

***City of Sioux Falls  
Sioux Falls, SD***

***Request for Proposal (17-0023)  
Redevelopment and Sale of City-owned Land  
701 and 721 North Phillips Avenue Properties***

***Issued By:***

***City of Sioux Falls  
Purchasing Division  
224 West Ninth Street  
Sioux Falls, SD 57104***

***Guidelines and Requirements for Submittal***

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## SECTION ONE—INTRODUCTION AND INSTRUCTIONS

### **1.01 Purpose of the RFP**

This Request for Proposal (RFP) is issued by the City of Sioux Falls (hereinafter referred to as the “City”). The purpose of this RFP is to establish an agreement or agreements with a qualified Offeror(s) to purchase and redevelop City-owned parcels of land located south of West 2nd Street, and adjacent to north Phillips Avenue at 701 and 721 North Phillips Avenue. The resulting agreement(s) from this RFP will require the awarded Offeror(s) to redevelop the property in a way that is complementary to the downtown Sioux Falls environment.

### **1.02 Contact Person, Telephone, and Email**

Scott Rust, Purchasing Manager, Finance Office, is the point of contact for this RFP. Unauthorized contact or lobbying regarding the RFP with City employees or elected officials may result in the Offeror(s) being disqualified.

Scott Rust, Purchasing Manager, Finance Office  
Phone: 605-367-8836  
Fax: 605-367-8016  
Email: [srust@siouxfalls.org](mailto:srust@siouxfalls.org)

### **1.03 RFP Schedule of Events**

This schedule of events represents the City’s best estimate of the schedule that will be followed for this RFP. If a component of this schedule, such as the deadline for receipt of proposals is delayed, the rest of the schedule may be shifted.

The approximate RFP schedule is as follows:

- |   |                |
|---|----------------|
| ➤ RFP posted on City’s Website:             | March 3, 2017  |
| ➤ Optional Letters of Interest Due:         | March 10, 2017 |
| ➤ Deadline for Submission of RFP Questions: | March 15, 2017 |
| ➤ Proposals Due:                            | April 14, 2017 |
| ➤ Review of submitted proposals:            | April 2017     |

### **1.04 Return Mailing Address and Deadlines for Receipt of Proposals**

Offerors must submit one (1) electronic copy and (7) seven hard copies of the proposals in sealed envelopes or packages.

Envelopes or packages containing proposals must be clearly addressed as described below to ensure proper delivery and to avoid being opened by the City before the deadline for receipt. Envelopes or packages must be addressed as follows:

City of Sioux Falls Purchasing Office  
Attention: Scott Rust  
Request for Proposals Redevelopment and Sale of North Phillips Avenue  
RFP No. 17-0023  
224 West Ninth Street  
P.O. Box 7402  
Sioux Falls, SD 57117-7402

Proposals must be received by the City at the location specified no later than **2 p.m., central time, on April 14, 2017**. Proposals will not be publicly read at the opening.

Offeror assumes the risk of the method of dispatch chosen. The City assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for actual proposal receipt by the City. An Offeror's failure to submit its proposal prior to the deadline may cause the proposal to be rejected.

### **1.05 Notice Provided**

The Request for Proposals will be posted on the City's business page at [www.sioxfalls.org/business](http://www.sioxfalls.org/business).

### **1.06 Letter of Interest**

Offeror's interested in receiving any notices related to this RFP may submit a Letter of Interest to the Purchasing Manager at [srust@sioxfalls.org](mailto:srust@sioxfalls.org) with the name of their firm, contact person, mailing address, telephone number, and email address. The sole purpose of the Letter of Interest is to provide the City with a contact person to receive any notices, including amendments related to the RFP. The City must receive the Letters of Interest from the firms by **March 10, 2017**. Submission of a Letter of Interest is not a requirement for submitting a proposal to this RFP.

### **1.07 Questions**

Questions regarding this RFP shall be submitted in writing to Scott Rust, at [srust@sioxfalls.org](mailto:srust@sioxfalls.org). Answers to questions will be posted on the City's business page ([www.sioxfalls.org/business](http://www.sioxfalls.org/business)) within a timely manner. The deadline for RFP questions is **2 p.m. central time, March 15, 2017**.

### **1.08 Amendments to the RFP**

If an amendment to this RFP is issued, it will be provided to all Offerors that submitted a Letter of Interest. Amendments will also be posted on the City's business page: ([www.sioxfalls.org/business](http://www.sioxfalls.org/business)).

## **SECTION TWO—PROJECT SCOPE**

### **2.01 Introduction**

The City intends to enter into negotiations with a qualified offeror(s) whose proposal is deemed to be the most advantageous to the City. The agreement(s) from this RFP will require the awarded Offeror(s) to purchase and redevelop subject parcel(s) in a way that is complementary to the downtown Sioux Falls environment.

## **2.02 Site Description**

The subject properties are currently underutilized as open space and contain two parcels (701 and 721 North Phillips Avenue) that total approximately 1.64 acres, more or less, including existing easements, as defined by aerial exhibit, attached to and made part of this proposal, subject to replatting of property by the City for the needs of property transfer.

The properties are currently zoned Downton Planned Unit Development (DTPUD). Proposals should be made consistent with applicable DTPUD zoning regulations. The properties will be sold “as is” and the purchaser will assume all costs of development and accept the property in an “as is” condition.

## **2.03 Property Use**

The preferred development of this property is a multistory building or interconnected buildings. However, the City does intend on maintaining an open development program allowing flexibility where appropriate. The proposal should address the types of uses proposed. Offerors may propose to utilize one or more adjacent parcels as part of their proposal.

The development of this property should be compatible with and complementary to the downtown Sioux Falls environment. The proposed development should foster an urban environment that pays attention to scale, pedestrian access, and incorporation of design elements.

## **2.04 Public Finance Incentives**

The City considers public finance incentives on a project by project basis. The City may entertain requests for incentives. Any proposal soliciting a public finance incentive shall indicate such a request in the proposal. Requests for incentives would be subject to the appropriate approval processes.

## **2.05 Construction Timing**

The parcels are currently owned by the City. The City anticipates closing of property within 120 days from the date exclusive negotiations commence and construction should be initiated within approximately 18 months and completed within approximately 30 months from the date the development agreement is executed. If a component of this schedule is delayed, the rest of the schedule may reasonably be adjusted at the City’s discretion.

## **2.06 Due Diligence**

It is expected that each offeror, at the offeror’s expense, will conduct its own research, analysis, and due diligence needed to submit a proposal, negotiate, and sign an agreement. Background materials provided by the City are believed to be accurate but should be verified by the offeror.

Answers to questions of general applicability to all offerors as well as background materials pertinent to this project will be posted on the Sioux Falls business page ([www.siouxfalls.org/business](http://www.siouxfalls.org/business)) and updated from time to time.

## SECTION THREE—PROPOSAL FORMAT AND CONTENT

### **3.01 Proposal Format and Content**

The City discourages overly lengthy and costly proposals. However, in order for the City to evaluate proposals fairly and completely Offerors must follow the format set out in this RFP and provide all information requested. The Offeror's proposal(s) shall include a point-by-point response to the proposal requirements in this section in the same sequence as they appear. Proposals must be signed by a company officer empowered to bind the company as described in Section Six of this document. The Offeror's failure to include these items in the proposals may cause the proposal to be determined to be nonresponsive and the proposal may be rejected.

### **3.02 Proposal Requirements**

All proposals shall, at a minimum, include the following information:

1. Project Team Description:
  - a. Name of proposed offeror or firm, address, telephone number, and email address.
  - b. Profile of proposed offeror or business including firm size, number of employees, nature of business, and project specialties.
  - c. Name and experience of all key staff who will be involved in the redevelopment effort. Specify the roles of key staff in carrying out this development initiative and their previous experience with comparable redevelopment projects.
  - d. Organization of project team. All members of the proposed project team must be identified, including consultants, architects, contractors, property managers, real estate, marketing professionals, banks, and attorneys, including their roles and projected contribution to the team. Any past cooperative working relationships among team members should be identified.
  - e. Business references for the primary development entity, at least three of which shall represent comparable, completed development.
2. Offerors shall identify the overall financing approach to the project. The proposal should, at a minimum, include a description of:
  - a. How the Offeror will obtain financing for redevelopment and leverage land assets.
  - b. The various funding sources that are appropriate, and expected to be utilized, for the project and previous experience accessing these resources.
  - c. The Offeror's ability to access capital through equity and debt.
  - d. The potential contingencies and methods that will be employed to guarantee performance and successful project completion.

3. A narrative description of the proposed development, including at least the following:
  - a. Building size.
  - b. The number of parking spaces (underground and surface) that will be provided on site or intent on how to comply with the City parking requirements.
  - c. Explanation of building design including a description and list of the building materials.
  - d. Approximate amount of floor area for the various uses planned within the proposed building.
  - e. The type of construction to be utilized.
  - f. The type and amount of landscaping to be provided and an explanation of how the landscaping and fill will be sensitive to and complement Falls Park West.
  - g. Any special amenities to be provided.
  - h. Estimated cost of construction.
4. Preliminary site plan.
5. Color renderings, which provide an initial and conceptual look of the building's exterior, **shall be included in an enclosed file, which is separate from the narrative description and proposal.**
6. Preliminary project schedule.
7. Amount offered for purchase of the land and justification in the form of an appraisal or real estate broker's opinion, a copy of which shall be provided. The subject parcel(s) shall be sold using one or more of the City's licensed real estate brokers in compliance with SDCL 6-13-5.2.

## SECTION FOUR—EVALUATION CRITERIA

**The total number of points used to score this RFP is 100**

### **4.01 Selection Criteria**

**The following criteria will be used to determine the scoring for the proposals received:**

The proposals will be evaluated by the City on the following criteria:

The qualifications and experience of the project team.	<i>20 points</i>
The Offeror's ability to perform on the project, including the method(s) of financing and the Offeror's investment in the project.	<i>20 points</i>
The quality of the proposed development concept, including the general design and specifications of the building and the proposal's consistency with the City's 2025 Downtown Plan.	<i>30 points</i>

The compatibility of the project with surrounding properties, land uses, approved plans and general conditions of Downtown Sioux Falls. 15 points

Purchase price for the property 15 points

## **SECTION FIVE—SELECTION PROCESS, GENERAL AWARD, AND CONTRACT INFORMATION**

### ***5.01 Proposal Evaluation, Interviews, and Selection Process***

In addition to content located in Section Six, after review of the proposals, the City will score the proposals and may short list and interview the highest ranking proposals. Upon completion of any interviews, the highest ranking proposal(s) may be asked to enter into negotiations to execute a development agreement with the City. Either the City or the selected Offeror(s) may terminate agreement negotiations at any time, although the City may require the awarded Offeror(s) to provide a good-faith deposit or other evidence of commitment before pursuit of an agreement. If a development agreement cannot be reached with the highest-ranked proposal(s), the City may suspend negotiations and move to negotiations with the next highest-ranked proposal(s). The same process may be repeated with the other ranked proposals if no such agreement can be reached. The City shall have the final authority and discretion to make a selection based upon the qualifications and proposals, responsibility and capabilities of respondents and other factors. The City also reserves the right to refrain from making a selection if it determines it to be in its best interest of the City. Any decision by the City shall be final.

### ***5.02 Award***

Upon agreement by all parties on terms of a development agreement and action by the City Council the Offeror(s) shall be awarded the project. The parcels are currently owned by the City. The City anticipates closing within one-hundred twenty (120) days from the date exclusive negotiations commence and construction should be completed within approximately thirty (30) months from the date the development agreement is executed. The City may forgo any delays for reasonable cause.

### ***5.03 Contract Type***

This is a fixed price contract. The initial price will be based upon the price submitted by the Offeror(s), subject to negotiations with the City and shall be firm. Ensuing contract must meet state law and requirements.

### ***5.04 Proposal as a Part of the Agreement***

Part or all of this RFP and the successful proposal(s) may be incorporated into the agreement(s).

### ***5.05 Additional Terms and Conditions***

The City reserves the right to add, delete, or modify terms and conditions during negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposed evaluations.



## **5.06 City's Obligation**

This RFP does not, by itself, obligate the City. The City's obligation will commence upon execution of the development agreement(s).

## **5.07 Forfeiture and Security Claim**

If the successful Offeror(s) does not acquire the land or does not complete construction in the time frames established in Section 2.05, the City may, at its sole discretion, seek remedy by any or all of the following as liquidated damages:

- a. Retain the land sale deposit.
- b. Invoke the reversion of land ownership clause.
- c. Other remedies at the City's disposal.
- d. Make a claim on any form of security provided

## **SECTION SIX—STANDARD PROPOSAL INFORMATION**

### **6.01 Authorized Signature**

An individual authorized to bind the Offeror to the provisions of the RFP must sign all proposals.

### **6.02 City Not Responsible for Preparation Costs**

The City will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal. The City accepts no liability or responsibility for any fees or costs incurred to the Offerors during and related to this process.

### **6.03 Conflict of Interest**

Offerors must disclose any instances where the firm or any individuals working on the agreement has a possible conflict of interest and, if so, the nature of that conflict (e.g. employed by the City). The City reserves the right to cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the Offeror's proposal. The City's determination regarding any questions of conflict of interest is final.

### **6.04 Offeror's Certification**

By signature on the proposal, the Offeror certifies that it complies with:

- The laws of the state of South Dakota.
- All applicable local, state, and federal laws, codes, and regulations.
- All terms, conditions, and requirements set forth in this RFP.
- A condition that the proposal submitted was independently arrived at, without collusion.

- A condition that the offer will remain open and valid for the period indicated in this solicitation; and any condition that the firm and/or any individuals working on the contract do not have a possible conflict of interest (e.g., employed by the City).

If any Offeror fails to comply with the provisions stated in this paragraph, the City reserves the right to reject the proposal, terminate the contract, or consider the Contractor in default.

#### **6.05 Offer Held Firm**

Proposals must remain open and valid for at least 120 days from the deadline specified for submission of proposals.

#### **6.06 Amendments to Proposals and Withdrawals of Proposals**

Offerors may amend or withdraw proposals prior to the deadline set for receipt of proposals. No amendments will be accepted after the deadline unless they are in response to the City's request. After the deadline, Offerors may make a written request to withdraw proposals and provide evidence that a substantial mistake has been made. The Purchasing Manager may permit withdrawal of the proposal upon verifying that a substantial mistake has been made, and the City may retain the Offeror's proposal guaranty or other type of proposal security, if one was required.

#### **6.07 Joint Ventures**

Joint ventures are acceptable. If submitting a proposal as a joint venture, the Offeror must submit a copy of the joint venture agreement that identifies the partners involved and its rights and responsibilities regarding performance and payment. Joint ventures submitting proposals must establish that contractual responsibility rests solely with one company or one legal entity. Each submittal should indicate the entity responsible for execution on behalf of the joint venture.

#### **6.08 Evaluation of Proposals**

All proposals will be reviewed to determine if they are responsive to the requirements of this solicitation. An evaluation committee will evaluate responsive proposals. The evaluation will be based solely on the evaluation factors set forth in this RFP. The evaluation will consider information obtained subsequent to any discussions with Offerors determined to be reasonable for award and oral presentations, if required in this RFP. No agreement will be awarded solely on the basis of price. Proposals determined to meet the requirements of this RFP and those providing the best use of the land to the City will be given consideration. Any proposals that are deemed to be nonconforming to the stated requirements may be rejected. Therefore, offerors submitting proposals shall use particular care in reviewing the RFP requirements as set forth in this document.

#### **6.09 Right of Rejection**

The City reserves the right to reject any proposals, in whole or in part. Proposals received from debarred or suspended firms will be rejected. The Purchasing Division may reject any proposal that is not responsive to all of the material and substantial terms, conditions, and performance requirements of the RFP.

The Purchasing Division may waive minor informalities that:

- Do not affect responsiveness.
- Are merely a matter of form or format.
- Do not change the relative standing or otherwise prejudice other offers.
- Do not change the meaning or scope of the RFP.
- Are insignificant, negligible, or immaterial in nature.
- Do not reflect a material change in the work.
- Do not constitute a substantial reservation against a requirement or provision.

The City reserves the right to reject any proposal determined to be nonresponsive and to reject the proposal of any Offeror determined to be nonresponsive. The City also reserves the right to refrain from making an award for any reason. Additionally, the City reserves the right to waive any informality or irregularity in any proposal.

#### **6.10 Clarification of Offers**

In order to determine if a proposal is reasonably amenable for award, communications by Sioux Falls Community Development or the proposal evaluation committee through the Purchasing Division or designee are permitted with any Offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal and determine responsiveness to the RFP requirements. Clarifications may not result in a material or substantive change to the proposal. The initial evaluation may be adjusted because of a clarification under this section.

#### **6.11 Contract Negotiation**

After evaluation, the City intends to negotiate with the highest-ranked proposal(s). Negotiations, if held, will be within the scope of the request for proposals and limited to those items that would not have an effect on the ranking of proposals.

If negotiations are commenced, they will be held at City Hall, 224 West Ninth Street, Sioux Falls, SD—a date and time to be determined.

If negotiations are held, the Offeror(s) will be responsible for all costs including its travel and per diem expenses.

#### **6.12 Failure to Negotiate**

If the selected Offeror(s):

- Fails to provide the information required to begin negotiations in a timely manner.
- Fails to negotiate in good faith.
- If the Offeror and the City, after a good-faith effort, cannot come to terms.

The City may suspend negotiations with the highest-ranked Offeror(s) and commence negotiations with the next highest-ranked Offeror(s).

### **6.13 *Special Conditions***

Excluding proprietary information, the proposal of the Offeror(s) who enters a development agreement with the City is deemed public record and will be available once negotiations have concluded. In addition, the City shall maintain a “Register of Proposals” which shall contain the names of Offerors who submitted a proposal and the name of the Offeror(s) who was awarded the agreement; however, the proposals of the submitting Offerors not chosen for negotiation are nonpublic records and will remain confidential to the extent allowed by law.

## **SECTION SEVEN—ATTACHMENT**

### **7.01 *Attachment***

An exhibit illustrating the parcel as defined by aerial exhibit is attached (Exhibit A).

# Exhibit A

