



Request for Proposals for Acquiring City-Owned Properties

Section 1: Project Summary

The City of Federal Way (“City”) is inviting the submittal of proposals (“Proposals”) from qualified firms (“Developers”) for the opportunity to acquire and develop either all or a portion of City-owned properties (“Site”) (Figure 1) in the downtown area of Federal Way.

Development Vision

The City is interested in maximizing use of the Site and catalyzing redevelopment of the downtown area. In 2022, the City contracted with VIA Architects of Seattle to prepare a preferred redevelopment Plan for the Site (Figure 2). The Master Development Plan proposes 5 future, privately-owned building parcels (Figure 3) that may be developed jointly or independently. (Figure 3 is representative of the future land division.) The City has initiated a Binding Ste Plan to create 5 distinct parcels for future disposition.

The development plan envisions the following:

Office Building	133,000	SF
Retail/Services	32,500	SF
Hotel	63000	SF (126 rooms)
Residential units		714
Civic plaza & community building	10,000±	SF
Public Parking Garage (under plaza)	430 - 650	spaces

Proposed FAR: 2.4 (858,297 sf/361.548 sf)

The City and community have expressed support for this plan and believe its realization would achieve many of the goals for the City’s Downtown including achieving the following:

1. Creating a sense of place and civic identity for the Federal Way downtown, reflective of the growing, diverse community
2. Providing a catalyst for mixed use residential and pedestrian-focused retail
3. Anchoring the north downtown and building a pedestrian-scale block structure, with smaller, more active public spaces
4. Capitalizing on momentum and timing of recent and imminent investments.

Although this plan is the product of a year-long public process, the City is open to considering other alternatives for development. Other alternatives could range from a slight deviation to a complete alternative proposal.

Section 2: Background & Site Overview

The City of Federal Way incorporated as a city in 1990 in response to the community desire to take more control over how the city would develop and grow over time, as opposed to leaving the decision to King County. Included in that vision was a recognizable downtown. Downtown

Federal Way does not currently present an identifiable sense of a “downtown” or urban center. However, things are changing. With a population just over 100,000, Federal Way is actively taking steps to transform itself into a welcoming city in the Puget Sound region, with an identifiable and memorable downtown.



Federal Way has taken initial steps in transforming Downtown into a destination for the community. The City built the Performing Arts & Entertainment Center (PAEC) and the Town Square Park as initial cornerstone elements aimed at defining the neighborhood.

The City owns the property east of the PAEC and north of Town Square Park and the Federal Way Transit Center. Early discussions for use of this property have included a hotel, convention space, city hall, a community market space, general office use, residential, and institutional, including higher education.



The City-owned development opportunity consists of three parcels (857500-0010, 857500-0020, 092104-9017) located east of Pete von Reichbauer Way South, south of S 314th Street, west of 23rd Avenue S, and north of S 316th Street (**Figure 1**).

There are 2 structures currently on the property, the Performing Arts & Event Center (PAEC) which will remain under City ownership and operation; and, a vacant Target retail building that will be demolished either prior to or as part of property redevelopment.

Site size and topography: The site is approximately 8.3 acres and has been graded generally flat for use as a former retail (Target



and Toys 'R Us) site. There is a significant grade change at the south property edge.

Zoning: The Site is zoned City Center Frame (CC-F). However, the City has initiated a Comprehensive Plan amendment and Legislative rezone to change the zoning to City Center Core (CC-C). There are also a number of proposed zoning changes to CC-C, including the creation of a Downtown overlay. These proposed code amendments are expected to be approved by the City Council in 2023. Developers are expected to comply with these draft regulations. These draft regulations are available upon request.

Development Agreement: The City proposes the execution of a Development Agreement with the Developer that will offer some flexibility in the zoning requirements and will serve as Land Use Permit approval for the project, allowing Developer to submit for construction permits as soon as possible.

Opportunity Zone: The Site is part of a designated Opportunity Zone. Information from the Washington State Department of Commerce about Opportunity Zones can be found here: <https://www.commerce.wa.gov/growing-the-economy/opportunity-zones/>

Transit Service: The Federal Way Transit Center is located immediately south of the Site, across S 314th Street. Current bus service includes RapidRide, service from Pierce Transit, and local Metro service. The SoundTransit Federal Way Link Extension station is scheduled to open for northbound service in 2025. The station will be located north of S 320th Street, west of 23rd Avenue S.

SEPA: The City has adopted a planned action EIS approved for this property (Ordinance 16-811). The planned action provides capacity for 475,000 sf of retail, 400,000 sf of office, 600 hotel rooms, and 2,400 housing units.

Utilities: The site is served with both public water, stormwater, and public sewer. The water and sewer utility provider is Lakehaven Water District. <http://www.lakehaven.org/>

MFTE: The City does allow for application for a multi-family tax credit for both market rate or affordable housing consistent with State Law.

Section 3: From Proposal to Letter of Intent to Award

The City will evaluate the Proposals based on the Criteria listed in Section 7 of this RFP and through follow-up conversations with Developers. From this evaluation, the City Council will select a list of preferred Developers.

The intended outcome of this selection process is for the City to execute a Letter of Intent to Award (LIA) with each of the preferred Developers. Each LIA will:

1. Establish a preferred Developer and designated portion of the Site.
2. Establish an agreed-upon negotiation period to draft the terms of a proposed Development Agreement ("DA"). The DA will cover terms and conditions of property conveyance, development schedule, and will further define the scope, design, overall use and development of the Site, or portion of the Site. The Purchase and Sale Agreement for the applicable property (or properties) will be an implementing action of the approved Development Agreement.
3. Provide access to the Site for Developer(s) and their employees, agents and representatives. Access will be limited to times when the PAEC is not in use.

Section 4: Proposal

A complete, concise (maximum 25 pages) and professional response will enable the City to identify the preferred Developer or Developers who will meet the partnership objectives set by the City as part of this project. Proposals must demonstrate that the approach, design, and financing plan for the proposed project will allow the project's successful development and delivery.

To be considered for this project, the following should be provided as part of each Proposal:

1. Description of the Developer's proposed project.
 - a. Include preferred parcel or parcels (see **Figure 3** for parcel numbering).
 - b. Proposed Land Use(s) & square footage of building(s).
 - c. If housing is proposed, number of units and configurations (# of bedrooms), and whether the housing is expected to be provided at market rates, or if public subsidies is expected.
 - d. Identify number of parking stalls and whether those stalls are located above or below grade.
 - e. Whether and where any community open space will be provided.
 - f. Proposed development phasing.
2. Conceptual (very rough) site plan – showing massing, orientation, access points.
3. Provide names, Resumes/CVs of Development Team, and relationship of team members.
4. Provide relevant examples (photos, dates completed, project cost) of projects completed by the Development Team.
5. Description of the benefit(s) your proposed project brings to the City including, but not limited to:
 - a. Land sale price offer to purchase the site;
 - b. Projected property tax revenues from the project;
 - c. Projected sales tax revenues or other revenues from the project (if applicable);
 - d. Projected number of direct jobs; and
 - e. Other benefits to the City.
6. Proposed schedule for predevelopment analysis, permitting, construction, etc.
7. A statement that the individual signing the Proposal is authorized to make decisions as to the details of the Proposal for the Developer and all of the partners and/or team members associated with the Proposal.
8. Demonstrated access to Financial Capital to complete the Project.
9. Any other information Developer finds relevant to this process.

Section 5: Project Schedule

Time is of the essence in completing this project and the City is seeking a firm that has availability to start work immediately and complete the scope on an accelerated schedule.

Forecast Project Dates

RFP Issued:	11/23/22
Deadline for Submittal of Proposals (<u>Initial Consideration</u>)	2/3/23
Developer Interviews	Feb – Mar 2023
Proposed LIA(s) presented to City Council LUTC	April 2023
City Council Considers LIA recommendations	May 2023

Section 6: Submittal & Inquiries

Submit Proposals to the City, addressed to:

Mr. Keith Niven, AICP, CEcD
Planning Manager
Keith.niven@cityoffederalway.com

All submittals shall be submitted electronically through email. The subject line on the email shall read "TC-3 Proposal".

If a Developer has concerns or questions regarding the submittal of a proposal, please do not hesitate to contact Mr. Niven at the email address above, or at (253) 835-2643.

For initial consideration by the City, Proposals shall be received by the City no later than 4:00 pm, 3 February 2023.

Section 7: Evaluation Criteria

CRITERIA	MAX POINTS
Consistency with Development Plan	15
Benefit to the City	15
Comparable Projects	10
Financial stability/access to capital	20
Proposed project schedule	10
Project team experience	5
Interview	25
TOTAL	100

Top scores will be recommended to the City Council for LIA(s).

Section 8: Notification of Selection

Following the Interviews, staff will contact all Developers considered as part of the Initial Consideration to inform them if they have been selected to be considered for a Letter of Intent to Award. For those selected, the City will forward the Proposals, a staff report and the draft LIA to the City Council for consideration. The City Council will authorize the Mayor to execute the selected LIA(s) with Developers.

Developers signing the Letter of Intent to Award (following City Council action) will forward the signed document to the City for the Mayor's signature (executed LIA). Once the LIA is executed, the DA negotiation process shall commence and the Developer and City staff shall establish a schedule for negotiations and DA drafting. The DA will contain the details necessary to transfer the property rights to the Developer and ensure the proposed project is developed pursuant to the City's vision and the RFP responsive documents. The Developer shall negotiate with the City in good faith with regards to the proposed development. The executed LIA shall terminate within One Hundred Eighty (180) days of execution, unless mutually agreed by the parties to extend.

Following Developer selection and execution of the LIA, Developer shall pay to the City Thirty Thousand Dollars (\$30,000.00) within fifteen (15) business days of the date of the executed LIA. The fee shall cover City staff time necessary to review the Land Plan, PSA, and DA.

Section 9: General Terms and Conditions

Public Disclosure

It is the intention of the City to maintain an open and public process in the solicitation, submission, review and approval of this RFP. RFP proposal openings and review will be public.

Per Washington State Public Disclosure Act (RCW 42.56 et seq.), documents submitted under this Specification shall be considered public records and, with limited exceptions, will be made available for inspection and copying by the public. Developers should be aware that any records they submit to the City or that are used by the City, even if the Developers possess the records, may be public records under the Washington Public Records Act (RCW 42.56). The City must promptly disclose public records upon request unless a statute exempts them from disclosure. Respondents should also be aware that if even a portion of a record is exempt from disclosure, generally, the rest of the record must be disclosed. Exemptions, including those for trade secrets and "valuable formula," are narrow and specific.

Retention of Rights

The City reserves the right to cancel this process or accept or reject any or all Proposals submitted or to waive any minor formalities of this call if the best interest of the City would be served. The City reserves the right to retain all proposals submitted and to use any ideas in a Proposal, regardless of whether that Proposal is selected. Submission of a proposal indicates acceptance by the proposing Developer of the conditions contained in this RFP, unless clearly and specifically noted.

Costs for developing responses

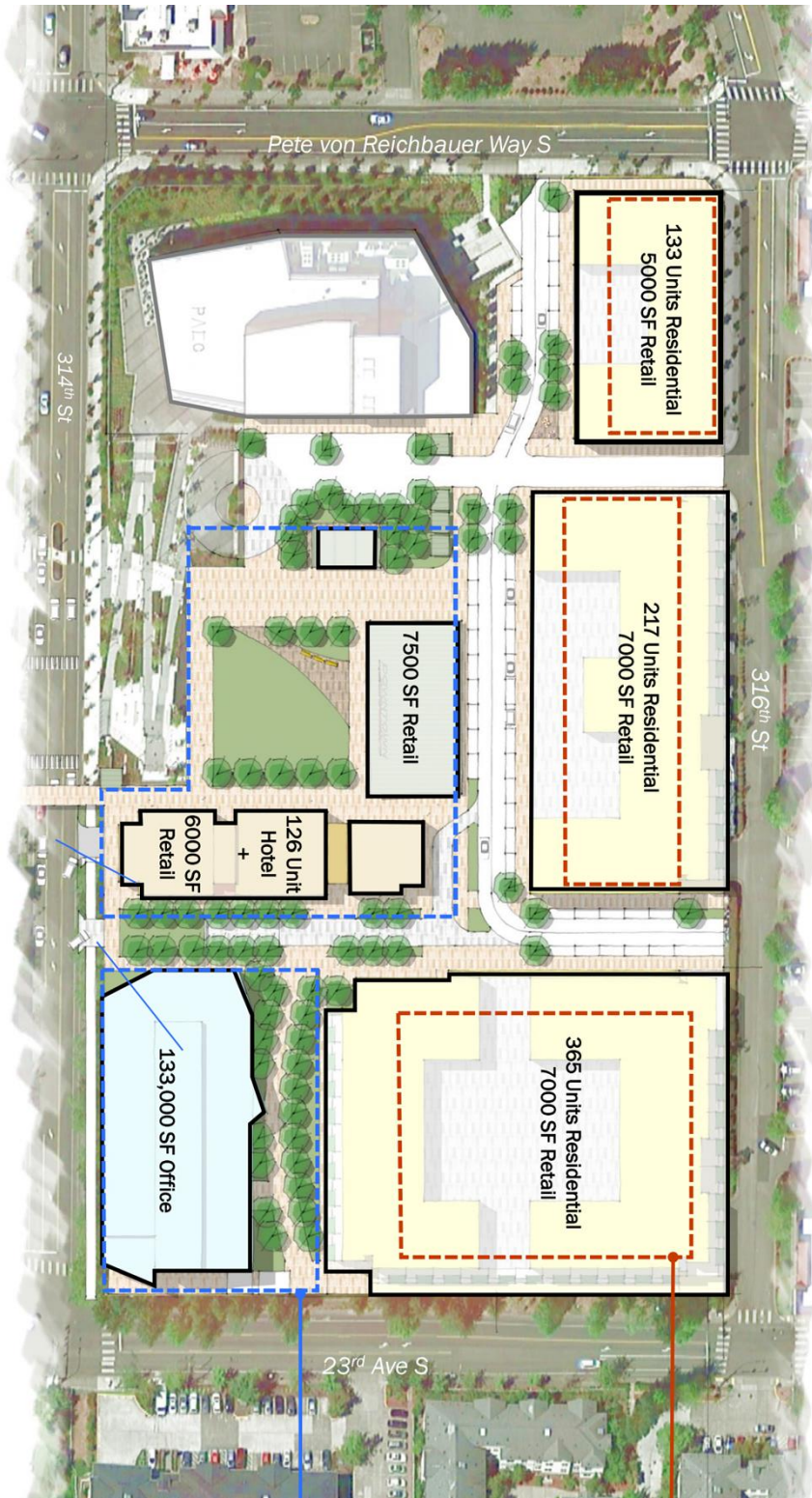
The City will not reimburse Developers for any costs involved in the preparation and submission of responses to this RFP or in the preparation for and attendance at subsequent interviews. Furthermore, this RFP does not obligate the City to accept or contract for any expressed or implied services. The City reserves the right to request any Developer to clarify their Proposal or to supply any additional material deemed necessary to assist in the evaluation of the Proposal. All responses and accompanying material will become the property of the City and will not be returned.

Non-Discrimination

The City hereby notifies all Developers that it will affirmatively ensure compliance with WA State Law Against Discrimination (RCW chapter 49.60) & the Americans with Disabilities Act (42 USC 12101 et set.) Developer will be in compliance with the applicable provisions of the Americans with Disabilities Act of 1990, and will be an equal opportunity employer as defined in Title VII of the Civil Rights Act of 1964, and applicable Washington State law. As such, Developer will not discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, age, gender identity, or sex with respect to hiring, application for employment, tenure or terms and conditions of employment. Developer agrees to abide by all federal, state and local laws, regulations, ordinances and resolutions.

Figure 2: Preferred Development Plan

4. Preferred Alternative



2 Levels of Podium Parking

2 Levels of Underground Parking

4. Preferred Alternative

View from 23rd Ave S



Figure 3: Parcel IDs (created thru a Binding Site Plan – currently in process)

