



Request for Proposals

1221-25 N. 4th Street

July 18, 2018

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Attachments:

- A. Fifth Survey District Plot Plan
- B. Lower North District Plan
- C. Property Application Form
- D. City of Philadelphia Economic Opportunity Plan
- E. Certificate of Non-Indebtedness
- F. Campaign Disclosure Forms
- G. Tax Clearance and Conflict of Interest Form
- H. Percent for Art Program: Policies and Procedure
- I. Scoring Sheet



1. Application Process

The Philadelphia Redevelopment Authority ("PRA") is pleased to issue this Request for Proposals ("RFP") for the purchase and rehabilitation of the publicly owned structure at 1221-25 N. 4th Street, Philadelphia, PA (the "Project Site"), which is currently owned by the Philadelphia Department of Public Property.

Submission Deadline

All applicants ("Applicants") must submit responses/proposals ("Proposals") no later than September 21, 2018, 3:00 PM; absolutely no Proposals will be accepted after that time.

Mandatory Prebid Meeting

A pre-bid meeting will be held at the Project Site at 10:00 A.M. on August 20, 2018. **This meeting is mandatory and all Applicants must attend this meeting.** The names and contact information for all attendees at the pre-bid meeting will be posted on PRA's website as public information within two (2) business days of the pre-bid meeting.

Questions and Request for Addition Information

All questions and requests for additional information should be directed in writing to RFP@pra.phila.gov with the address of the property in the subject line. Questions will only be accepted until August 22, 2018, at 5:00 P.M. Questions and/or requests for additional information and the PRA's responses will be posted on the PRA website.

Related Parties

An Applicant, whether an individual or business entity, may submit only one Proposal in response to this RFP. Individuals that are related to each other or business entities that are legally related to each other or to a common entity may not submit separate Proposals. The PRA, in its sole and absolute discretion, retains the right to reject any Proposal where:

1. Applicants or principals of Applicants are substantially similar or substantially related parties; or
2. The PRA has determined that the Applicant has violated these conditions or the spirit of these conditions.

Submission Process

Proposal submission will be accepted in either of the following:

1. Online Submission – via PRA's website (<http://www.philadelphiaredevelopmentauthority.org/>); or
2. Hard Copy Submission – Submit 3 original copies of the Proposal and one electronic copy on a USB Flash Drive to the PRA via hand delivery or registered mail. Files on the USB Flash Drive may only be in Microsoft Word or Adobe PDF. Applicants may hand deliver or send Proposals via registered mail to:

Department of Real Estate & Development Finance
Philadelphia Redevelopment Authority
1234 Market Street, 16th Floor, Philadelphia, PA 19107



Disqualification

Proposals will be disqualified if:

1. They are submitted after the specified deadline;
2. They are submitted by some means other than the two formats listed above. For electronic Proposal submissions, the PRA website portal is the only means that will be accepted. Proposals sent via email, Dropbox or other electronic venues will be disqualified;
3. If the bid package is incomplete.

Bid Price

The PRA will award this project to the Proposal that scores the highest according to the criteria explained below. Bid price is one of these criteria, though the project will not necessarily be awarded to the highest bidding Applicant. It is up to Applicants to engage in their own research to determine an appropriate and competitive bid price. Any price adjustments sought for community development projects must be in accordance with the City's Land Disposition Policies.

Schedule

The timeline for this Development Opportunity is as follows:

Notice of RFP Opportunity Posted	July 18, 2018
Mandatory Pre-Bid Meeting at Project Site	August 20, 2018, 10:00 AM
Questions and/or Requests for Additional Information Due within two (2) business days of the Pre-Bid meeting	August 22, 2018, 5:00 PM
Proposals Due	September 21, 2018, 3:00 PM
Applicant(s) Selected - (Estimate Only)	October 26, 2018

PRA reserves the right, in its sole discretion, to alter this schedule as it deems necessary or appropriate.

2. Introduction and Description of Project Site

PRA is soliciting proposals from Applicants for the redevelopment of the Project Site in the Olde Kensington area of Philadelphia. The Project Site is the former Engine 29 firehouse built in 1894 and a rear parking lot, which is currently owned by the City of Philadelphia Department of Public Property ("DPP"). The brick and brownstone structure is approximately 14,400 square feet and was added to the Philadelphia Register of Historic Places in 1989 (see Attachment A: Fifth Survey District Plot Plan).

Note: The Project Site is composed of property owned by DPP. The Project Site will be transferred to the ownership of PRA prior to entering into a Redevelopment Agreement with the selected Applicant. In the event that the Project Site is not transferred to PRA for any reason, PRA reserves, among the other rights reserved in Section 8, below, the right to (i) supplement, amend, substitute, modify or re-issue the RFP with terms and conditions materially different from those set forth here; (ii) cancel this RFP with or without issuing another RFP; (iii) to terminate negotiations regarding any and all Proposals at any time; and/or (iv) to rescind a selection prior to contract.

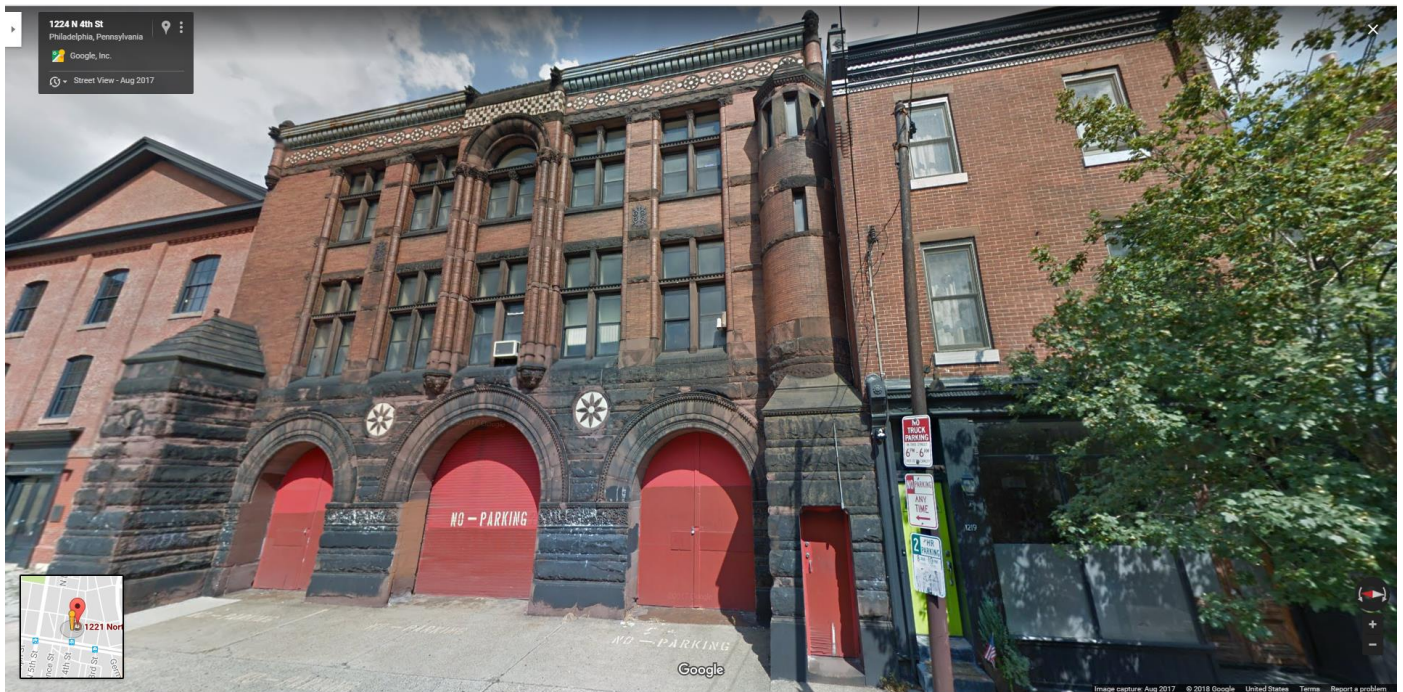


The Project Site is located within City Council District 5 and there are three (3) Registered Community Organizations (RCOs):

1. Olde Kensington Neighborhood Association
2. South Kensington Community Partners
3. 18th Ward Republican Committee

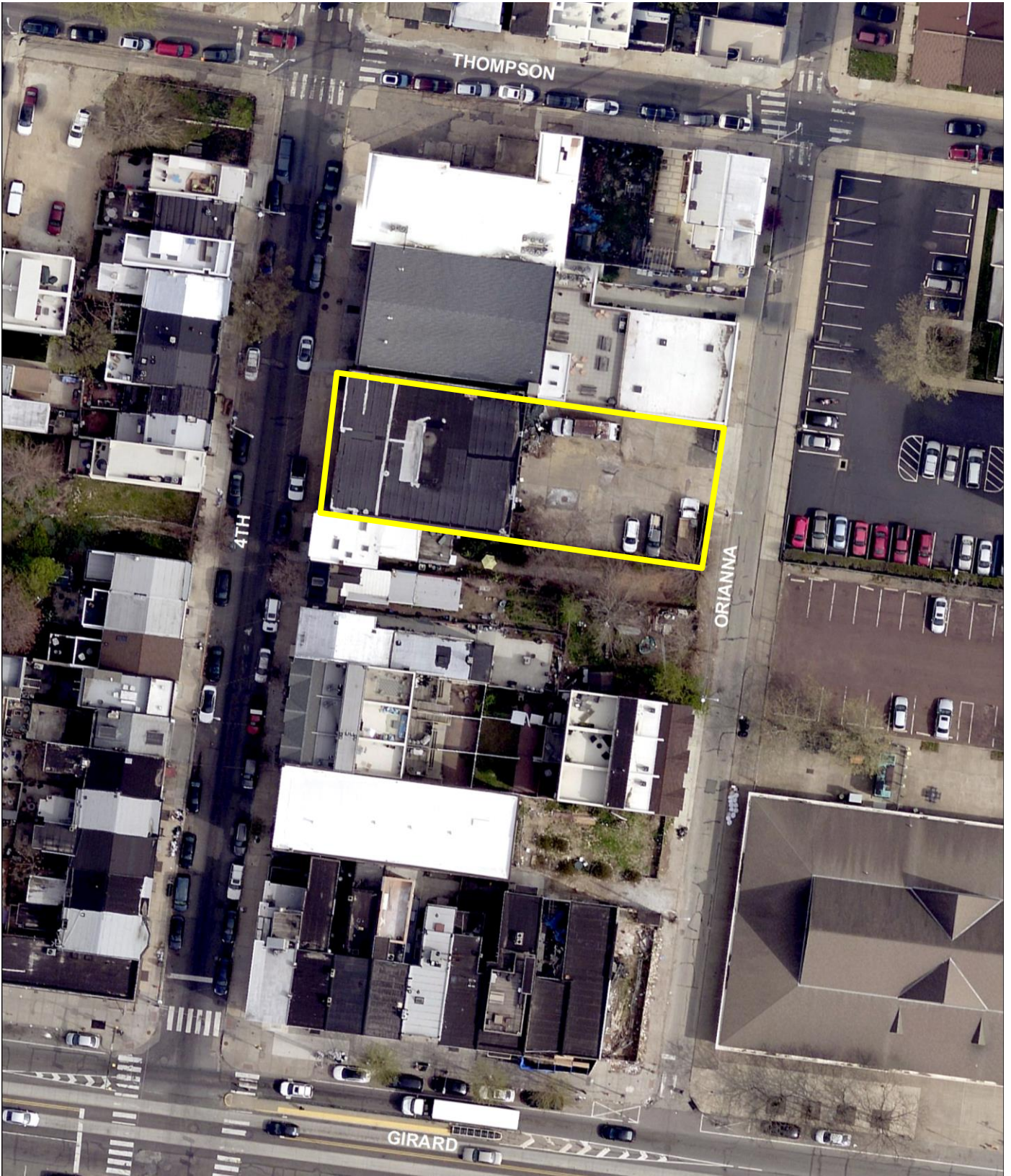
According to the Zoning Code, "If there is more than one RCO whose registered boundaries include the applicant's property, the district council member whose district includes the applicant's property shall select one of those RCOs as the Coordinating RCO, or may select two or more RCOs whose registered boundaries include the applicant's property to serve jointly as the Coordinating RCO."

The current Project Site is zoned for Multi-Family Residential Use (RM-1). The permitted uses for RM-1 include single family, two-family, or multi-family dwellings to accommodate moderate to high density residential buildings. Any proposed zoning change must be included within the Executive Summary narrative.



*The image above shows the N. 4th Street façade of the Project Site.
The image on the following page shows the extent of the Project Site outlined in yellow.*





About the Area

Olde Kensington is a small neighborhood located less than two miles from Center City in Lower North Philadelphia roughly bounded by Front Street on the east, Girard Avenue on the south, 6th Street on the west, and Cecil B. Moore Avenue to the north. After a long period of decline, mostly due to residential abandonment and deindustrialization, the area has seen increased development in recent years similar to that found in the bordering neighborhoods of Northern Liberties and Fishtown. The American Street Corridor, one block away from the Project Site, is a former heavy industrial corridor where an increasing number of former vacant factories have been repurposed and adaptively reused as condos, lofts, and creative art workspaces. The area is well served by public transportation including close proximity to SEPTA's trolley route 15, providing access to Center City, as well as connections with the Market/Frankford Line and Broad Street Subway line.

3. Scope of Work

PRA is soliciting Proposals for Applicants that can demonstrate the experience, capacity and creativity to develop a dynamic project that will maximize the existing Project Site in a manner that represents the best and highest use and is most productive and beneficial for the community and the city at-large. Proposals must consider the structure's local historic designation which requires preservation of the façade, at minimum. This RFP does not prescribe a specific use for the property; however, the proposed development should be a financially feasible and economically viable project.

Applicants will be required to describe the development's social impact per the guidelines provided within Section (F) of this document's *Proposal Requirements*. It is expected that Proposals have a strong sense of urbanism and architecture. Applicants are encouraged to make their Proposals responsive to the recommendations found within the Lower North District Plan (Attachment B), which has been formally adopted by the Philadelphia City Planning Commission.

Community Space Requirements

Applicants are required to set aside an area of the proposed building's ground floor within the proposed development for use by a local community organization with sufficient space to accommodate a minimum of two desks and meeting space for 25-30 people (the "Community Space"). Applicants must incorporate the Community Space into the development plans that it submits as part of its Proposal. The selected Applicant, upon receiving a Certificate of Occupancy, shall be required to immediately make available (via a nominal lease or other similar arrangement) the Community Space for a minimum of 99 years. The City shall include this restriction as a covenant in its deed to the selected Applicant so that it will remain in force if the Project Site is sold.

Sale in As-Is Condition

Applicants are solely responsible for all due diligence, including all pre-development costs which may include but are not limited to engineering, structural, geo-technical planning and environmental studies required for rehabilitation and construction on the Project Site. The PRA makes no warranty or representation concerning the existence of any structural deficiencies, geo-technical deficiencies and/or environmental contamination on the Project Site, or upon any adjoining land or improvements. The PRA is not now or at any time hereafter under any circumstance responsible for any of such conditions or for the analysis, care or remedy thereof. The Project Site will be transferred in its "as-is" condition with the selected Applicant solely responsible for all structural, geo-technical and environmental repairs, stabilization and/or



remediation required for construction on the Project Site. PRA, the City and DPP shall not be obligated to make any investments or repairs in this asset, outside of maintenance to streets and utilities that may be part of the City's normal course of business. Any plans submitted pursuant to this RFP should consider and address the foregoing obligations and requirements.

4. Proposal Submission Requirements

Responses to this RFP 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 Jessie Lawrence, Project Manager. The narrative should be no longer than two (2) pages in length and should concisely summarize and describe the proposed development. At a minimum, it should seek to address all of the evaluation criteria and state the bid price.

Applicants must also submit a complete Property Application Package Form (Attachment C).

B. Financial Summary

Applicants must demonstrate the development team's capacity to carry out the proposed development, as well as the financial feasibility of the proposed project within current market conditions. Submissions must provide:

- A written narrative of the project financing plan, not to exceed one (1) page in length.
- Project financials including development budget(s), sources/uses, assumptions, and operating pro forma(s) demonstrating feasibility through predevelopment, construction, and exit.
- Evidence of the development team's capacity to finance the total cost of the development project as outlined in the Property Application Package Form. Evidence should include signed letter(s) of interest and/or preliminary term sheets from prospective financing sources that include terms of financing, that reference this specific project, and that reference the pertinent amount of financing as listed on the project budget. Please provide written evidence of interest from as many sources listed on project sources/uses budget as possible.
- Any other information that may support the Applicant's financial position and financial viability of the proposed project.

C. Development Plans

The proposed plans should take into consideration the local context and provide for an attractive, well-designed development that enhances the quality of the built environment and improves the overall quality and physical appearance of the community. All Proposals must indicate what entitlements they may be seeking, including, but not limited to, zoning, easements, exceptions from public entities, street changes, and/or utility alterations (new or relocated). Renovation should be sensitive to the building's historic context and preserve the building's facade. PRA encourages Applicants to incorporate sustainable, "green" design features and building materials. Applicants should consider building performance objectives and building design guidelines that integrate energy efficiency.



Plans submission should include but are not limited to:

- Detailed scope of work with corresponding budgets.
- Site plan showing extent of proposed development with different project components clearly labeled.
- Scaled floor plans.
- Elevations and renderings as appropriate.
- Description of building and finish materials.

D. Development Schedule and Milestones

Please include as detailed a schedule as possible broken out into a predevelopment schedule and post-closing construction schedule. In the predevelopment schedule please list important milestones and dates, beginning with due diligence activity, securing required government approvals, and financing commitments. Please provide an anticipated closing date. In the post-closing schedule, include, at a minimum, a schedule showing critical milestones such as construction commencement and completion deadlines.

E. Applicant Team Qualifications

Please provide a narrative that outlines the experience of the development team, not to exceed two (2) pages, overall approach and tasks to complete the work and quality control process. In the narrative please provide past relevant experience of the team including past performance and record of successful completion of similar projects by team members, particularly with the City of Philadelphia, and on publicly owned land (if applicable).

Applicants must submit audited Financial Statement for last two (2) fiscal years (if audited statements are not available, please provide internally prepared statements including income statements and balance sheets);

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 Applicant entity or any member of the development team that may affect the ability to successfully execute the proposed project for the Project Site.

F. Social Impact Narrative

Applicants should include a narrative explaining the project's social impact – for the purpose of this RFP, defined as the way that the physical project may have a positive effect on people and communities.

Such impact should be described and quantified with relevant metrics such as the approximate number of people to be served by the project or its social impact component. Applicants are encouraged to think creatively and to seek input and/or partnerships from community-based organizations. Applicants may choose to engage a consultant to assist in developing their social impact approach and methodology for impact assessment. Examples of social impact may include (but are not limited to):

- Creating or retaining permanent (non-construction) jobs for local, diverse, lower-income individuals, including contribution or participation in job readiness and training programs.



- Providing access to quality pre-K and afterschool care.
- Providing important community goods, services, and facilities in the proposed development project.
- Providing affordable healthy food access, if such access is not currently present in the community.
- Providing affordable housing within the proposed development. (The definition of affordable housing for this purpose is the same as that for the Mixed-Income Housing Bonus as defined in the Zoning Code as described here: <http://www.phila.gov/li/pdf/Code%20Bulletins/Mixed%20Income%20Housing%20Bonus.pdf>)
- Providing opportunities for minority businesses, including flexible lease rates, contracting and supplier opportunities post-construction, and mentorship programs.
- Investment in the local educational unit(s): public elementary, middle, high school or community college.
- Investment in proximate community facilities: parks, recreational center, library, health center.

G. Economic Opportunity and Inclusion Narrative

The development team should demonstrate their experience working with Certified M/W/DBE firms—defined as Minority Business Enterprises ("MBE"), Woman Business Enterprises ("WBE"), or Disabled Business Enterprises ("DBE"). Firms must complete the "City of Philadelphia Economic Opportunity Plan" form (Attachment D).

In addition, Applicants must provide a narrative describing the team's track record in MBE/WBE/DBE inclusion. The narrative must also discuss the team's plan and track record for engaging minority workforce. Applicants should note whether the prime Applicant itself and/or other key partners, consultants or contractors who are part of the Applicant team are minority or woman-owned.

H. Proposal Deposit

Proposals must include a proposal deposit of \$25,000 (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 the "**Philadelphia Redevelopment Authority**".

The Proposal Deposit of the selected Applicant for the Properties will become "hard" money upon execution by the selected Applicant of a Redevelopment Agreement and approval of the Redevelopment Agreement by the PRA Board. 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 Applicants will be refunded within thirty (30) days after rejection notices are transmitted. Interest earned, if any, on deposits of unsuccessful Applicants will not be returned.

J. Transaction Fee

PRA is issuing this RFP and will be managing the disposition of this property. As such PRA will charge the selected developer a fee in the amount of six percent (6%) of the sale price, payable in full by the buyer at settlement.



J. 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 Attachment E.

K. Campaign Disclosure Forms

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

L. 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 Attachment G.

M. Fine Arts Requirement

The selected Applicant will be required to comply with the policies and procedures of the Fine Arts Program. (Attachment H)

5. Evaluation/Selection

PRA will initially conduct a Threshold Review of each Proposal submitted to determine its 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 PRA may allow all Applicants to supplement their submissions to conform to these requirements.

Proposals selected pursuant to the Threshold Review will be evaluated by a Proposal Review Committee using the evaluation factors listed below and based on the values shown in Attachment I: Scoring Sheet. Proposals will be evaluated in their entirety; no one factor, but rather a combination of all of the following factors will determine the successful Applicant. PRA may ask one or more Applicants to give a presentation, and may elect to request supplemental information from all Applicants or a pool of finalists. Final selection will be made by PRA and is subject to approval by the PRA Board and Philadelphia City Council.

The following criteria will guide PRA in using its professional judgment to determine which Applicant has submitted the best proposal. In addition to any other factors that PRA considers relevant in the evaluation of these responses, the following are the evaluation factors:

- 1. Financial**
 - Bid Price
 - Financing plan
 - Demonstration of project feasibility
 - Evidence of Applicant team capacity
- 2. Project**
 - Quality of design concept
 - Appropriateness of proposed use program.
 - Alignment with local community and context
 - Development timelines



- 3. Applicant**
 - Competence and experience of team
 - Track record on similar projects
 - Suitability for this specific development opportunity
 - History of team partnership
 - Experience working with PRA and other public entities
- 4. Social Impact**
 - Strength of Social Impact Plan
 - Creativity and innovation
 - Ability to define, evaluate and track measurable outcomes
- 5. Economic Opportunity and Inclusion**
 - Goals for MBE/WBE/DBE inclusion
 - MBE/WBE/DBE Firms comprising the development team
 - Commitment to MBE/WBE/DBE Workforce
 - Track record of MBE/WBE/DBE inclusion and minority workforce inclusion

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

Following the close of this RFP, selected Applicants may be requested to submit supplemental information including more developed plans and budgets. 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 Applicants of the results and return Proposal Deposits to unsuccessful Applicants.

6. Disposition Process

After the PRA reviews the proposals and an Applicant's proposal is selected, the PRA Board, City Planning Commission and City Council approval must be obtained before the 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, and all financial documents (including budgets, sources and uses, pro forma, financing letters, term sheets, and Applicant financial statements)
2. Execution of Redevelopment Agreement by the successful Applicant. At this time the Proposal Deposit is credited toward the deposit required under the Redevelopment Agreement;
3. City Planning Commission approval of the Redevelopment Agreement;
4. PRA Board approval of the Redevelopment Agreement;
5. City Council approval of the Redevelopment Agreement;
6. Execution of the Redevelopment Agreement by PRA;
7. Settlement and transfer of title. At this time PRA requires proof of construction financing;
8. Pre-construction conference;
9. Construction period;
10. Review of the completed development to determine compliance with Agreement. If the



development is found to be in compliance with the Agreement, PRA issues a Certificate of Completion and the security completion deposit is returned.

The successful Applicant 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.

7. Events of Disqualification or Default

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

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

Remedies

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

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

8. Reservation of Rights

By submitting a proposal in response to this RFP, an Applicant affirmatively acknowledges: (i) its acceptance of the terms and conditions of this RFP; (ii) the PRA may exercise in its sole discretion the following rights; and (iii) the PRA may exercise the following rights at any time and without notice to any Applicant.

1. to reject any and all Proposals;
2. to supplement, amend, substitute, modify or re-issue the RFP with terms and conditions materially different from those set forth here;
3. to cancel this RFP with or without issuing another RFP;
4. to extend the time period for responding to this RFP;
5. to solicit new Proposals;
6. to conduct personal interviews with any Applicant to assess compliance with the selection criteria;
7. to request additional material, clarification, confirmation or modification of any information in any and all Proposals;
8. to negotiate any aspect of a Proposal, including price;



9. to terminate negotiations regarding any and all Proposals at any time;
10. to expressly waive any defect or technicality in any proposal;
11. to rescind a selection prior to contract execution if the PRA determines that the Proposal does not conform to the specifications of this RFP;
12. to rescind a selection prior to contract execution if the PRA determines that the specifications contained in this RFP are not in conformity with law or that the process in selection of a Proposal was not in conformity with law or with the legal obligations of the PRA;
13. in the event a contract is awarded, the successful Applicant or Applicants shall procure and maintain during the life of the contract liability insurance in an amount to be determined prior to the award of any contract;
14. in the event a contract is awarded, all Applicants agree to perform their services as an independent contractor and not as an employee or agent of the PRA;
15. in the event a contract is awarded, all Applicants agree that no portion of performance of the contract shall be subcontracted without the prior written approval of the PRA; and
16. each Applicant agrees to indemnify, protect and hold harmless the PRA and the City from any and all losses, injuries, expenses, demands and claims against the PRA or the City sustained or alleged to have been sustained in connection with or resulting from (i) the submission of the Applicant's proposal; (ii) the delivery by the Applicant to the PRA of any other documents or information; and (iii) any other conduct undertaken by the Applicant in furtherance of or in relation to the Applicant's proposal. Each Applicant agrees that its duty to indemnify and hold harmless shall not be limited to the terms of any liability insurance, if any, required under this RFP or subsequent contract.

The PRA is under no obligation whatsoever to Applicant as a result of this RFP. The RFP does not represent any commitment on the part of the PRA to Applicant or the project. In no event shall the PRA be responsible for any cost, expense or fee incurred by or on behalf of Applicant in connection with the RFP. Applicant shall be solely responsible for all such costs, expenses and fees.

NOTICE: The PRA is subject to the Pennsylvania Right to Know Law. Any information provided in your response to this RFP may be subject to disclosure to the public. Documents provided in response to this RFP may also be required to be disclosed by applicable law, subpoena, and/or court order.

