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Request for Proposals

Solicitation Name and Number	Redevelopment of Property on Gay Street C20001
Responses Must Arrive No Later Than (As KCDC's Procurement Office clocks indicate)	11:00 a.m. (KCDC time) on 01-10-20
Deliver Responses to:	Knoxville's Community Development Corporation Procurement Division 901 N. Broadway Knoxville, TN 37917  Procurement is behind the main office building.
Electronic Copies	Proposers <i>must use</i> the MS Word version of this document to provide a typed response. This is available on KCDC's webpage.
Responses may be Emailed to KCDC	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Printed Responses Required	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Solicitation Meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Solicitation Meeting is Mandatory	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Applicable
Solicitation Meeting Date and Time	October 15, 2019 at 1:30 p.m.
Solicitation Meeting Location	KCDC's Board Room at 901 N. Broadway in Knoxville Come to the lobby and go up the stairs or ask the receptionist for access to the elevator.
Solicitation Meeting via Telephone	Email purchasinginfo@kcdc.org to make the arrangements.
Questions About This Solicitation	Submit questions to purchasinginfo@kcdc.org at least 5 days before the due date for this solicitation. KCDC will not accept questions via telephone.
Award Results	KCDC posts a summary of the proposals received and the preliminary awardee to its web page at: http://www.kcdc.org/procurement/
Open Records/Public Access to Documents	All documents provided to KCDC are subject to the Tennessee Open Meetings Act (TCA 8-44-101) and open records requirements after preliminary award.
<i>Check KCDC's webpage for addenda and changes before submitting your response</i>	



General Information

1. Background

- a. Knoxville's Community Development Corporation (KCDC) is an independent governmental entity serving as the public housing and redevelopment agency for the City of Knoxville and for Knox County in Tennessee. KCDC's affordable housing property portfolio includes 20 sites with approximately 3,525 dwelling units. KCDC also oversees approximately 3,958 Section 8 Vouchers, 82 Moderate Rehabilitation units and 20 Redevelopment areas.
- b. KCDC is soliciting proposals from qualified proposers to purchase and develop six parcels on Gay Street between W. Vine Avenue and W. Summit Hill Drive. Since only one of those properties has an address, they are all collectively referred to as "203 S. Gay Street." Henceforth, this document refers to all of these parcels as the "Property."
- c. The Property is identified with a red boundary on this map:



- d. KCDC has posted the ALTA survey to its webpage.
Redevelopment of Property on Gay Street C20001

e. The Property is further identified by Tax ID and Ward Map data:

Address	Tax ID	Ward Map	Approximate Square Footage
203 S. Gay Street	094LD005	Part Lot 20	1,061.1
0 S. Gay Street	094LD006	Part Lot 20	1,175.0
0 S. Gay Street	094LD007	Part Lot 20	8,000.0
0 S. Gay Street	094LD008	Lot 6	2,643.5
0 S. Gay Street	094LD009	Lot 5	7,255.5
0 S. Gay Street	094LD0010	Lot 9	6,750.0
			26,885.0 Total Square Feet
			0.62 Total Acres

f. The Property is currently zoned as C-2/D-1 (Central Business District/Downtown Design Overlay District). However, the proposed new zoning for the Property is DK-G under the ReCode initiative (www.recodeknoxville.com). This zone is intended to accommodate the traditional 300 foot grid pattern established in the Plan of the City of Knoxville. It is recognized that this central area is likely to be the most intensely developed portion of the downtown, and the standards are therefore designed to ensure that future development maintains the pedestrian orientation and mixed-use environment characteristics of the traditional grid.

g. The Property is in an “Opportunity Zone.”

h. The proposed reutilization of the Property will be an evaluation factor. A primary goal of this RFP is to strengthen the pedestrian linkage between the 300 and 100 blocks of Gay Street. All proposals should highlight how the proposed design and use will activate the street frontage along Gay Street and Summit Hill Drive, improving linkages between Downtown and the Old City. Acceptable uses could include but are not limited to the following:

- Ancillary parking below primary uses
- Hotel
- Live/Work Mixed Use
- Office or Retail
- Residential – Above Street Level
- Street Level Retail or Other Active Uses

i. Proposers must meet the following minimum requirements for their proposals to be considered:

- Urban, mixed-use/commercial development experience
- Demonstrated financial capacity to secure debt and equity necessary for the proposed project
- Provision of a conceptual sketch with the proposal

- j. Proposers should rely on the interdisciplinary expertise of such professionals as developers, urban planners/designers, architects, engineers, real estate finance experts, development strategists, et cetera. The proposer may either provide these disciplines in his/her firm, or through joint ventures or agreements with other firms.
- k. KCDC has posted a “Commitment for Title Insurance,” from the Tennessee Valley Title Insurance Company (dated April 10, 2019) to its webpage.

2. **Changes After Preliminary Award**

It is possible that after the preliminary award KCDC will need to revise the service needs or requirements specified in this document. KCDC reserves the right to make such changes after consultation with the proposer. If additional costs arise, KCDC reserves the right to accept and negotiate these charges.

3. **Contact Policy**

Only contact KCDC’s Procurement Division about this solicitation from the issuance of this RFP until the preliminary award. Information obtained from an unauthorized officer, agent, or employee will not affect the risks or obligations assumed by the proposer or relieve the proposer from fulfilling any of the conditions of the resulting award for the purpose of this project. Such contact can disqualify the proposer from the solicitation process.

4. **Contract Negotiations**

KCDC may select a preliminary awardee on the basis of initial offers received. KCDC may request additional information from a proposer to assist with the preliminary evaluation and ranking. After initial ranking is complete, KCDC will enter into contract negotiations, beginning with the highest-rated proposer KCDC may negotiate with multiple proposers simultaneously. The negotiation process will continue until a contract has been executed or all proposals have been rejected. Proposers do not have any rights against KCDC arising from such negotiations.

5. **Design Considerations**

All development must adhere to the City of Knoxville’s zoning, building and design standards. These design guidelines support community objectives by promoting a quality design in new construction and development.

6. **Environmental/Site Conditions**

The following documents are available on KCDC’s website (www.kcdc.org).

- a. A Phase I Environmental Site Assessment, dated April 2019, was conducted by Strata Environmental Services, Inc. This assessment revealed no evidence of RECs, CRECs or HRECs.
- b. A Report of Preliminary Geotechnical Exploration, dated May 20, 2019, was conducted by GEOServices, LLC.

7. **Evaluation**

KCDC alone determines the proposer’s “responsive” and “responsible” status prior to preliminary award. Responsible means a business with the financial and technical capacity to perform the requirements of the solicitation and subsequent contract. A responsive proposal is one that fully conforms in all material respects to the solicitation document and all of its requirements, including all form and substance.

- a. KCDC will evaluate responses with a weighted evaluation system. The categories and points assigned for each category are:

FACTORS	MAXIMUM POINTS
<p>Experience and Expertise (See Solicitation Document C for details) Identify the legal structure of the proposer or entity. List any successful projects of similar size and scope to what is being proposed. Identify members of the development team including owners, managers, principals, architects, engineers, and others and the role they will play in the development.</p>	20
<p>Project Description and Timeline (See Solicitation Document D for details) Provide a detailed description of the proposed project. Attach any architectural renderings, drawings, or sketches of the proposed development. Describe the status of obtaining architectural renderings, drawings, or sketches if none are available. Include as much detail as possible.</p>	20
<p>Financial Strength (See Solicitation Document E for details) Discuss project financing. Include a detailed Development Budget and an Operating Proforma (reflective of 10 years). Include commitment letters or letters of intent from all debt and equity sources identified in the development budget.</p>	20
<p>Public Benefit (See Solicitation Document F for details) Describe strategy for activation of Gay St and Summit Hill. Discuss other benefits to the public including items such as affordable housing, commercial operations, taxes generated, jobs created, public amenities provided, et cetera.</p>	20
<p>Terms of Sale (See Solicitation Document G for details) Provide information about the financial arrangement such as:</p> <ul style="list-style-type: none"> • Acquisition Price • Acquisition Closing Date and Financing • Construction Closing Date • Other Relevant Details 	20
Total Points Possible	100

- b. Discussions and/or presentations may be conducted with responsible proposers to assure full understanding of and conformance to the requirements contained herein.
- c. KCDC reserves the right to reject any and all proposals.

8. **General Proposal Guidelines**

- a. The Summit Hill, Jackson Avenue and Vine Street Redevelopment Plans impact this site. They recognize that the Summit Hill/Gay Street area is unique, and that new development should focus on mixed-use. Consistent with the plan, proposals should focus on commercial and retail businesses to be located on the first floor of the building. The upper floors may be used for professional office space, residential, hotel, or other uses that complement the general area.
- b. Proposals are to address the preservation of the architectural appearance and historical character of the area as conceived in the redevelopment plans for this area.
- c. Proposals should be as specific to the use, tenants, timeline, and budget as possible. General statements without specific information will be considered as non-responsive.
- d. Upon notice of preliminary award, the selected proposer must provide KCDC a Cashier's Check or a Certified Check, payable to KCDC, for 10% of the stated purchase price, or \$100,000, whichever is greater. If the proposer completes the acquisition, the deposit will be counted toward the acquisition price at closing. Should the successful proposer fail to notify KCDC of failure to complete the purchase according to the terms stated herein, KCDC will retain all or a portion of the deposit as detailed in this schedule:

Milestone	Deposit Returned
Within 180 days of Notice of Preliminary Award	100%
181-270 days after Notice of Preliminary Award	50 %
More than 270 days after Notice of Preliminary Award	0 %

9. **General Instructions**

KCDC does not insert “General Instructions to Suppliers” in solicitation documents. These instructions are at www.kcdc.org. Click on “Procurement” and the link to the instructions. The submission of a proposal means acceptance of the terms and conditions set forth in KCDC’s “General Instructions to Suppliers.”

For this solicitation:

- 1. Any reference to “supplier” refers to “proposer.”
- 2. The following paragraphs in the “General Instructions” document **do not** apply to this solicitation: 4, 11, 13, 15, 16, 18, 23, 32, 41, 43, 47, 48, 50, 51, 54, 55, 56, 61, 62, 63, 64, 65, 67, 68.

10. **Insurance**

The preliminary awardee agrees to maintain at its sole expense insurance coverages and limits in accordance with the proposer's standard business practices and acceptable to KCDC covering any due diligence activities (and in accordance with the development agreement after execution). Proposer shall provide KCDC with Certificates of Insurance evidencing such insurance prior to due diligence and contract execution.

11. **Legal Information**

- a. Proposers shall inspect the Property and the title to the Property. If the proposer is selected and elects to proceed after exercising its due diligence, it shall acquire or take possession of the parcels in "As-Is" Condition, unless otherwise agreed to by KCDC in its discretion, in a Development Agreement.
- b. The sale of the Property in no way guarantees or warrants grading permits, building permits, zoning variances or financial viability. KCDC reserves the right to refuse to sell the Property until the proposer is able to obtain all necessary financing and permits.
- c. Proposer acknowledges by submitting information and proposals that KCDC does not undertake any obligations, and shall have no liability with respect to the development program, this RFP, and responses thereto, nor with respect to any matters related to any submission by proposer.
- d. The proposer, for itself and its employees, contractors and primary subcontractors, agrees not to discriminate against or segregate any person or group of persons on any unlawful basis in the construction, sale, transfer, use, occupancy, tenure or enjoyment of the Property or any improvements erected or to be erected thereon, or any part thereof.
- e. Within 30 days of selection, KCDC will provide the highest ranked proposer with a Notice of Preliminary Award Letter, Development Agreement and a purchase and sale agreement. The agreement will include the following terms:
 - i. The Property is being sold in an As-Is Where-Is condition with no representations and warranties.
 - ii. Preconditions to closing will include completion of architectural drawings in at least the design development stage; a development budget and corresponding firm commitments from debt and equity providers; and approval of all entitlements, infrastructure, and public incentives required to close on construction. This may include approvals by the City of Knoxville, Knox County, Knoxville-Knox County Planning, the Downtown Design Review Board, and the Knoxville Utilities Board. This information will be presented to and approved by KCDC's Board of Commissioners prior to closing.

- iii. A quit claim deed, which will contain a right of reversion clause that the proposer must initiate the physical development of the Property in accordance with the terms of its proposal within 1 year of the transfer of the deed, and the developer will be expected to complete development in a reasonable timeframe. If the proposer fails to develop the Property in accordance with the development proposal accepted by KCDC, KCDC may exercise its right of reversion.
- f. Proposer will pay any applicable real estate taxes and any transfer taxes associated with the Property following closing.
- g. Possession of the Property will be conveyed to the proposer at closing.
- h. Default.
 - i. In the event the proposer defaults, KCDC may retain the deposit money as liquidated damages, as the parties agree that the deposit is a reasonable settlement of KCDC's damages and is not a penalty.
 - ii. If KCDC defaults, proposer's remedy is limited to rescinding this agreement, in which case KCDC will cause to be paid to proposer the deposit. Proposer(s) specifically waive any claims for loss of bargain and specific performance or any other damages known or unknown.
- i. KCDC makes no representations as to whether the Property is in compliance with Zoning Ordinances.
- j. The proposer acknowledges that they inspected the Property and have done their due diligence before closing on the Property. The proposer is relying only on the his/her own inspection of the Property and is not relying on any oral or written statement concerning the physical condition of the Property except for written statements contained in this document. Said Property is vacant as of the purchase time.
- k. Additional provisions to be included in the deed:
 - i. Unless the proposer receives KCDC written consent, the proposer and their successors-in interest agree not to sell, subdivide, or partition the real estate until all conditions of the development agreement have been satisfied. If proposer or their successors-in-interest do sell, subdivide, or partition the real estate prior to its complete redevelopment, without KCDC's prior written consent, the real estate will revert to the KCDC, or its successor-in-interest.
 - ii. The proposer agrees that the closing agent will be the Tennessee Valley Title Insurance Company.
- l. The sale of this Property is contingent upon KCDC Board's approval.

m. While KCDC obtained a Phase I Environmental report, KCDC does not warrant that the Property is free of hazardous materials including but not limited to asbestos and lead-based material. Proposer is responsible for containment, removal and disposal of all such materials in compliance with federal and state law.

12. **Resulting Agreement**

The successful proposer will enter into a purchase and sale agreement and development agreement with KCDC, which shall incorporate such terms as KCDC deems appropriate and shall incorporate all material terms of the proposal. The resulting development agreement will be administered by KCDC's staff.

13. **Timeline**

This is KCDC's stated timeline, but circumstances may cause these dates to change.

Availability of Solicitation	09-27-19
Pre-Proposal Meeting	10-15-19
Proposal Due Date	1-10-20
Notice of Preliminary Award Approved by KCDC	2-27-20
Due Diligence Period	180 Days Post Preliminary Award Notice
Acquisition Closing Date	Within 270 days of Preliminary Award Notice
Construction Closing Date	Within 365 days of Land Acquisition

Proposal Submittal Instructions

- Place your company's name on each page and number all pages consecutively
- Submit 1 original, 5 printed copies and 1 electronic copy (email or flash drive) of your submittal
- Bind proposals simply (i.e. paper clips, staples and three ring binders)
- Proposers **do not provide a handwritten response.**
- Proposers must indicate all exceptions or partial exceptions taken
- Submit your information in the order indicated below

Document	Title	Provided by
Solicitation Document A	General Response Section	KCDC
Solicitation Document B	Affidavits	KCDC
Solicitation Document C	Experience & Expertise: Description of the Development Team	Proposer
Solicitation Document D	Project Description and Timeline	Proposer
Solicitation Document E	Financial Strength	Proposer
Solicitation Document F	Public Benefit	Proposer
Solicitation Document G	Terms of Sale	Proposer

THIS AND THE PREVIOUS PAGES DO NOT NEED TO BE RETURNED

Solicitation Document A General Response Section

General Information about the Proposer

Sign Your Name to the Right of the Arrow 

By signing, you indicate you read and agree to “KCDC’s General Instructions to Suppliers” on www.kcdc.org.

Printed Name and Title 


Company Name 

Street Address 

City/State/Zip 

Contact Person (Please Print Clearly) 

Telephone Number 

Proposer’s E-Mail Address (Please Print Clearly) 

Addenda

Addenda are at www.kcdc.org. Click on “Procurement” and then on “Open Solicitations” to find addenda. Please check for addenda prior to submitting a proposal.

Acknowledge addenda have been issued by checking below as appropriate:

None

Addendum 1

Addendum 2

Addendum 3

Addendum 4

Addendum 5

Conflict of Interest:

1. No commissioner or officer of KCDC or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for KCDC has a direct interest in the resulting award or the proposer's business.
2. No KCDC employee, officer or agent will participate in selection, or in the award or administration of an award if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the proposer selected for award.
3. KCDC's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from proposers, potential proposers, or parties to sub-agreements.
4. By submission of this form, the proposer is certifying that no conflicts of interest exist.

General:

5. Proposer fully understands the attached offer, all pertinent circumstances respecting such offer and the proposer attests that the offer is genuine and is not a sham offer.

Accuracy of Electronic Copies:

6. If the proposer provides electronic copies of the proposal to KCDC, the proposer certifies that the information provided on paper and in the electronic format is identical unless specifically noted otherwise.

Non-Collusion:

7. The proposal presented to KCDC is fair, proper and not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the proposer or any of its agents, representatives, owners, employees, or other parties to KCDC's disadvantage.

No Contact/No Advocacy Affidavit

8. After this solicitation is issued, any contact initiated by any proposer or proposer with any owner's representative concerning this proposal is strictly prohibited-except for communication with the Procurement Division. My signature signifies that no unauthorized contact occurred.
9. To ensure the integrity of the review and evaluation process, proposers nor any firm representing them, may not lobby or advocate to owner's staff or Board members. My signature signifies that no unauthorized advocacy occurred.

Non-Discrimination

10. KCDC does not discriminate on the grounds of race, color, creed, religion, sex, natural origin, age, sexual orientation or disability. Proposers concur with KCDC’s non-discrimination standard and extend it to any resulting award. Proposers will provide equal access to subcontractors (if needed) and award to them without respect to race, color, creed, religion, sex, natural origin, age, sexual orientation, or disability.

The undersigned hereby acknowledges receipt of these affidavits and certifies that the submittal in response to this solicitation is in full compliance with the listed requirements.

Signed by _____→	
Printed Name _____→	
Title _____→	
Subscribed and sworn to before me this date	
By (Notary Public) _____→	
My Commission Expires on _____→	
Notary Stamp	

Solicitation Document C Experience and Expertise: Description of the Proposer/Development Team

1. Provide a summary of the proposed project and project team.
2. Identify the legal structure of the proposer or entity.
3. Provide detailed information regarding at least 2 projects similar in size, scope, site context, and cost previously completed, and highlight the specific roles of the primary development team members in these projects.
4. Identify members of the development team including owners, managers, principals, architects, engineers, contractors, and others and what role they will play in the project. Provide a detailed explanation of experience for all members of the ownership/development team and key partners relating to development and construction of similar facilities and other business or work experience for a minimum of the last 6 years.
5. Include an organizational chart (if appropriate).
6. Provide 1-page individual resumes for key partners/members of the ownership/development team.
7. Furnish 3 business references that are not related to the proposer and are not involved in this project, with names, addresses, telephone numbers and current email addresses. References should have detailed knowledge of the proposer's experience with similar projects. KCDC may **not** be used as a reference.
8. Provide other information as desired.

1. Describe the proposed use and all plans for development/future use. Attach conceptual and other design documents for facilities that are proposed. Information should include, but not be limited to, the following:
 - Concept drawings/plans
 - Description of the Design Aesthetic and its relationship to the context of the site
 - Description of intended use(s) proposed
 - Tenants or types of potential tenants to occupy completed project
 - Listing of Requests for Variance or Special Approvals to Existing Zoning
 - Description of materials and construction methods to be used
 - Development Timeline from Site Acquisition to Construction Completion
 - Proposed schedule and calendar of activities
 - Phasing plans (if applicable)
 - Sources and methods of financing for construction

2. Provide other information as desired.

Solicitation Document E Financial Strength

1. Provide evidence of financial capability to close on the proposed transaction and complete the development plan as outlined in this proposal. Satisfactory proof could include the items listed below, as well as any other pertinent information.
2. Discuss how the project will be financed. Include projected sources and uses of funds, projected hard and soft costs and a project schedule.
3. Include recent market analysis supporting the proposed use(s) in the context of Downtown Knoxville.
4. Include a Development Budget and Operating Pro Forma (reflective of 10 years).
5. Provide commitment letters and/or letters of interest as evidence of financing for all sources included in the development budget. These letters will be evaluated based on the strength of the commitment and the specificity of the wording. Include all public incentives that will be requested as part of this development.
6. If some portion of the project will be personally financed, provide a letter from a financial institution indicating that sufficient funds to finance project costs are available in a personal or business account controlled by the developer.
7. By submitting a proposal, Proposer agrees that KCDC may contact Proposer's bank; inquire about Proposer's financial strength; and ask questions about specific funding commitments. Please provide the bank name and bank contact. Proposer agrees to facilitate communication with the Bank as needed during the evaluation process.

Solicitation Document F Public Benefit

Provide a narrative describing the benefit to the public of the proposed project, including any items such as affordable housing; commercial operations; taxes generated; jobs created; public amenities included; et cetera. Tell the story of how this project will benefit the immediate area around the site as well as the City. Specifically address how the proposed project will activate the pedestrian zones along Gay Street and Summit Hill Drive.

Solicitation Document G Terms of Sale

Provide the following information about the terms of site acquisition:

- Acquisition Price
- Site Acquisition Closing Date and Financing (Provide support for site acquisition costs)
- Construction Closing Date
- Other details