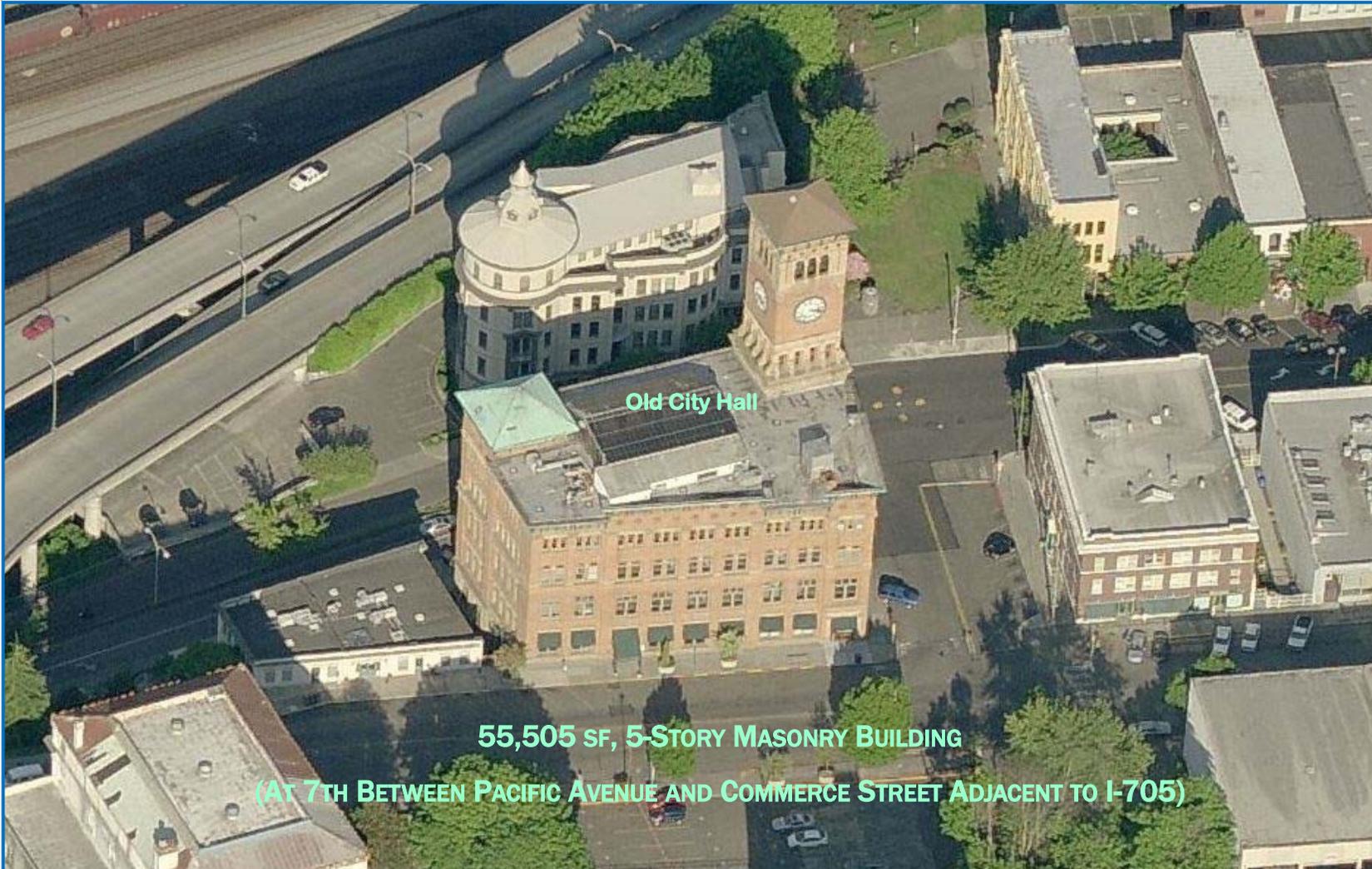




REQUEST FOR INTEREST: FOR SALE, LEASE/PURCHASE OR MASTER LEASE

ADAPTIVE REUSE OF OLD CITY HALL IN DOWNTOWN TACOMA WASHINGTON



Old City Hall

55,505 SF, 5-STORY MASONRY BUILDING

(AT 7TH BETWEEN PACIFIC AVENUE AND COMMERCE STREET ADJACENT TO I-705)

ISSUE DATE: SEPTEMBER 8, 2015

RESPONSES DUE: OCTOBER 30, 2015

INVITATION

Developers are invited to express their interest to the City of Tacoma, Washington in purchasing, lease/purchasing or master leasing Old City Hall (1892) located at 625 South Commerce Street in the downtown into a high quality development that contributes to the vitality of the Old City Hall Historic District. The District served as the city's early governmental, commercial and entertainment center from 1886 through the 1920s. It is perched high on a bluff overlooking beautiful Commencement Bay and exemplifies the lofty ambitions of the time. The Old City Hall Historic District is on the Tacoma, State of Washington and National Registers of Historic Places and includes some of Tacoma's most architecturally important buildings—namely, the Northern Pacific Headquarters (1888), the Beaux Arts Elks Temple (1916) and the Winthrop Hotel (1925).

Old City Hall, designed by E.A. Heatherton of San Francisco after Italian Renaissance town halls, features fine brickwork and terracotta ornamentation, tall windows, high ceilings, sweeping archways, exposed brick interiors and copper embellishments. The brick walls at the base of the structure are eight feet thick. The walls of the freestanding clock tower tilt inward as they rise to increase the sense of height. In 1905, Hugh C. Wallace, future U.S. Ambassador to France, donated the clock and chimes in memory of his daughter. Prior uses have included municipal and private sector offices, shops and restaurants.

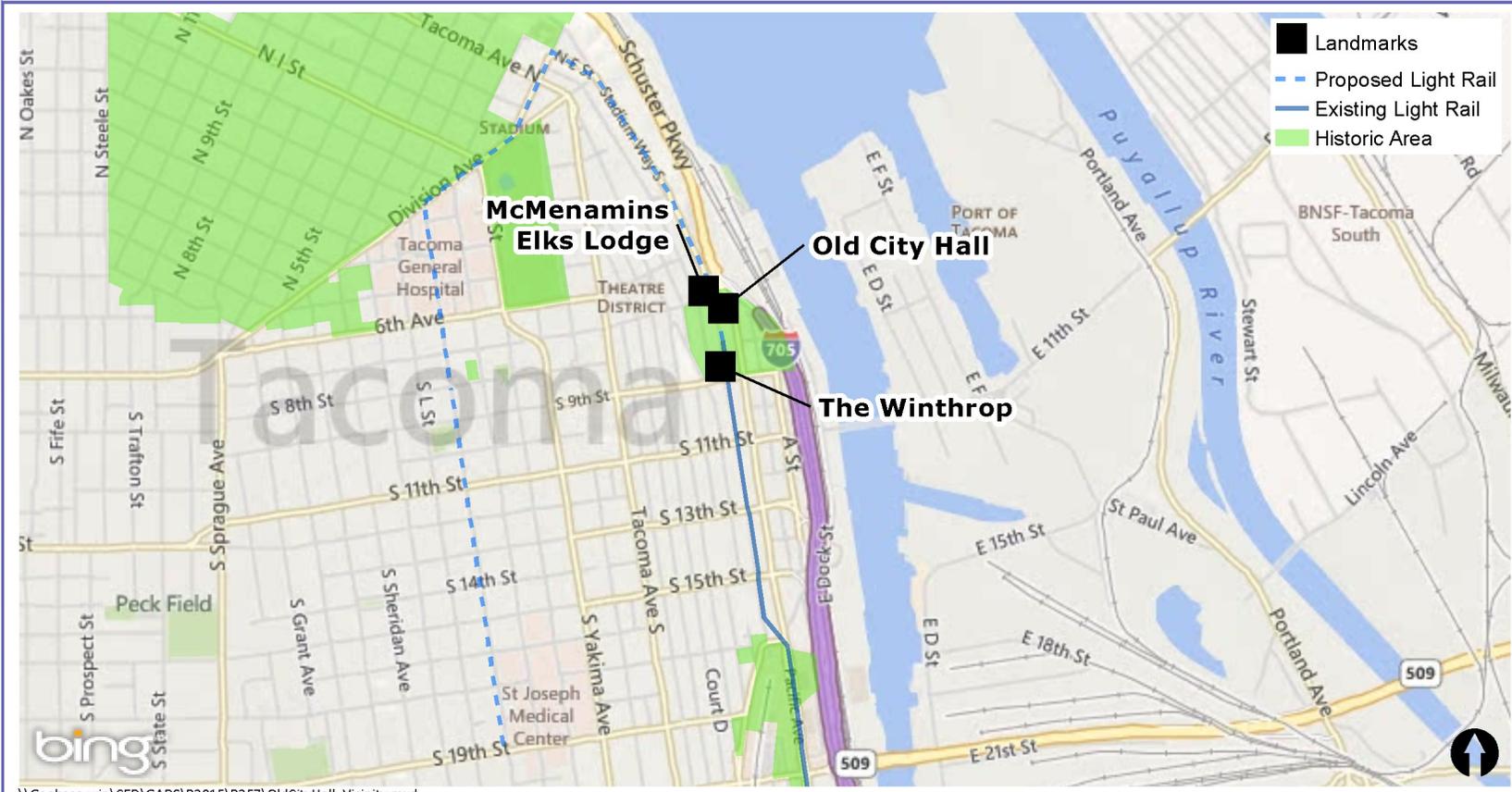
This iconic building, which epitomizes Tacoma's civic pride and bright economic future, characterizes an important era in the city's history. As such, its restoration must honor the architecture of the late 19th century in which it was built while developing a compelling, sustainable reuse for this currently vacant property.



It is the City's preference to attract uses that create synergy with surrounding development, maximize tax revenues, recoup its investment, result in new jobs and draw pedestrian traffic to the area. Hotels or offices that support companies/organizations with financial strength and growth potential are strongly preferred. Street-level, pedestrian-friendly uses, such as restaurants and retail venues, are highly desirable. Market rate residential development may also be considered. Developers may utilize potential tax incentives primarily listed on Page 5 of this RFI to enable their projects.

Substantial reinvestment is underway in the Old City Hall Historic District. Most notably, Redwood Housing Partners of Burlingame, California adjacent to San Francisco has commenced a \$15 million renovation project of the former Winthrop Hotel. McMenamins of Portland, Oregon, known for their destination-style brew pubs and entertainment centers, plans to begin a \$22 million restoration of the former Elks Temple in spring 2016 and complete it within one year.

SITE CONTEXT



McMenamins Before Retrofit



McMenamins After Retrofit

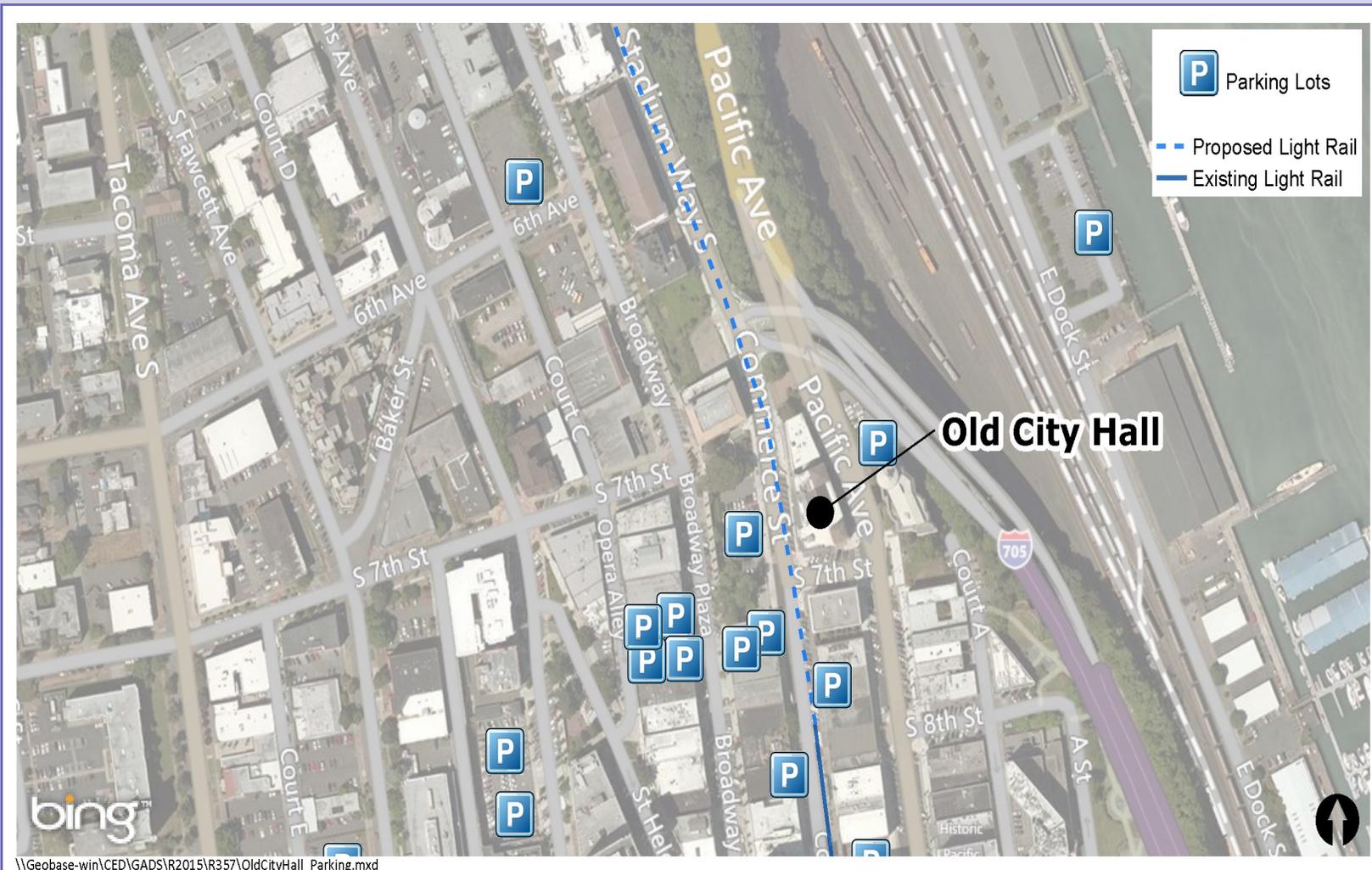


Old City Hall



Winthrop

PARKING OPPORTUNITIES



PROPERTY INFORMATION

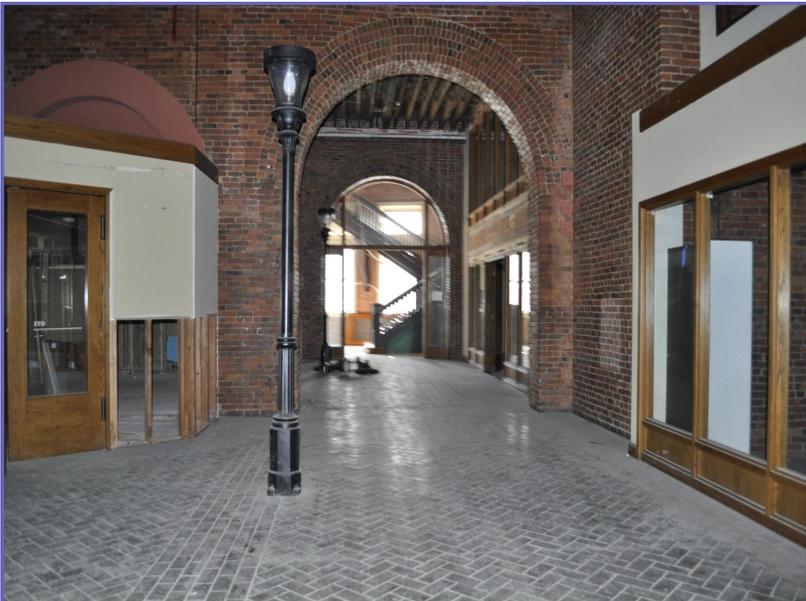
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|----------------------|--|
| OWNER | City of Tacoma; acquired June 19, 2015 for \$4,000,000. |
| ADDRESS | 625 South Commerce Street, Tacoma, WA 98402. At terminus of Interstate-705 (see map). In Downtown Tacoma along restaurant row between South 7th to 9th Streets and adjacent to the Theater District on South 9th Street. |
| PARCEL NUMBER | Pierce County: 032004-2007. |
| BUILDING/LAND AREA | 55,505 square foot, 5-story masonry building constructed in 1892 (adjusted year built 1970) on 0.39 acres (17,180 square feet) of land with 125 feet of frontage on Pacific Avenue and Commerce Street. |
| ZONING | DCC—Downtown Commercial Core. |
| HISTORIC STATUS | Within Old City Hall Historic District; on Tacoma, State of Washington and National Registers of Historic Places. |
| LAND USE | Downtown Mixed Use Center. |
| ADJACENT LAND USE | All adjacent land uses are within the Old City Hall Historic District. <i>North:</i> Offices and new McMenamins to be renovated in 2016 and targeted to open in 2017. <i>South:</i> Apartments. <i>East:</i> Offices, restaurants and Fireman’s Park. <i>West:</i> Predominantly surface parking and historic Spanish Steps. |
| PARKING | Exempt from parking requirements depending on use. Leasable parking directly west of site. |
| CONCURRENCY/SEPA | Within North Downtown Subarea, which has a completed Planned Action EIS. Concurrency test required. Refer to http://www.cityoftacoma.org/cms/one.aspx?portalId=169&pageId=15747 . |
| UTILITIES | All utilities at site. |
| WALK SCORE | 92 out of 100 (Walker’s Paradise). Daily errands do not require a vehicle. |
| PUBLIC TRANSIT | Within two blocks of Link light rail currently and planned station adjacent to it in 2019. Pierce Transit (local bus service) and Sound Transit (commuter bus service to Seattle and Olympia). |
| POTENTIAL INCENTIVES | No impact fees. Historic Special Tax Valuation Program (10-year local property tax exemption on qual. improvements). Federal Historic Rehabilitation Tax Credit Program (20% federal income tax credit). New Markets Tax Credits. Tacoma Multi-Family Property Tax Exemption Program. |

CITY INVESTMENT

The City of Tacoma purchased the property for \$4,000,000 on June 19, 2015. At present, the City is working to address building life safety issues. These include repairing a section of the roof to address a leak in the northwest corner of the structure, stabilizing metal cornices on the south side of the building and temporarily shoring up seven masonry arches. Construction is designed to protect building integrity in the short-term. The City prefers to sell the property, but will consider a lease/purchase or master lease. It seeks projects that will result in maintaining the structure's historic prominence, catalyzing surrounding development, maximizing tax revenues, recovering its investment, creating jobs, attracting new pedestrian traffic to the area and/or providing other public benefits.

PROPERTY TOUR

In order for Developers to gain firsthand knowledge about this unique development opportunity, the City will provide a tour of the property on September 30, 2015. The first tour will occur from 11:00 a.m.— 12 noon, and the second tour, from 12:30 p.m.— 1:30 p.m. Tours will start at 625 Commerce Street. Attendees must sign an indemnity form prior to entering Old City Hall. Also, tour participants will be required to wear hard hats, which they may bring or borrow from the City. [If you are interested in the tour, please RSVP Elly Walkowiak, Business Development Manager, City of Tacoma at \(253\) 591-5209 or \[ewalkowiak@cityoftacoma.org\]\(mailto:ewalkowiak@cityoftacoma.org\) by September 25, 2015.](#) Participating in the tour is voluntary. Developers may submit responses to this Request for Interest without taking the tour.



Main Lobby Area - First Floor



Main Staircase

SUBMITTAL INFORMATION

Developers interested in the property are requested to submit a Letter of Interest describing:

1. The overall development concept for the Project, including but not limited to the type of reuse (e.g. mixed use, office, retail, hotel, residential), estimated amount of space designated for each use, number of hotel rooms and/or residential units if applicable, proposed parking plan, commitment to historic restoration, public benefits and additional information that responds to the City's preferences as stated on Pages 2 and 6 of this RFI.
2. An overview of the Development Team's qualifications and Project roles as well as other relevant experience in conducting successful historic/complex building renovations with stabilized occupancy that contributed vitality to the community.
3. The proposed capital investment and financing plan, including sources of funds. Indicate the proposed Purchase Price, Lease/Purchase Option or Master Lease Rate. Financial references will be requested if selected to proceed further.
4. The anticipated schedule of key milestones, such as securing financing, acquiring the property, procuring entitlements, beginning and completing restoration and obtaining a Certificate of Occupancy.
5. Preliminary deal terms in general that are important to the Developer (e.g. permit process assistance, tax credits).

General Conditions: Information provided to the City is subject to the Washington Public Records Act. It should be considered public information and available for review upon request.



Provide seven (7) hard copies by **5 p.m. Pacific Time on October 30, 2015** to:

Elly Walkowiak, Business Development Manager
City of Tacoma
Community & Economic Development Department
747 Market Street, Room 900
Tacoma, WA 98402

Questions related to this Request for Interest (RFI) shall be directed to Elly Walkowiak at ewalkowiak@cityoftacoma.org or by calling (253) 591-5209.



EVALUATION PROCESS

The City intends to evaluate all responses to this Request for Interest (RFI) within 30 days of the submittal deadline. During the evaluation period, the City may seek additional information from the respondents. Upon completion of its evaluation, the City may invite RFI respondents to participate further in an RFQ/RFP process, enter into a Development Agreement and/or Master Lease based on submittals received and without added process, or elect not to proceed further.

DOWNTOWN ADVANTAGE

Across the U.S., hundreds of companies are moving and returning to downtown locations documented in a June 2015 report from Smart Growth America. Old City Hall in downtown Tacoma can assist businesses by enabling them to meet six identified core values: (1) to attract and retain talented workers, (2) to build brand identity and company culture, (3) to support creative collaboration, (4) to be closer to customers and business partners, (5) to centralize operations and (6) to support triple bottom-line business outcomes. Old City Hall can meet the increasing demand for renovated unique and inspired architecture.



ABOUT TACOMA

Tacoma, Washington is located in the Puget Sound region in a metropolitan area of over 3.4 million people. It is approximately 34 miles southwest of Seattle, 11 miles northeast of Joint Base Lewis-McChord (third largest military installation in the U.S.) and 31 miles northeast of the state capital of Olympia. Our livable, progressive international city is the state's third largest municipality with nearly 203,500 residents and serves as the center of commerce for the South Sound. Tacoma's key employment sectors include finance & insurance, information technology, education, health care, business & professional services, trade & logistics and government. Regionally, aerospace, cybersecurity and clean technology continue to grow.

Our major downtown employers include State Farm Mutual Insurance, Columbia Bank, MultiCare Health System, Franciscan Health System, DaVita and Regence Blue Shield. City, County, State and Federal government offices as well as educational service providers, such as the University of Washington Tacoma, comprise other key employers of the downtown economy.

