

Town of Queen Creek, ARIZONA



REQUEST FOR PROPOSALS

FOR THE SALE AND DEVELOPMENT OF TOWN OWNED LAND IN

DOWNTOWN CORE

7.91 ACRE SITE LOCATED ON ELLSWORTH ROAD



RFP N° - 19-025

Contact:

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Downtown Development Manager
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Issue Date:

May 9, 2019

Due Date and Time:

August 7, 2019, 3pm

Location:

Municipal Services Building
22358 S. Ellsworth Road
Queen Creek, AZ 85142





Proposals will not be accepted after the due date and time.

RFP Nº - 19-025

www.queencreek.org/InvestDowntown

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1 INTENT



Offerors are asked to submit a written proposal based on the criteria listed below, subject to any addenda that the Town may release prior to close of the offering period. Proposals will be reviewed and scored by the Town's evaluation panel and will serve as the basis for the interview between the Offeror and the Town's evaluation panel.

The Town is seeking to understand the Offeror's intent and development proposal based off the Town's vision for the 7.91-acre site through a well-written narrative outlining how the Offeror intends to approach the development. In addition, Offerors shall submit a conceptual site plan showing anticipated land uses and densities. No additional design work of any kind, such as elevations, is needed at this stage of the process.

As the Town is seeking to balance the fulfillment of its vision for this property with an economic return, Offerors shall also submit a terms sheet that reflects their proposed terms for the acquisition of the property based on the proposal. The Town acknowledges that proposals will be speculative and based on Offeror's best and current understanding of the site, market and the Town's goals at the early stages of this process.

That said, the Town is seeking complete proposals that demonstrate the Offeror's experience and soundness of approach to planning, financing and developing the site.

INTRODUCTION

BACKGROUND 2

The Town of Queen Creek is a fast-growing community of approximately 52,000 residents, with strong demographics and access to a highly educated workforce.

The Town of Queen Creek's pro-business political climate is exemplified in the community's commitment to investing in the future and the understanding that public investment must occur to ensure that an environment for quality private investment exists.

The Town is averaging 95 new single-family home permits per month for the current fiscal year, and the average household size is 3.48. Exceeding nearly every city in Maricopa County, the Town's median household income is \$93,824, and is projected to be more than \$100,000 by 2021. Queen Creek residents are highly educated, with nearly 40% of residents over 25-years old holding a Bachelor's degree or higher.

Downtown Queen Creek is symbolic and located in the heart of the community. In recent years, the Downtown area has enjoyed significant growth with the development of several new projects including the Town's first craft brewery, Old Ellsworth Brewing Company. Downtown Queen Creek's vision is to create a vibrant and active district that complements the culture and heritage of the community and provides a range of venues that celebrate all that is unique and special in Queen Creek.

This strategy includes pedestrian-friendly developments with the creation of shaded and engaging pedestrian walkways, architecture and character unique to Queen Creek. With the recent update of the Town Center Plan, future developments should implement strategically placed parking, and uses that will support a vibrant and growing community. The Town continues to invest in the future and has a number of important projects underway in this core area.

3 SITE



Assessor's Parcel Number 304-67-009N, land area is approximately 4.34 acres. Assessor's Parcel Number 304-67-056D, approximately 3.56 acres and includes a 2,050 sq. ft. building. There is privately owned vacant land surrounding the site. If desired, offerors could work with these private land owners for additional development opportunities.

This property, located in the redevelopment area, is adjacent to the Municipal Center complex.

The location is desirable, strategic to the development of the Downtown Core, has access on both Ellsworth and Ellsworth Loop Road, and will provide the Town with future development opportunities appropriate for the location.

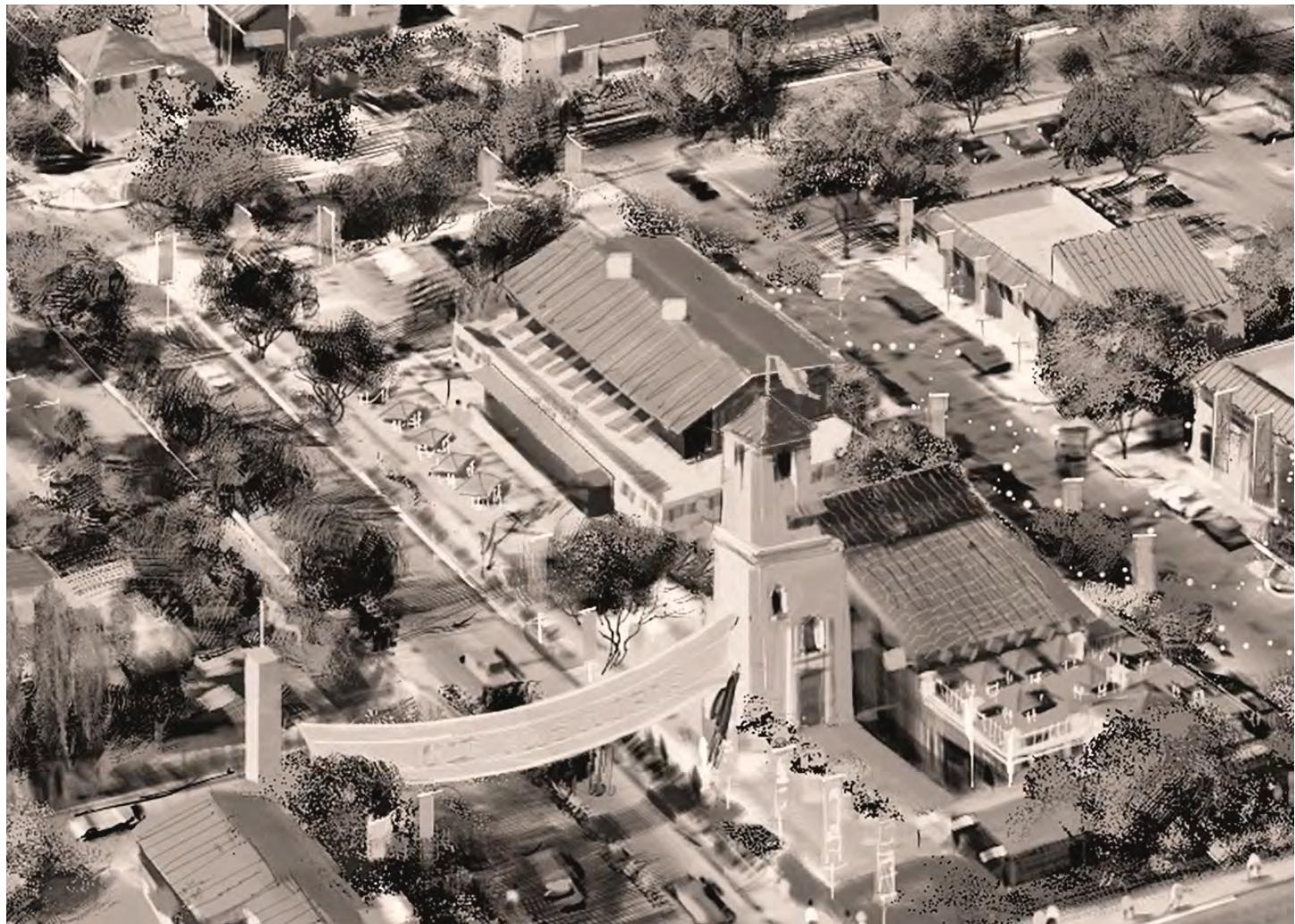


SCOPE OF WORK 4

It is the Town's desire that the developer will focus on how they will incorporate the urban design, architectural criteria, and principles listed below into their proposal. Development of the site must address the goals and objectives outlined in the Town Center Plan Update, and the recently adopted Design Guidelines.

Using the recently updated Town Center Plan and related Design Guidelines, the Town would like to see designs that engage with surrounding streets, especially Ellsworth Road.

Verticality is greatly desired. Please note that other uses in addition to these minimums may be proposed, but not at the exclusion of these elements.



5 KEY CONSIDERATIONS



The following are the key considerations that the Town strongly recommends incorporating in the proposal.

- The proposal and development should address the vision outlined in the recent Town Center Update Plan.
- The proposal and development should address the recently updated Downtown Core Design Guidelines.
- The development should include a mix of pedestrian-friendly specialty uses and development that includes shade, engaging pedestrian walkways and architecture unique to Queen Creek.
- A portion of the site currently houses a collaborative workspace, special events that are unique to the Downtown area, and a shared paved parking lot. Proposals and developments that can incorporate these uses (in a form appropriate to this development) will be strongly considered.
- There are limited planned east/west connector roads that can provide linkage from Ellsworth Loop to Ellsworth Road. A north/south street should connect the property at the Aldecoa intersection for exit out to Ellsworth Loop.
- Open space within the development should be strategically located to help create adjacent value, vibrancy and success.
- Street front facades should be set close to the sidewalk (along Ellsworth Road) and include a variety of scale, mass, color and design.
- The Town would like to see designs that engage with surrounding developments and parcels.

ASSUMPTIONS TO USE FOR PROPOSAL 6

A. Existing Zoning:

The property will remain under its current Downtown Core zoning category. All entitlement and permitting will be completed in accordance with the Town's codes and standards. No additional General Plan amendment is needed to accommodate the anticipated project.

B. Town Center Plan Update & Downtown Core Design Guidelines:

The Town would like to see designs that engage with surrounding streets, especially Ellsworth Road. To view the plan and Design Guidelines, download at: <https://www.queencreek.org/about-us/town-future/town-center-plan>.

C. Utilities:

Offerors are to assume all standard utilities (water, sewer, electric, gas and telecom) are present adjacent to or in the vicinity of the site.

D. Property Disposition:

Offerors may recommend a phased development approach and sale of the property. Sale of the property will be contingent upon Town Council approval of (1) a proposal, and (2) a development and disposition agreement, including a purchase agreement. The evaluation panel may choose to recommend any number of proposals to the Town Council. Approval of a selected proposal by Town Council will initiate an approximately 90-day agreement negotiation/due diligence period. If negotiations are successful, the Town Council may consider the negotiated development and disposition agreement, including purchase agreement. If the Town Council approves a development and disposition agreement, including purchase agreement, Offeror will be expected to execute such development and disposition agreement and purchase agreement in the form and substance approved by the Town, and in accordance with the schedule.

E. On-Site Infrastructure:

The design of several Town Center Infrastructure projects, including underground retention and two roadways are currently in progress. The developer will be required to participate in the costs for infrastructure as it relates to this site.

F. The site is zoned Downtown Core Zoning:

This zoning district is to provide concentrated downtown retail, service, office and mixed uses. The parcel size allows the site plan, design and building permits to be approved administratively by Town staff.

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SELECTION PROCESS



In considering a submittal each team should review the zoning category and the design guidelines. The Town will conduct a review process to identify the submittal that, in Queen Creek's sole discretion, best meet the Town's objectives and needs. The process will begin with a review of all submitted responses to this Request for Proposals, resulting in a short-list of respondents deemed by the Town to be the most qualified, experienced and financially capable. A review of all responses and materials may be conducted by a panel of Queen Creek employees and volunteers who may also be assisted by outside consultants or advisors. The process could involve an interview between Town representatives, Town Council member(s), and one or more of the top-ranked teams who will present their proposal. Upon selection of a team, there will be an exclusive negotiation period.

The Town may request additional information from the selected firm at any time during the selection process.

Step 1: Screening Criteria and Proposal

Proposals must be sufficiently detailed and descriptive to allow the Town to assess the viability of the proposal. The Town will be best able to consider proposals that include, but are not limited to, the items described below. The qualifications, capabilities, and experience of the assembled project team, quality of the development program and process consistent with the objectives of the Town, and proposed financial terms will be important considerations. The selection process will also reflect the consideration of both economic and non-economic factors. The evaluation team will use the point system located in the evaluation criteria below.

Step 2: Interview

Upon review and ranking of the responses, the Town may select, at its sole discretion, one or more respondents deemed most qualified to undertake the development of the Site and best serve the needs of Queen Creek and the Town Center, and invite them to make a formal presentation to a panel of Queen Creek representatives and one or more Town Council members. It is the Town's expectation that the participants in the interview will include the representatives who are expected to function in the more significant management/leadership roles of the proposed teams for the first five years of the project development.

Prior to the Interview the Town may solicit additional information and/or materials from short listed respondents for inclusion in the presentation and interview.

Step 3: Selection

Following the interview, Queen Creek may, at its sole discretion, continue discussions and enter negotiations with a prospective development team on the Site. It is the intent of the Town to offer the selected team a ninety (90) day exclusive negotiation period.

The Town and the Developer must enter into a purchase and sale agreement satisfactory to the Town within ninety (90) days from date in which award is granted or this offering may be withdrawn, in the sole discretion of the Town. If the Town and the Developer fail to reach agreement within the ninety (90) day negotiation period, the Town shall have the exclusive right to extend the time frame, cancel further negotiations, or begin negotiations with other proposers.

In the event that there is an impasse in the negotiations, the Town reserves the right, in its sole discretion, to commence negotiations with the next most qualified team or reject all proposals. The Town reserves the right to reject any and all submittals for any reason, and to act in the best interest of Queen Creek. Each respondent will be notified as to the status of their response as the Town moves through the selection process.

The purchase and sale agreement entered into between the Town and the Developer shall spell out the terms and conditions of transaction.

8 EVALUATION CRITERIA



A. Executive Summary (10 points)

Identify the full company name, mailing address, telephone number, and email address for the person (preferably the designated project manager) who will serve as the firm's primary contact person for the proposal, and provide company organization information. Provide a brief introduction of the company.

B. Intent and Vision Narrative (60 points)

Provide a Narrative Statement of intent and development proposal based off of the Town Center Plan and vision for the 7.91-acre site addressing the following:

- a. Expected mix of land uses and end-users.
- b. Any anticipated partnerships or end-uses whom Offeror may intend to include in the development.
- c. Expected square feet of development (including FAR).
- d. How the proposed plan supports the Town Center Plan and Downtown Core Design Guidelines.
- e. Project phasing of:
 - i. Infrastructure
 - ii. Vertical development
 - iii. Horizontal development
- f. How the site would be positioned in the market and Offeror's strategy for selection of tenants.
- g. A construction mitigation plan that identifies potential challenges that neighboring businesses and residents may experience during the development and operating periods.
- h. Conceptual Site Plan showing anticipated land uses and densities

C. Finance Plan (30 points)

How does Offeror propose to fund the project? Include the following:

- a. Proposed type of funding source(s). Offeror shall propose a clear strategy to fund all proposed development costs.
- b. Sources of and costs of debt and equity, including specific details on all anticipated funding sources as well as the types and amounts of equity, financing, grants and other funding sources for the proposed development.

D. Proposed Term Sheet (60 points)

- a. Proposed Term Sheet that addresses each of the following items:
 - Purchase price, including breakdown of purchase price by phase if phasing is proposed.
 - Phasing/Takedown Schedule (if/as applicable).

- Proposed earnest money, including amount(s) and schedule for deposit, and proposed timing of non-refundable status.
- Closing date(s).
 - i. Proposed terms for potential extension of closing dates, including amounts of additional earnest money to be deposited and additional consideration to be paid for extension of closing date(s).
 - ii. Offeror's agreement to pay all escrow fees and costs, recording fees, title insurance costs, and due diligence costs, including costs of survey(s) and environmental assessment(s).
 - iii. Offeror's acknowledgement that it shall acquire the real property "as-is, where-is", with all defects and liabilities, latent or apparent, subject only to reasonable representations and warranties of the Town. If Offeror requires any specific representations and warranties from the Town, Offeror shall specify and provide the proposed verbiage of all such representations and warranties.
 - iv. Offeror's acknowledgement that it shall be solely responsible for the fees and costs of any broker employed by Offeror, and that the Town shall not pay any brokerage fees or costs. Offeror's acknowledgement that it shall provide a customary agreement to indemnify, defend, and hold harmless the Town and its officers, officials, agents, and employees from claims arising from the actions or negligence of Offeror or any of its owners, officers, directors, agents, employees or subcontractors, and provide customary insurance coverage in support of the same.

E. Proposed Timeline (20 points)

Provide a comprehensive schedule of the major planning and development milestones from the initial five years following Offeror's purchase of the property, including site acquisition, planning and design, entitlements, plan review, permits, construction, occupancy and/or lease-up. Development should be completed within the shortest time frame possible with as little adverse impact as possible to residents and nearby businesses during the construction stage(s) of the development.

F. Additional Questions (20 points)

Do not incorporate answer into previous narratives – repeat as necessary.

- a. Given that this project could take several years to fully develop, how is your team structured and prepared to take on a project of this duration?
- b. How does Offeror propose to address the key considerations section?
- c. Please submit a list of development team who are not in-house that you anticipate working with on this project (architects, engineers, contractors, attorneys, etc.).
- d. How does the Offeror expect to generate revenue on development of the site?
- e. How would Offeror propose to address maintenance and programming of public open and event spaces within the project?
- f. Please provide a list of recent projects, the budget of the project and time for completion of the project.

9 SCHEDULE



RFP No - 19-025

Issue RFP: May 9, 2019

Pre-Proposal Meeting: June 11th, 9am-10am

Deadline for Inquires: June 17th, COB

Deadline for Responses to Inquiries: June 24th, COB

Due Date & Time: August 7, 2019, 3pm

Interviews: August 19-23, 2019

INSTRUCTION TO PROPOSERS **10**

You must address and deliver your proposal to Jennifer Lindley on or before the Due Date and Time. The Economic Development Department is located at 22358 S. Ellsworth Road, Queen Creek, AZ 85142.

Proposals should be in a sealed envelope marked:

Name of Proposer
Title of Proposal
Date and Time Proposal is due

Definitions:

(these definitions are referring to the Design Guidelines)

Link to TOWN CENTER PLAN UPDATE:

www.queencreek.org/about-us/town-future/town-center-plan

Link to DESIGN QUIDEELINES:

www.queencreek.org/home/showdocument?id=28783

May:

Indicates something that is not mandatory but permissible/ desirable.

Shall, Must, Will:

Indicates mandatory requirement. Failure to meet these mandatory requirements will result in rejection of your proposal as non-responsive.

Should:

Indicates something that is recommended but not mandatory. If the proposer fails to provide recommended information, the Town may, at its sole option, ask the proposer to provide the information or evaluate the proposal without the information.

Specialty Uses:

A brand, product, restaurant or business that is marketed (distributed and promoted) in a relatively small and restricted geographical area. Uses could include mid to upscale restaurants, local food products, area bakeries, meat markets, seafood markets, fruit and vegetable markets, and wines which all add to the local dining and shopping experience. Overall, uses focus on walkability, connectivity, and engagement of social and civic life.



The Arizona Public Records Act limits the Town's ability to withhold qualification and bid data. **If a submittal contains any trade secrets or confidential financial information that a developer does not want disclosed to the public or used by the Town for any purpose other than evaluation of the developer's eligibility, each sheet of such information must be marked with the designation "Confidential."**

The Town agrees that if a "Public Records Act" request is made for disclosure of data so classified, it will notify the submitter of such request so that the submitter will have an opportunity to legally challenge the Town's obligation to disclose such information. The Town has no further responsibility with respect to such requests, and a submission of a proposal constitutes the proposer's acknowledgment of the foregoing.

- 1.** No telephone, electronic or facsimile proposals will be considered. Proposals received after the Due Date and Time will be returned to the proposer unopened.
- 2.** One (1) original proposal, three (3) copies and one (1) PDF file on a USB flash drive of the proposal shall be submitted. Proposals shall be submitted to Jennifer Lindley, 22358 S. Ellsworth Road, Queen Creek, AZ 85142 (on or before the Due Date and Time). Please note that these materials will not be returned.
- 3.** You may withdraw your proposal at any time prior to the Due Date and Time.
- 4.** If you are submitting any financial information you consider to be proprietary, you must place it in a separate envelope and mark it "Proprietary Information".
- 5.** Proposals must include all criteria for selection to be considered complete. Any proposal that does not meet this requirement may be considered non-responsive. An individual authorized to extend a formal proposal must sign all proposals. Proposals that are not signed may be rejected.
- 6.** The Town reserves the right to reject any or all proposals or any part thereof, or to accept any proposal, or any part thereof, or to withhold the award and to waive or decline to waive irregularities in any proposal when it determines that it is in its best interest to do so.
- 7.** Any person, firm, corporation or association submitting a proposal shall be deemed to have read and understood all the terms, conditions and requirements in the specifications/scope of work.
- 8.** All responses and accompanying documentation will become the property of the Town at the time the proposals are opened.
- 9.** If you have informal questions about the request for proposal process, please contact:
Jennifer Lindley at jennifer.lindley@queencreek.org
- 10.** The Town shall not reimburse any proposer the cost of responding to a Request for Proposal.
- 11.** Any questions and/or inquiries received after the stated Inquiries Due Date and Time may be answered at the sole discretion of the Town.



FORM OF PROPOSAL

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Proposers must include the following information in the order specified. If the proposer fails to provide any of the following information, the Town may, at its sole option, ask the proposer to provide the missing information, evaluate the proposal without the missing information or consider the proposal non-responsive.

Tab A.

Executive Summary

Tab B.

Intent and Vision Narrative

Tab C.

Financial Plan

Tab D.

Proposed Term Sheet

Tab E.

Time Frame

Tab F.

Additional Questions

FOR THE SALE AND DEVELOPMENT OF TOWN OWNED LAND IN:



RFP № - 19-025

