

**PROPOSAL REFINEMENT REQUEST FOR
CHELAN COUNTY PUBLIC UTILITY DISTRICT
FIFTH STREET CAMPUS REDEVELOPMENT**



**327 N. Wenatchee Ave
Wenatchee, WA 98801**

Presentations/Interviews: October 10, 2022

Table of Contents

Background.....3

Proposal Requirements3

Presentation Requirements4

Evaluation Criteria.....4

Schedule5

Contact Information6

General Information6

Exhibit A.....7

Exhibit B.....10

Background

On March 3, 2022 the Chelan Douglas Regional Port Authority (CDRPA) issued a Request For Proposals (RFP) for the redevelopment of Chelan County PUD's 5th Street Campus in Wenatchee, WA. The RFP was seeking interested, experienced, and capable developers to purchase and redevelop the 7.5-acre campus into an attractive, pedestrian friendly, interconnected, mixed-use development which creates a vibrant destination at the gateway to downtown Wenatchee.

On May 16, 2022 four (4) proposals were received. An evaluation committee made up of members from the Chelan Douglas Regional Port Authority, Chelan County PUD, City of Wenatchee, Wenatchee Downtown Association, and the Wenatchee Valley Chamber of Commerce reviewed, ranked the proposals, and recommended Steinhauer Properties and GTS Development as finalists. Between June 20, 2022 and July 8, 2022 the Chelan County PUD accepted public comment on the proposals – see Exhibit A for a summary of the comments received. On June 22, 2022 the Community Advisory Committee, who assisted in the Community Vision Document, met to review/comment on the finalists' proposals – see Exhibit B for notes from this meeting. During the meeting the week of August 15th, a discussion of the comments will provide context and expectations regarding the feedback included.

On August 1, 2022 the Chelan County PUD Commissioners voted to affirm the evaluation committee's recommendation on the finalists and requested further information and clarification from each developer as outlined in this document.

Steinhauer Properties and GTS Development will have approximately 8 weeks to refine their proposals. Once completed, developers will be invited to present their updated proposal to the evaluation committee along with two Chelan County PUD Commissioners. Developers will have 45 minutes for their presentation followed by 45 minutes of questions and answers from the committee.

For the additional efforts, each developer will receive a \$10,000 honorarium from the Chelan PUD after their presentation/interview.

Proposal Requirements

Developers are requested to refine their proposals to include the following information along with any additional details in which they feel are pertinent to the redevelopment. Developers are encouraged to build on their original proposal however, changes/modifications are allowed.

Team Qualifications/Experience

No further information is requested in this category unless the redevelopment team has changed.

Project Vision/Preliminary Concept

- Provide additional architectural details
 - Representative samples of materials, finishes, architectural style, similar developments, etc.
 - Renderings of site from Wenatchee Ave. sufficient to see building scale coming from the north and south
- Provide more detail on the complete project schedule and phasing plan
- Show evidence of collaboration with stakeholders and community outreach
 - Provide details of agreements, if any, with the Music Theater of Wenatchee and the Wenatchee Valley YMCA
- Provide detail on how this redevelopment will fit in to the big picture of the Wenatchee Valley including planned/future developments such as North/South Lineage, The Majestic, N. Wenatchee Ave., Convention Center, etc.).

Financial Investments/Feasibility

- Provide information on recruitment plan to attract new businesses
- Provide information on market research plan supporting the proposed use mix
- Provide a draft term sheet
- Provide details on the financing plan and how it can be adjusted to accommodate market volatility
- Refine and provide more detail on the requested public participation/improvements
- Provide proof of feasibility – specifically on mix use and underground parking (if proposed)

Presentation Requirements

Provide ten (10) bound originals and one (1) electronic pdf via USB drive of your final proposal at the beginning of your presentation. All key team members of your redevelopment team shall be present. Each developer will be given up to 45 minutes for their presentation which will be followed by up to 45 minutes of questions and answers.

Evaluation Criteria

Developers will only be evaluated on their final proposal, presentation, and interview. Proposals will be evaluated on the following criteria:

TEAM QUALIFICATIONS/EXPERIENCE

- Developer's track record
- Ability to deliver projects of this size
- Quality and relevance of reference projects
- Reference checks

PROJECT VISION/PRELIMINARY CONCEPT

- Use mix and its benefit to the public and surrounding businesses
- Project schedule – start date, phasing plan, occupancy

- Architectural features/quality of construction materials
- Parking, pedestrian, and circulation improvements
- Incorporation of aspects of the Community Vision
- Consistency with zoning and subarea plan
- Parking proposal which addresses continuation of evening and weekend use by Riverside Playhouse

FINANCIAL INVESTMENTS/FEASIBILITY

- Proposed purchase price
- Estimated development costs
- Financing strategy
- Business plan that supports total investment
- Public investment request

COMMUNITY BENEFIT

- Addition of workers and/or residents to the downtown core
- Number of jobs generated and average salary
- Contribution to sales tax base
- Benefit to Wenatchee’s cultural values and demographics
- Ability to support and enhance existing arts, theater, recreation, community spaces and events in Downtown Wenatchee

OTHER

- Sustainability
- Incorporation of advanced energy efficient systems
- Discretionary

Schedule

Action	Approximate Completion
Issue Proposal Refinement Request	August 12, 2022
CDRPA/PUD Meet with Developers	Week of August 15, 2022
Presentations/Interviews	October 10, 2022
Chelan PUD Commission Discussion	October 17, 2022
Developer Selection	November 7, 2022
PSA/Development Agreement Negotiation	November 2022 – March 2023

Contact Information

All questions shall be directed to:

Stacie de Mestre

Chelan Douglas Regional Port Authority

Public Works and Capital Projects Manager

Cell: 509-630-2545

Stacie@CDRPA.org

General Information

The CDRPA and PUD are Equal Opportunity Employers and do not discriminate against individuals or firms because of their race, color, creed, marital status, religion, age, sex, national origin, sexual orientation, gender identity, the presence of any mental, physical, or sensory handicap in an otherwise qualified handicapped person, or for any other unlawful reason.

It is to be understood by the developers and their agents that the CDRPA and/or PUD are not obligated to accept any proposal or to negotiate with any developer, and the CDRPA and/or PUD reserve the right to accept responses/submittals, which in their sole discretion, will best serve the public interest and meet the terms of this RFP.

To protect the integrity of the process, proposers should be aware that any documents submitted to the CDRPA will become a public record. The Washington State Public Records Act (Chapter 42.56 RCW) (“PRA”) requires public agencies in Washington to promptly make public records available for inspection and copying. Do not submit any information that you deem confidential.

Exhibit A



CHELAN COUNTY

SUMMARY OF PUBLIC COMMENTS

June 20 – July 8, 2022

YMCA

- Important to include the YMCA in the redevelopment plans at the Fifth & Wenatchee site
- A central location for entire community/employers to benefit
- Part of the city's big picture for the downtown
- Y has demonstrated financial commitment in its fundraising efforts to make Fifth Street location work
- Questions about underground parking suggested in the GTS proposal (cost and feasibility)
- Importance of the Y to the youth and families in this area
- Wants land donated to the Y by the developer

Music Theatre of Wenatchee (MTW)

- Provided a proposal to buy parking area as well as the PUD's Fish & Wildlife building (F&W)
- Numerous concerns about access to close-by parking
- Suggestion to think creatively related to parking and access – perhaps not just from the redevelopment side of the property
- Attorney for MTW stated that MTW has “rights” to parking

General

- Ambitious and visionary proposals from the two recommended developers
- Not the right time to be taking on a project such as this; pause and look for a more sustainable, community-based approach for development
- Fifth & Wenatchee site is key to the overall vision for downtown Wenatchee
- Proposals offer:
 - o Good traffic circulation
 - o Greenspace
 - o Pedestrian friendly campus
 - o Housing/residential/hotel
 - o Some retail and restaurant
 - o Visionary
 - o Parking potential
 - o Project phasing
- Proposals need:
 - o More details around public financing ask
 - o More market analysis needed especially given current market volatility; what kind of retail; residential?

- Evidence of community collaboration and outreach (e.g. YMCA, MTW, City, Downtown Wenatchee & Chamber, etc.)
- Proof of feasibility for things such as: more office space; location of restaurant; boutique hotel, etc.
- Concern about Wenatchee Avenue being a back door to the campus
- Parking specifics, including Wenatchee Avenue
- What about massing along Wenatchee Ave; more detailed architectural plans;
- More specific phasing and scheduling for construction

Exhibit B

Meeting Record

FROM / BY:	Steve Moddemeyer	MEETING DATE/TIME:	6/22/2022 9:00AM – 11:30AM
PROJECT NAME:	Chelan PUD 5th Street HQ Redevelopment	REGARDING:	5th St HQ Redevelopment Community Advisory Committee

Community Advisory Committee: Review of Finalists for 5th Street Headquarters Redevelopment Steve Moddemeyer NOTES

(Meeting Attendance Signup Sheets collected by Chelan PUD)

Table 1

GTS Proposal

Likes

- Liked the concept
- Liked the phased 8-10 year plan
- Strength was reuse of the buildings

Issues

- Like to see more retail space along Wenatchee Avenue
- The (pedestrian) connectivity between the project and downtown along Wenatchee Ave - would like to know more
- Would like to know more about how they view the public private partnership and their capital contribution

Concerns

- Apartments and revenue generated from multi-use will leave the community – when a local ownership (of housing) would keep dollars in local community
- Very concerned about parking – underground for YMCA, mixed use and residential
- Ingress and Egress along the Playhouse and those parking lots are full – and is there sufficient parking for the playhouse. We can't count on the existing parking in the community and don't feel that people will walk from other areas
- Didn't like the café
- Like a development agreement as a conditions of sales to address issues such as parking
- How would they address this issue through the plan? How would they apply parking as they move forward.

Steinhauer Proposal

Likes

- Reached out to Playhouse to prepare their proposal shows concerns for partnerships local non-profits
- Budget manager is familiar with the Valley and community
- Shared 17 issues need to be addressed around kind of public/private partnership, challenges, obstacle, risks. Having these in the forefront shows experience, capacity, and feasibility

Issues

- Want to see connectivity to downtown
- Is the focus into the inner core? Don't want Wenatchee Avenue as the back door. Want to see more on the streetscape.

Chelan PUD: Community Advisory Committee Review of Finalists for 5th Street Headquarters Redevelopment

6/23/2022

Page 2

- Concerned by cutting off the Fish and Wildlife Building
- Parking remains a concern – it is essential to success for downtown

Overarching Comments

- Parking, retail, connectivity with downtown – once you leave the Chamber you have a gap for pedestrians
- Would like to see more information/images on Wenatchee Avenue.

Table 2

Overarching Concerns

- Financial capacity. Escalating interest rates and economic stability these days is challenging – have they done a stress test on their loans? How do they plan to financially pull this off?
- Need more visuals of Wenatchee Avenue
- Agreed with Table 1 but should eliminate Fish and Wildlife to increase connectivity
- Look at how this redevelopment connects to the broader investments and changes underway in the downtown as a whole
- Concerned with level of expectation for public investment
- Loved that the YMCA is included and where it is located
- Both plans show the flow through the center of the site – are they paying enough attention to Wenatchee Avenue?

GTS

- Like the local developer's connection to the Valley
- Housing is market rate w/limited local ownership opportunity
 - Convert housing to condominiums?
- Also need workforce housing
- Parking is a challenge
- Economics of parking is a question – how will underground parking work into the pro forma?
- Like the new office proposed, but the size is huge compared to local absorption rate. What is the recruiting plan for new business to take that space? How long will it take?

Steinhauer

- These developers seem like heavy hitters
- This proposal is a placeholder and is a starting place to start talking
- Don't like how their plan use residential to anchor the corner of 5th Street and Wenatchee
- Concerns about the viability of upscale hotel – would need to charge Post Hotel rates
- Loved the Urban Village in Arizona
- Can we include live/work?

Table 3

Overarching Comments

- Look holistically at what is coming down the pike so developers aren't doing what someone else is already doing
- Boutique hotel might be successful as Post Hotel has demonstrated
- What are aesthetics along Wenatchee Avenue as you come into historic downtown? How to make it walkable? Angle parking and street trees – not a 4-lane highway
- What is the public private look?
- Both needed more time to more thoroughly vet their ideas. We expect something more detailed
- Compare how Steinhauer is all in-house vs GTS with different partnership arrangement
- One proposal scrapes the site clean and the other is adaptive reuse
- Importance of circulation
- Importance of retail - need markets, toy storage, to support housing

Chelan PUD: Community Advisory Committee Review of Finalists for 5th Street Headquarters Redevelopment

6/23/2022

Page 3

- Need more insight on partnership between developer and YMCA
- Want to know how they work with Music Theater
- How does each address the grade separation?
- How do they connect to waterfront?
- How does (big/dense) massing fit with pedestrian friendliness' along Wenatchee Ave?
- What is the timeline for implementation?
- Concerned about 7 story buildings: height and mass? How does it feel to come into these places? Boxy images of building massing is off-putting

All Table Discussion and Summary Comments

- Both needed more time to develop their proposals
- How receptive will the developers be to changes? (They seem open and at the same time they need to get returns on their investment. We can bring our concerns and let them tell us how to address the concerns.)
- Can you prove that the density works or can you scale it back?
- Maybe ask the developer to offer a plan B if office uses at the scale of GTS don't happen
- Bringing in retail is great – but try not to require that developers dedicate entire first story to retail as it's a heavy lift. Some elements of retail can work here, but requiring large spaces can be an issue. On the other hand, can Wenatchee Avenue support more retail as opposed to along the waterfront?
- Would like more clarity on expectations for public investment
- Should investigate tax increment financing (TIF) as a tool for the public investment perhaps for throughout the downtown. The City recognizes this could be a potential TIF district
- An LID (local improvement district) may also be justified
- We have to do this right – it is our gateway and most important project in 75 years
- Both developers have been very interested in what is going on so putting them together with other developers might make sense.
- Need to maintain flexibility as things and conditions can change

Closing Comments

- Dan: It takes a broad perspective for people from all walks of life. We don't want to miss some input and opportunity. It's great to get everyone's feedback. How to balance all that is another story, but if we were to not hear it all, then bad on us.
- Bob? I appreciate the consultation. It's the right way to do it. It won't be perfect no matter what.
- Suzanne: Go to the website landing page for more opportunity to add insight.
- Dan: July 5th – what we want to tell developers to help them with the next phase of the competition.
 - Board wants to hear from the community as they move forward.
 - The Commissioners are very engaged in getting this right
- Rory: At the beginning the Port reached out to everyone to pull the community together. We appreciate how the PUD has really done a good job with this collaborative approach.
- Linda: In a year, PUD will start to move out. People need to know that something is coming to fill the void.
- Dan: Before the PUD starts packing boxes it will be important that the downtown community know what's next.
- Rufus: Closing comment: YMCA is important element

Email to David Lodge, Daniel Frazier, and Suzanne Hartman on 6/23/2022

End Meeting Record