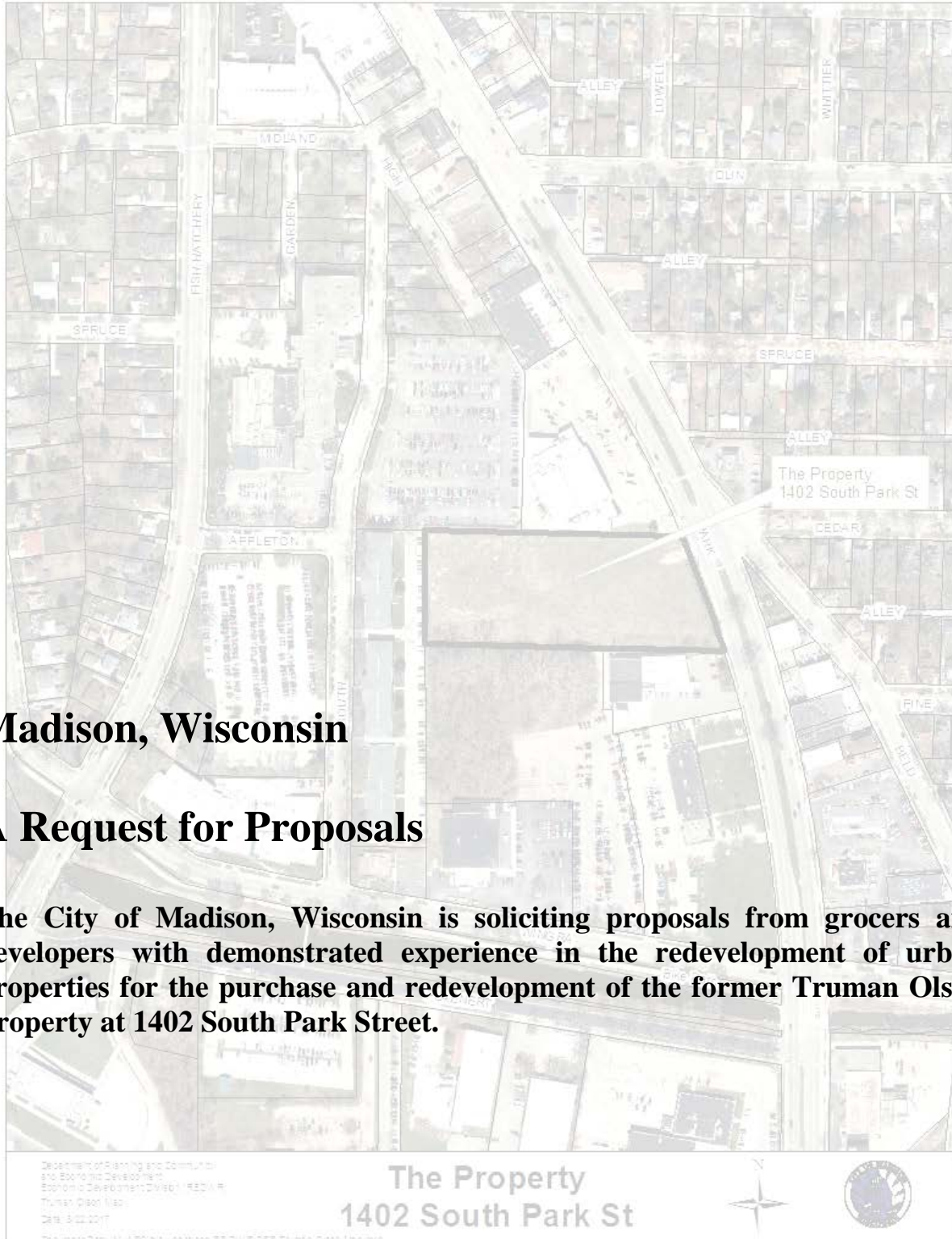


2019 Truman Olson Request for Proposals



Disclosure and Disclaimer

This Request for Proposals (“RFP”) is being furnished to the recipient by the City of Madison (the “City”) for the recipient’s convenience. Any action taken by the City in response to submissions, made pursuant to this RFP, or in making any awards or failure or refusal to make any award pursuant to such submissions, or in any cancellation of awards, or in any withdrawal or cancellation of this RFP, either before or after issuance of an awards, shall be without any liability or obligation on the part of the City and its officials and employees.

The City, in its sole discretion, may withdraw this RFP before or after receiving submissions, may accept or reject any or all submissions, and may waive any irregularities if the City deems it appropriate and in its best interest. The City shall determine the responsiveness and acceptability of any proposal submitted.

Prospective grocers and developers should rely exclusively on their own investigations, interpretations and analyses in preparing and submitting proposals, and should not rely on communications with City staff or officials. The City makes no warranty or representation that any submission which conforms to the requirements of this RFP will be selected for consideration, negotiation, or approval.

The City and the selected grocers/developer(s) will be bound only if and when a submission, as same may be modified, and any applicable definitive agreements and budgetary authorizations pertaining thereto, are approved by the Common Council of the City of Madison and then only pursuant to the terms of the definitive agreements executed among the parties.

NOTE: All submissions and supporting data shall be subject to disclosure as required by State law. The City anticipates making the proposals publicly available after the submission period closes.

1. Introduction

The City of Madison, Wisconsin, is soliciting proposals for the purchase and redevelopment of the former Truman Olson United States Army Reserve facility (the “Property”) from grocers and developers with demonstrated experience in the redevelopment of urban properties (“Grocers/Developers”). The Property, shown in Appendix A and totaling approximately 3.49 acres, is located on the south side of Madison near the intersection of South Park Street and Cedar Street at 1402 South Park Street. This Request for Proposals (“RFP”) provides prospective Grocers/Developers with information to assist in the preparation of a competitive proposal, proposal submission requirements, and the process that will be used to select proposals for the Property.

2. Background

In 2012, the City of Madison (the “City”) acquired the Property from the United States Department of Defense (“DOD”). The City has adopted the Wingra BUILD Plan to guide development and redevelopment in this area. This plan calls for an extension of a “Connector Street” through the Property, and the sale of the balance of the Property for redevelopment. The City is open to considering different options for the location and alignment of this “Connector Street”. The purpose of this RFP is to select a Grocer/Developer to move this street extension and associated redevelopment forward in a timely manner.

In 2019, SSM Health announced plans for the construction of a new medical facility at 1312 South Park Street, immediately adjacent to the Truman Olson property. The City supports this investment by SSM Health; however, the project will displace the only full-service grocery store in the neighborhood. It is therefore a priority of the City of Madison to welcome a new full-service grocery store to the neighborhood through this RFP.

Grocers/developers will not be required to purchase the entire Truman Olson Property. Should a project only require a portion of the site, the City would consider subdividing the site to sell only the portion needed for the project to the grocer/developer. The site can be re-platted to accommodate both the agreed upon street right-of-way and development parcel simultaneously.

3. RFP Property Minimum Requirements

The Minimum Requirements below must be included in a successful proposal:

- Preserve food access by constructing a grocery store that will serve the multiple neighborhoods in the vicinity of the Property or nearby;
- Complete the eastern portion of a street connection (“Connector Street”) from Park Street to Fish Hatchery Road through or adjacent to the Property, and;

The grocery store and street connection are minimum requirements; however, the City would welcome projects that include additional housing (including affordable housing), office, or retail uses. It should be noted that Urban Design District #7 requires multi-story buildings to be constructed on the Property.

4. Purchase Price and Financial Support

All proposals must include a price per square foot for the purchase of Property needed for the proposed project from the City. The Grocer/Developer will only be required to pay for the property that they acquire; there is not an expectation that respondents to the RFP will be required to pay for the cost of street right-of-way and/or a subdivided area of the site not used by the grocer/developer. The City will conduct an appraisal of the property and review all proposed purchase prices against this appraisal. By way of background, the appraised value of the entire Property was \$1,875,000 in December 2017; or, approximately \$12.35/square foot. The City reserves the right to negotiate the purchase price after submittal of the proposals with the prospective Developer. The City is not obligated to select a Developer based solely on the highest purchase price offered.

The City is willing to consider providing financial support to a Grocer/Developer. This financial support could be in the form of reduced/no cost purchase price for the land, Tax Increment Financing (TIF), and/or assistance through the City’s Healthy Retail Access Program (HRAP). Additional information can about the City’s TIF and HRAP programs can be found at:

TIF: <https://www.cityofmadison.com/dpced/economicdevelopment/tax-incremental-financing/415/>

HRAP: <https://www.cityofmadison.com/mayor/programs/food/healthy-food-retail-underserved-neighborhoods/healthy-retail-access-program>

The form and amount of financial support will be based on the degree to which the project meets the requirements of this RFP and the degree to which the grocer/developer demonstrates a financial need. As noted below, it is the expectation that City staff will meet with each grocer/developer soon after they submit a Notice of Intent to Apply. Interested parties will be able to discuss possible financial support with City Staff at that time in preparation of a formal proposal. Note that the City paid approximately \$7.10 per square foot to purchase the Property using TIF

funds. Any offer to purchase the Property for less than \$7.10 per square foot must be considered a request for TIF assistance as required by TIF Law.

One important consideration while developing a financial proposal will be the cost associated with the construction of the “Connector Street”. Per the City’s Assessment Policy, it is the owners of property immediately adjacent to the newly constructed street who are responsible for paying for the cost of that construction. The “Connector Street” route and the timing of sale of the Truman Olson property relative to construction of the street will impact the amount of assessment that will be owed by the grocer/developer. These options can be discussed further with City staff; however, please note that the City cannot “waive” special assessments as part of a financial support package.

5. Adopted Plans and Design Guidelines

The following plans will govern the redevelopment of the Property. Proposed deviations from the plans should be highlighted in any response to this RFP and include a rationale for said deviation.

Adopted Plans.

There are several adopted City plans that cover the Wingra Plan study area bounded on the east by Park Street, on the west by Fish Hatchery Road, on the south by Wingra Creek and Wingra Drive. These plans represent the community’s desires for the future of the area. In particular, the Wingra Market Study and Conceptual Redevelopment Plan was developed with extensive input from the surrounding neighborhood, businesses, and other stakeholders. Although this plan was adopted in 2006, these groups have remained active in the planning for this Property though the South Madison neighborhoods and South Park Street business community. Respondents to the RFP will need to engage these groups throughout the design, development, and approval processes.

Design Guidelines. Development of the Property is subject to the requirements and guidelines established for Urban Design District #7. Developers will be required to follow these requirements and guidelines, which are available at:

<http://www.cityofmadison.com/planning/documents/udddist7.pdf>

<http://www.cityofmadison.com/development-services-center/land-development/private-property/urban-design-approvals>

Wingra Creek BUILD Plan. The Wingra Market Study and Conceptual Redevelopment Plan Summary Report adopted in March 2006 can be found at the link below:

<https://madison.legistar.com/View.ashx?M=F&ID=3480038&GUID=BE976492-BDFF-430E-82E3-69583753AB84>

South Madison Neighborhood Plan. This plan identified the Wingra District as a strategic area for future revitalization efforts and indicated that the Wingra Plan, which was under development at the time, would provide more specific recommendations for this area. This plan can be found at the link below:

https://www.cityofmadison.com/dpced/planning/documents/South_Madison.pdf

More Neighborhood Plan Information. Respondents who wish to review neighborhood information and plans are encouraged to visit the City's neighborhood website located at the link below:

<http://www.cityofmadison.com/neighborhoods/>

City of Madison Comprehensive Plan. The City of Madison Comprehensive Plan can be found here: <http://www.cityofmadison.com/dpced/planning/comprehensive-plan/1607>.

6. Property Information

The Property at 1402 South Park Street totals approximately 3.49 acres and is located on the south side of Madison near the intersection of South Park Street and Cedar Street, as described and shown on this page and in Appendix A.

The characteristics of the Property include but are not limited to the following:

- The Property is located in Tax Increment Financing District ("TID") # 42 (Wingra), which was created in 2012 and expires in 2039. A map of TID #42 can be found here:
 - [https://www.cityofmadison.com/dpced/economicdevelopment/documents/TID%20%2342\(11\).pdf](https://www.cityofmadison.com/dpced/economicdevelopment/documents/TID%20%2342(11).pdf)
- Full utilities are available to the Property.
- The Property is zoned CC-T Commercial Corridor – Transitional District.
- The City will be selling the Property "as is". The City can provide copies of the following environmental reports:



- Environmental Condition of Property Report: Truman O. Olson U.S. Army Reserve Center (WI033) – June 2007
- Environmental Survey Report for Asbestos, PCB, Lead-Based Paint and Radon: 88th Regional Support Command – November 22, 2004
- Environmental Assessment for BRAC 05 Recommendations for the Closure, Disposal, and Reuse of the Truman Olson United States Reserve Center, Madison, Wisconsin, Fac ID WI033 – February 2012
- Limited Phase 2 Environmental Site Assessment of Property conducted by City of Madison Engineering Staff, which includes soil and groundwater sampling
 - In conducting the Phase 2 ESA of the Property, the City detected limited soil and groundwater contamination and determined no further action.
- Buyer accepts all responsibility for the Property.
- Concrete from the former Truman Olson building was used to fill in the foundation of the building.
- NOTE: The City of Madison Comprehensive Plan designates the area as RMU (Regional Mixed-Use) which is further described at the City of Madison's Comp Plan website at the link below:
 - <https://imagine.madisonwi.com/document/comprehensive-plan-adopted>
- The Park Street corridor is a potential corridor for Bus Rapid Transit (BRT) service.

The Property is located adjacent to the Metropolitan Unified Fiber Network (“MUFN”). MUFN is a collaborative metro fiber-optic network serving education, health, government, and non-profit organization anchor institutions in the Madison, Middleton, and Monona, WI area. It unifies existing telecom resources to facilitate enhanced internet, point-to-point connectivity, and application sharing. Additional information on MUFN can be found at the website below:

<http://www.mufn.org/>

7. No Representations and Warranties: AS-IS Condition.

It is the intent of the City to sell the Property in “as-is” condition, with all faults. The City disclaims all warranties and representations that concern the Property. The Grocer/Developer shall rely on its own inspections and shall be solely responsible for the structures and materials located on the Property from and after the date of closing. The Grocer/Developer will have relied exclusively upon its own inspections and reviews, and not upon any representation or warranty of the City or its agents or employees.

The City is prepared to negotiate an option period for the Property upon review and selection of proposals submitted through this RFP.

8. City Approvals

There are several concurrent actions that will need to occur for a Developer to receive full approval to proceed. Redevelopment of the Property will likely require review by the Plan Commission, Urban Design Commission (“UDC”), Board of Public Works, and Pedestrian Bike and Motor Vehicle Commission, as well as Common Council review and approval. The City’s Finance Committee will be responsible for approving any financial support to the project, and the TIF Joint Review Board may be required to approve TIF related assistance.

Neighborhood Process

The approval process has two main parts. The first is pre-application, in which the Developer meets with the neighborhood association(s) (potentially including Bay Creek Neighborhood Association, Bram’s Addition, Burr Oaks, Capitol View, Greenbush and others) to present the proposal, listen to feedback, and make adjustments accordingly. The Alderperson (<http://www.cityofmadison.com/council/>) of the immediate District (District 13) and the adjacent District (District 14) and City staff are available to assist the Developer through this process.

Zoning

The Property is currently zoned CC-T Commercial Corridor – Transitional District.

Urban Design Commission Approval

As the Property is within Urban Design District #7, the architecture and design of proposed structures on that parcel will be subject to UDC approval.

Plan Commission Approval

While a grocery store is a permitted use in the CC-T Zoning District, Plan Commission review and approval may be needed for any conditional uses sought as part of the development proposal.

9. City Assistance

Facilitating the redevelopment of the Property is a high priority for the City. The City will assist the selected Developer by:

- Providing information and assistance obtaining approvals as noted above.
- Facilitating meetings with various stakeholders as needed (e.g., City staff, elected officials, neighborhoods, etc.)
- Providing information and discussing possible City financial support as noted above.
- Assisting developers in accessing other financial resources (e.g., New Market Tax Credits, bond programs, affordable housing tax credits, state programs, etc.).

10. Possible SSM Health Partnership

SSM Health is firmly committed to supporting the city's RFP process and maintaining a grocery store within Madison's south side neighborhood. As such, SSM Health is willing to explore the provision of various health-related services within or next to the grocery store in order to create a regularly frequented community hub that includes a successful grocery store. For example, SSM Health could consider providing one or several of the following: a walk-in retail health clinic within or adjacent to the grocery store, which would have the capacity to treat minor conditions and provide immunizations; nurse coaches to partner with residents on developing health goals for individuals and their families; nutritionists to provide educational programs and cooking demos either on-site or nearby; partner on a community education space either in or adjacent to the grocery store; partnerships with local non-profits like the Boys and Girls Club on programs focused on elementary aged children; representatives from Dean Health Plan to assist people in enrollment and navigating the health insurance exchanges; care coordinators or community educators; or, a SSM Health pharmacy. SSM Health is committed to investing in Madison's south side neighborhood and is open to collaborating with the city of Madison and a grocery store to support health and wellness amongst all those who live, work and grow in the community. To further discuss this opportunity with SSM Health, please contact Margo Francisco at margo.francisco@ssmhealth.com.

11. Required Notice of Intent to Apply and Proposal Requirements

NOTICE: Proposals that do not comply with this Notice of Intent to Apply process outlined below will be rejected.

The City wishes to ensure that Grocers/Developers are able to submit the most complete, accurate, and informative responses to this RFP possible. To assist with this process, **the City requires that all respondents to this RFP MUST submit a Notice of Intent to Apply (NIA) to the City no later than 4:00 PM CDT on June 15, 2019.** This NIA must include the items identified below. Soon after the City's receipt of a Grocer/Developer's NIA, City Staff will set a meeting with the Grocer/Developer to discuss the conceptual proposal. The intent of this meeting is to allow the Grocer/Developer to ask questions of City staff and begin a dialogue to better inform the respondent's preparation of a formal response to the RFP.

Notice of Intent to Apply (NIA) Requirements

1. Grocer/Developer's Name
2. Contact Person and contact information (phone number and email)

NIA's should be sent either via US Mail or email to:

Dan Rolfs
Economic Development Division
City of Madison
P.O. Box 2983
Madison, WI 53701-2983

drolfs@cityofmadison.com

Each proposal must contain all of the following information. While the City is interested in quality and well thought through proposals, brevity is strongly encouraged as noted in the page limits below. Grocers/Developers may submit multiple proposals. Each section below should be identified in proposals by tabbed sections or cover pages.

1. Development Team (Three pages maximum)
 - a. Describe the composition, expertise, and experience of the development team, including examples of previous successful project from within the last five years.
2. Design Concept / Land Use(s) (Two pages of text maximum, plus any associated plans)
 - a. Describe the development program and concept.
 - b. Submit preliminary site and building plans, building elevations, and sketches with enough detail to help communicate development concept.
 - c. Indicate the development land uses, prospective business types, along with unit counts and square feet per use.
3. Financing (Three pages of narrative maximum plus pro-forma and sources and uses document)
 - a. Indicate the purchase price to be paid for the Property along with any financing conditions or contingencies.
 - b. List the sources and uses of funds that demonstrate project feasibility. If utilizing New Market Tax Credits or other financial assistance programs, indicate team's experience with these financing methods. Include an estimate of any and all City assistance that the Grocer/Developer is requesting.
 - c. Summarize the overall economic impact and tangible benefits for the City, including tax base generation, construction jobs, and permanent jobs.
 - d. Outline any other community benefits the proposed project will generate.
 - e. Development pro-forma and ten (10) year cash flow statement (unless the project is to built, owned, and occupied by a grocer).
4. Ownership Structure (One page maximum)
 - a. Describe the desired method for taking title to the Property.
5. Process / Timeline (One page maximum)
 - a. Provide a timetable for each major phase of the project.
 - b. Provide a summary of the marketing approach/plan (if applicable).
 - c. Describe a neighborhood participation process or plan.
 - d. Timeframe for phasing and development.

11. Additional Information

- The City reserves the right to reject any or all proposals for any reason at its sole discretion.
- The City reserves the right to combine development proposals and suggest development partnerships between development proposals.
- If no development proposal is selected, or the selected Grocer/Developer(s) is unable to finalize an agreement with the City, the City reserves the right to advance development proposals as they come forward.

12. General Selection Criteria and Process

The Office of Real Estate Services Manager (the “ORES Manager”), in consultation with other City Staff and the City Finance Committee, shall review any and all proposals that are received by the deadline. During this review, Grocers/Developers will be invited to a Neighborhood Meeting where they will be permitted to present their proposals to the community and members of the public will be able to share their feedback with Alders and City Staff.

The ORES Manager shall prepare a comparative summary of the proposals, based upon the criteria below, and make a recommendation to the Common Council regarding which response to the RFP the City should select.

- Meets Minimum Requirements identified in this RFP.
- Grocer/Development team’s expertise, experience, and financial capacity.
- Quality of the proposed development.
- Economic feasibility of the proposed development.
- Adherence to adopted plans and design guidelines for the Property.
- Tax base and employment.
- Purchase price and financing terms and conditions for the purchase of the Property.
- The length of time required to implement all phases of the redevelopment of the Property.

All responses to this RFP will be available to and reviewed by the public.

Upon selection, the ORES Manager will make a recommendation to the City’s Common Council. Upon acceptance of a proposal by the Common Council, Staff will negotiate a term sheet with the selected Grocer / Developer. Final approval is contingent upon Common Council accepting the terms and conditions outlined in the term sheet and authorizing the execution of an option, or a Purchase and Sale Agreement.

13. RFP Proposed Schedule

May 15, 2019	RFP released
June 15, 2019 (4 PM CDT)	REQUIRED Notice of Intent to Apply (NIA) due to the City
Aug 9, 2019 (2 PM CDT)	RFP Responses Due
Aug - Sept 2019	Neighborhood Meeting
Oct 2019	Office of Real Estate Services Manager makes recommendation to Common Council
Oct – Nov 2019	Common Council (CC) review and acceptance of recommendation
Nov 2019 – Jan 2020	Term Sheet negotiated
Jan – Feb 2020	Action by CC and subcommittees on Term Sheet

Grocers/Developers should plan for a 4-6 month minimum land use approval schedule following the Common Council approval date. Developers should note that the land use approval process is separate from any neighborhood process to review development proposals.

* Exact timing will depend on complexity of negotiation, and length of other committee and Common Council deliberations.

SUBMISSION OF PROPOSALS AND PROPOSAL DEADLINE

Proposals must be submitted in sealed envelopes or boxes by **2:00 PM Central Daylight Time on Friday, August 9, 2019** to:

Delivery Address:

Mr. Dan Rolfs
Economic Development Division
City of Madison
215 Martin Luther King, Jr. Blvd, 3rd Floor
Madison, WI 53703

Mailing Address:

Mr. Dan Rolfs
Economic Development Division
City of Madison
P.O. Box 2983
Madison, WI 53701-2983

Ten (10) copies of the proposal shall be submitted, along with a complete PDF document containing the proposal on a thumb drive in a sealed box or envelope. All graphic images included in the proposal shall be included on the thumb drive.

Proposal submissions should be organized in an 8.5" x 11" format with tabbed sections corresponding to the Submission Requirements listed in the "Proposal Submission Requirements" Section of this RFP. Any images, site plans, elevations, cross-sections, etc. should be in scalable format and put on sheets no larger than 11" x 17".

Late responses will not be accepted and will be returned unopened.

Contact Information:

All questions related to this RFP should be directed to:

Dan Rolfs
Office of Real Estate Services
Economic Development Division
Email: drolfs@cityofmadison.com
Phone: 608.267.8722

If necessary, the City will issue an addendum to this RFP. The City may extend the due date if it judges it necessary.

APPENDIX A

