

**REQUEST FOR PROPOSALS FOR THE PRIVATE DEVELOPMENT OF THE
CITY OWNED
3rd and Main Lot**

CITY OF KALISPELL, MONTANA

The City of Kalispell is seeking proposals from development firms seeking to privately 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 City is looking for development proposals on the 3rd and Main lot (formerly known as “Valley Bank lot”) at the northwest corner of Main Street and 3rd Street West. This property has been chosen due to its high visibility location along Main Street and its location in the newly established Downtown Tax Increment Financing (TIF) District. Redevelopment of this property will further the City’s mission of promoting economic growth, improving area employment opportunities, and expanding tax base. Following successful completion of a recorded Developer’s Agreement, the selected developer will receive credit against the 2020 appraised value of the property based upon the tax increment generated by the project.

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 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 Friday, July 9, 2021. Request for Proposals that are faxed or emailed will not be accepted.

General questions pertaining to the project should be directed to Katharine King, Assistant Director of Community Development, at kking@kalispell.com.

Proposers having questions or requiring clarification or interpretation of any section within this RFP must address these issues via e-mail or in writing to the RFP contact listed above on or before Friday, June 18, 2021, at 4:00pm. Clear reference to the section, page, and item in question must be included. Questions received after the deadline may not be considered. 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/584/3rd-Main-Request-for-Proposal>

Written response will be provided by Friday, June 25, at 4:00 pm to all questions received by the June 18th deadline. Response will be by written addendum and will be posted on the website with the RFP at <https://www.kalispell.com/bids.aspx> and at <https://www.kalispell.com/584/3rd-Main-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 17,500 s.f. parcel of land currently utilized as a City parking lot located at the northwest corner of Main Street and 3rd Street West. This property has been chosen due to its high visibility location along Main Street and is located in the newly established Downtown Tax Increment Financing (TIF) District. 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 developer will receive credit against the 2020 appraised value of the property based upon the tax increment generated by the completed project. 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* – In order for the Downtown Kalispell TIF District to stay economically healthy for the maximum benefit to the district and community, a project is expected to generate new taxes. 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 of no less than 75%, establish property management systems, 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.
- *Building* – The quality of development and overall aesthetics shall be beyond that which is minimally required by International Building Codes (IBC).
- *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.
- *Deed Restriction* – A proposer shall agree that a deed restriction will be placed on the property prohibiting the property from being exempted from property taxes. In the event the property was to transfer to a non-taxable entity, a payment in lieu of taxes agreement must be in place to ensure continued tax revenues to the City and to the Downtown TIF District for its period of existence.
- *Parking*— At a minimum, the proposed project must accommodate the parking requirements for its own development uses per applicable City zoning requirements. Projects that provide additional parking either on or offsite that provides public benefit will be given greater priority.

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 of the proposal must be numbered. 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 on a flash drive or CD.

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. Drawings/Materials to be submitted (Buildings):
 - Architectural Site Plan / Roof Plan: (streets labeled, footprint/roof plan, layout, dimensions, grades). This allows the board to understand how the building and site work together and relate to the context of the site.
 - Landscape Plan: (species, sizes, count, etc.) Color strongly recommended on this drawing. Allows the board to review and understand how the landscape supports and softens the architecture.
 - Exterior Elevations: Showing all sides of the building, in color (and ideally shade/shadows), with materials that correctly represent the materials to be installed. The landscaping should also be represented on these drawings as

properly as is possible. Include mechanical screening, trash enclosures, etc. 3-dimensional drawings are required.

- Materials and color samples: Actual physical samples of the materials and colors must be presented at the meeting.
- Photos of the site and neighborhood to provide context is recommended. They set the stage for conversations of ‘how’ and ‘why’ a building does or does not fit into its neighboring context.

d. Drawings/Materials for Signs:

- Site Plan: Indicating location of each proposed sign and the location/size of each existing sign. For freestanding signs, existing/proposed landscaping in the area of the sign should be shown.
- Drawing of Sign: Dimensioned drawing of proposed signage including color, materials, structural supports, and lighting components. Wall signs should include an elevation of the building showing the sign.
- Materials and color samples: Actual physical samples of the materials and colors to be presented at the meeting.
- Photos of the site and neighborhood to provide context is recommended.
- Proposed signage must comply with established City zoning requirements.

e. 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.

f. 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:
- Research/market demand data that supports the proposed development.
- 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 5-member 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 committee will take into consideration the public comment received during the open house and 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 following tentative schedule has been prepared for this project. Firms interested in this project must be available on the interview meeting date.

- Written questions on RFP due: 4:00 p.m., June 18, 2021
- Pre-submittal meeting offered via Zoom: 2 p.m., June 23, 2021
- Written response to questions from City by: 4:00 p.m., June 25, 2021
- Proposals due: 4:00 p.m., July 9, 2021
- Firms notified for interview: July 30, 2021
- Interviews (if necessary): Anticipated the week of August 16, 2021
- Anticipated Contract Award Date: September 20, 2021

Following the interviews, the Project Evaluation Committee will rank each consulting firm of this RFP. Consideration will be given to the public comment received during the open house, written proposal and any oral presentations or interviews. No other factors or criteria will be used in the qualification ranking.

The highest ranked firm will be recommended to the City Council for contract 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.

Publish: December 27, 2020, January 10, 2021, April 4, 2021, June 13, 2021, and June 27, 2021

