

**REQUEST FOR PROPOSALS FOR THE PRIVATE DEVELOPMENT OF THE
CITY OWNED
EAGLES LOT**

CITY OF KALISPELL, MONTANA

The City of Kalispell is seeking proposals from development firms seeking to privately own finance, construct, and manage a redevelopment project on what is currently a city owned parking lot within Downtown Kalispell, Montana. On December 4, 2017, Kalispell City Council adopted The Downtown Plan as an amendment to the City of Kalispell Growth Policy Plan-It 2035 by Resolution No. 5846. The Downtown Plan addresses key topics that affect the future growth and development of Downtown Kalispell. The Downtown Plan specifically addresses the need to re-develop city owned surface parking lots into more beneficial uses to eliminate blight and increase tax base. The development proposal shall include a mixed-use building consisting of commercial, multi-family residential, and parking. The commercial component of the proposal shall be ground floor with a minimum of 6,000 square feet of space. The parking shall be located within a multi-deck parking garage encompassing a minimum of 239 public parking spaces, of which 90 would be available for lease to the proposed Charles Hotel. Lastly, the project would include a multi-family housing component integrated into the structure. Redevelopment of this property will further the city's mission of promoting economic growth, improving area employment opportunities, and expanding tax base.

SECTION 1: INFORMATION AND INSTRUCTIONS TO PROPOSERS

Pursuant to the authority granted to it under *MCA Title 7, Chapter 5, Part 43*, the City of Kalispell is soliciting a Request for Proposal from developers seeking to privately own develop, finance, construct, and manage a redevelopment project on what is currently a city owned parking lot within Downtown Kalispell.

Five (5) copies of the proposal must be received by the City Clerk at 201 First Avenue East, Kalispell, Montana, by 4:00 pm local time on Monday, July 18, 2022. Request for Proposals that are faxed or emailed will not be accepted.

General questions pertaining to the project should be directed to Katharine King, Community Development Manager, at kking@kalispell.com. Please find this RFP, associated maps, property appraisal and a list of questions and answers on the City of Kalispell, Community Development webpage at:

<https://www.kalispell.com/689/Eagles-Lot-Request-for-Proposal>.

Written response will be provided by Friday, July 15, at 4:00 pm to all questions received. Response will be by written addendum and will be posted on the website with the RFP at <https://www.kalispell.com/689/Eagles-Lot-Request-for-Proposal> by the close of business on the date listed. Any other form of interpretation, correction, or change to this RFP will not be binding

upon the City of Kalispell. The City of Kalispell shall not be held responsible for any oral instructions. Any changes to this RFP will be in the form of an addendum, which will be furnished to all registered RFP holders.

The City of Kalispell reserves the right to reject any or all proposals, to waive any informality or irregularity in any proposal received, and to be the sole judge of the merits of the respective proposal received.

SECTION 2: PROPOSAL

The City of Kalispell is requesting development proposals on a 28,000 s.f. parcel of land currently utilized as a city parking lot located at the southeast corner of 1st Avenue West and 1st Street West (Eagles Lot). Redevelopment of this site will further the City’s mission of promoting economic growth and reinvestment, improving area employment opportunities, and expanding tax base. The development is contingent upon successful completion of a recorded Developer’s Agreement between the City and developer. The increase in taxable value due to new construction & rehabilitation is estimated by the County Assessor’s office or State Department of Revenue to determine tax generation. The City is accepting all development proposals provided the proposer demonstrates ability to meet the criteria outlined below. Any proposal will be required to meet all applicable ordinances and policies including but not limited to Planning, Building, Public Works and Parks Departments.

Following selection, the successful proposer will execute a Developer’s Agreement with the City of Kalispell outlining the obligations of both parties.

The RFP will be evaluated utilizing the following criteria. When a proposal is submitted, documentation demonstrating adherence to the following criteria must be submitted:

- *Tax Generation* – Per the Downtown TIF policies criteria for funding a project, a project is expected to generate new taxes in order for the Downtown Kalispell TIF District to stay economically healthy for the maximum benefit to the district and community. The increase in taxable value due to new construction & rehabilitation is estimated by the County Assessor’s office or State Department of Revenue to determine tax generation.
- *Applicant’s ability to perform* – The proposer shall be able to demonstrate their ability to construct, operate and maintain the proposed project based on experience, general reputation, and credit history.
- *Timely Completion* – The proposer shall demonstrate ability to construct and complete the proposed project within two-years from the date of the recorded Developer’s Agreement.
- *Management* – The proposer shall demonstrate ability to retain ownership of the project long enough to complete construction, establish occupancy, establish property management systems (including parking), and initiate payment of all applicable taxes.

- *Plan Goals* – The proposer shall demonstrate project’s ability to significantly further specific goals and policies found in the Downtown Kalispell Urban Renewal Plan, The Downtown Plan, and Kalispell Growth Policy Plan-It 2035.
- *Job Creation*– The project shall create opportunities for new employment and contribute to the economic vitality of the district and community in a variety of ways. Projects creating five or more permanent full-time equivalent jobs would be considered to have a significant positive impact on the economic well-being of the district and will be given greater priority. To receive priority consideration the newly created jobs must be at or above the median county income level.
- *Development* – The development proposal shall include a mixed use building consisting of commercial, multi-family residential and public parking. The commercial component of the proposal shall be ground floor with a minimum of 6,000 square feet of space. The parking shall be located within a multi-deck parking garage encompassing a minimum of 239 public parking spaces of which 90 would be available for lease to the proposed Charles Hotel. Lastly, the project would include a multi-family housing component integrated into the structure.

SECTION 3: SUBMITTAL REQUIREMENTS

Proposals shall conform to the following format. Proposals that are incomplete; conditional; obscure; or have irregularities of any kind are subject to disqualification. Each proposal must be compiled and tabbed as described below in a loose-leaf binder and each page. Proposers shall limit proposals to no more than 25 double-sided pages. Information included within the RFP may be used to evaluate firms as part of any criteria regardless of where that information is found within the RFP. Information obtained from the RFP and from any other relevant source may be used in the evaluation and selection process.

A. Delivery of Proposals

Each proposer must submit the following in a sealed package marked with the proposer’s name:

- 5 copies of the proposal, and
- 1 e-copy of the proposal.

Proposals must be submitted to the address listed in Section 1 above. Failure to comply with the following criteria may be grounds for disqualification:

- Receipt of submittal by the specific cut off date and time.
- The number of originals and/or copies of the submittal specified.
- Adherence to maximum page requirements.

B. Form of Proposals

Tab 1 – General Information

- a. Cover Letter (1 page) containing at a minimum: Company(s) name, contact name, address, and email address.
- b. Executive Summary (maximum 2 pages)
The Executive Summary is a concise narrative of the overall proposal. Each proposer must note in its Executive Summary if someone other than the person listed on Attachment A will serve as the proposer's contact person for the proposal. If a joint venture, the Executive Summary must identify the lead developer.
- c. Completed Attachment A
- d. Completed Attachment B

Tab 2 – Concept to Develop the Site

- a. A narrative description of the proposed development, including square footages, uses, height, building materials, etc. The narrative shall also include details for the operation and management of the proposed development after completion of construction.
- b. Conceptual Drawings/Materials to be submitted:
 - Architectural Site Plan: This allows the board to understand how the building and site work together and relate to the context of the site.
 - Exterior Elevations: Showing all sides of the building, in color with materials that correctly represent the materials to be installed. The landscaping should also be represented on these drawings as properly as is possible.
- c. A comprehensive timeline with major milestones and all stages of the proposed development including planning and design, entitlements, plan review, permits, construction, occupancy and/or lease up. This timeline should detail any phasing for the proposed development. Proposers shall include reasonable assumptions for the proposed timeline.
- d. A construction mitigation plan that identifies potential impacts to commercial neighbors, as well as traffic on the streets and alley surrounding the site and outlines viable mitigation strategies.

Tab 3 – Proposer's Qualifications, Experience, and Financial Capacity

- a. Clearly identify the key individuals and companies comprising the proposed development team and each proposed development team member's roles and responsibilities for the proposed development.
- b. Describe the proposed development team's experience successfully financing, developing, completing, and managing other projects of similar scale and complexity, including the roles and responsibilities of each proposed development team member for

those projects. For each project included, the proposer shall include contact information for at least one reference.

c. Provide clear and compelling information to demonstrate the proposer's financial capacity to successfully develop and complete the proposed development, including:

- A clear strategy to fund all proposed development costs, including specific details on all funding sources as well as the types and amounts of equity, financing and other funding sources for the proposed development.
- Documentation from potential lenders of interest in the proposed development.
- Documentation of other projects for which the proposer has successfully worked with the proposed funding sources.

d. List and describe any litigation; arbitration; claims filed by your firm against any other jurisdiction as a result of a contract dispute; any contract or negligence claims filed against your company; premature termination from a services agreement within the last 3 years.

Tab 4 – Proposer's Business Plan

a. Documentation of the proposed development's feasibility, including:

b. A project budget clearly detailing and defining the proposed development's costs, including construction costs, soft costs, contingencies, and assumptions.

c. An operating pro forma for the proposed development, including all revenues, expenses, debt service, taxes, and other assessments for at least 10 years, and assumptions.

d. Demonstrate the ability to perform the project within a two-year timeframe.

Tab 5 – Level of Return and Benefit to the City

a. Describe the tax, employment and other tangible public benefits generated by the proposed development i.e. – public parking, placemaking, etc.

b. Specify any requested City assistance, including details such as the type of assistance, length of agreement term, commencement, and completion dates, etc. Any requests for City assistance must:

- Be limited to assistance the City can reasonably accommodate.

SECTION 4: SELECTION PROCESS

A project evaluation committee will evaluate each RFP. The committee will be comprised of the Development Services Department representative, Business Improvement District representative, Architectural Review Committee representative, Urban Renewal Agency representative and Revolving Loan Fund representative. The proposals will be scored according to the criteria in section 3 as follows:

1. Concept to Develop Site (0-25 points)
2. Proposer's Qualifications, Experience and Financial Capacity (0-25 points)
3. Proposer's Business Plan (0-25 points)

4. Level of Return and Benefit to the City and/or Kalispell Community (0-25 points)

A decision may be reached based solely upon the content and quality of information contained within the submitted proposal. If interviews are determined to be desirable, the proposers selected will meet with the Project Evaluation Committee for the interview. The purpose of the interview will be to expand on the information provided in the RFP, not to repeat information already provided. Those firms selected for interviews will be provided additional instruction by the city. Those firms not selected for further consideration will be notified. The Project Evaluation Committee will rank each consulting firm of this RFP. The highest ranked firm will be recommended to the City Council for award.

Requests for debriefings or selection decisions shall be made in writing to the City, Development Services Department. All information submitted by firms and related Project Evaluation Committee evaluations and rankings shall be considered confidential until after contract execution and award by the City Council.

The City will enter into a negotiated contract upon selection of the firm for the project. The commencement of negotiations does not commit the City to accept all the terms of the proposal and negotiations may be terminated by the City at any time. These negotiations may result in minor or material changes to the proposal, including both the business terms and the project. Successful negotiations will result in an award recommendation to the City Council and a "Letter of Intent" stating the City's intent to enter a contract with the recommended proposer on specified business terms. Following required approvals, City-drafted contracts addressing business terms and performance benchmarks will be entered between the parties. The City reserves the right to reject, in whole or in part, any or all proposals. The terms and conditions of any contract resulting from this RFP process are subject to approval by the Kalispell City Council. If the selected firm determines not to enter into a contract with the City, the City may then contact the second or third highest ranked team until a contract is executed or may decide to terminate the selection process.

SECTION 5: GENERAL TERMS AND CONDITIONS OF PROPOSAL

All materials submitted by proposers shall become the property of the City and become a matter of public record available for review. Each proposer shall mark any information submitted as part of its proposal that the proposer deems confidential or proprietary (collectively Confidential Information). If the City receives a request to review or disclose such Confidential Information, the City will provide the proposer written notice of the request to allow the proposer the opportunity to obtain a court order to prevent the disclosure or review of such Confidential Information. The proposer must obtain and deliver to the Procurement Officer a court order within seven calendar days of the date of the City's written notice. If no court order is issued and received by the Procurement Officer within the seven-day period, the City may disclose or allow the review of such Confidential Information. If a proposer intends to seek a Court Order to shield its Confidential Information, the protest period will be extended the same number of calendar days to allow for this process.

The City of Kalispell reserves the right to reject any or all Statement of Qualifications or portions thereof. The cost of preparing responses to this RFQ shall be borne by the respondents and shall not be reimbursed by the City of Kalispell.

The City reserves the right to take any course of action the City deems appropriate at the City's sole and absolute discretion, which may include:

- Waiving any defects or informalities in any proposal or proposing procedure.
- Accepting or rejecting any or all proposals or any part of any or all proposals.
- Canceling the RFP in part or in its entirety.
- Reissuing the RFP with or without modification.
- Negotiating with any qualified proposer.
- Extending the deadline for proposals; and/or
- Requesting additional information from any or all proposers.

The City reserves the right to disqualify any proposer that fails to provide information or data requested herein or that provides materially inaccurate or misleading information or data. The City reserves the right to disqualify any proposer on the basis of any real or apparent conflict of interest that is disclosed by the proposals submitted or any other data available to the City. This disqualification is at the sole discretion of the City. By submission of a proposal hereunder, the proposer waives any right to object now or at any future time, before anybody or agency, including but not limited to, the City Council, or any court, as to the exercise by the City of such right to disqualify or as to any disqualification by reason of real or apparent conflict of interest determined by the City.

All persons or entities that respond to this RFP, including their employees, agents, representatives, proposed partners, subcontractors, joint ventures, members, or any of their lobbyists and attorneys, will refrain from any direct or indirect contact with any person who may play a part in the selection process, including members of the evaluation committee, the City Manager, Department heads, the Mayor and other members of the Kalispell City Council. As long as this RFP is not discussed, proposers may continue to conduct business with the City and discuss business that is unrelated to this RFP.

Additionally, any proposer or any member or affiliate of a proposing team that currently contracts with the City must be in good standing for its proposal to be considered responsive. For the purpose of this RFP, good standing refers to compliance with all contractual provisions, including payment of financial obligations.