

City of Blaine
Request for Council Action
Meeting Date: August 12, 2019

Subject: Request for Proposals for Old City Hall Redevelopment

Department: City Manager

Prepared By: _____
(Digital Signature)

Agenda Location: Consent Agenda Council Action Unfinished Business

Attachments:

1. Draft Request for Proposals (excluding the attachments thereto)
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Background/Summary:

Several years ago the City moved administrative operations to the current City Hall at 435 Martin Street. Since that time, the “Old City Hall” site has been in the process of decommissioning the building which involved digitizing thousands of records and building storage for non-digital archives. Currently, the City is conducting a space planning effort for a Police Station expansion to accommodate the last uses still occurring in Old City Hall or the adjacent Fire Station.

The City Council authorized the formation of an ad hoc committee for the purpose of evaluating the redevelopment opportunities for City-owned property in downtown Blaine, and to advise on the disposition of those properties. The “Downtown Residential Jumpstart Committee” studied the properties and evaluated options. They considered the properties as a whole, but decided to address each individually because they have unique attributes. The first property addressed was the library site. The committee recommended to Council that the City affirm its commitment to retain the Blaine Library site for the purpose of providing library services and to explore options for expanding the library in conjunction with the Whatcom County Library District. Council affirmed this recommendation.

Next the Committee turned its focus to the Old City Hall and Fire Station site. As mentioned above, the City is planning a Police Station expansion, which will occupy some of the property. The remainder of the property including the Old City Hall building is available for redevelopment. The committee directed the City Manager to develop a Request for Proposals (RFP) for the property (attached).

The draft RFP is presented for City Council consideration. The RFP describes the property, establishes a set of preferred development characteristics that will be used in evaluating proposals, and sets a minimum offer price based on a recent appraisal. If the City Council approves the RFP it will be published and distributed to solicit proposals for either revitalization of the Old City Hall building with new uses or a complete redevelopment of the site that would include demolition of Old City Hall and construction of an entirely new building on the property.

Budget Implications: Current Budget New Budget Request Non-Budgetary

The distribution of the RFP is included within the scope of the existing budget.

Recommendation:

The ad hoc Downtown Residential JumpStart Committee unanimously recommends distribution of the RFP. They recommend the City Council pass a motion to authorize the City Manager to distribute the Request for Proposals for Old City Hall Redevelopment.

Reviewed By:

City Manager _____ Finance Director _____ City Clerk _____
(Digital Signature) (Digital Signature) (Digital Signature)



CITY OF BLAINE

City Manager's Office

435 MARTIN STREET, STE. 3000 • BLAINE, WA • 98230

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Request for Proposals Old City Hall Redevelopment

Deadline: November 15, 2019 at 4:30 pm.
Contact Person: Michael Jones, MPA – City Manager
mjones@cityofblaine.com, 360-543-9981

Introduction

The City of Blaine (City) is soliciting proposals for the acquisition and development of the “Old City Hall” property (“Old City Hall” or “Property”) with a high-quality project that capitalizes on the small-scale urban setting and contributes to the City’s goals of creating a walkable, inviting downtown that serves both visitors and residents. The City intends to sell the Property to a developer with certain development objectives acceptable to the City.

The City’s primary objectives are to sell the Old City Hall to a developer who will convert the vacant building to a contributing component of the City’s downtown redevelopment effort (“Proposed Projects”) in a timely manner. Proposed Projects are expected to take one of two forms, which will be an obligation of any final purchase and sale agreement:

City Hall Revitalization Option. This would be:

- A revitalization of the Old City Hall building and site with a new use(s) in the existing building that retains the building in recognition of its historic use as the center of government, and revitalizes the building with historic architectural elements that enhance the existing façade, or

Redevelopment Option. This would be:

- A complete redevelopment of the site that includes demolition of the existing building and construction of a new facility with a variety of uses.

Property Location and Information

The site is located in downtown Blaine, Washington, addressed 344 H Street. The site consists of Lots 20, 21, 22 and a portion of Lot 23, Block 32 of the Plat of the City of Blaine (See Survey, Attachment A). The total parcel area is approximately 90 feet wide by 130 feet deep. A portion of Lot 23 will be retained by the City, which when combined with Lot 24 will be used for expansion of the City’s Police Station. Final parcel area may be negotiable based on the project

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needs and the final design of the Police Station addition. The site is approximately 11,700 square feet.

The site is generally level. It is served by a developed street at the south (front) and a developed alley at the north (rear). Water, sewer, electric and stormwater facilities are available in the general vicinity.

Background

Situated on the U.S.-Canadian border, the City of Blaine is located along the I-5 corridor in northern Whatcom County. With a growing population (current population is approximately 5,300). Blaine is experiencing a housing shortage like many other cities in Whatcom County. The City and County Comprehensive Plans include projected growth that will bring the City's population to 9,600 residents by 2036. With a growing population we are also experiencing a resurgence of downtown activity, and opportunities exist for new retail, entertainment and food and beverage businesses.

Blaine offers a beautiful setting, a mild coastal climate, and easy access to Vancouver, British Columbia and Seattle, Washington. The city has exceptional access to nearly unlimited outdoor recreation, with the inland marine waters of Puget Sound and Georgia Straight for boating, fishing, and day trips to the San Juan Islands. The Cascade Mountains are less than an hour's drive, offering hiking, skiing, camping, hunting and fishing. Three institutes of higher education are located within 20 miles. These attributes, combined with the ongoing development activity, and the City's development friendly government, make this property a strong development opportunity.

The property is the former site of Blaine City Hall. After the purchase of a new City Hall building in 2012, the City utilized the space for archiving, storage and training for several years. The City no longer needs the property and is making it available for development. The site is zoned CB-M (Central Business-Market), allowing for commercial development or mixed-use multi-family over commercial with a maximum height of 48 feet and no density limits.

There are three other structures on nearby City owned property; the Police Station (Parcel "E"), Library (Parcel "A"), and the skate park (Parcel "C"). The Police Station will remain and be used for police services after the removal of old City Hall. The Library is located on the northwest part of the site. While the land and building are owned by the City, the Whatcom County Library system has an agreement with the City that allows the indefinite use of the building. Like the Police Station, the Library building is not only expected to remain on that site, it is also expected that the building will be expanded to the west to accommodate a growing customer base.

The skate park site and the property adjacent to the west is zoned CB-T (Central Business-Town Portal) allowing mixed use or multi-family residential, with a maximum height of 60 feet and no density limits. Currently, the skate park site is under consideration for redevelopment; however, this is pending a decision to relocate the skate park. The property adjacent to the skate park may be available as parking for the selected proposal subject to a negotiated sale.

Submitting Proposals

Responses should be limited to twelve (12) pages. One (1) unbound original and seven (7) bound copies must be submitted. All materials must be received by 4:30 pm on November 15, 2019 at:

City of Blaine - Cashier's Office
435 Martin Street, #3000
Blaine, WA 98230

Late proposals will not be accepted. Receipt of proposals by the US Mail or carrier service does not constitute receipt by the City. The City will not accept facsimile or email submittals.

All submittals become the property of the City, and are subject to public records disclosure.

Incurred Costs

The City is not liable for any costs incurred by Developers in responding to this RFP.

Proposal Format

These requirements are designed to establish the Developer's overall capacity to complete this development project in a timely manner and to maximize the benefit of the project.

I. Project Narrative

- a. Clearly indicate in your cover letter and in your proposal which option(s) – you are proposing: “City Hall Revitalization Option” or “Redevelopment Option”. Individuals or teams may independently submit one proposal for each option if they desire.
- b. Provide a description of the development plan detailing the proposed use(s) and including metrics such as number of residential units, square footage of commercial space, and public use (if any). If you seek additional land for parking, please indicate that in the proposal (all or part of “Parcel B” may be available for parking at an additional cost.)
- c. Explanation of ownership entity (single ownership, LLC, partnership, condominium, etc.).
- d. Prospective development timeline including major milestones such as completion of due diligence, submittal of building plans, groundbreaking, and completion/occupancy.

II. Relevant Development Experience

- a. Brief bios of the key individuals and/or the firm(s) involved in the project.
- b. Description of other similar projects completed or under development
- c. References – Strong references include banks, tenants, co-developers, or municipal entities.

III. Financial Capacity

- a. Detailed description of ability to finance the costs of the project.
- b. Identify the people or entities in the development team and their respective percentage interest in financing and ownership.

- c. The amount from unidentified, future investor(s) should be clearly identified, if applicable.

IV. Budget

Preliminary development budget listing proposed sources and uses, including acquisition costs and indicate gaps, if any.

V. Acquisition Price

Include proposed acquisition price, conditions of closing and proposed timing for closing. See Attachment B for a recent property appraisal.

Minimum Offer Price: \$400,000

VI. Other Assurances to Complete Development

Include proposed mechanisms to assure enforceability of completion timing, which may include right of City to re-purchase at original purchase price, performance bond, delayed closing to completion, or other measures of assurance. The methods of assurance will be a contractual obligation included as part of any final PDA.

Selection Process

Selection Committee

The selection committee will be composed of members appointed by the City Council. The team is composed of three Council members, one Planning Commissioner, and two representatives of the development community. Developers may not contact members of the evaluation committee except at the request of the City. The City Manager is the sole point of contact for the selection committee. A recommendation of the committee will be provided to the City Council for final approval.

Timeline

RFP Released	August 30, 2019
Submittal Deadline	November 15, 2019
Submittal Verification	November 22, 2019
Committee Review	December 1-December 13, 2019
Committee Recommendation	December 2019 (Date TBD)
City Council Review and Selection	January 2020 (Meeting Date TBD)

(Dates, other than submittal deadline, subject to change)

Pre-Proposal Meeting: A group pre-proposal meeting will not be scheduled; however, the City staff may meet with potential responders upon request.

Presentations: The selection committee may request to meet with some or all responders for the purpose of receiving a presentation of the proposal.

Evaluation Criteria

In general, proposals will be evaluated based on the proposed future use(s) of the property, the proposed purchase price and the willingness of the proposer to work with the City and to have a firm and enforceable commitment to complete the Property Project in accordance with an agreed upon timeframe. The proposed future uses of the property will also be evaluated based on their ability to further the community revitalization and economic development goals of the City.

Proposals will be given consideration for achieving some or all of the following goals (no order of preference). The city may include other criteria as determined applicable.

- Incorporating high traffic tourism and entertainment oriented use(s). Uses such as galleries, restaurants/pubs, and theatres that are intended to generate and capture visitor traffic.
- Incorporating community use of the site/building, such as meeting rooms available to the public, or space dedicated to a partner providing a community use such as a museum, community center, or public gathering space.
- Redevelopment of the site with a use(s) that can be expected to drive investment to the H Street corridor will be given greater consideration.
- Retaining and revitalizing the Old City Hall façade, or incorporating design elements in a new structure that gives recognition to the former use.
- Incorporating multi-family housing. Projects that add housing will receive greater consideration. Higher unit count is desirable.
- Incorporating housing where at least twenty percent of the units are permanently affordable for households with incomes at or below eighty percent of the adjusted median family income for the county, wherein monthly rents, fees and utilities do not exceed 30-percent of the family income. Projects with more than twenty percent of affordable units are desirable.
- Incorporating design that will result in LEED Certification (Silver or above).

Proposals will also be given consideration based on the following:

1. Developer's past experience with projects of similar scale and complexity.
2. Developer's financial capacity to undertake the project.
3. The proposed timeline to construct and occupy the site.
4. Assurances provided for completion of project.
5. Proposed purchase price for the property and building.
6. Time for closing.
7. Developer conditions for closing.

Right to Reject Proposals

The City reserves the right to reject any and all proposals in full and/or in part, waive any informality, issue subsequent RFP's, cancel the entire RFP, remedy technical errors in the RFP process, and seek assistance in the evaluation process. Scoring of the proposals is not anticipated, but may occur.

Should contract negotiation prove unsuccessful, the City reserves the right to select no Developer, select another Developer previously responding to this RFP, or offer a new RFP.

Negotiation and Approval of Purchase and Development Agreement (PDA) Terms

By submitting a Proposal, Proposer agrees to enter into and accept as appropriate the following agreements and documents with and from the City of Blaine. Following the selection of the highest ranking proposal, the City and the selected Proposer shall negotiate mutually agreeable terms to the agreements:

1. Exclusive Negotiating Rights Agreement (“ENR” or “ENRA”). To be provided upon selection. (See below).
2. Purchase and Development Agreement (“PDA”). To be negotiated during the term of the ENRA . (See Below).
3. Quit Claim Deed.
4. Closing instructions.

If Proposer is unwilling or unable to honor the requirements of this RFP or its Proposal, or negotiations otherwise fail, the City will retain the right to suspend or cancel negotiations with the highest-ranked Proposer and proceed to negotiations with the next ranked Proposer.

All terms and conditions of any proposal are subject to final negotiation by the City. No agreement shall be binding on the City unless approved by the City Council in an open public meeting.

Exclusive Negotiating Rights Agreement

Upon selection of a developer, the City will execute an Exclusive Negotiating Rights Agreement (ENRA) in a form approved by the City Attorney and City Council, during which time the City will commit to only negotiate with the selected developer. If a Purchase and Development Agreement (PDA) cannot be negotiated during the ENR period, the City may proceed and enter into an ENRA with a different responder. An ENRA is anticipated to have the following terms:

1. A 120-day term;
2. Proposer granted the right to inspect and evaluate the property for its intended purposes and use; and
3. Proposer acknowledging all testing and inspections are conducted at their own expense and risk.

Purchase and Development Agreement (PDA)

Upon selection, the Proposer agrees to execute a Purchase and Development Agreement (PDA) that will be prepared by the City and provided after the ENR term if negotiations are successful.

By submitting its Proposal, Proposer agrees to (at the expiration of the ENRA term) execute a PDA, which shall include, but is not limited to, the following requirements:

1. Contingent upon City Council Approval. The Sale of the Property must be duly approved by the Blaine City Council prior to Closing. If Blaine City Council approval is not obtained, the PDA will terminate, and all documents and other funds will be returned to the Proposer, and neither party will have any further rights, obligations, or remedies under the PDA.
2. Closing. Closing shall occur no later than sixty (60) calendar days from the City Council's approval of the Sale. Proposer is responsible for paying all closing costs, including all recording, lender, brokerage services and title insurance costs and fees as applicable.
3. "As Is". Proposer acknowledges that the Property will be purchased under the PDA in an "as is" condition. No warranties as to the condition of the Property shall be given or implied.
4. Title Conveyance. The City shall convey title to the Property via Quit Claim Deed. No warranties as to the Title of the Property shall be given or implied.
5. Taxes. The Developer will be responsible for real estate and transfer taxes associated with the property transaction.
6. Risk of Loss. The City makes no claims as to the condition of the building and property and will transfer the property in an "as is" condition.
7. Zoning and Permitting. The Developer is responsible for completing due diligence and to understand the zoning, building and development requirements that regulate the property. The City makes no representations as to whether the building is compliant with zoning, building, or fire standards. No Assurance of permits or entitlements. The City makes no claim in regard to permits and entitlements that may be needed to execute a proposal. Selection of a proposal does not imply any right to a permit or land use entitlement.
8. Inspection and Due Diligence. The City will make the property available for inspection. The Developer is responsible for conducting due diligence and determining the suitability of the property for the proposal.

Once the ENR term is complete and Proposer has executed the PDA, City staff will recommend approval to the Blaine City Council. If Blaine City Council approval is not obtained, the PDA will terminate, and all documents and other funds will be returned to the Proposer, and neither Party will have any further rights, obligations, or remedies under the PDA.

Following City Council Approval, the City and the Proposer will execute all additional necessary agreements and documentation and will work to 'Close' the sale as soon as possible--no later than sixty (60) days from Council Approval.

Contact Information

All inquiries concerning this solicitation should be addressed to:

Michael Jones
City of Blaine, City Manager
435 Martin St. Suite 3000, Blaine, WA 98230
360-543-9981
mjones@cityofblaine.com
<https://www.cityofblaine.com>

No other individuals, groups, organizations or other agents are authorized to respond on behalf of the City to such inquiries.

Legal Information

VERIFICATION. The City shall have the right to verify the accuracy of all information submitted and make such investigation it deems necessary to determine the ability of prospective Developer(s) to perform the obligations in the response.

PUBLIC RECORDS ACT. All information provided by Proposer to the City pursuant to this RFP, including the Proposal, are, upon their receipt by the City, deemed the property of the City, will not be returned to the submitting Proposer, and are subject to the Washington Public Records Act, RCW Ch. 42.17 (the “Public Records Act”). Proposers should familiarize themselves with the provisions of the Public Records Act. In no event shall the City, or any of its agents, representatives, employees or consultants, be liable to a Proposer as the result of the disclosure of all or a portion of a Proposal submitted under this RFP.

CONFLICT OF INTEREST. No officer, employee, or agent of the City, nor any member of the immediate family of any such officer, employee, or agent as defined by City ordinance, shall have any personal financial interest, direct or indirect, in this Proposal, either in fact or in appearance. The Proposer must comply with all federal, state, and city conflict of interest laws, statutes, and regulations.

FINAL APPROVAL SUBJECT TO CITY COUNCIL APPROVAL. The ENRA and the PDA and/or commitment to sell are subject to final approval by the City Council for the City of Blaine. The City Council for the City of Blaine may take action to approve a Purchase and Sale Agreement for the Property at an open public meeting of the Council.

Attachments

Attachment A - Property Survey

Attachment B - Property Appraisal