

REQUEST FOR PROPOSALS

**249-257 SOUTH 13TH STREET
WASHINGTON SQUARE WEST
PHILADELPHIA, PENNSYLVANIA 19107**

AUGUST 2009

**REDEVELOPMENT AUTHORITY
OF THE CITY OF PHILADELPHIA**

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REQUEST FOR PROPOSALS

249-257 SOUTH 13TH STREET

I. INTRODUCTION

The Redevelopment Authority of the City of Philadelphia “RDA” invites competitive proposals from interested parties for the purchase and development of 249-257 South 13th Street (“Parcel”), more fully identified in the attached legal description and plot plan marked as Exhibit A. The scale, conceptual design and proposed tenant mix should be used to create a visually prominent mixed-use development that will complement the surrounding residential and retail uses. The RDA will seek to strengthen proposals by organizing site visits and meetings with Planning Commission and other stakeholders prior to the submission deadline, and will proactively work with the selected developer to engage the Planning Commission and community during pre-development planning and approvals phases.

II. AREA INFORMATION

The Parcel is located in the historic Washington Square West section of Center City Philadelphia, on S. 13th Street, between Locust and Spruce Streets, in the heart of bustling Center City Philadelphia, the region’s hub for office-based employment. With a residential population of over 88,000 and a student population of approximately 90,000, Center City Philadelphia is among the most attractive neighborhoods in the City of Philadelphia and the region. In addition to its growing residential population, Center-City is home to 9,000 businesses with more than 300,000 employees.

Major employers and educational institutes like the University of the Arts, Thomas Jefferson University Hospital, and Pennsylvania Hospital are within a 5-10 minute walk. The Pennsylvania Convention Center and historic Reading Terminal Market are a quick ten-minute walk. The Avenue of the Arts and its cultural attractions like the Kimmel Center, Merriam Theater, and Academy of Music are all located within two blocks of the property. Independently owned coffee shops, restaurants, boutiques, and upscale bars and pubs dominate the neighborhood. The region’s premier shopping district, Rittenhouse Row, begins just two blocks from the site on Walnut Street. Additional information on Center City and Washington Square West can be found on the following websites:

www.centercityphila.org
www.washwestcivic.org
www.midtownvillage.org

III. SITE CHARACTERISTICS

1. Location – 249-257 S. 13th Street (“Parcel”) is located in the Washington Square West section of Center City Philadelphia. The Parcel is on the eastside of S. 13th Street, between Locust and Spruce Streets. The parcel offers 103’ of frontage along S. 13th Street and 50’ of frontage along S. Camac Street. (Plan and Legal Description are attached as Exhibit A).
2. Size - The total Parcel is 16,666 square feet. It consists of approx. 11,100 s.f. of surface parking along with a two-story masonry building (approx. 11,000 SF) currently used as the RDA’s maintenance facility. The RDA expects that highest and best use redevelopment will require demolition of the maintenance facility.
3. Excellent Access – The Parcel is conveniently located near a number of mass transit systems. Convenient access to all regional rail services is available via SEPTA’s Market East Station and Suburban Station, each located within a 10-minute walk of the site. The Broad Street Subway has a station located at Broad and Locust, one block from the Parcel. The PATCO High-Speed line, which links Center City to communities in Southern New Jersey, has a stop at 13th and Locust Streets, less than a block from the Parcel.
4. Zoning –The Parcel is zoned C-1. Section 14-300 of the Philadelphia Zoning Code specifically states that, “*All buildings in any C-1 District shall follow the height restrictions of the most restrictive Residential District, whether contiguous or across the street.*”¹ This means that the parcel, as currently zoned, must be developed in accordance with R-10 zoning, which restricts development to residential structures not exceeding 35’ in height. The RDA and Planning Commission realize that the site’s current zoning classification may limit highest and best use development, therefore, both agencies are prepared to support requests for zoning variances in order to maximize potential redevelopment of the site.
5. Utilities – The Parcel is well served by existing public utilities. Electric, natural gas, water, sewer and telecommunication services are provided to the site by various public utilities.
6. Development Incentives – Improvements made to this site may be eligible for the City 10-year tax abatement administered through BRT. Green roofs may qualify for the Green Roof Tax Credit administered by the Department of Revenue.

¹ Philadelphia Zoning Code Chapter 14-302 Section 3 (Height Regulations)

IV. SUMMARY DATA

- Parcel: 249-257 South 13th Street
- Area of Site: 16,666 square feet (.3826 acres)
- Zoning Classification: "C-1" Commercial
- Site Visit: August 26, 2009; 10:00 AM
- Proposals Due: September 21, 2009; 12:00 PM
- Deposit: \$50,000

V. OBTAINING PROPOSAL MATERIALS

All proposal materials must be downloaded from the RDA website: www.phila.gov/rda.

VI. PRE-SUBMISSION SITE VISIT

The RDA will coordinate a site visit on August 26, 2009 at 10:00. Interested developers are encouraged to meet at the site for a tour and discussion with RDA and Planning Commission staff members. Please wear comfortable clothing.

VII. SUBMISSION DEADLINE

All proposals, including a good faith deposit in the amount of \$50,000 must be submitted on or before **12:00 PM on September 21, 2009**. All submissions must be addressed to the attention of:

Troy Adams
Project Manager
Redevelopment Authority
1234 Market Street, 16th Floor
Philadelphia, PA 19107

Please ask for a time-stamped receipt from the receptionist if hand delivering a proposal. If the proposal is mailed, please request delivery confirmation. If a submission contains misrepresentation of information, either willful or inadvertent, it may be cause for immediate elimination of the developer from further consideration. Misrepresentation will also be cause for termination of any contracts subsequently executed between the RDA and the selected purchaser.

The RDA will not pay any fees or commissions to parties acting as agents, brokers, consultants, or contractors as part of this transaction. Payment to any agents or brokers will be the responsibility of the purchaser.

VIII. SUBMISSION SCHEDULE AND MILESTONES

Schedule	Date
RFP Distributed	August 5, 2009
Pre-submission Site Visit	August 26, 2009; 10:00 AM
Questions Accepted Until	September 15, 2009
Submissions Deadline	September 21, 2009; 12:00 PM
Potential Interviews with Developer(s)	September 30, 2009 (<i>Tentative Hold</i>)
Final Selection of Developer	October 1, 2009

IX. QUESTIONS ABOUT THE RFP

All questions and requests for additional information **must be submitted via e-mail** to troy.adams@rda.phila.gov no later than September 15, 2009. Telephone inquiries will not be accepted. Questions, responses, and clarifications will be posted on the RDA website (www.phila.gov/rda).

X. PROPOSAL SUBMISSION REQUIREMENTS

All responses to this Request for Proposals must contain an original and six copies of the submission, as well as a CD-ROM or flash drive containing all the materials in PDF format. The submission must contain the substantive information described below and conform to the following format:

A. Executive Summary

A written narrative of the proposed development should be provided in the form of a cover letter addressed to Troy Adams, Project Manager. The narrative should be no longer than two (2) pages in length and should succinctly summarize and describe the proposed development. At a minimum, it should seek to address all of the evaluation criteria addressed in Section XII.

B. Forms to be Completed and Included in the Proposal

1. Economic Opportunity Policy & Project Goals — **Exhibit B**
2. Development Sources and Uses of Funds Statement – **Exhibit C**
3. Redeveloper's Statement of Qualifications – **Exhibit D**
4. Redeveloper's Statement for Public Disclosure – **Exhibit E**

C. Development Schedule & Milestones

1. Predevelopment Schedule- Include a schedule listing important milestones and dates, beginning with due diligence activity, signing the Redevelopment

Agreement, and securing required government approvals and solid financing commitments. Provide an anticipated closing date and construction commencement dates.

2. Post-Closing Construction Schedule- This section should include a schedule showing critical milestones, construction commencement and completion deadlines, any phasing that may be required and projected occupancy dates.

D. Economic and Social Impact

This section of the proposal should contain a narrative indicating the economic and social impact of the proposed development on the neighborhood and the City. Items to be included are:

1. Residential Redevelopment (if proposed)

- a. Number, size and type (e.g. 1 bedroom, 2 bedroom) of units proposed
- b. Proposed end-users
- c. Proposed rents or sales prices
- d. Amenities included in rent
- e. Number of parking spaces included
- f. Utilities included in rents (if applicable)
- g. Employment opportunities generated (if applicable)
 - i) During construction
 - ii) After construction
- h. Estimated real estate taxes

2. Commercial or Institutional Redevelopment (if proposed)

- a. Amount of floor space proposed by use (retail, office, parking, etc.)
- b. Proposed rentals per square foot of floor space or monthly parking charges
- c. Proposed end users of commercial or institutional space
- d. Public amenities (sitting areas, landscaping, etc.)
- e. Number and type of employment opportunities that will be created by the development (do not include employment opportunities created by tenants or purchasers of condominium space)
 - i) During construction
 - ii) After construction
- f. Estimated real estate taxes

E. Architectural Submission

Architectural submissions must be prepared by a registered architect and submitted on 11" x 17" size paper. Each copy of the proposal must contain an 11" x 17" set of the plans and address at a minimum the following:

1. Site Plan
2. All proposed buildings/improvements with dimensions, horizontal, vertical, and ground elevations
3. Materials, finishes, and colors for each of the façades of the proposed buildings and improvements
4. Ground floor and principal floor plans
5. Site dimensions, FAR, and lot coverage
6. If the parcel is to be subdivided, the dimensions for each new parcel
7. Tree plantings, fencing, lighting, and streetscape
8. Proposed setbacks, side yards, back yards, driveways, and parking
9. Materials for parking and other impervious surfaces

F. Project Financial Summary

Please include the following elements when summarizing the financial components of the proposed development program.

1. Completion of the Sources and Uses of Funds Statement (Exhibit C).
2. Evidence of financial capability to fund the total cost of the development. Acceptable forms of evidence include audited financial statements for any and all members of the development team, signed commitment letter(s), or other written evidence of financial support from one or more lending institutions acceptable to RDA having the capability and demonstrating the commitment to provide the financing required to successfully completing the proposed development.
3. Litigation/Judgments – The proposal must contain information regarding any litigation (pending or ongoing) in which any of the members of the development team are involved and any judgments that have been rendered against any members of the development team that may affect the ability to successfully execute the proposed project for the Parcel.

G. Proposal Deposit

Proposals must include a Proposal Deposit of \$50,000 in a form acceptable to the RDA. These forms include, in order of preference, a cashier's check, certified check, or money order made payable to the Redevelopment Authority.

The Proposal Deposit of the development team selected by the RDA to acquire and develop the Parcel will be non-refundable upon execution of the Redevelopment

Agreement and selection of redeveloper designation by the RDA Board of Directors. For those developers not selected by the RDA to acquire and develop the Parcel, the Proposal Deposit will be refunded within thirty days after receiving a rejection notice. Any interest earned on such deposits will not be returned, and neither the deposit nor earned interest will be credited against the purchase price for the Parcel.

XI. THRESHOLD REVIEW

The Authority will initially review the proposals to determine compliance with the Requirements for Proposals listed in Section X. Only proposals that comply with these requirements will be considered for evaluation. If no proposal meets these requirements, the Authority may allow all developers to supplement their submissions to conform to these requirements.

XII. EVALUATION OF PROPOSALS

Proposals deemed satisfactory pursuant to the Threshold Review will be evaluated by a Proposal Review Team. It is anticipated that this process will take approximately up to four (4) weeks to complete. Proposals will be evaluated in their entirety – i.e., no one factor, but rather that combination of all of the following factors which best satisfies the City of Philadelphia’s interest will determine the successful developer. Final selection is subject to approval by the Redevelopment Authority Board of Directors.

Proposals received in response to this RFP process will be evaluated by the following factors:

1. Financial Feasibility

Identification and documentation evidencing proposed sources of funds needed to undertake and complete the development in a timely manner. No public funds have been dedicated to this project, and it is not anticipated that any will become available in the future. Proposals that can be developed entirely using private sources will receive preference. In order to assure project viability, the RDA will perform a review of the proposed project costs for site acquisition and construction to determine both reasonableness and authenticity of the proposed development. This may entail a review of the sources of financing, projected profitability, and financial health of proposed program within the current market.

2. Urban Design & Sustainability

- a) Quality Urban Design- Preference will be given to proposals that utilize good quality urban design. The proposal should relate to the both the larger-scaled buildings along 13th Street, as well as the smaller-scaled properties along Camac Street. Projects should seek to employ high quality finishes to each elevation and be pedestrian friendly.

- b) Sustainable Design- Preference will be given to proposals that incorporate sustainable (“green”) design features, materials, and processes, including but not limited to LEED Certification, Energy Star appliances, and other sustainable and environmentally friendly features.

3. Development Timeline

The speed at which predevelopment, due diligence, closing, and construction activity occur will be carefully considered. The project should be able to be completed within thirty-six months of the date of this proposal, if project does not commence construction in accordance with time line, the RDA will charge the developer for a time extension for defaulting on the commencement date outlined in the agreement.

4. Economic and Social Impact

Additions to the economic vitality of the City in the form of increased job opportunities, tax ratables, and construction activity will be considered in the evaluation, as will the impact and contribution of the quality of life and social fabric of the City.

5. Economic Opportunity Plan

Quality of the developer’s Economic Opportunity Program for the development of the Parcel as compared to the goals set by the Redevelopment Authority.

XIII. RESERVATION OF RIGHTS

The information in this RFP is provided for background purposes only. While every effort has been made to ensure the accuracy of the information contained in this RFP, it is not, and shall not be construed to be or constitute, a representation, warranty or guaranty by the RDA regarding the content, completeness, or accuracy of such information, or the qualifications or expertise of the individual(s) or firm(s) providing or preparing such information. Each developer shall rely solely on its own inspection, investigation, confirmation and analysis of (I) the Parcel, (II) the information contained in or delivered pursuant to this RFP and (III) any other information that such developer deems necessary or prudent in evaluating and analyzing the proposed purchase and development of the Parcel.

This RFP is not a legally binding document, but an invitation to submit proposals on the terms and conditions described in this RFP. The RDA shall not be under any obligation to a developer unless and until the RDA (or its designee) and developer enter into a legally binding Redevelopment Agreement. In no event shall the RDA be responsible for any costs, expenses and fees incurred by or on behalf of the developer in connection with this RFP. The developer shall be solely responsible for all such costs, expenses and fees.

The RDA reserves the right to modify the schedule and scope of this solicitation process and to reject, or not consider, all or part of any qualifications statement submitted in

response to this RFP for any reason whatsoever at any time prior to the full execution of a sales agreement. Further, after its review of qualification statements, the RDA reserves the right to request additional or clarifying information from any or all of the registered developers.

The Redevelopment Authority is currently the legal title holder of the Parcel, and intends to convey the Parcel to the selected developer(s) pursuant to a Redevelopment Agreement (substantially in the form included in Exhibit F) within a timeframe specified by the Authority. Construction may require prevailing wage as part of this Redevelopment Agreement.

The Redevelopment Authority makes no warranties as to the environmental condition of the Parcel. Any necessary environmental remediation will be the sole responsibility of the selected respondent and should be included in the Development Sources and Uses of Funds Statement (Exhibit C).

The Redevelopment Authority makes no warranties as to the location, capacity, and condition of utility services to the Parcel. Any replacements, repairs, modifications, or upgrades to existing utility services or installation of new equipment or facilities (both on and off the Parcel) will be the sole responsibility of the selected developer.

The Authority reserves and may exercise any of the following rights and options with respect to this selection process:

- to request one or more of the developers to provide additional material, clarification, confirmation or modification of any information in the submission;
- to supplement, amend, substitute or otherwise modify this RFP any time prior to selection of one or more developers for negotiation, and to cancel this RFP with or without issuing another RFP;
- to request that one or more of the developers supplement proposals based on the review of all proposals;
- to negotiate with one or more of the developers concerning any aspect of the proposal, including price;
- to terminate any negotiations at any time;
- to accept or reject at any time prior to the execution of the Redevelopment Agreement, all submissions and/or to withdraw the RFP without notice;
- to expressly waive any defect or technicality in any proposal;
- to solicit new proposals;

- to rescind a selection prior to execution of the Redevelopment Agreement if the Authority determines in its sole discretion that the proposal does not conform to the specifications of this RFP;
- to rescind a selection prior to execution of the Redevelopment Agreement if the Authority determines that the specifications contained in this RFP are not in conformity with law or that the process in selection of the developer was not in conformity with law or with the legal obligations of the Authority.

By submitting a proposal in response to this Request for Proposals, a developer affirmatively indicates their acceptance of the terms and conditions of this RFP.

XIV. SELECTION OF REDEVELOPER

It should be noted that the disclosure statements and other documentation submitted to the Authority are the most important single source of information upon which the Authority 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 the Authority to reject the proposal.

Upon completion of the review and evaluation, the Authority will recommend a course of action to the Redevelopment Authority Board of Directors. The Redevelopment Authority shall make the final decision with respect to development proposals and shall notify all developers of the results and return good faith deposits to unsuccessful developers.

XV. REDEVELOPMENT AUTHORITY DISPOSITION PROCESS

After the Authority reviews the proposals and a redeveloper's proposal is selected, Redevelopment Authority Board, City Planning Commission and City Council approval must be obtained before the Authority can execute the Agreement and construction can commence. Following is a general sequence of events in this approval process:

1. Redevelopment Authority Advisory Board of Design (ABD) approval of schematic architectural plans;
2. Signing of the Redevelopment Agreement by the developer. At this time the good faith deposit submitted with the proposal is credited toward the security deposit for construction of the improvements in accordance with the Redevelopment Agreement. The developer may want to do some due diligence (geo-technical or environmental testing) as part of the pre-development activities.
3. Initiation of the Authority Fine Arts Process. The Fine Arts Committee will direct selection of an artist, development of ideas and creation of a budget for the

installation of an appropriate work of Fine Arts in accordance with the Fine Arts Policy and Procedures (Exhibit G).

4. ABD approval of Design Development Plans;
5. Redevelopment Authority Board approval of the Redevelopment Agreement;
6. City Planning Commission approval of the Redevelopment Agreement;
7. City Council approval of the Redevelopment Agreement;
8. Execution of the Redevelopment Agreement by the Redevelopment Authority;
9. Settlement;
10. Pre-construction conference;
11. Construction period;
12. Review of the completed development by the Authority to determine compliance with the Redevelopment Agreement. If the development is found to be in compliance with the Redevelopment Agreement, the Authority issues a Certificate of Completion, and the security deposit is returned.

The developer shall be responsible for securing all necessary permits, licenses, approvals, or variances and is obligated to pay all costs involved in securing such permits, licenses, approvals, and variances to comply with the development controls, City Codes, and the approved design development and construction drawings.

XVI. EVENTS OF DISQUALIFICATION OR DEFAULT

A. Events of Disqualification or Default

Subsequent to the selection of a developer by the Authority, the Authority 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 Development 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 Authority places particular importance on the

- information required by the Redeveloper's Statement of Qualifications and Financial Responsibility and the Redeveloper's Statement for Public Disclosure;
5. Failure to provide in a timely manner the additional material required after selection throughout the Authority disposition process, as described in Section XIII of this proposal;

B. Remedies

Upon the happening of an Event of Disqualification or Default by a selected developer, the Authority shall have the right, at its election, to:

1. Rescind its selection of the developer; or
2. Declare null and void an Agreement which may already have been executed; and/or
3. Retain the Good Faith Deposit/Security Deposit as liquidated damages.

XVII. LIST OF EXHIBITS

- A - Legal Description & Plot Plan
- B - Economic Opportunity Policy & Project Goals
- C - Development Sources and Uses of Funds Statement
- D - Redeveloper's Statement of Qualifications of Financial Responsibility
- E - Redeveloper's Statement for Public Disclosure
- F - Form of Redevelopment Agreement
- G - Fine Arts Program: Policies & Procedures