



REQUEST FOR QUALIFICATIONS

**Sale of Love Park Parking Garage
15th and Arch Streets
Philadelphia, Pennsylvania**

Issued by:
THE CITY OF PHILADELPHIA
Department of Public Property
July 10, 2013

All questions must be received no later than 5:00 p.m. Local Time on July 19, 2013
Proposals must be received no later than 5:00 p.m Local Time on August 16, 2013

Michael A. Nutter, Mayor
Bridget Collins-Greenwald, Public Property Commissioner
Joseph Palatino, Deputy Commissioner – Public Property
Rebecca Rhyhart, Budget Director

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Appendices

- Exhibit A: Investment Summary
- Exhibit B: Required Garage Capital Improvements
- Exhibit C: 2006 Facility Assessment of Garage
- Exhibit D: Draft Agreement of Sale
- Exhibit E: Parking Rate Survey of Center City Garages
- Exhibit F: Financial Information for the Garage
- Exhibit G: Draft Declaration of Rights, Easements, Covenants and Restrictions
- Exhibit H: Draft Construction License Agreement
- Exhibit I: Draft Subgrant Agreement
- Exhibit J: Principles for the Redevelopment of JFK Plaza

I. Overview

A. Introduction

The City of Philadelphia (“the City”), acting through the Department of Public Property, issues this Request for Qualifications (RFQ) for the sale of Love Park Parking Garage (the Garage). The Garage is an 820 space garage located beneath JFK Plaza (the iconic “Love Park”) at 15th and Arch Streets in Philadelphia, Pennsylvania. With entrances on Arch Street and Cherry Street, the Garage is at the heart of the City’s central business district with direct access to the hub of the city’s public transportation network and a plethora of restaurant, retailers, entertainment and cultural opportunities.

LOVE Park, the symbolic heart of the city and a destination for tourists from around the world, will continue to be owned by the City. The Garage offers an investor/developer the rare opportunity to acquire an exceptionally well located, stabilized parking facility in the Philadelphia Central Business District (CBD). Please see also the Investment Summary attached as Exhibit A.

The Garage is in need of substantial renovations and repairs to bring it up to Code and to modernize the facility. The winning bidder will be required to make such improvements, promptly upon taking ownership of the Garage. The City’s proposed form of Required Garage Capital Improvements is attached as Exhibit B. A copy of the most recent Facility Assessment of the Garage prepared in 2006 is attached as Exhibit C.

The City intends to significantly renovate Love Park, and these renovations will be undertaken by the winning bidder for the Garage. The City intends to convey the obligation to develop Love Park, and the City will provide the required capital to the ultimate investor/developer of the Garage. This will create a unique opportunity to coordinate the renovation of the Garage with the complete overhaul of Love Park. The City will retain design approval of the new Love Park.

The City has approved a capital program of \$16.5 million for the design and construction of the Love Park Project which involves the renovation of Love Park, improvements to the Visitor Center, and the separation of the life safety and utility systems of the Municipal Service Building (MSB) loading dock from the Garage. The City intends to grant \$13.85 million of the \$16.5 million described above to the successful Bidder for the design and construction of the Love Park renovations. The \$2.65 million not granted over will be for the construction of the Visitor Center improvements and construction of the separation of life safety and utility systems which legally need to be bid by the City. For this \$2.65 million in construction, the City will bid the construction documentation prepared by the successful Bidder and implement these improvements.

Jones Lang LaSalle has been retained by the City as the broker for this transaction.

B. RFQ Process

The City intends to have a two phase sale process, an RFQ (Phase I) and an RFP (Phase II). This RFQ is Phase I. Phase I will identify respondents capable of purchasing and operating the Garage as well as capable of managing a large scale development/construction project. Those respondents selected through Phase I will be deemed “Bidders” and will be eligible to compete in the RFP (Phase II) for the final sale of the garage. In connection with Phase II, the qualified Bidders will be asked to present pricing as well as detailed plans on how the Bidder intends to coordinate with the City to manage and complete the design and construction of the Love Park improvements as well as complete the Garage improvements in a timely manner.

The City intends to negotiate an Agreement of Sale with the Bidder whose proposal is deemed to be most advantageous to the City. Upon execution of the Agreement of Sale by the City and successful bidder, the successful bidder will become the Purchaser under the Agreement of Sale. The City’s proposed form of Agreement of Sale is attached to this request as Exhibit D.

C. Property Information

The Garage is an 820 space garage located at 15th and Arch Streets. Vehicular access is granted to the Garage by entrances and exits on both Arch and Cherry Streets. Pedestrians can access the Garage through stairwells located on 15th Street, 16th Street and the Suburban Station concourse. For a graphic representation of the Garage, please see page 2 of Exhibit J.

The Garage is zoned CMX-5. For more information, see the interactive zoning map at www.phila.gov/map.

The Garage is well served by existing public utilities. Electric, water, sewer, and telecommunication services are provided to the site by various public utilities. The utilities in the Garage are connected to the MSB loading dock. The successful Bidder will be responsible for the design of separating the life safety systems and utilities of the MSB loading dock from the Garage and funds are included in the \$13.85 million Love Park capital program described above for this purpose.

As stated earlier, a copy of the most recent Facility Assessment of the Garage prepared in 2006 is attached as Exhibit C. The Assessment is being provided for informational purposes only and may not reflect current conditions. In addition, a Parking Rate Survey of Center City Philadelphia Garages is attached as Exhibit E. Financial information for the Garage for the last four full fiscal years are attached as Exhibit F.

D. Legal Structure of Sale

In order to enable the City to convey the Garage to its purchaser (while the City retains title to the land above, below and around it), prior to this conveyance the City will record a Declaration of Rights, Easements, Covenants and Restrictions applicable to the entire site. Among other things, this Declaration will create three legally separate parcels of real estate (the garage itself,

the land above it and the land beneath it) and the easements that are necessary for the intended uses of each of these parcels. As its title suggests, this Declaration will also describe the respective rights, easements, responsibilities and restrictions of the owner of the garage and the City, as the owner of the land above and beneath the Garage. The Garage purchaser will then receive a fully financeable fee simple deed to the Garage, under and subject to the terms of the Declaration. The draft Declaration is attached as Exhibit G.

The City intends to convey the rights and obligations to develop Love Park and the required capital not to exceed \$13.85 million to the successful Bidder of the Garage through a short term Construction License Agreement. The City will retain design approval of the new Love Park. The title to Love Park will remain with the City of Philadelphia. The draft Construction License Agreement is attached as Exhibit H.

The City will provide the \$13.85 million for the renovation of Love Park through a grant and subgrant agreement arrangement through the Philadelphia Authority for Industrial Development (PAID). The City will enter into a grant agreement with PAID whereby the City grants to PAID \$13.85 million for capital eligible expenditures on the Park improvements. PAID will in turn enter into a subgrant agreement with the successful Bidder whereby PAID grants to the successful Bidder the \$13.85 million for capital eligible expenditures on the Park (the Subgrant Agreement). The draft Subgrant Agreement is attached as Exhibit I. The City has prepared principles for the redesign of Love Park which is attached as Exhibit J.

The City and the successful Bidder will also jointly develop and administer competitive bidding for any contracts required to be bid under PAID's authorizing legislation, and follow all other requirements of PAID's authorizing legislation as further provided in the Construction License Agreement.

E. MBE/WBE Involvement

For the \$13.85 million renovation of Love Park, Applications will be required to meet the City's MBE/WBE requirements by requiring contractors hired for this work to submit MBE/WBE plans when they bid.

F. General Disclaimer of the City of Philadelphia

This RFQ nor the related RFP does not commit the City of Philadelphia to award a contract or enter into an Agreement of Sale. This RFQ and the process it describes are proprietary to the City and are for the sole and exclusive benefit of the City. No other party, including any Applicant, is intended to be granted any rights hereunder. Any response, including written documents and verbal communication, by any Applicant to this RFQ and the related RFP, shall become the property of the City and may be subject to public disclosure by the City, or any authorized agent of the City.

If the Applicant chooses to include in its Application material of a confidential nature, then the Applicant must mark the confidential material and explain why it is confidential. The City will exercise reasonable care to honor confidentiality requests, subject to applicable laws.

II. RFQ Response Format, Content and Submission Requirements; Evaluation Process

A. Required Proposal Format and Information

Proposals must be prepared in English, no more than thirty (30) pages in length exclusive of exhibits, in a readable font no smaller than 12, and must be printable on 8 ½ x 11 inch paper. Hard copies should include tabbed indexes separating the following sections in the following order:

- (1) Table of Contents
- (2) Introduction/Executive Summary
- (3) Company Profile
- (4) Statement of Applicant's Understanding of the Engagement
- (5) Statement of Applicant's Qualifications/Relevant Experience which should include:
 - a. Demonstration of financial capacity to acquire the garage including a list of relevant purchase transactions over the last five years that your firm was able to complete and details of funding for these purchases including raising debt and equity.
 - b. Experience in operating and maintaining garages of this size.
 - c. Experience in development and construction of large projects which should highlight any partnership with other entities such as the City or other municipal entities in these projects.
 - d. Experience in undertaking major renovations of underground garage and/or public spaces.
 - e. Sufficient capacity to provide third party assurance of construction completion (for example through guaranties or surety bonds). To this end, list the surety companies which have issued performance bonds for prior contracts. Provide names and addresses of each surety company, amount of each bond and term of each bond.
 - f. Prior experience Applicant has had with the City.
 - g. Explain why Applicant is best suited for the purchase of the Garage and for this overall project.
- (6) List any experiences in the last five (5) years in which Applicant or a Related Company failed successfully to complete a contract.

(7) List any contractual arrangements with Applicant or a Related Company which were canceled or not renewed for poor performance.

(8) List any performance bonds that were called the last five (5) years due to unsuccessful completion of the contract.

(9) Possible development of a new 15th Street Garage Entrance/Exit

Please indicate whether having the ability to create a Garage entrance/exit on 15th Street, at the Applicant's cost and expense, would materially change the purchase price the Applicant is prepared to pay for the Garage.

(10) Schedule

Provide the time required to close the proposed transaction.

(11) Statement of Requested Exceptions to Contract Terms
Applicant must list any material changes required to the attached legal documents (Exhibits D, G, H and I).

(12) Potential Conflicts of Interest

Applicant shall state any past or current engagements that could present a conflict of interest in this engagement.

B. Disclosure of Litigation

The Applicant shall describe any pending, threatened or contemplated administrative or judicial proceedings that are material to the Applicant's business or finances including, but not limited to, any litigation, consent orders or agreements between any local, state or federal regulatory agency and the applicant or any subcontractor the Applicant intends to use to perform any of the services described in this RFQ.

C. Proposal Submission and Deadline

Ten (10) hard copies of the proposal must be submitted by 5:00pm local time on August 16, 2013, addressed as follows:

Rebecca Rhyhart, Budget Director
Municipal Services Building, Room 1400
1401 John F. Kennedy Blvd.
Philadelphia PA 19102

C. Selection Criteria for Phase I

The City will base its selection on criteria that will include, but not be limited to:

- (1) Ability to perform the engagement, including ability to fund the purchase of the Garage and close the transaction in a timely manner.
- (2) Superior skill and reputation, including timeliness and demonstrable results
- (3) Ability to work with the City discreetly, cooperatively and efficiently
- (4) Experience in development and construction of large projects.
- (5) Eligibility under Code provisions relating to campaign contributions
- (6) Benefit of promoting long term competitive development and allocation of experience to new or small businesses, including those owned by M/W/DSBEs

III. Proposal Administration

A. Procurement Schedule

The anticipated schedule for the RFQ process with the following milestones and their anticipated dates is shown below:

(1) RFQ release	July 10, 2013
(2) Questions regarding the RFQ	July 19, 2013
(3) Responses provided on City's website	July 31, 2013
(4) RFQ Proposal submission due date	August 16, 2013
(5) Applicant Interviews	September 2013
(6) Bidders Selected for RFP (Phase II)	End of September 2013
(7) RFP (Phase II) released	October 1, 2013
(8) RFP Bids Due	October 31, 2013
(9) Select Purchaser	November 15, 2013
(10) City Council Approval	December 5, 2013
(11) Signing of the Agreement of Sale	December 2013
(12) Due Diligence Period Expires	January 2014
(13) Closing	February 2014

B. Questions Relating to the RFQ

Questions regarding this RFQ are to be submitted **by email** to the attention of Rebecca Rhynhart (rebecca.rhynhart@phila.gov), Nicole McCormac (nicole.mccormac@phila.gov), and Jim Vesey at Jones Lang LaSalle (jim.vesey@am.jll.com) by no later than **5:00 p.m. Eastern Daylight**

Time on Friday, July 19, 2013. The subject title of such emails should read, “RFQ – Love Park Parking Garage.” Questions may also be transmitted by phone to Jim Vesey at Jones Lang LaSalle (215.988.5511) by 5:00 pm Eastern Daylight Time on Friday July 19, 2013. The City expects to respond by July 31, 2013 to questions received by Friday July 19th on the City’s website www.phila.gov/RFP. Questions received after July 19th or emailed to fewer than all of the required addressees may be answered on-line at the discretion of the City. Questions emailed by potential Applicants (which may be redacted) and any additional information that the City provides in response to such questions will be posted on the www.phila.gov/RFP website with the original RFQ notice and will become part of the RFQ. Oral responses by Jones Lang LaSalle or any City employee or agent are not binding and shall not in any way be considered as a commitment by the City.

ATTENTION: No questions are to be directed to any City official other than those listed above.

C. Interviews/Presentations

The City reserves the right to ask any Applicant to meet with Jones Lang LaSalle and City officials in order to formally present and answer questions concerning its proposal following submission, at no expense to the City.

IV. General Rules Governing RFQs/Proposals; Reservation of Rights and Confidentiality

A. Revision to RFQ

The City reserves the right to change, modify or revise the RFQ at any time. Any revision to this RFQ will be posted on www.phila.gov/RFP website with the original RFQ posting. It is the Applicant’s responsibility to check the website frequently to determine whether additional information has been released or requested.

B. City Employee Conflict Provision

City of Philadelphia employees and officials are prohibited from submitting a proposal in response to this RFQ. No proposal will be considered in which such an employee or official has a direct or indirect interest.

C. Applicants Restricted

No Applicant may be a party to or have an interest in more than one proposal submitted pursuant to this RFQ.

D. Proposal Binding

By signing and submitting its proposal, each Applicant agrees that the contents of its proposal shall remain binding and available to form the basis of a contract between Applicant and the City for a minimum of 180 calendar days from the application deadline for this RFQ. An Applicant’s refusal to enter into a contract which reflects the terms and conditions of this RFQ or Applicant’s proposal may, in the City’s sole discretion, result in rejection of Applicant’s proposal, but such Applicant will be liable to the City for such refusal.

E. Contract Preparation Fee

Pursuant to §17-701 of The Philadelphia Code, the successful Applicant of the RFP will be required to pay a contract preparation fee; the fee is waived for non-profit corporations. Section 17-701 establishes the following fee schedule for contract preparation, which is based upon the amount of the contract.

<u>Amount of Contract</u>	<u>Contract Preparation Fee</u>
\$0-\$20,000	\$0
\$20,001-\$50,000	\$120
\$50,001-\$100,000	\$170
\$100,001-\$250,000	\$260
\$250,001-\$500,000	\$340
\$500,001-\$1,000,000	\$520
Over \$1,000,000	\$1,000

F. Reservation of Rights

By filing a proposal or other application document to this RFQ (also referred to as a “Notice of Contract Opportunity”), Applicant accepts and agrees to the following reservation of rights.

(1) RFQ / Notice of Contract Opportunity Process

The City reserves and may, in its sole discretion, exercise any one or more of the following rights and options with respect to the RFQ/RFP process:

- (a) to reject any and all proposals and to reissue an RFQ/RFP at any time prior to execution of a final contract;
- (b) to issue a new RFQ/RFP or Notice of Contract Opportunity with terms and conditions substantially different from those set forth in this RFQ/RFP;
- (c) to issue a new RFQ/RFP or Notice of Contract Opportunity with terms and conditions that are the same as or similar to those set forth in this RFQ/RFP in order to obtain additional proposals or for any other reason the City determines to be in the City’s best interest;
- (d) to extend any stated timeline or deadline for any reason the City determines to be in the City’s best interest;
- (e) to cancel the RFQ/RFP with or without issuing another Notice of Contract Opportunity;
- (f) to supplement, amend, substitute or otherwise modify the RFQ/RFP at any time prior to issuing a notice of intent to contract;
- (g) to cancel the RFQ/RFP at any time prior to the execution of a final contract, whether or not a notice of intent to contract has been issued, and to issue or not issue, in the City’s sole discretion, a new RFQ/RFP or Notice of Contract Opportunity for the same or similar services;

(h) to do any of the foregoing without notice to Applicants or others, except such notice as the City, in its sole discretion, elects to post on its website.

(2) Proposal Selection Process and Contract Negotiation

The City reserves and may, in its sole discretion, exercise any one or more of the following rights and options with respect to proposal selection:

(a) to reject any proposal if the City, in its sole discretion, determines the proposal is incomplete, deviates from or is not responsive to the requirements of the RFQ/RFP, does not comply with applicable law (including, without limitation, Chapter 17-1400 of The Philadelphia Code), is conditioned in any way, or contains ambiguities, alterations or items of work not called for by the RFQ/RFP or notice of contract opportunity, or if the City determines it is otherwise in the best interest of the City to reject the proposal;

(b) to reject any proposal if, in the City's sole judgment, the respondent has been delinquent or unfaithful in the performance of any contract with the City or with others; is delinquent, and has not made arrangements satisfactory to the City, with respect to the payment of City taxes or other indebtedness owed to the City; is not in compliance with City regulatory codes applicable to Applicant; is financially or technically incapable; or is otherwise not a responsible Applicant;

(c) to waive any defect or deficiency in any proposal if, in the City's sole judgment, the defect or deficiency is not material to the proposal;

(d) to require, permit or reject, in the City's sole discretion, amendments (including, without limitation, information omitted), modifications, clarifying information, and/or corrections to their proposals by some or all of the Applicants at any time following proposal submission and before the execution of a final contract;

(e) to issue a notice of intent to contract and/or execute a contract for any or all of the items in any proposal, in whole or in part, as the City, in its sole discretion, determines to be in the City's best interest;

(f) to enter into negotiations with any one or more Applicants regarding price, scope of services, or any other term of their proposals, and such other contractual terms as the City may require, at any time prior to execution of a final contract, whether or not a notice of intent to contract has been issued to any Applicant and without reissuing the RFQ/RFP;

(g) to enter into simultaneous, competitive negotiations with multiple respondents or to negotiate with individual respondents, either together or in sequence, and to permit or require, as a result of negotiations, the expansion or reduction of the scope of services or changes in any other terms of the submitted proposals, without informing other Applicants of the changes or affording them the opportunity to revise their proposals in light thereof, unless the City, in its sole discretion, determines that doing so is in the City's best interest;

(h) to discontinue negotiations with any Applicant at any time prior to the execution of a final contract, whether or not a notice of intent to contract has been issued to the

Applicant, and to enter into negotiations with any other Applicant, if the City, in its sole discretion, determines it is in the best interest of the City to do so;

(i) to rescind, at any time prior to the execution of a final contract, any notice of intent to contract issued to an Applicant, and to issue or not issue a notice of intent to contract to the same or a different Applicant and enter into negotiations with that Applicant, if the City, in its sole discretion, determines it is in the best interest of the City to do so;

(j) to elect not to enter into any contract with any Applicant, whether or not a notice of intent to contract has been issued and with or without the reissuing the RFQ/RFP, if the City determines that it is in the City's best interest to do so;

(k) to require any one or more Applicants to make one or more presentations to the City at the City's offices or other location as determined by the City, at the Applicant's sole cost and expense, addressing the Applicant's proposal and its ability to achieve the objectives of the RFQ/RFP;

(l) to conduct on-site investigations of the facilities of any one or more Applicants (or the facilities where the Applicant performs its services);

(m) to inspect and otherwise investigate projects performed by an Applicant, whether or not referenced in the proposal, with or without consent of or notice to the Applicant;

(n) to conduct such investigations with respect to the financial, technical, and other qualifications of each Applicant as the City, in its sole discretion, deems necessary or appropriate; and

(o) to do any of the foregoing without notice to Applicants or others, except such notice as the City, in its sole discretion, elects to post on eContractPhilly.

G. Confidentiality and Public Disclosure

The successful Applicant shall treat all information obtained from the City which is not generally available to the public as confidential and/or proprietary to the City. The successful Applicant shall exercise all reasonable precautions to prevent any information derived from such sources from being disclosed to any other person. The successful Applicant agrees to indemnify and hold harmless the City and its officials and employees, from and against all liability, demands, claims, suits, losses, damages, causes of action, fines and judgments (including attorney's fees) resulting from any use or disclosure of such confidential and/or proprietary information by the successful Applicant or any person acquiring such information, directly or indirectly, from the successful Applicant.

By submission of a proposal, Applicants acknowledge and agree that the City, as a municipal corporation, is subject to state and local public disclosure laws and, as such, is legally obligated to disclose to the public documents, including proposals, to the extent required thereunder. Without limiting the foregoing sentence, the City's legal obligations shall not be limited or expanded in any way by an Applicant's assertion of confidentiality and/or proprietary data.