

Request for Development Proposals

The 700 Block Market Street Chattanooga, TN 37402



Offered by:





Monday, April 28, 2014

**RE: DEVELOPMENT OPPORTUNITY
700 BLOCK - MARKET STREET**

Dear Potential Developers,

Thank you for your interest in moving downtown Chattanooga forward. For over 28 years, River City Company has played an integral role in downtown's growth and development. As a private nonprofit, we have had tremendous partners including government, foundations, downtown stakeholders and private developers work hand in hand with us on projects that have garnered a worldwide reputation for their vision, quality and authenticity. We have no doubt that this important parcel in the heart of our city should and could do the same.

In the last year, we have commissioned a downtown market study from Robert Charles Lessor Company, which confirmed what we already knew. We need more housing and retail in downtown and City Center in particular. Based on those findings, we also commissioned a team of well-respected and seasoned planners and designers to come up with the "City Center Plan", rooted in public input.

Based on these finding and plans, we felt compelled to kick start a project and lead the way for a City Center renaissance. Now is the time to focus on this key parcel for yet another project that will take our downtown to the next level.

Again, we appreciate your interest and look forward to your proposal.

Sincerely,

Kim White
President and CEO



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Who We Are

River City Company is the economic development engine for Downtown Chattanooga. Through its work to cultivate and advocate for a vibrant and healthy downtown, River City Company stimulates the community's economic, social and cultural growth.

For over 28 years, River City Company, a private non-profit, has worked in partnership with local government, the private sector, and the philanthropic sector to support Downtown Chattanooga.

Because a vigorous downtown is a prerequisite for a healthier city, we're working to keep downtown Chattanooga working.

River City Company's Board of Directors represents the community at large with City and County Mayors, representatives from Chattanooga City Council and Hamilton County Commission and numerous community leaders. The Board of Directors provides an invaluable knowledge base to help us determine the best use of our \$3.2 million annual budget.

History of River City Company

River City Company has played an integral role in the redevelopment and revitalization of Downtown Chattanooga. Created as a private non-profit in 1986 to implement a 20-year twenty-two mile blueprint for Chattanooga's riverfront and downtown development, the non-profit was originally capitalized with \$12 million from local foundations and financial institutions.

By working with local government, the private sector, and the philanthropic sector, River City Company supported and developed key real estate projects in Downtown Chattanooga. From the fulfillment of the initial recommendations of the Moccasin Bend Task Force for the development of the Tennessee Riverwalk, to the development of the Tennessee Aquarium, the redevelopment of the Kirkman High School site, fulfillment of the 21st Century Waterfront Plan, the Majestic Theater and recently The Block, River City Company has been most successful as a public purpose development company.

Executive Summary

The River City Company owns this key parcel in the Center City of downtown Chattanooga. The site is a mid-block parcel on the east side of the 700 block of Market Street between 7th and 8th Streets. The 700 Block is approximately 24,000 sf and is currently a flat gravel lot.

Developers are sought to create a distinctive and sustainable mixed-use project that will include commercial/retail/entertainment to activate the street/public realm and a substantial for rent, multi-family residential component on the upper floors. The addition of green space or public yards or plazas and the use of public art is encouraged. Developments that are based on and include elements of sustainable and “green” design will receive priority consideration.

Proposals are due at NOON, Friday, June 27, 2014. Following developer interviews, formal presentations by short-listed developers will be scheduled. Developer Selection will be made based upon these evaluation criteria:

- The overall desirability, aesthetic quality, compatibility and architectural concept.
- Consistency with the expected uses and requirements set forth in this document.
- Demonstrated ability of the developer to undertake a project of this magnitude; as well as overall financial stability and size of the firm(s).
- Time frame for the proposed development.
- Purchase price for the property.
- Overall positive impact on downtown.

It is anticipated that construction will commence on this project by early 2015. Firm timelines and performance dates will be negotiated with the selected developer/proposer.

Existing Photos



View Looking East from Market Street



View Looking North from within Site



Alley from Cherry to Site (looking west)



Alley from Site to Cherry (looking east)



Alley from 7th to Site (looking south)



Alley from Site to 7th (looking north)

Hamilton County GIS



Context

Regional

Chattanooga is a city with a population of 167,674 located in south central Tennessee near the borders of Alabama and Georgia. The MSA has a population of 525,000, with 336,463 located in Hamilton County. Interstates 75, 24 and 59 connect the city to the larger region and the rest of the Country. The major metropolitan centers of Nashville, Birmingham, Knoxville, Huntsville and Atlanta are each roughly a 2 hour drive away.

Downtown

With more than \$3 billion in new investment in the downtown area since 1990, and more than 3 million tourists annually, Chattanooga is fast becoming a model for all that a mid-sized downtown can be. The area features a strong residential population, major attractions, and a vibrant economy. Access to downtown from the greater Chattanooga area is provided by Interstate 24 and US Highway 27.

Site

The site in the heart of the City Center is located in the 700 Block of Market Street. The site is bounded by Market Street, a public alley, and privately owned parcels. A variety of major businesses are located within a quarter-mile radius including: EPB, TVA, Hamilton County Courthouse, Memorial Auditorium, UNUM, Federal Courthouse, Downtown Post Office, The Sheraton Read House, SunTrust Bank, First Volunteer Bank, Tennessee Valley Federal Credit Union, Regions Bank, Cohutta Bank, Cornerstone Bank, FSG Bank, and First Tennessee Bank.

The parcel referred to as the 700 Block is a mid-block parcel on the east side of the 700 block of Market Street between 7th and 8th Streets. The 700 Block parcel is approximately 24,000 sf and is currently used for Food Trucks, a passive pocket park and occasional events such as outdoor movies.

The parcel is located in the core of the Center City of Downtown Chattanooga. The site has strategic importance for the district. The site also has the potential to enliven and energize the district. The River City Company is interested in accommodating an appropriate urban project on the site.

This site is in the center of an economic revitalization unprecedented in a Southern mid-sized city. Within less than a mile are some of the Southeast's most popular attractions, major office employers, and a number of burgeoning new residential neighborhoods.

Data and Supporting Information

700 Block is a roughly 24,000 square foot parcel on the east side of Market Street between 7th and 8th Streets.

The property is zoned C-3 which has no use restrictions, setback, or parking requirements.

The Market Street frontage is heavily hardscaped with brick pavers, pedestrian lights, street trees and street furniture.

While there is flexibility in the design of the site, responses that incorporate public space into the design of the new development will receive priority consideration.

Parking

Parking may be incorporated into the development proposal, but is not a requirement.

The following are other lots and garages (see Appendices A for further information) open to the public and within a one or two block radius:

- SunTrust Garage
- EPB Garage
- Hamilton County Garage
- 7th and Broad Garage
- Market Court Garage
- Alice Lot
- Loveman's Lot

2012 Traffic Counts (per Hamilton County GIS)

Market Street: 14,561 daily cars between 7th and 8th Street

Downtown Market Study

Completed in November of 2013 by Robert Charles Lessor Company and concentrating on housing, office and retail. Report is available at:

<http://www.rivercitycompany.com/new/pdf/River%20City%20Company%20Downtown%20Chattanooga%20Study%20Report%20Only%20January%202014.pdf>

City Center Study

You are encouraged to utilize the public input and professional output in the City Center Plan, which includes Patten Parkway in its study area. The City Center Plan includes ideas for public space, transportation and housing that may prove beneficial and informative. The Plan is available at:

http://www.rivercitycompany.com/new/pdf/FinalCityCenterPlan_RS.pdf

2012 Urban Design Challenge

The UDC 700 Block presentation is available at:

http://www.urbandesignchallenge.com/udc/pdf/DynamicDensityPresentation_web.pdf

Vision for the Development

Desired Program and Objectives

Retail/Commercial: It is desired that a retail, commercial, food service or similar use have a street/sidewalk presence and animation. This use has the potential, although no requirement, to expand one level below or above grade

Residential: The upper floor(s) use should be multi-family work-force rental housing to maximize density. Studio and One-Bedroom unit types should make up the majority of the mix, while some Two-Bedroom units should also be included.

Parking: No on-site parking is required, but may be included. Options include:

- One level below grade parking for the full parcel depth
- At grade surface parking behind the retail/commercial frontage on Market Street
- One level above grade parking behind the retail/commercial frontage on Market Street, but accessed solely from the City alley ROW from 7th Street. This will eliminate any internal vertical circulation ramp(s) and maximize the number of spaces.
- Other creative parking solutions may be proposed, but it is not intended for this development to provide excess parking for the district or other off-site needs

Exterior, Materials and Design Control: Building should be constructed of lasting materials, blending with the surrounding architecture and present a feeling of permanence (i.e.; no EIFS, asphalt shingles, etc.). Fenestration (doors and windows) at Market Streets is required to be approximately 50% for the total façade with a minimum of 75% at ground floor. All plans, landscaping, and building elevations shall have approval rights by the River City Company, including review team members of its choosing.

Sustainability: Sustainable methods of construction and operational energy efficiency should guide design decisions and will be strongly considered in the evaluation process. It is desired that a LEED certification of Silver or better be sought, but not required.

Urban Form and Use

Suggested Building and Use Characteristics:

Frontage: Structure should be built to the property line for at least 80% of the Market St frontage. Any parking shall be buffered from pedestrian views via landscaping or building facades.

Height: The height of the structure should not be less than 36'. Penthouses and towers are encouraged and can be set back from the main building mass.

Access: If needed, primary vehicular access to the site should be accommodated from Market Street. Secondary access may be provided through the alley that extend to and through the block.

Careful consideration must be given to the needs of loading, servicing, refuse pick-up, delivery needs, parking ingress/egress, and streetscape for this unique urban setting.

Urban Design Considerations

Through the years of Chattanooga's urban renaissance, both the private and public sector have come to realize certain truths about a healthy downtown. This development represents a significant opportunity to

put into practice once again some of these truths. In the hope that this development will respect the spirit of a healthy downtown, and go beyond minimum standards, these are a few of the principles to which the a development should adhere:

- First and foremost, the quality of the city depends on the quality of the design and construction of its component developments.
- Public spaces are defined by the buildings that border them; those buildings should neither be too small or too large. The height of the face of the building is that part of the building that the pedestrians perceive and that part this is the dominant defining feature of the public space.
- Public spaces benefit from buildings that provide a maximum amount of activity throughout the day. Permeability- the extent to which we can move into and out of buildings, and transparency- the extent to which we can see into and out of buildings, primarily on the ground, should be maximized in non-residential spaces.
- Public spaces should be well articulated and well defined. Buildings should enforce the edge of the public space.
- Exterior building walls in Chattanooga have traditionally adhered to a tripartite articulation of base, middle, and top, where, generally, buildings become “lighter” as the they rise to the sky. Building materials are one tool for establishing this articulation. Also, rooftop penthouses may be built (setback from building face). Penthouses further establish the building wall articulation, providing a visually lighter structure at the top. Penthouse roofs should contrast with the conventional and surrounding roof structures in materials, structure, form and color, or a combination thereof.
- Parking shall be buffered from pedestrian views via landscaping or building facades.

Potential Urban Design Concepts

The availability of a number of adjacent properties opens the door to a broad range of possibilities for development within the 700 Block. Applicants are encouraged to think creatively about how the site functions and how it is accessed.

The existing alley to the east of the site provides potential opportunities for access, service and connectivity

There is precedent for the creation of mid-block alleys in downtown Chattanooga. This allows for the provision of public realm amenities, creates more frontage for the development and can help establish new pedestrian patterns through the district.

The provision of green space within the block could provide an amenity for the development and an attractive feature for the district.

Payment in Lieu of Taxes (PILOT)

The City and County have revisited this program in order to stimulate and further facilitate downtown rental housing development. This financial incentive program is through the Health, Education and Housing Facility Board, who holds the deed for the property. A PILOT can lower the annual cost of a multi-family rental development by freezing annual real estate taxes at the pre-development level for the residential portion of the project only, not including the school tax percentage. The proposed program has specific requirements for types of housing offered and details have not been issued or approved by City Council as of this Request for Proposal offering. Specifics may be available prior to final submission deadline.

Proposals

All reasonable offers will be accepted, reviewed and considered. River City Company welcomes and encourages collaborations, joint ventures and partnerships to strengthen the development team. Developments that include elements of sustainable and “green” design will receive priority consideration. We reserve the right to reject any and all proposals and any selection of a developer will be at the sole discretion of River City Company.

Purchase Price

River City Company's investment in this property is approximately \$1.3 million. We are open to a variety of sale or partnership options.

Timeline

- Distribution - week of May 5, 2014
- Proposal submissions due Friday, June 27, 2014
- Short-listed developers interviewed - week of July 14, 2014
- Negotiation with selected developer - 30 days from selection
- Presentation to the River City Company Board - August 11, 2012

Following the selection of the preferred developer a firm timeline including key performance dates will be agreed upon

Submission Requirements

1. Development team profile (resumes, team structure)
2. Relevant experience in other mixed-use developments of similar scope (provide specific examples to include project data and photos)
3. Client and/or financial references demonstrating ability to secure financing
4. Program, including suggested tenants and unit mix
5. Proforma, including anticipated rents and development costs
6. Schedule for development from due diligence to opening
7. Scaled floor plans and elevations
8. Other perspectives and renderings as needed to illustrate the proposed development
9. Purchase price or other business arrangements based on project costs and performance

Submission shall be in 11” x 17” format. Respondents shall submit 1 hard copy of all proposal documents as well as a .pdf version of the documents. Proposals must be submitted (mailed or hand-delivered) to:

ATTN: 700 Block of Market
River City Company
2nd Floor, Miller Plaza
850 Market Street
Chattanooga, TN 37402

PROPOSALS ARE DUE NO LATER THAN 12:00 NOON on Friday, June 27, 2014

Qualifications and Evaluation Criteria

- Demonstrated history of successful urban redevelopment projects of a similar nature
- The overall desirability, aesthetic quality, compatibility and concept of the proposed project
- A development approach consistent with the expected uses and requirements set forth
- Financial ability and stability, size, and demonstrated track record of the developer to successfully complete a project of this magnitude
- Timeframe for development completion
- Purchase price for the property; developer should state their ability to pay based on project costs and performance
- Overall impact on Patten Parkway, City Center and Downtown

General Terms and Conditions

The properties will be sold in “as-is” condition. It is the responsibility of the developer to determine the condition of the properties for any proposed new development. Any development of the property must conform to all building requirements and/or ordinances established by the applicable governmental entity including, but not limited to the Chattanooga-Hamilton County Regional Planning Agency, the City of Chattanooga, Air Pollution Control Bureau, and the current adopted Building Code(s).

Real Estate Purchase Agreement

A real estate purchase agreement with specific terms will be negotiated with the selected developer.

No speculative sales will be permitted. Timely redevelopment is of the essence and transfer of title will not occur until financing, permitting and construction contracts are in place.

Real Estate Commission

River City Company does not enter into exclusive listing agreements with licensed real estate brokers/agents. In the event a prospective purchaser chooses to use a broker/agent, it shall be the purchaser’s sole responsibility to pay any commissions or fees above and beyond the purchase price of the property.

Disclaimer

It shall be the responsibility of the proposer and/or the purchaser/developer to determine whether any and all appropriate utilities are available to the site.

It shall be the responsibility of the proposer and/or the purchaser/developer to ascertain City regulations relative to storm water management issues for any proposed re-development of this site.

Questions

Please direct all questions regarding the RFP to:

Jim Williamson, River City Company
850 Market Street, Second Floor
Chattanooga, TN 37402
423/265-3700 (P) 423/265-6952 (F)
jwilliamson@rivercitycompany.com

Appendices:

A. Republic Parking Systems – 2013 Rate Survey

B. Dynamic Density – Urban Design Challenge, Historical Images



CARTA North	
All Day	\$7.00
Monthly	\$60.00

Visitor's Ctr. Lot	
\$1.00 per 1/2hr	
All Day	\$9.00

Firestone Lot	
\$2.00 1st 1/2 hr.	
\$1.00 ea. 1/2 hr.	
All Day	\$9.00

Bluewater Lot	
\$1.00 per 1/2hr	
All Day	\$9.00

Chestnut Garage	
All Day	\$5.00
Monthly	\$65.00

Market Court	
Monthly (Cov.)	\$85.00
Monthly (Roof)	\$75.00

Liberty Garage	
All Day	\$5.00
Monthly	\$85.00

County Garage	
All Day	\$6.00
Monthly	\$60.00

Republic Centre	
All Day	\$8.00
Monthly (Cov.)	\$87.50
Monthly (Roof)	\$75.00
VIP	\$125.00

Alice Lot	
All Day	\$5.00
Monthly	\$90.00

7th & Broad Garage	
All Day	\$8.00
Monthly (Cov.)	\$85.00

SunTrust Garage	
All Day	\$8.00
Monthly	\$71.50

CITI Park	
All Day	\$7.00
Un-Reserved	\$85.00
Reserved	\$92.00

Loveman's Lot	
All Day	\$8.00
Monthly	\$95.00

SunTrust Lot	
All Day	\$8.00
Monthly	\$75.00

Volunteer Garage	
All Day	\$6.00
Monthly	\$90.00
Lot	\$70.00

Tallan Garage	
All Day	\$6.00
Monthly	\$85.00
Reserved	\$100.00

Walden Lot	
Monthly	\$68.00

Lot B	
Monthly	\$50.00

Warehouse Row	
All Day	\$9.00
Monthly	\$65.00

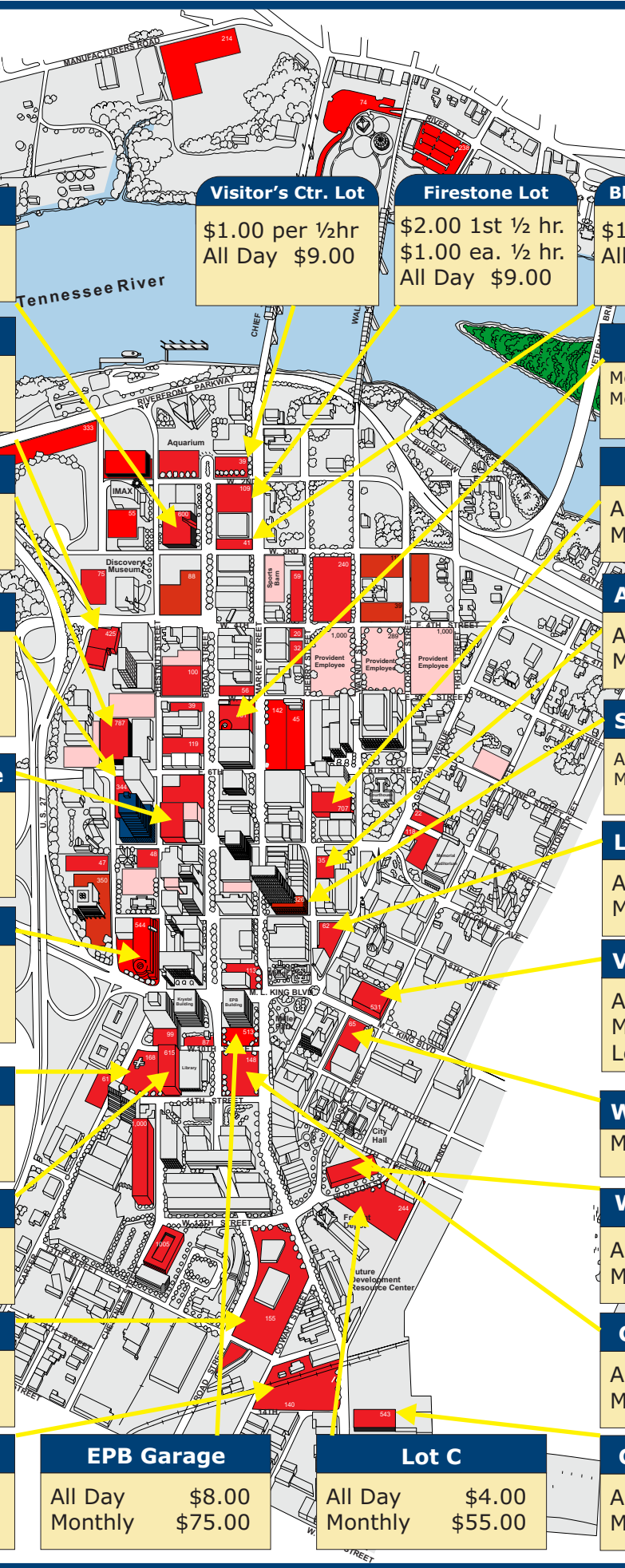
Lot A	
All Day	\$5.00
Monthly	\$47.00

EPB Garage	
All Day	\$8.00
Monthly	\$75.00

Lot C	
All Day	\$4.00
Monthly	\$55.00

Civic Forum Lot	
All Day	\$8.00
Monthly	\$85.00

CARTA South	
All Day	\$3.00
Monthly	\$44.00





MARKET ST.



Market St. - Eastside between 7th & 8th



Market St. - East side - between 8th & 9th

Images courtesy of the Chattanooga Hamilton County Bicentennial Library

Dynamic Density

Urban Design Challenge • 700 Block



Site

Image courtesy
of the
Chattanooga
Hamilton County
Bicentennial
Library

A VIEW OF MARKET STREET.

Dynamic Density

Urban Design Challenge • 700 Block

Market Street, "Along the Dixie Highway," Chattanooga, Tenn.

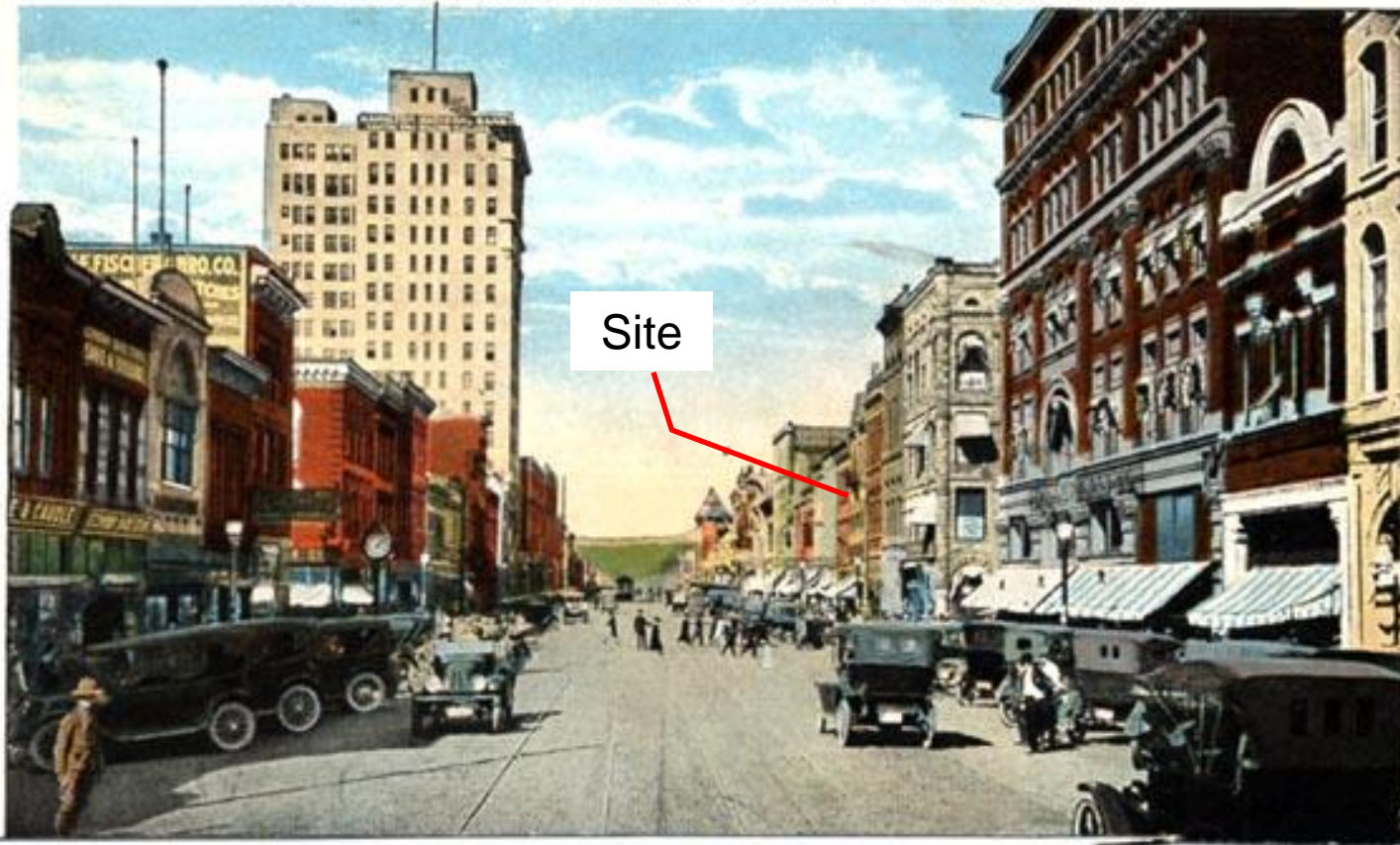


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Urban Design Challenge • 700 Block

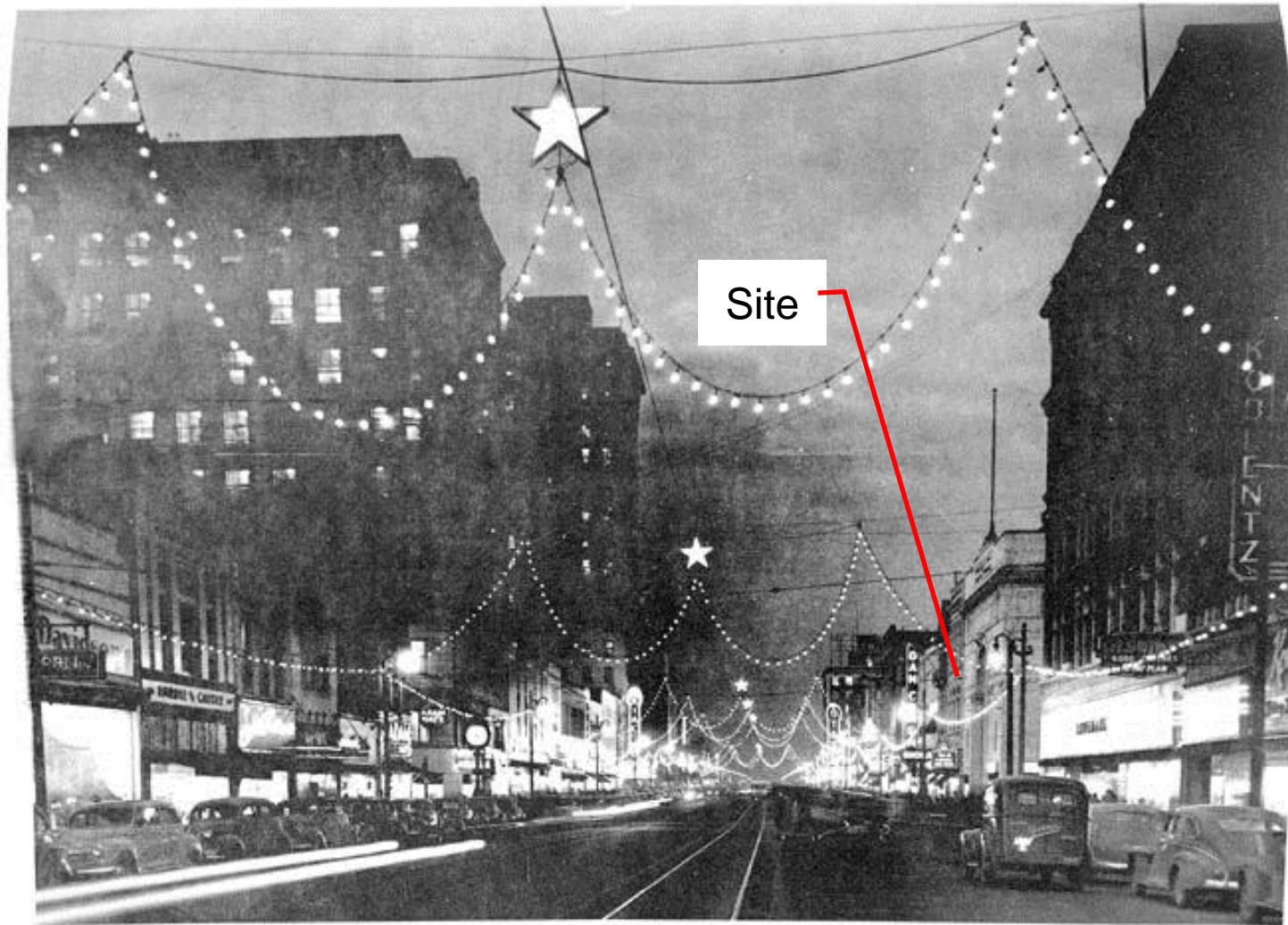


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Urban Design Challenge • 700 Block

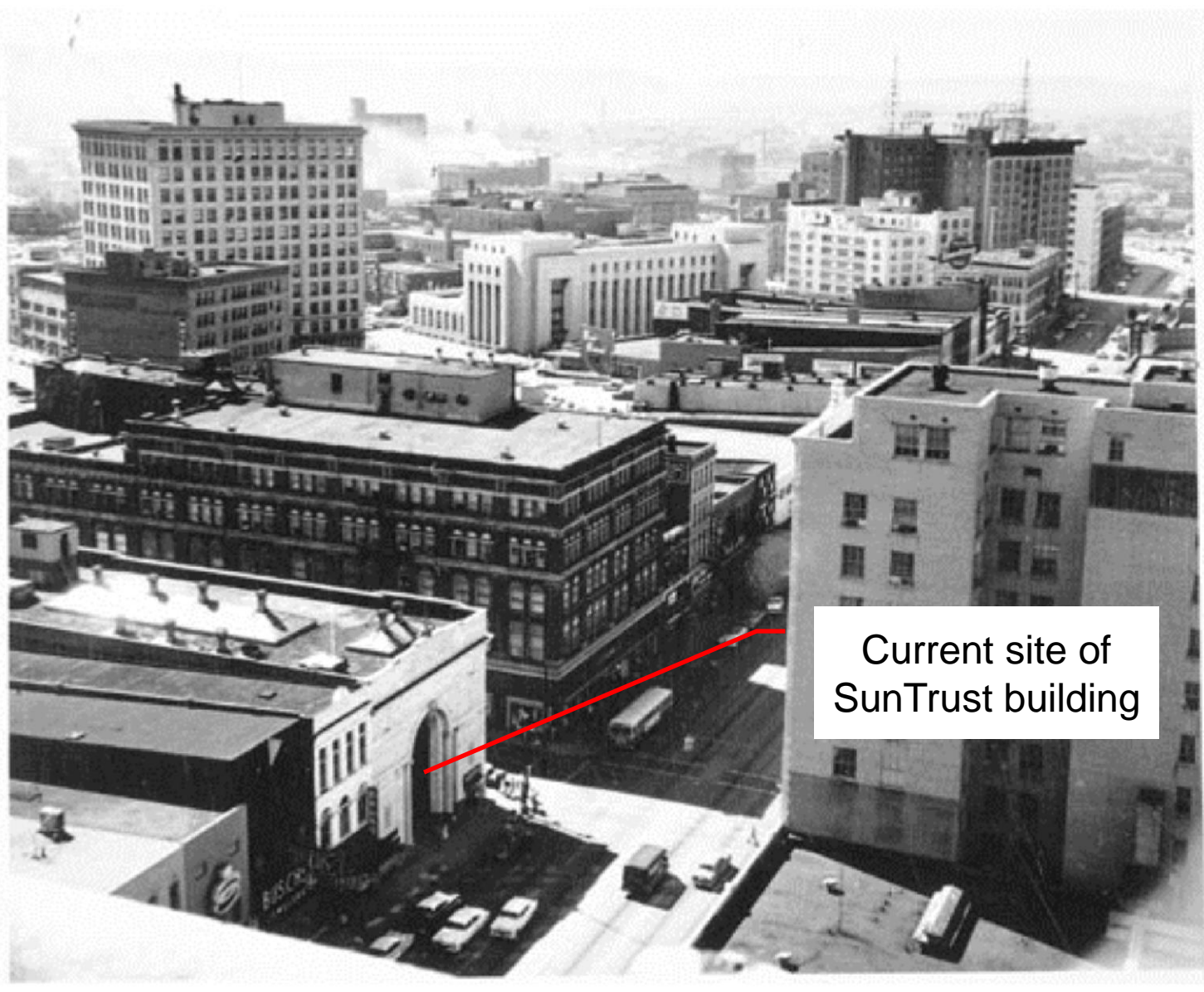


Image courtesy
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Current site of
SunTrust building

Dynamic Density

Urban Design Challenge • 700 Block



Site

Image courtesy
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Dynamic Density

Urban Design Challenge • 700 Block

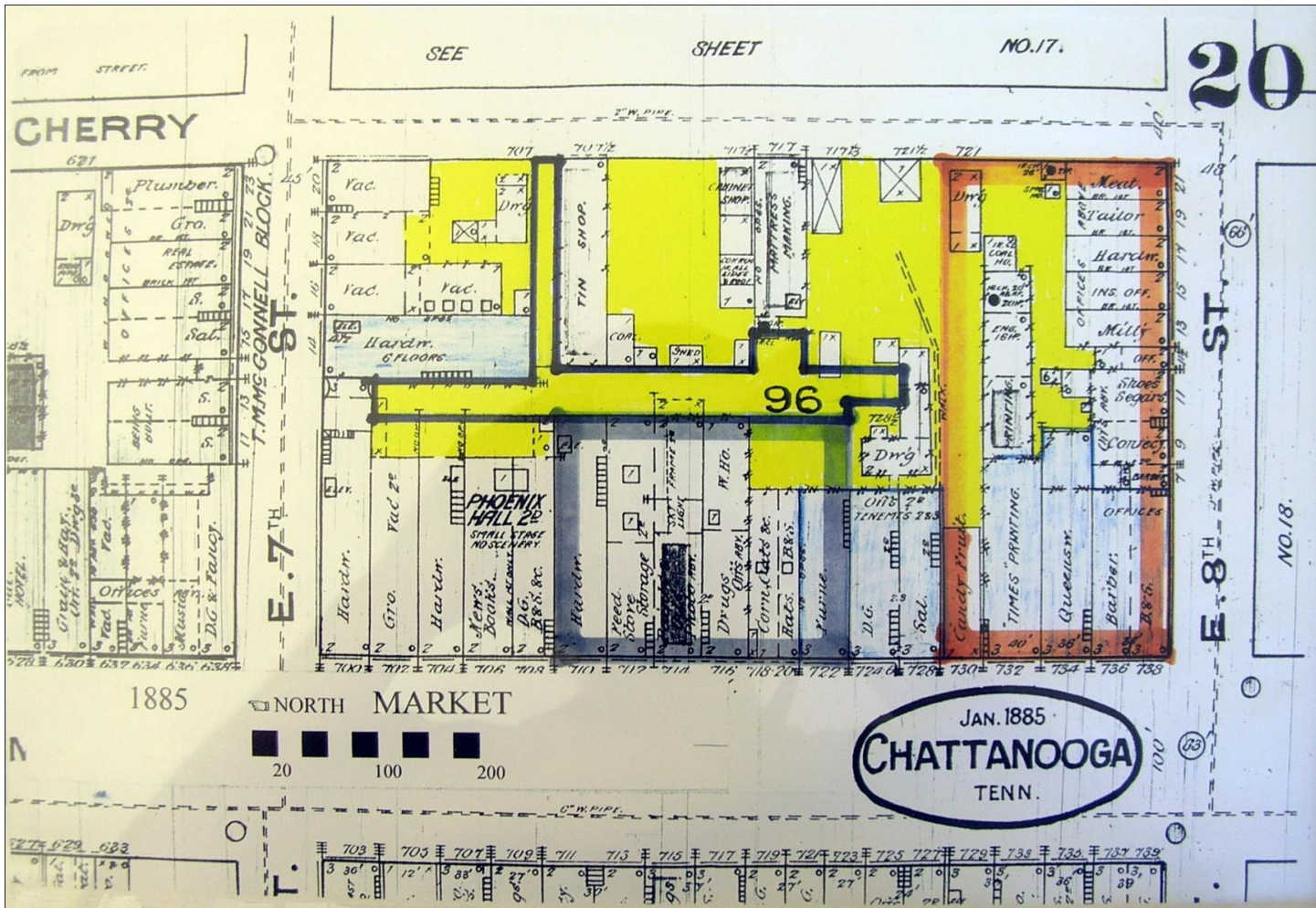


Image courtesy of the Cooper Family

Dynamic Density

Urban Design Challenge • 700 Block

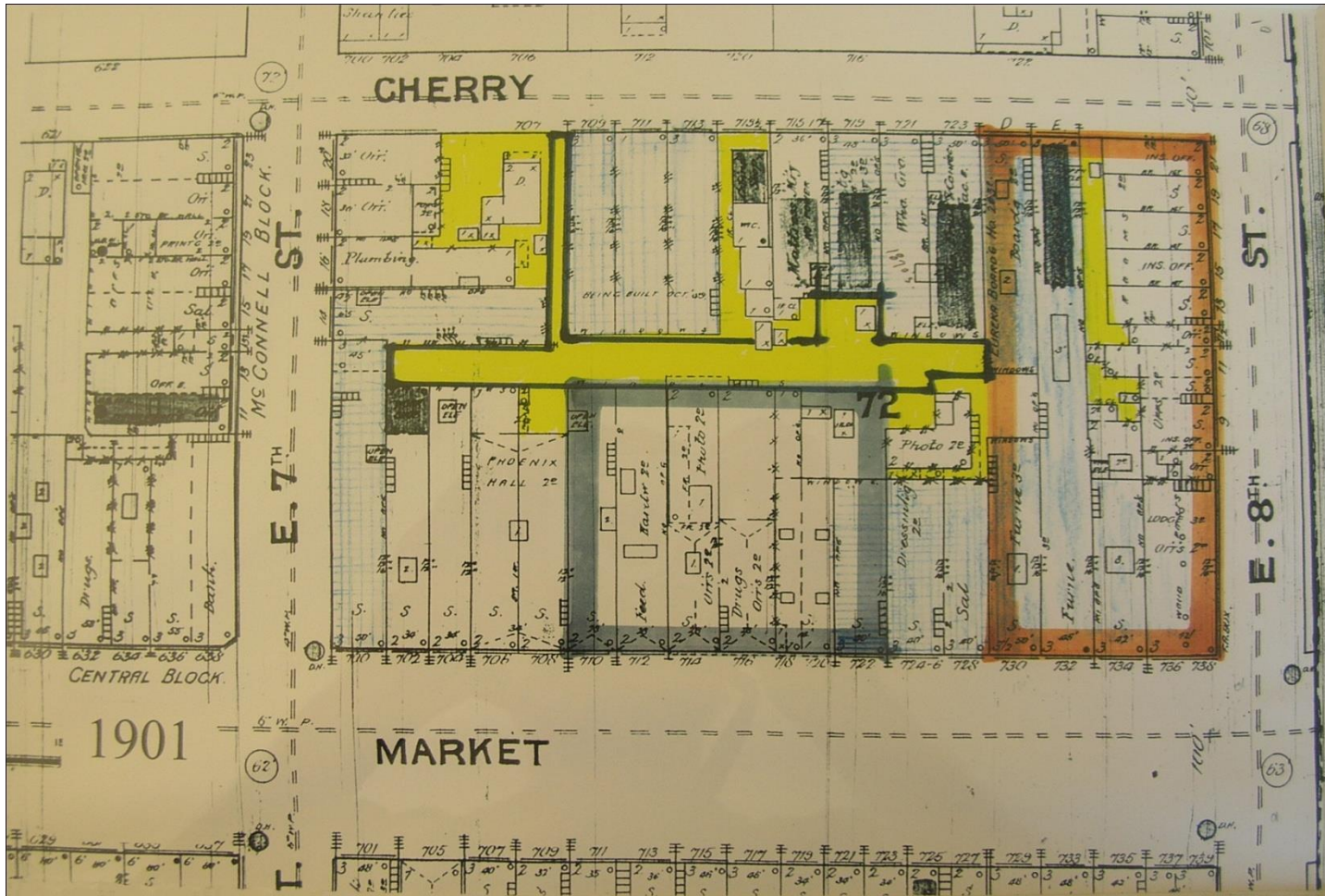


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Dynamic Density

Urban Design Challenge • 700 Block

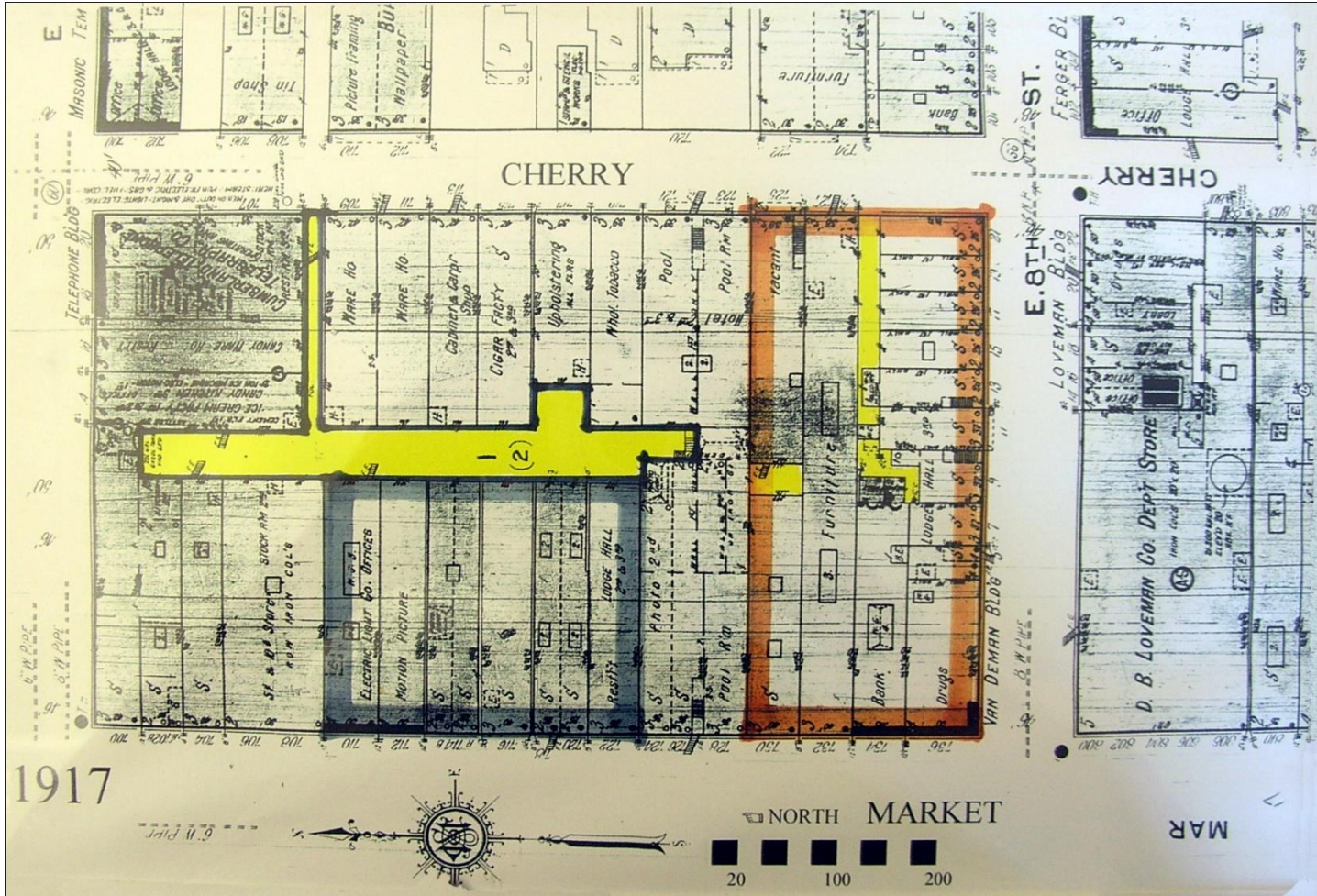


Image courtesy of the Cooper Family

Dynamic Density

Urban Design Challenge • 700 Block

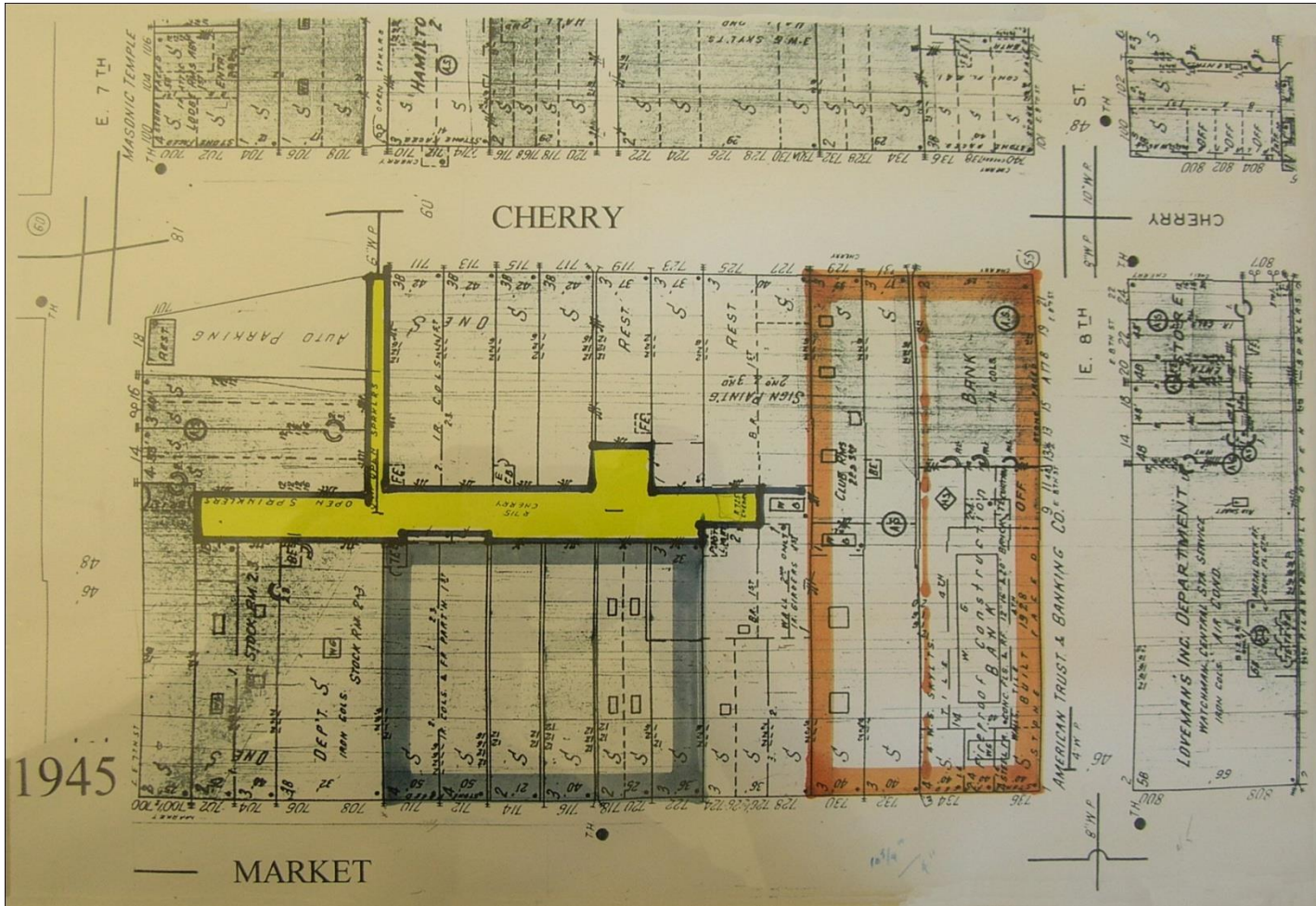


Image courtesy of the Cooper Family

Dynamic Density Urban Design Challenge • 700 Block