

PHILADELPHIA REDEVELOPMENT AUTHORITY

REQUEST FOR PROPOSALS

MAY 17, 2017



**Development Opportunity for
Publicly Owned Property on
600-16 W. Girard Avenue**

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1. Application Process

The Philadelphia Redevelopment Authority (PRA) is pleased to issue this Request for Proposals (RFP) for publicly owned property at 600-16 W. Girard Avenue in Philadelphia.

Submission Deadline

Applicants must submit proposals no later than July 10, 2017 at 3:00 PM; absolutely no proposals will be accepted after that time.

Prebid Meeting

A prebid meeting will be held at PRA's offices (1234 Market Street, 16th Floor) at 10:00 AM on June 2, 2017. This meeting is not mandatory; however, all respondents must either attend this meeting or express their intention to submit by the deadline specified below.

Intention to Submit

All firms wishing to submit a response to this RFP must either attend the prebid meeting or express their intention to submit either in hard copy mail or email to jessie.lawrence@pra.phila.gov by 5:00 PM on June 2, 2017. The names and contact information for all attendees at the prebid meeting and those who responded with intention to submit will be posted on PRA's website as public information.

Questions

All questions and requests for additional information should be directed in writing to jessie.lawrence@pra.phila.gov. Questions will only be accepted until June 6, 2017. Questions and/or requests for additional information and the PRA's responses to them will be posted on the PRA website.

Related Parties

An applicant, whether an individual or business entity, may submit only one 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 and City, in their 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 and City has determined that the applicant has violated these conditions or the spirit of these conditions.

Submission Process

Proposal submission will only be accepted in either of the following:

1. Online Submission – via the electronic portal on 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: Jessie Lawrence/Philadelphia Redevelopment Authority/1234 Market Street, 16th Floor/Philadelphia, PA 19107.



Disqualification

Bids 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 submissions, the PRA website portal is the only means that will be accepted. Submissions sent via email, Dropbox or other electronic venues will be disqualified;
- 3) If the bid package is incomplete;
- 4) If the bid deposit in the form of a cashier's check, certified check, or money order made payable to the "Philadelphia Redevelopment Authority" is not received at the PRA offices prior to the deadline specified.

Bid Price

The PRA will award this project to the response 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 bidder.

Schedule

The timeline for this Development Opportunity is as follows:

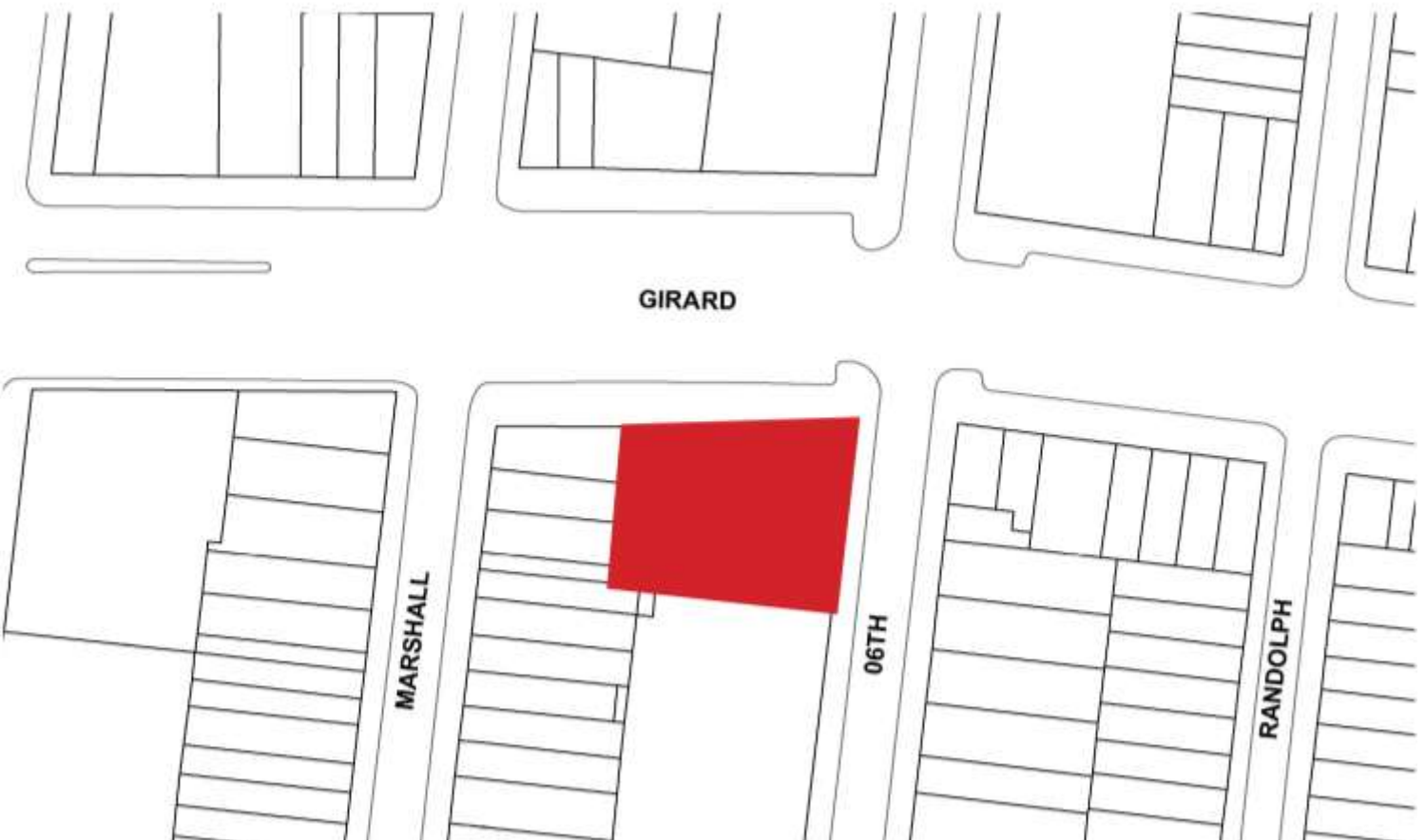
Notice of RFP Opportunity Posted	May 17, 2017
Pre-Bid Meeting	June 2, 2017, 10:00 AM
Expression of Intention to Submit (if respondent did not attend the prebid meeting)	June 2, 2017, 5:00 PM
Questions and/or Requests for Additional Information Due	June 6, 2017
Proposals Due	July 10, 2017, 3:00 PM
Respondent(s) Selected - (Estimate Only)	September 1, 2017

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

2. Description of Project Site

The Project Site is an 8,862 square-foot parcel, bounded by W. Girard Avenue to the north, N. 6th Street to the east, a one-story retail structure on the west facing onto N. Marshall Street, and a parking lot operated by Philadelphia Parking Authority on the south. The subject site is not inclusive of this parking lot. The site is located at the border of Northern Liberties, Fishtown, and Kensington, along the active W. Girard commercial corridor. This property is under the ownership of the City of Philadelphia, but will be transferred to the ownership of PRA prior to entering into a Redevelopment Agreement with the selected developer. The site is currently zoned CMX-2. If your proposed project will require a change in zoning, please indicate as such in the Executive Summary narrative. The parcel currently contains the ~7,000 square-foot, one-story Free Library of Philadelphia, Ramonita de Rodriguez Branch. The Project Site is located in City Council District 5. There is one Registered Community Organization (RCO) whose boundaries include this site: 14th Ward Democratic Executive Committee.







3. Scope of Work

PRA, in partnership with the City of Philadelphia Department of Public Property, is soliciting proposals from developers for 600-16 W. Girard Avenue, the site of the current Free Library of Philadelphia, Ramonita de Rodriguez Branch. This RFP seeks a developer to do the following at the developer's sole cost:

- 1) Demolish the current structure,
- 2) Construct a new library for the City (The new library must be either sold to the City, or leased back to the City for minimum of 99 years at nominal cost to the City), and
- 3) Construct affordable residential units above the library structure.

Site Condition

The City will transfer this property to PRA prior to PRA conveying it to the selected developer. It will be conveyed to the developer with clear and insurable title. The library's operations will cease, and all property that the Free Library of Philadelphia wishes to possess will be removed from the building prior to the site being conveyed to the developer. The property will otherwise be conveyed in as-is condition.

NOTE: The Developer is solely responsible for all due diligence, including all costs of engineering, structural, geo-technical planning and environmental studies required for 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, and 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 and the Developer is solely responsible for all structural, geo-technical and environmental repairs, stabilization and/or remediation required for construction on the Project Site. Any plans submitted pursuant to this RFP should consider and address the foregoing obligations and requirements.



Public Subsidy

No public subsidy is being offered with this RFP. However, respondents may include public subsidy as a line item in their Sources/Uses budget if they can identify the committed or prospective sources of that subsidy. PRA will weigh the process and timeline for obtaining that subsidy in its consideration of whether or not to award this project to a particular respondent.

Demolition

Respondent will be responsible for demolishing the existing library building and for clearing the site and responsibly disposing of any sensitive materials at respondent's sole cost. The City will ensure that the library has ceased operations prior to transfer of title to the selected developer.

New Library

The selected developer will be obligated to construct a new library that will then be turned over to the city in the form of a condominium unit sold to the City for nominal cost, a lease of minimum 99-year term, or other structure that the PRA and City deem reasonable to convey interest to the City. The City will pay no more than a nominal fee or rent to occupy this library. However, the City may pay common-area-maintenance, triple-net charges, condo fees and/or similar fees, so long as those charges are deemed reasonable by the City. The developer must propose the approximate value of these fees/charges in its RFP response.

The new library shall be fully built-out per the specifications included in Attachment A, and must be constructed with the oversight of the Department of Public property. The selected developer and their architecture/engineering (A/E) team will be required to work closely with the Department of Public property in designing the space.

Development of Affordable Residential Units

The property's current CMX-2 zoning has a 38-foot height limit, and PRA anticipates respondents requesting a change to the zoning. Please specify any zoning changes requested in the project narrative. Development above the library must be for affordable housing only. Please clearly specify the makeup of the affordable housing units with information including how many units, what income levels they will be restricted for, the duration of the restriction period, and the size and number of bedrooms in these units. The baseline definition for affordable housing for this purpose is rents no greater than 30% of HUD's Low Income (80%) Income Limits (current HUD Income Limits available online here <https://www.huduser.gov/portal/datasets/il.html>). Preference will be given to proposals that target median incomes levels in accordance with Pennsylvania Housing Finance Agency (PHFA) Low Income Housing Tax Credit (LIHTC) guidelines.

Parking

Developers must explain what exceptions to the parking requirements of the requested zoning classification they may seek, and/or strategies for addressing parking solutions on or near the project site.



Design and Urbanism

The PRA encourages respondents to propose innovative design solutions, sustainable building practices, and strong urbanism that creates an attractive street-level presence and is in keeping with the look and feel of the Girard Avenue commercial corridor, while respecting the close proximity of the project site to adjacent residential structures.

4. Proposal Submission Requirements

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

A. Property Application Form

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

B. 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, including the evaluation criteria. The narrative should contain the following information:

- Total project size (floors and square footage)
- Total development cost
- Requested zoning classification and any variances or exceptions that may be sought beyond the requested base zoning
- Makeup of the affordable housing units, including how many units, what income levels they will be restricted for, the duration of the restriction period, and the size and number of bedrooms in these units.
- Approximate fees/charges that may be passed through to the City for the library space.

C. Financial Summary

Responses 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.
- 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.

D. Development Plans

The proposed project 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). PRA encourages developers to incorporate sustainable, “green” design features and building materials. Proposals 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.
- Site plan showing extent of proposed development with different project components clearly labeled, and marking vehicular and pedestrian entrances.
- Concept/schematic-level scaled floor plans.
- Concept/schematic-level elevations and renderings as appropriate.
- Description of building systems and finish materials.

E. Development Schedule and Milestones

Please include a development schedule, 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 date for settlement with PRA on the land, and with your financing sources. In the post-closing schedule, include, at a minimum, a schedule showing critical milestones such as construction commencement and completion deadlines.

F. Developer Team Qualifications

Please provide a narrative that outlines the experience of the development team, 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 PRA, City of Philadelphia or other public-sector entities (if applicable).

Respondents 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 development entity or any member of the development team that may affect the ability to successfully execute the proposed project for the properties.

G. Social Impact

Respondents should include a narrative explaining the project’s social impact—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. Respondents are encouraged to think creatively and to seek input and/or partnerships from community-based organizations. The required Social Impact elements of this project are:

- Construction of a new library
- Construction of affordable housing

H. 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) by filling in goal numbers and signing the form. Baseline goals established by the City of Philadelphia are 18% MBE and 9% WBE; however, PRA encourages respondents to seek the highest levels of M/W/DBE attainment that they believe is reasonably feasible.

In addition, respondents must provide a narrative describing the team’s track record in diversity inclusion. The narrative should also discuss the team’s plan and track record for engaging diverse workforce. Respondents 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 businesses.

I. Proposal Deposit

Proposals must include a proposal deposit of ten percent (10%) of the total bid price or \$5,000, whichever is greater (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 developer for the Properties will become “hard” money upon execution by the Developer of a Development Agreement or Redevelopment Agreement, a form of which is attached as Attachment H and approval of the 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 bidders will be refunded within thirty days after rejection notices are transmitted. Interest earned on deposits of unsuccessful bidders will not be returned.



K. Required Submissions

Respondents must complete and submit the following items:

Tax Clearance/Non-Indebtedness: Respondents, upon request of the PRA, must provide evidence satisfactory to the PRA that all municipal taxes, including business taxes, real estate, school, water and sewer charges, and L&I liens, if applicable, are current for both the individual applicant and the applicant's firm and neither is currently indebted to the City; will at any time during the term of the agreement be indebted to the City, for or on account of any delinquent taxes, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. Please complete the Philadelphia Tax Status Certification and Conflict of Interest form (Attachment G) and submit it with your proposal.

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.

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

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.

5. Evaluation/Selection/Disposition

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 developers 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 on the Scoring Sheet (Attachment I). Proposals will be evaluated in their entirety; no one factor, but rather a combination of all of the factors will determine the successful developer. 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. 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.

The disclosure statements and other documentation submitted to PRA are 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.

After the 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 the PRA can execute the Development/Redevelopment Agreement (see Attachment H: Form of Agreement). 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 developer financial statements)
2. Execution of Redevelopment Agreement by the Developer. 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 committed 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 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.

6. Events of Disqualification or Default

Subsequent to the selection of a developer, and before execution of an Agreement, the PRA 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 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, the 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.

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 an Agreement that may already have been executed; and/or
3. Retain the Proposal Deposit as liquidated damages.



7. 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 from any and all losses, injuries, expenses, demands and claims against the PRA or the City of Philadelphia 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.

NOTICE: The Philadelphia Redevelopment Authority is subject to the Pennsylvania Right to Know Law. Any information provided in your response to this Request for Proposals may be subject to disclosure to the public.

