



# REQUEST FOR PROPOSALS

FEE DEVELOPER SERVICES

ADAPTIVE REUSE & CONSTRUCTION

FORMER VALHALLA HALL

1216 Martin Luther King Jr Way

**RFP AT A GLANCE:**

**PROJECT TITLE:** Valhalla Hall Adaptive Reuse Demonstration

**ADDRESS:** 1216-1218 Martin Luther King Jr Way

**PROJECT DESCRIPTION:** The Tacoma Community Redevelopment Authority (“TCRA”) is seeking fee developer services to implement an adaptive reuse project to redevelop this former social hall as 23 housing units and two commercial spaces. The TCRA acquired the site/building in January, 2014 and completed a structural study, space planning and financial feasibility analysis during the spring and summer of that year. The TCRA is now ready to complete final design, construction drawings, apply for permits and construct the project. The total project cost is anticipated to be approximately \$4.4 million. The fee for developing the project shall be based on a negotiated percentage of hard and soft costs. The following documents accompany this RFP:

1. Architectural study with preferred option.
2. Structural report.
3. Pro Forma.

The project must be constructed using Federal Davis Bacon prevailing wages with Certified Payroll reports to the City of Tacoma and its TCRA. A preference for local contractors and local laborers applies.

**SUBMITTAL DEADLINE:** Proposals are due by or before 5:00 p.m. on March 31, 2015.

**DELIVER SUBMITTAL TO:** Carey Jenkins, Housing Division Manager  
City of Tacoma Community & Economic Development Department  
Room 900  
Tacoma Municipal Building  
747 Market Street  
Tacoma WA 98402

Hand delivered proposals to the same address may be submitted at the Customer Care Center, Second Floor/  
Market Street Entrance, Tacoma Municipal Building.

**QUESTIONS:** Questions regarding the contents of this RFP must be submitted via e-mail to [sjohnson3@cityoftacoma.org](mailto:sjohnson3@cityoftacoma.org). Copies of the RFP may be obtained from the City’s website at: [www.cityoftacoma.org](http://www.cityoftacoma.org)

Path: City Departments – Community and Economic Development – Requests for Information, Qualifications and Proposals

Questions regarding this RFP must be submitted in writing (emailed questions are preferred). Questions must be received by Wednesday, March 11, 2014.

Proposers are encouraged to submit their questions regarding this RFP as soon as possible. Copies of the written inquiries and their answers will be posted as an addendum to the RFP online at the City's website address listed above.

Recipients of this RFP will be notified of any addendum. Responses to questions, in either written or oral form, will not be deemed to amend the RFP unless and until the response is included in a formal addendum to the RFP.

### THE PROJECT:

On March 31, 2014 the TCRA issued a Request for Qualifications for architectural services for Valhalla Hall, which it had acquired at a foreclosure sale in January of that same year. TCRA had previously issued a loan to a non-profit redeveloper for a project at the site, but the loan was defaulted and subsequently all project funding failed and the property was foreclosed. TCRA acquired the site for the purpose of demonstrating the viability of adaptive reuse of heritage structures in Tacoma, to further implement the Hilltop Subarea Plan, to continue revitalization of Martin Luther King Jr Way through the addition of market rate and workforce housing, and to attempt, through an adaptive reuse project, to recapture its previous investment in the site.

BLRB Architects was subsequently selected by the TCRA to complete space planning, a structural analysis and pro forma analysis. BLRB, along with sub-consultants Absher Construction, Nakamura Consulting LLC, PCS Structural Solutions and BCE Engineers proposed several alternatives for TCRA consideration. Three final alternatives were selected for final analysis with a final option, "Option 3", selected by the TCRA for development.

Option 3 includes the demolition of a portion of the existing structure to create a courtyard and allow fire access to dwelling units. The rehabilitation of the remaining structure and new construction necessitated by the demolition will result in two commercial spaces totaling approximately 1,500 sq. ft. with attractive storefronts fronting on Martin Luther King Jr Way on the ground floor plus four loft apartments and one work-live housing unit. On each of the second and third floors there will be two one bedroom apartments and seven studio apartments. The total unit count is 23 apartments and two commercial spaces. The front façade on Martin Luther King Jr Way will retain its heritage appearance and will be upgraded and beautified.

In order to fast track the project, TCRA has opted to directly fund the development cost with a combination of Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) funds. It is expected the selected development team would assist TCRA in obtaining a construction loan that would be paid off by one or more of the funding sources identified above at the time of conversion to permanent financing.

TCRA intends to retain ownership of the project and contract with a third party property manager skilled in both market rate and affordable housing for ongoing operations.

#### SCOPE OF WORK:

The selected development team will assist TCRA with a scope of work for this project that includes:

1. Selection of an architect to produce final design drawings based on the conceptual design attached
2. Value Engineering if appropriate
3. Preparation of construction drawings
4. Revising and finalizing project pro forma
5. Assistance with obtaining construction financing
6. Securing all necessary permits for construction
7. Construction of the project (including general contractor selection and compliance with Davis Bacon requirements)
8. Construction of any required off-site improvements
9. Obtaining a Certificate of Occupancy
10. Assistance with recruitment of a property manager to manage the project post construction
11. Participation in a ribbon cutting, grand opening or similar event

#### DESIRED SUBMITTAL:

Experienced real estate developers, construction managers, and/or development project managers interested in working with TCRA on this project should submit the following:

1. A professional Statement of Qualifications (“SOQ”) for all firms to be included in the project team. Said SOQ should include experience with similar infill and adaptive reuse projects within the past three years, as well as experience working with the Tacoma Planning and Development Services Department to complete permitting, construction, inspections and achieve Certificates of Occupancy for projects within the City of Tacoma. The SOQ should include recent experience securing financing for projects as well as experience developing projects which included federal funding such as Community Development Block Grant and/or HOME funds. The SOQ should include professional certificates and licenses for team participants as relevant.
2. A detailed description of the methodology used in putting the project together on behalf of the TCRA. The description should include the type and style of preferred client interface, team strategies for resolving issues as they arise, a game plan for adhering to the development budget and overall recommendations on how to successfully complete the project.
3. Comments, alternatives and recommendations on the project design, cost estimate and pro forma attached to this solicitation.

4. Letter or other documentation from a licensed insurance company certifying the following coverages can be provided:
  - A. *The Developer shall obtain the insurance described in this section from insurers approved by the State Insurance Commissioner pursuant to RCW Title 48. The insurance must be provided by an insurer with a rating of A-: VII or higher in the A.M. Best's Key Rating Guide, which is licensed to do business in the state of Washington (or issued as a surplus line by a Washington Surplus lines broker). TCRA reserves the right to approve or reject the insurance provided, based on the insurer (including financial condition), terms and coverage, the Certificate of Insurance, and/or endorsements.*
  - B. *The Developer shall keep this insurance in force during the term of the contract and for not less than one year after the Physical Completion date, unless otherwise indicated (see C. below).*
  - C. *If any insurance policy is written on a claims made form, its retroactive date, and that of all subsequent renewals, shall be no later than the effective date of this Contract. The policy shall state that coverage is claims made, and state the retroactive date. Claims-made form coverage shall be maintained by the Developer for a minimum of 36 months following the Final Completion or earlier termination of this contract, and the Developer shall annually provide TCRA with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Developer shall purchase an extended reporting period ("tail") or execute another form of guarantee acceptable to TCRA to assure financial responsibility for liability for services performed.*
  - D. *The insurance policies shall contain a "cross liability" provision also known as "Separation of Insureds" such that except with respect to the limit of insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or suit is brought.*
  - E. *The Developer's and all subcontractors' insurance coverage shall be primary and non-contributory insurance as respects TCRA's insurance, self-insurance, or insurance pool coverage.*
  - F. *All insurance policies, with the exception of Professional Liability and Workers Compensation, shall name the following listed entities as additional insured(s):*
    - *Tacoma Community Redevelopment Authority and its officers, elected officials, employees, agents, and volunteers and the City of Tacoma and its officers, elected officials, employees, agents, and volunteers*

*The above listed entities shall be included as an additional insured for both ongoing operations and completed operations. For General Liability, Insurance Services Office forms CG2010(04-13) and CG2037(04-13) or the equivalent shall be used. The above-listed entities shall be additional insured(s) for the full available limits of liability maintained by the Developer, whether primary, excess, contingent or otherwise, irrespective of whether such limits maintained by the Developer are*

greater than those required by this Contract, and irrespective of whether the Certificate of Insurance provided by the Developer describes limits lower than those maintained by the Developer.

Developer shall ensure that each subcontractor of every tier obtains and maintains at a minimum the Commercial General Liability, Employer's Liability, and Automobile Liability, with limits as described below. Upon request of the Contracting Agency, the Developer shall provide evidence of such insurance.

### **Insurance Requirements**

A policy of Commercial General Liability Insurance, using Insurance Services Office form CG0001(12-07) or the equivalent including:

- Per project aggregate
- Premises/Operations Liability
- Products/Completed Operations – for a period of one year following final acceptance of the work.
- Personal/Advertising Injury
- Contractual Liability
- Independent Contractors Liability

#### *Stop Gap / Employers' Liability*

Such General Liability policy must provide the following minimum limits:

|             |   |
|-------------|---|
| \$1,000,000 | Each Occurrence                             |
| \$2,000,000 | General Aggregate                           |
| \$2,000,000 | Products & Completed Operations Aggregate   |
| \$1,000,000 | Personal & Advertising Injury, each offence |

#### *Stop Gap / Employers' Liability*

|             |                         |
|-------------|-------------------------|
| \$1,000,000 | Each Accident           |
| \$1,000,000 | Disease - Policy Limit  |
| \$1,000,000 | Disease - Each Employee |

Automobile Liability using Insurance Services Office form CA 0001 (10-13) or the equivalent for owned, non-owned, hired, and leased vehicles with limits not less than \$1,000,000 each accident for bodily injury and property damage liability.

The Developer shall provide Excess or Umbrella Liability coverage at limits of \$2,000,000 each occurrence and \$2,000,000 aggregate. This excess or umbrella liability coverage shall apply, at a minimum, to Commercial General Liability, Employer's Liability and Auto Liability insurance policy coverage.

- This requirement may be satisfied instead through the Developer's primary Commercial General and Automobile Liability coverage, or any combination thereof.

The Developer shall comply with Workers' Compensation coverage as required by the Industrial Insurance laws of the state of Washington.

*The Developer and/or its Subcontractor and/or its design consultant providing construction management, value engineering, or any other design-related non-construction professional services shall provide evidence of Professional Liability insurance covering professional errors and omissions. Such policy must provide limits of not less than \$1,000,000 per claim and \$1,000,000 aggregate. If insurance is on a claims made form, its retroactive date, and that of all subsequent renewals, shall be no later than the effective date of this Contract.*

*If the scope of such design-related professional services includes work related to pollution conditions, the Professional Liability insurance shall include Pollution Liability coverage.*

*The Developer shall provide a Pollution Liability policy, providing coverage for claims involving bodily injury, property damage (including loss of use of tangible property that has not been physically injured), cleanup costs, remediation, disposal or other handling of pollutants, including costs and expenses incurred in the investigation, defense, or settlement of claims arising out of:*

- A. Developer's operations related to this project; and/or*
- B. Remediation, abatement, repair, maintenance or other work with lead-based paint or materials containing asbestos; and/or*
- C. Transportation of hazardous materials away from any site related to this project.*

*Such policy shall include Tacoma Community Redevelopment and its officers, elected officials, employees, agents, and volunteers and the City of Tacoma and its officers, elected officials, employees, agents, and volunteers as additional insured.*

*Such Pollution Liability policy shall provide limits not less than \$1,000,000 each loss and \$1,000,000 annual aggregate.*

5. Names of the individuals who will be part of the project management team and resumes for each of these individuals including at least three professional references for each individual.
6. Proposed schedule of performance assuming a Development Agreement execution date of July 1, 2015.
7. Disclosure of any relevant lawsuits filed against the respondent during the past three years.
8. Evidence of any applicable Washington State and City of Tacoma business licenses (preferred with Proposal, required prior to the award of a contract).
9. Acknowledgement that the recruitment and selection of a General Contractor and other contractors for the project may require compliance with Section 3: Davis Bacon.

**ADDITIONAL DOCUMENTS:**

Attached to this RFP please find:

- Building plan for Option 3 (preferred option)
- Estimated Development Costs
- Pro forma
- Structural Report
- Rendering and background information from BLRB Architects

#### ANTICIPATED RFP SCHEDULE\*:

|                            |  |
|----------------------------|--|
| Issue Date:                | February 17, 2015  |
| Pre-submittal meeting:     | March 11, 2015<br>10:00 a.m., Room 248 Tacoma Municipal Center |
| Proposals due:             | 5:00 p.m. March 31, 2015                                       |
| Interviews (if necessary): | To Be Determined   |
| Selection:                 | May 7, 2015  |

\*Note: Issuance of this RFP does not commit the TCRA or City of Tacoma to adhere to the interview and selection schedule above. While every effort will be made to maintain the schedule, it cannot be guaranteed.

#### SUBMITTAL:

Please submit six (6) hard copy originals and one electronic version on cd or flash drive.

Deliver submittal no later than 5:00 p.m. on Tuesday, March 31, 2015 to:

Carey Jenkins, Housing Division Manager  
City of Tacoma Community & Economic Development Department  
Room 900  
Tacoma Municipal Building  
747 Market Street  
Tacoma WA 98402

Hand delivered proposals to the same address may be submitted at the Customer Care Center, Second Floor Market Street Entrance, Tacoma Municipal Building.

#### TERMS AND CONDITIONS:

Issuance of this RFP does not commit the TCRA to award an Agreement, to pay costs incurred in the preparation of a response to this request, or to procure a contract for services. All respondents should note that the execution of an agreement or contract pursuant to this RFP is

dependent upon the approval of the TCRA Board and the availability of federal funds necessary for the project. The TCRA retains the right to reject any and all submittals.