

Ad Hoc Benchlands Committee

TO: Assembly

FROM: Ad Hoc Benchlands Committee

RE: Recommended RFP language

DATE: October 16, 2012

Introduction

Attached is an RFP drafted by the Ad Hoc Benchlands Committee for Assembly consideration for the development of four separate parcels of property located on the southern portion of the benchland property.

Background

An Ad Hoc group was formed during the spring of 2012 to work towards moving the development of the benchlands forward. The group met weekly during the summer of 2012, taking multiple field trips through the property to investigate different development potentials.

The group met with the Assembly at their August 28th meeting to propose 7 different development options for the Assembly's consideration. The Assembly did not make a decision at the meeting, but requested that a work session be set between the Assembly and the Ad Hoc group to discuss the property development in greater detail.

The Ad Hoc group met with Assembly on September 20th and recommended the Assembly consider approving a hybrid of options 4 (please see attached). The Assembly had differing opinions on how the property should be developed at the table and did not make a decision to move forward. Instead they requested that the Ad Hoc group bring back a proposed RFP from the group for development of 4 separate portions of the property.

Attached is a draft RFP for the Ad Hoc group and Assembly consideration.

Additional Information

- The Assembly should consider advertising the RFP for a minimum of six months.
- The Assembly should consider requiring a performance bond from the selected developer to ensure property is developed as presented in development concept.
- The Ad Hoc group requests that proposals are evaluated by a group consisting of three members if the Ad Hoc group and 3 CBS staff.

REQUEST FOR PROPOSALS
by
THE CITY AND BOROUGH OF SITKA, ALASKA
for
PURCHASE AND DEVELOPMENT OF MUNICIPAL LANDS

A. Overview

The City and Borough of Sitka (CBS) owns 193 acres of prime development land located 2.5 miles northwest of the town of Sitka. This property is generally known as the "Benchlands".

Between 1985 and 1987 approximately 13,300 feet of gravel surface, subdivision roads were constructed. Kramer Avenue is the main collector street running lengthwise through the property for 1.17 miles.

Much of the gravel road system was constructed without utilities being installed. The roads have not been maintained since construction but the roads remain generally sound with minimal environmental damage. (See Attachment A)

In 2009 the CBS constructed a new 1 million gallon potable water storage tank on the Benchlands. The water tank is located such that it can provide gravity water service to the entire Benchlands property. Also constructed were water distribution piping, sewer collection piping, and electrical feeder lines that will serve the southern quarter of the Benchlands property.

The property was originally platted in 1983 as Whitcomb Heights Subdivision. The property zoning is Planned Unit Development (PUD) which is classified in the Municipal Code (22.08.690) as "a group or combination of dwellings and uses developed as a functional unit under conditional use and site plan approval procedures, the plan of which may not conform to the regulations established in any one or more zoning districts with respect to size, mixture of uses, density, lot coverage, access or required open space."

The PUD designation affords developers substantial flexibility for use of the property.

It is the goal of the CBS to sell four separate contiguous parcels at the southern end of the property via four separate request for proposals. These parcels are generally proximate to City utilities, but developers will be required to extend utilities to certain sections and to individual lots. The four parcels contain approximately the following areas:

Parcel A	1.81 Acres
Parcel B	1.55
Parcel C	7.48
Emmons Street/Cushing Street Loop	Estimated ~8.73

Furthermore, it is the goal of the CBS for private developers to purchase these parcels and develop them for a mixture of housing types and income levels. Development must occur in a timely manner with total build out of the project expected within 10 years from the date of purchase.

Extension of municipal utilities shall meet the standards of the CBS and the State of Alaska, Department of Environmental Conservation.

B. Requirements for Proposals

Developers must submit a separate proposal for each parcel identified.

Developers submitting Proposals for each of the four separate parcels must include the following requested information arranged in this order:

1. Narrative Statement of Qualifications of your Firm.
2. List of projects previously completed of a similar nature.
 - b. Completion date of each project
 - c. Construction Cost of each Project
3. Submit an organizational chart showing a designated project manager and staff.
4. Statement of Firm's experience working in Southeast Alaska or a similar environment.
5. Concept narrative of your Development Plan for the project including estimated time of completion, mixture of housing types and expected income levels of purchasers.
6. Responses are limited to no more than 15 pages size 8.5"x11", double sided and the font can be no smaller than 12 point. Page count includes front and back cover pages if used.
7. Responses are to be comb bound in a clear plastic report cover front and rear

Responses to this request for qualifications will be evaluated and ranked based on the following criteria (100 points total):

1. Development Plan (0 to 30 points)
Does the Proposal address the CBS's goals of timely providing a mixture of housing types? Is Developer qualified to perform the work?
2. Time of Completion (0 to 20 points)
What is the timeframe to bring lots to a saleable condition?
3. Purchase Price (0 to 50 points)
Points for Purchase Price shall be awarded based upon the following formula:

$(\text{Your Purchase Price} / \text{Highest Purchase Price}) \times 50 \text{ points}$

C. Submissions and Inquiries

Submit five (5) copies of your Proposal(s) to:

City and Borough of Sitka, Municipal Clerk
100 Lincoln Street,
Sitka, Alaska 99835

Proposals will be received until **2:00 p.m. local time Tuesday, April 30th, 2013.**

Any questions regarding this project should be directed to

The City and Borough of Sitka reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the respondent that best meets the selection criteria.

Ad Hoc Benchlands Committee

TO: Assembly

FROM: Ad Hoc Benchlands Committee

RE: Recommended development option

DATE: September 20, 2012

The Ad Hoc Benchlands Committee recommends the following development plan/option for the benchland properties.

- **Option 4 – Hybrid** – Sell four properties: Parcels A, B, C, and the Emmons/Cushing Loop concurrently via a sealed bid proposal format with no minimum bid as soon as possible.
 - RFP would include development criteria points for the following:
 - Development Plan
 - Purchase price
 - Timeline for development
 - Include a performance bond to ensure timely completion of development plan.
- The Committee is requesting setting no minimum bid price for the properties as the developer is best suited to determine development cost and therefore appropriate purchase price.
- This development plan for parcels A, B, C, and Emmons/Cushing Loop represents about 25% of the entire benchland property.
 - This option allows the Assembly to adjust current development plan/options for the remaining property.

Thank you for the opportunity to share our thoughts with you. We look forward to seeing the benchland properties move forward with development.

Thank You.

Narrative of Potential Options for Development

Option 1 Continue to sell lots in Jacob Circle Make no other land available

Pros: Little or no cost
No additional staff time
No stress to public works functions

Cons: Continued shortage of land
Missed economic opportunity
Continued land valuation increases
No progress on housing issues

Option 2 Continue to sell lots in Jacob Circle Sell parcels A, B & C at auction or by sealed bids (low minimum bid)

Pros: Expansion of land available
City recoups investment \$\$
Increases property tax
Sewer/Water fees w/ development

Cons: Does nothing to expand utilities
Short term gain over Long term
Future sales more challenging
Treats area as stand-alone

Option 3 Trade parcels A, B & C for design/build of sewer and storm drain from HPR to the corner of Kramer and Brightman

Pros: Greatly expands utilities
Potential for future development
Three sizeable parcels private
Easy development (Utilities avail.)

Cons: Limits cash return to City

Option 4 Sell four properties: Parcels A, B, C and the Emmons/Cushing Loop by auction or sealed bids with low minimum bid All utilities are responsibility of buyer/developer

Pros: Puts land on market
Ease of development
Separate owners-competition
Immediate pay back/City
Property Tax revenue

Cons: No infrastructure investment
Future develop challenges

Option 5 Option 4 plus assign land use criteria to all or some of the four parcels

**Pros: Control types of development
 Address affordability**

**Cons: Limits development options
 Lowers value of land**

Option 6 Trade parcels A, B & C, Emmons/Cushing Loop and Brightman for design/build plus cash payment from buyer (RFP):

- Extend sewer from gate to the end of Brightman**
- Connect sewer from end of Brightman to HPR**
- Extend water, electricity and telecom to end of Brightman**

**Pros: Huge infrastructure investment
 Encourages future growth
 Lowers Legislative Priority
 Attract major developer
 Amount of useable property**

**Cons: Reduces payback to City
 Local developers suffer**

Option 7 Sell the entire Benchlands (minus Jacob Circle) @ auction with opening bid of \$3 million

**Pros: City out of Development
 Eliminates staff work
 Immediate \$\$ return**

Cons: Loss of control

Long Term Goal

The City/Borough of Sitka shall divest itself of the entire Benchlands because:

1. There is a shortage of land (or perception of a shortage) in private hands and available for development.
2. Putting the land in private hands will generate property taxes, a long term plus.
3. Development of the land will significantly increase property taxes and increase revenue for the Water and Waste Water Funds (Enterprise Funds need 2-4% growth in yearly revenue to off-set cost increases).
4. The City/Borough need to recover the investment of \$3.35 million from the General Fund.
5. Economic activity on the Benchlands will positively affect:
 - Local business activity in supplying development
 - Sales tax receipts by boosting sales of materials and services
 - The availability of good paying jobs, making home ownership more likely
6. Municipalities are in general not the best and/or most effective or efficient real estate developers.
7. Municipal development costs are higher than those in the private sector.

There will be a municipal cost to development of the Benchlands in that it will require Public Works to maintain whatever infrastructure is added (e.g., snow plowing, road maintenance, etc.)

Medium-Term Goals

1. To continue to add to the land inventory available for private ownership as infrastructure allows.
2. To provide access from Kramer to privately own parcels downhill from the Benchlands.
3. To insist that all development contain multiple access easements to uplands for future development.

Short-Term Goals

1. To place the funding for mainline backbone infrastructure down Kramer Avenue on the Legislative Priority List and strongly lobby in support.
2. HPR improvements to include sanitary and storm sewer accommodations for Benchlands development.
3. To develop sanitary and storm sewer easements downhill to HPR.
4. To select one or more of the recommended Options and refer to the Planning Commission for development of an implementation plan. Planning Commission to begin to take over the role of the Benchlands Ad Hoc Committee, using Committee members to assist with intent and process. (Development of the Benchlands IS a planning function)
5. To move a significant portion of the Benchlands onto the market with the selection of a Priority.
6. Make customer service and partnerships an integral part of interactions with developers of property (anywhere in Sitka).