

Request for Qualifications
for
Private Development Partner for a
City-Owned Public Parking Facility
June 17, 2016
City of Sioux Falls, South Dakota
Request No. 16-0122

Prepared by City of Sioux Falls
Issue Date: June 17, 2016
Submission Deadline: July 14, 2016

Section One—Project Objective

1. Main Objective of RFQ

This Request for Qualifications (RFQ) is issued by the City of Sioux Falls (hereinafter referred to as the “City”). The purpose of this RFQ is to find qualified Developer(s) to propose a private development with a public parking ramp that includes street level development to activate the pedestrian environment. The selected Developer(s), based on qualifications, will be asked to negotiate a development agreement that will require the awarded Developer(s) to construct private development in conjunction with a public parking structure, which may include the sale and/or lease of City-owned property.

2. Project Background

The City commissioned a study of downtown parking requirements that indicated a need for additional publicly available parking spaces. The City owns a parcel located at 110 South Mall Avenue, which currently contains 135 surface parking spaces. The City desires to maximize the potential of this site and is seeking qualifications from private Developers that have the ability to complement the planned parking structure with private development.

The City intends to build an aesthetically pleasing mixed-use parking structure that complements the surrounding area, to meet the current and forecasted public parking demand, and supports economic development within downtown Sioux Falls. Offerors can assume that the parking structure will be funded, constructed, and operated by the City. The City intends to award exclusive negotiation rights to one or more qualified Offerors whose qualifications and subsequent proposal are deemed to be the most viable and advantageous to the City.

The City previously conducted an RFP process in 2015 which resulted in development of a conceptual design for the site; however, the negotiations were terminated in March 2016 and the City is now seeking to partner with a new Developer.

The City is willing to consider a lease and/or sale of all or a portion of 110 South Mall Avenue or a lease or sale of real estate/development rights on the property, as defined by the aerial depiction in Exhibit A. The development including the parking structure may be partially or entirely within the boundaries defined in Exhibit A. Additional information regarding this site can be found on the project website (www.siouxfalls.org/parkingramp). The City may consider a project that extends into Mall Avenue right-of-way.

3. Site Description

This site is underutilized in the prime area of the downtown core. The 1.08-acre (46,894 square feet) site is currently owned by the City's Parking Division and serves as a 135-space surface parking lot. The rectangular site is bordered by 10th Street and Mall Avenue and is approximately 268 feet wide by 176 feet deep in size.

The site has a zoning designation of Downtown Planned Unit Development, where a high-intensity mix of retail, office, and residential uses are encouraged.

A Site Survey, Limited Site Assessment, Phase I Environmental Assessment, and Geotechnical Exploration have been conducted on the site.

4. City's Project Objectives

The City intends to build an aesthetically attractive public parking structure to meet the current and future demand within the public parking system and support economic development within downtown Sioux Falls. Private development incorporated within the project should follow these project objectives:

- The public parking component must allow for a functional and efficient layout with a minimum of 400 publicly available parking spaces plus additional spaces to serve the proposed mixed-use development. The City may wish to maximize the number of parking spaces on the site which could result in a greater number of spaces;
- Final uses and design should be consistent and compatible with the downtown environment;
- Ground floor commercial/retail activity (not parking) facing 10th Street; additional multistory development and/or uses that maximize the use of the site is desired but not required.

The City intends to utilize a Construction Manager at Risk (CMAR) delivery method for public components of the project. Use of the CMAR method for the private development components is optional and subject to final negotiations.

5. Negotiations, Preconstruction, and Agreements

The City anticipates selecting and notifying the highest ranked Developer in summer 2016. At such time, the City would enter into an exclusive negotiating period of up to 90 days for the purpose of executing a preliminary development agreement. Concurrently, the City and Developer would engage in developing a mutually agreeable conceptual design for the project and advance design through the schematic design phase. The preliminary development agreement would be incorporated into a final real estate and development agreement. The preliminary development agreement would acknowledge the following, at a minimum:

- Agreement on conceptual and schematic design of all components of the project;
- Agreement on each party's construction delivery method and, if applicable, engagement with each party's selected construction manager;
- Agreement on the overall project budget;
- Agreement on allocation of construction costs, including costs which may be deemed "shared";
- Agreement on allocation of consulting costs associated with the project;
- Agreement at what level, if any, incentive programs will be used and allocated within the project;
- Agreement on compensation to be received by the City for sale or lease of real estate or real estate rights;
- Agreement on the use and charge for parking spaces of which the Developer may desire be allocated for the use of the private development;
- Agreement on a schedule for construction activities;
- Agreement on other aspects important and relevant to the parties;
- Terms of severability should conditions necessitate the separation of either party from the project after execution of the preliminary development agreement.

Upon agreement on a concept design and execution of a preliminary development agreement, the City and development partner would commence the final stages of the preconstruction phase, including detailed design and construction documents, securing funding, and executing final agreements.

If a preliminary development agreement cannot be reached within the 90 days, the City, in its sole discretion, may extend the negotiating period. If the City declines to extend the negotiating period, it may begin negotiating with the next highest ranking submitter. The City is under no obligation to negotiate with subsequent submitters.

Final agreements must be approved by the Mayor and City Council and must be in compliance with all relevant state and local laws, including compliance with the public real estate section of state statute.

The City shall not be liable for any real estate commission or brokerage fee that may arise from the transfer of any property interest.

Furthermore, depending on the structure and economics of the deal, the Developer may need to comply with public bidding requirements under the City charter and state law. Lastly, the Developer will need to comply with all other laws and regulations applicable to the proposed project.

The City reserves the right to negotiate with multiple Offerors.

6. Waiver of Protest

By submitting a response to this RFQ, each Offeror expressly waives any and all rights that it may have to object, protest, or seek any legal remedies whatsoever regarding any aspect of this request, the City's selection of a Developer, the City's rejection of any or all submittals, and any subsequent agreement that might be entered into as a result of the Request. Each development team acknowledges, by submission of a proposal, that it is aware of and is voluntarily relinquishing its rights to object, protest, or judicially challenge the solicitation, evaluation, and award process described herein. The City is not responsible for any costs incurred in this process. The City reserves the right to reject any or all submittals.

7. Confidential Information

All correspondence with the City including responses to this RFQ will become the exclusive property of the City and may be public records subject to disclosure under South Dakota Codified Laws (SDCL). The City will not disclose any part of any proposal before it announces a recommendation for selection on the grounds that there is a substantial public interest in not disclosing proposals during the evaluation process and doing so would impair present or pending contract awards. The successful Offeror's proposal and contract are deemed public records and shall be available to the public upon request. In addition, the City shall maintain a Register of Proposals for this RFQ, which shall contain the names of the companies who submitted a proposal and the name of the company who was selected. If you believe that there are portion(s) of your proposal which are exempt from disclosure under South Dakota law, you must mark it as such and state the specific provision of South Dakota law which provides the exemption as well as the factual basis for claiming the exemption. For example, if you submit information you believe to be trade secrets or otherwise exempt from the public records law, you must plainly mark the information as "Trade Secret" "Confidential," or "Proprietary" and refer to the appropriate section of SDCL Chapter 1-27, Public Records and Files, which provides the exemption as well as the factual basis for claiming the exemption.

Although South Dakota law recognizes that certain information is exempt from disclosure, the City of Sioux Falls may not be in a position to establish that the information that an Offeror submits is exempt. If the City receives a request to disclose any information that has been marked "Confidential," "Trade Secret," or "Proprietary," the City will provide the Offeror who submitted the information reasonable notice of such request to give the Offeror the opportunity to seek a protective order, appeal, or other appropriate remedy.

Section Two—Instructions

1. Contact Person, Telephone, and Email

Scott Rust, Purchasing Manager, is the point of contact for this RFQ. Unauthorized contact regarding the RFQ with other City employees may result in the Developer being disqualified.

Scott Rust, Purchasing Manager, Finance
Phone: 605-367-8836
Email: srust@siouxfalls.org

In order to preserve the integrity of the selection process, Offerors are cautioned not to undertake any activities to promote or advertise their proposal except in the course of City-sponsored presentation. Offerors are not permitted to make any direct or indirect contact (through others) with members of the Sioux Falls City Council or the Selection Committee concerning their proposal, except in the course of City-sponsored discussions. Violation of these rules may be grounds for disqualification of Offeror.

Submission Requirements

Submissions shall include narrative that address the following questions:

- a. Experience developing complex projects.
- b. Examples of similar substantial developments that the Offeror has successfully completed.
- c. The proposed team for the private development, the team leader, biographies for key team members, and relevant experience for team members and firms.
- d. Proven financial capacity to complete development and ability to organize and secure capital sources.
- e. Identify three projects for which the development team has been responsible for delivering. Provide information about that project, total project budget, and how project capital was sourced. (i.e., What is the most complex project completed? What is the largest project completed in terms of dollar amount, square footage, and number of parking spaces?)
- f. The proposed ownership and fund-raising structure for the project.
 - i. References
- g. Conceptual drawings will not be considered.

The City reserves the right to accept or reject any item or group(s) of items of a response. The City also reserves the right to waive any informality or irregularity in any proposal. Additionally, the City may for any reason decide not to select a proposal as a result of the RFQ or cancel the RFQ at any time. The City shall not be obligated to respond to any proposal submitted, nor be legally bound in any manner by submission of the proposal. The City reserves the right to verify any information provided during the RFQ process and may contact references listed or any other persons known to have contracted with the Offeror.

The City accepts no liability or reasonability for any fees or costs incurred to the Offerors during and related to this process.

2. RFQ Schedule of Events

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

The approximate RFQ schedule is as follows:

- RFQ posted on City's website: Friday, June 17, 2016
- Deadline for submission of RFQ questions: Thursday, June 30, 2016, 2 p.m.
- Submissions due: Thursday, July 14, 2016, 2 p.m.
- Negotiation and design period: summer 2016 through spring 2017
- Construction commences: 2017 construction season

3. Return Mailing Address and Deadlines for Receipt of Submissions

Offerors must submit one (1) electronic copy and (6) six hard copies of the proposals in sealed envelopes or packages.

Envelopes or packages containing submissions 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 Qualifications (RFQ: Private Development Downtown)
RFQ No. 16-0122
224 West Ninth Street
P.O. Box 7402
Sioux Falls, SD 57117-7402

Submissions must be received by the City at the location specified no later than **2 p.m., Central time, on Thursday, July 14, 2016**. Submissions will not be publicly read at the opening.

Offerors assume 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 submission receipt by the City. An Offeror's failure to submit its submission prior to the deadline will cause the submission to be rejected.

4. Questions

Questions regarding this RFQ shall be submitted in writing to Scott Rust at srust@siouxfalls.org. Answers to questions will be posted on the City's business page (www.siouxfalls.org/business) within a timely manner. The deadline for RFQ questions is 2 p.m., Central time, Thursday, June 30, 2016.

5. Evaluation Criteria

- A. Experience of the firm developing complex projects—50%
- B. Experience of proposed development team principals—25%
- C. Ability to source capital and to complete the development—25%

The evaluation committee will review the responses from each respondent and determine which proposal that best demonstrates their ability to develop the property through the answers provided to the questions listed in the submission requirements in Section Two.

6. Conflict of Interest

Offerors must disclose any instances where the firm or any individuals working on the contract 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 submission. The City's determination regarding any questions of conflict of interest is final.

