Responses to this Request for Proposals must contain the information described below and conform to the following format:

### **A. EXECUTIVE SUMMARY**

A written narrative of the proposed development should be provided in the form of a cover letter addressed to Tracy Pinson-Reviere, Project Manager. The narrative should be no longer than two (2) pages in length and should succinctly summarize and describe the proposed development. At a minimum, it should seek to address all of the evaluation criteria and specify the amount offered to purchase the property.

### **B. FINANCIAL SUMMARY**

Responses must demonstrate financial wherewithal and development capacity to carry out proposed redevelopment of the property. Submissions must provide documentation of available



funds in an amount no less than the bid amount plus construction cost. Failure to provide evidence of committed sources of funds to purchase and redevelop the property will disqualify submissions.

1. Completion of the Property Application Package Form (Exhibits C).
2. An operating pro forma for projects that include rental units.
3. Evidence of financial capability to fund the total cost of the development program as outlined in the Property Application Package Form. Acceptable forms of evidence include:
  - Audited Financial Statement for last fiscal year plus internal financial statements ending the most recent quarter;
  - signed commitment letter(s), or
  - other written evidence of financial support from one or more lending institutionsThese elements will be reviewed and summarized as the financial components of the proposed development program.
4. Litigation/Judgments – The proposal must contain information regarding any litigation (pending or threatened) in which the development entity or any members of the development team are involved and any judgments that have been rendered against the development entity or any member of the development team that may affect the ability to successfully execute the proposed project for the Property.

### **C. DEVELOPMENT PLANS**

Proposals must conform to the Haddington 2-3 Urban Renewal Plan (Exhibit B). The controls of the Plan will run with the site for 25 years following execution of a Redevelopment Agreement with the selected developer. Any proposed changes to the Urban Renewal Plan must be clearly identified in Developer's narrative. The proposed project should take into consideration the local context and provide attractive, well designed development that enhances the quality of the built environment and improves the overall quality and physical appearance of the community.

Architectural submissions must be prepared by a registered architect, submitted on 11" x 17" size paper and address at a minimum the following (also outlined in the Property Application Package):

- Architect name and address
- Detailed written description of the work to be completed
- Ground floor dimensioned architectural plans; other principal floor plans
- Building elevations with materials and key dimensions noted
- For developments with more than 5 single-family or 10 multi-family units, provide site plan with proposed building footprint(s), street names and parking (if any). Site plan should extend one block beyond project boundary.

We strongly encourage structures to be sensitive to the pedestrian environment through building facades that are engaging and put many eyes on the street. Building size and scale should be designed to enhance walkability and provide quality buildings by respecting the rhythms found in the size, placement and proportion of entries and windows in other buildings. Avoid false historic design and garages that dominate the streetscape. Dumpsters, electrical and mechanical equipment should be permanently screened. We encourage developers to incorporate sustainable, “green” design features and building materials. Proposals should consider building performance objectives and Energy Star’s building design guidelines that integrate energy efficiency into design.

## **D. DEVELOPMENT SCHEDULE & MILESTONES**

### **1. Predevelopment Schedule**

Include a schedule listing important milestones and dates, beginning with due diligence activity (no more than 60 days), securing required government approvals and financing commitments. Please provide an anticipated closing date.

### **2. Post-Closing Construction Schedule**

Include, at a minimum, a schedule showing the following critical milestones: construction commencement, completion deadlines, and projected occupancy dates.

## **E. DEVELOPER TEAM QUALIFICATION**

The development team should demonstrate experience with similar types of projects. In addition, the development team must fill out the “Developer’s Statement of Qualification and Financial Responsibility” (Exhibit E).

## **F. ECONOMIC OPPORTUNITY POLICY AND PROJECT GOALS**

The development team should demonstrate their experience working with MBE&WBE firms in addition to completing the “City of Philadelphia Economic Opportunity Plan” form (Exhibit F).

## **G. PROPOSAL DEPOSIT**

Proposals must include a proposal deposit of 10% of the bid price (the “Proposal Deposit”) in one of the following forms, in order of preference: a cashier’s check, certified check, or money order made payable to Philadelphia Redevelopment Authority.

The Proposal Deposit of the selected developer for the Property will be non-refundable upon execution by the Developer of the Redevelopment Agreement, a form of which is attached as Exhibit K and approval of the Redevelopment Agreement by the PRA Board of Directors. The amount will be credited toward the security completion deposit and ultimately refunded at project completion with the issuance of a Certificate of Completion. The Proposal Deposits of unsuccessful bidders will be refunded within thirty days after PRA issues rejection notices. Interest earned on deposits of unsuccessful bidders will not be returned.

#### **H. CERTIFICATE OF NON-INDEBTEDNESS**

All proposals submitted in response to this RFP must contain a fully executed Certificate of Non-Indebtedness to the City of Philadelphia. A copy of this Certificate is attached as Exhibit E.

#### **I. CAMPAIGN DISCLOSURE FORMS**

Each member of the development team must complete the Campaign Disclosure Forms attached as Exhibit F.

#### **J. CONFLICT OF INTEREST FORM**

All proposals submitted in response to this RFP must contain a fully executed Conflict of Interest form. A copy of this form is attached as Exhibit G.

#### **K. FINE ARTS REQUIREMENT**

Projects will be required to comply with the policies and procedures of the Fine Arts Program (Exhibit H).

### **V. PROPOSAL SUBMISSION FORMAT AND SCHEDULE**

All proposals, including the Proposal Deposit, must be submitted by **4:00 PM on Friday, March 28, 2014**. All submissions must be addressed to the attention of **Tracy Pinson-Reviere, Project Manager**, Philadelphia Redevelopment Authority, 1234 Market Street, 16th Floor, Philadelphia, PA 19107. Please ask for a time-stamped receipt from the receptionist if hand delivering a proposal. If the proposal is mailed, please request delivery confirmation.

**One original and three copies of the proposal, as well as a CD or thumb drive containing materials (in a PDF format) must be submitted.**

All questions or comments regarding this RFP must be submitted by email to [tracy.pinson-reviere@pra.phila.gov](mailto:tracy.pinson-reviere@pra.phila.gov).

PRA will circulate development team questions/comments and PRA's responses in writing to all teams. PRA will not pay any fees or commissions to parties acting as agents, brokers, consultants, or contractors as part of this transaction. Payment to any agent or broker will be the responsibility of the purchaser. The RFP timeline is as follows:

#### **1. RFP Distributed – February 3, 2014**

(Download RFP from the Redevelopment Authority's website at <http://www.phila.gov/pr>)

#### **2. Submission Deadline – April 4, 2014; 4:00 PM**

(Redevelopment Authority, 1234 Market Street, 16th Floor, Philadelphia, PA 19107)

#### **3. Developer Interviews (if deemed necessary) – Week of April 14, 2014**

(Redevelopment Authority, 1234 Market Street, 16th Floor, Philadelphia, PA 19107)

#### **4. Notification of Selected Developer Target Date – Week of May 5, 2014**



## VI. THRESHOLD REVIEW

PRA will initially review the proposals to determine compliance with the Proposal Submission Requirements. Only proposals that comply with these requirements will be considered for evaluation. If no proposal meets these requirements, the Authority may allow all developers to supplement their submissions to conform to these requirements.

## VII. EVALUATION OF PROPOSALS

Proposals selected pursuant to the Threshold Review will be evaluated by a Proposal Review Team using the evaluation factors listed below. Proposals will be evaluated in their entirety – i.e., no one factor, but rather a combination of all of the following factors will determine the successful developer. Final selection is subject to approval by the PRA Board of Directors and Philadelphia City Council.

Following are the evaluation factors:

### 1. Financial Capability

- Financing Plan: We strongly encourage Letters of Intent from any potential financing sources listed to fund proposed project as outline.
- Financial Stability: The ability of the developer to utilize his/her relationships with lending institutions to complete development in a timely manner will be strongly considered. **No PRA funds have been dedicated to this project.**
- Demonstration of Project Feasibility: Developer has to demonstrate the feasibility of the project in the sources and uses property application form and demonstrates ability to finance development.

### 2. Project

- Concept Design Quality: Preference will be given to projects that incorporate design elements described in Section V.
- Development Timeline: The project should be capable of completion within twenty-four months of settlement.

### 3. Developer Group

- Relevant Experience in Similar Environments: The development team's experience in developing in similar urban environments will be considered.
- History of Team Partnership: The development team's experience in working together will be considered.
- Inclusion of Experience with MBE, WBE and DBE

## **VIII. FUNDING AND DEVELOPMENT SUPPORT**

No funding is available from the PRA. The City provides a 10 year abatement of real estate taxes for all new construction (including residential projects) and substantial renovation projects, and comprehensive assistance through the development permitting and approvals process.

## **IX. RESERVATION OF RIGHTS**

The information in this RFP is provided for background purposes only. While every effort has been made to ensure the accuracy of the information contained in this RFP, it is not, and shall not be construed to be or constitute, a representation, warranty or guaranty by PRA regarding the content, completeness, or accuracy of such information, or the qualifications or expertise of the individual(s) or firm(s) providing or preparing such information. Each developer shall rely solely on its own inspection, investigation, confirmation and analysis of (I) the Property, (II) the information contained in or delivered pursuant to this RFP and (III) any other information that such developer deems necessary or prudent in evaluating and analyzing the proposed purchase and development of the Property.

The RFP is not a legally binding document, but an invitation to submit proposals on the terms and conditions described in this RFP. PRA shall not be under any obligation to a developer unless and until the PRA board of directors and City Council approve the Developer and the proposed development and PRA and the Developer enter into a legally binding Redevelopment Agreement. In no event shall PRA be responsible for any costs, expenses and fees incurred by or on behalf of any developer in connection with this RFP. Each developer shall be solely responsible for all such costs, expenses and fees.

PRA reserves the right to modify the schedule and scope of this solicitation process and to reject, or not consider, all or part of any proposal submitted in response to this RFP for any reason whatsoever at any time prior to the full execution of a Redevelopment Agreement. Further, after its review of proposals, PRA reserves the right to request additional or clarifying information from any or all of the developers. PRA is currently the legal title holder of the Property, and intends to convey the Property requested by the Developer pursuant to a Redevelopment Agreement within a timeframe specified by PRA. Payment of prevailing wages for construction may be required.

PRA makes no warranty as to the environmental condition of the Property. Any necessary environmental remediation will be the sole responsibility of the Developer and should be included in the Development Pro Forma (Exhibit D).

PRA makes no warranties as to the location, capacity, and condition of utility services to the Property. Any replacements, repairs, modifications, or upgrades to existing utility services or installation of new equipment or facilities (both on and off the Property) will be the sole responsibility of the Developer.

PRA reserves and may exercise any of the following rights and options with respect to this selection process:

- to request one or more of the developers to provide additional material, clarification, confirmation or modification of any information in the submission;
- to supplement, amend, substitute or otherwise modify this RFP any time prior to selection of one or more developers for negotiation, and to cancel this RFP with or without issuing another RFP;
- to request that one or more of the developers supplement proposals based on the review of all proposals;
- to negotiate with one or more of the developers concerning any aspect of the proposal, including price;
- to terminate any negotiations at any time;
- to accept or reject at any time prior to the execution of the Redevelopment Agreement, all submissions and/or to withdraw the RFP without notice;
- to expressly waive any defect or technicality in any proposal.

## **X. SELECTION OF DEVELOPER**

The disclosure statements and other documentation submitted to PRA are the most important sources of information upon which PRA may base its selection and approval of a developer. Accordingly, any substantive misstatement or omission in any such disclosure statement or documentation shall be sufficient for PRA to reject the proposal.

Upon completion of the review and evaluation, PRA will recommend a course of action to PRA board of directors. PRA shall make the final decision with respect to development proposals and shall notify all developers of the results and return Proposal Deposits to unsuccessful developers.

## **XI. REDEVELOPMENT AUTHORITY DISPOSITION PROCESS**

After PRA reviews the proposals and a developer's proposal is selected, the PRA Board, City Planning Commission and City Council approval must be obtained before PRA can execute the Redevelopment Agreement and construction can commence. Following is a general sequence of events in this approval process:

1. PRA review and approval of schematic architectural plans;
2. Execution of the Redevelopment Agreement by the Developer. At this time the Proposal Deposit is credited toward the deposit required under the Redevelopment Agreement;
3. Initiation of the Authority's Fine Arts Process. The Fine Arts Committee will direct selection of an artist, development of ideas and creation of a budget for the

- installation of an appropriate work of Fine Arts in accordance with the Fine Arts Policy and Procedures (Exhibit J);
4. PRA Board approval of the Redevelopment Agreement;
  5. City Planning Commission approval of the Redevelopment Agreement;
  6. City Council approval of the Redevelopment Agreement;
  7. Execution of the Redevelopment Agreement by PRA;
  8. Settlement;
  9. Pre-construction conference;
  10. Construction period;
  11. Review of the completed development by PRA to determine compliance with the Redevelopment Agreement. If the development is found to be in compliance with the Redevelopment Agreement, PRA issues a Certificate of Completion and the security completion deposit is returned.

The Developer shall be responsible for securing and paying all costs associated with all permits, licenses, approvals, lot line relocation, or variances necessary to comply with the development controls, City code, and the approved architectural plans.

## **XII. EVENTS OF DISQUALIFICATION OR DEFAULT**

### **A. EVENTS OF DISQUALIFICATION OR DEFAULT**

Subsequent to the selection of a developer by the Authority, and before execution of a Redevelopment Agreement by PRA, the Authority may treat any of the following as an event of disqualification or default:

1. Unilateral withdrawal by the selected developer;
2. Failure to proceed substantially in accordance with the proposal as submitted;
3. Failure by the Developer for any reason whatsoever to timely execute the Redevelopment Agreement when tendered;
4. Material misrepresentation, omission, or inaccuracy contained in any document submitted either as part of the Request for Proposals, or subsequent thereto. For the purposes of this section, PRA places particular importance on the information required by the Developer's Statement of Qualifications and Financial Responsibility and the Developer's Statement for Public Disclosure;
5. Failure to provide in a timely manner the additional material required after selection throughout the PRA disposition process, as described in Section XII of this proposal;

### **B. REMEDIES**

Upon the happening of an event of disqualification or default by the Developer, PRA shall have the right, at its election, to:

1. Rescind its selection of the Developer; or
2. Declare null and void a Redevelopment Agreement that may already have been executed; and/or
3. Retain the Proposal Deposit as liquidated damages.

### **XIII. ABOUT PRA**

The Philadelphia Redevelopment Authority (PRA) was created under State legislation in 1945 and incorporated as an urban renewal agency in the same year. Its purpose is to remove physical blight in designated areas and to promote the public's health, safety, and welfare by recycling blighted land into planned and compatible reuses. To achieve its purpose, the Authority is endowed with broad powers, including the ability to issue bonds and the right of eminent domain.

Governed by a five-member Board of Directors appointed by the Mayor, the Authority is principally engaged in the following activities:

- The Authority acquires privately owned property designated as blighted and prepares and assembles the land for resale to public, private, and non-profit redevelopers. After resale, the land is redeveloped through new construction or rehabilitations in accordance with the provisions of applicable urban renewal plans.
- The Authority, in partnership with the Office of Housing and Community Development, and with funding provided by various Federal, City and State agencies, provides developer financing in support of multi and single family residential developments.
- The Authority is an authorized issuer of revenue bonds in support of economic development initiatives throughout the City. Current issuance is tied to funding the city-wide Philadelphia Home Improvement Loan (PHIL) program that offers homeowners an option to finance home improvements at a low rate and the City's Neighborhood Transformation Initiative (NTI) funding land acquisitions.

As the public agency charged with the redevelopment of the City, PRA partners with key City agencies to provide the foundations that enable private investors to revitalize neighborhoods. Redevelopment activities produce more than just units of housing or developed acreage. They produce social and economic benefits for the city, with the goal of creating a better quality of life in Philadelphia's neighborhoods by upgrading the local economy through employment, creating income-earning opportunities, and the arts.

### **XIV. LIST OF EXHIBITS**

- A - Legal Description and Plot Plan
- B - Haddington 2-3 Urban Renewal Plan
- C - Property Application Form
- D - City of Philadelphia Economic Opportunity Plan
- E - Certificate of Non-Indebtedness
- F - Campaign Disclosure Forms
- G - Conflict of Interest Form
- H - Fine Arts Program: Policies & Procedure
- I - "NEW WEST": Plan for the Transit Oriented Development at 59<sup>th</sup> and Market