

REQUEST FOR PROPOSALS



CITY OF OCALA

CATALYTIC OPPORTUNITY SITE FOR MIXED-
USE DEVELOPMENT AND CONVERSION OF A
FIRE STATION BUILDING TO A
MICROBREWERY, MICRO-WINERY OR
MICRODISTILLERY

RFP #CMO/180263

Deadline for Submission:
2 p.m., March 29, 2019

Request for Proposals for Mixed-Use Development of a Microbrewery, Micro-winery or Microdistillery

Ocala, Florida
December 21, 2018

I. PURPOSE AND OVERVIEW OF THE PROJECT

Purpose of the Project

The purpose of this Request for Proposal (RFP) solicitation is to find the best qualified developer who will repurpose an existing, recently retired 8,276 square foot fire station on approximately 1 acre into a first-class manufacturing microbrewery, micro-winery or microdistillery with food, retail, entertainment and outdoor amenities. The caliber of this development, as envisioned, will create consumer and private sector development interest in creating a limited amount of additional retail or office space and medium density residential development over the remainder of this vacant city-owned 3-acre site.

Overview of the Significant Development Efforts, Investment and Results

In 2004, the City approved a Downtown Master Plan that identified numerous public and privately-owned sites that were classified as catalytic opportunity sites for the revitalization of the city's downtown core. Several public/private initiatives followed without success and in 2007 the great recession took hold impacting Ocala in ways more severe than many parts of the country or the state. Interest in development or reinvestment in the downtown did not resume until 2015.

In 2014, the City of Ocala formed a public/private partnership to convert a 4-story downtown corporate office building into a mixed-use residential and retail product that provided eighteen high-end residential condominiums and 4,000 square feet of retail space. This effort has become a bellwether for private investment to develop other new residential product in the downtown core.

In March of 2015, the City of Ocala issued an Invitation to Negotiate (ITN) for the mixed-use development of 5 city-owned sites in and around its downtown core. The outcome of that effort resulted in the execution of a development agreement that contained incentives to construct a \$15.7 million-dollar mixed-use project in the center of downtown that will provide a 105 room Hilton Garden Inn, 11,000 square feet of restaurant and retail space and 9 executive apartments. Construction of this project is scheduled to be completed by December 2019.

Through this ITN process, the City also elected to construct a 400-space parking garage and a covered public market in its downtown core. The parking garage and public market were completed in 2016 and have been a tremendous momentum generator for continued investment in downtown redevelopment. The recent infusion of public and private investment, an improving economy, and the implementation of several innovative Community Redevelopment Area (CRA) renovation grants has spurred additional private interest and investment in other existing buildings aimed at providing new retail, residential and office offerings in downtown. In addition to greatly enhancing the quality of life for its residents, these progressive and highly competitive steps have had a profound effect on making Downtown Ocala a regional "destination" location. The city now

offers robust regular entertainment, and numerous cultural, retail and restaurant offerings that consistently attract a discretionary spending draw from the surrounding 75-mile radius.

In April of 2018, the City entered into another public/private development agreement to construct 9 high-end townhomes in the downtown core's abutting historic district. This development, expected to be completed in December 2020, continues the city's persistent, incremental and strategic efforts to increase residential living within or close to the core.

In August of 2018, the City entered into an agreement to convert the interior of its historic Train Station into an art incubator that provides 9 artist's studios. This public maker-space, known as the Magnolia Art Xchange (MAX) is intended to reinforce the cultural arts district and support growth of the local arts community.

In January of 2019, the City will begin construction of the 1.5-mile Osceola Trak. The Osceola Trak is a multi-modal pedestrian thoroughfare that repurposes portions of SE and NE Osceola Avenue from a primarily automobile and rail segment to a primary pedestrian and bicycle travel way that allows vehicular traffic only on limited segments. The Trak connects downtown to Tuscarilla Park. The development site is a visible and defined pathway to the Trak. The Trak terminates to the south at the Ocala Downtown Market and to the north at Tuscarilla Park.

Tuscarilla Park is a 48-acre city park which contains numerous bodies of water, fountains, lighted tennis and basketball courts, a fishing pavilion, a children's playground, walking trails, an Art Park and stage, numerous artistic sculptures, the Reilly Performing Arts Center and outdoor stage, the Discovery Science and Outdoor Center, a Little League baseball field, a Veterans of Foreign Wars Administration Building and, beginning in January 2019, construction of a new professionally designed Skate Park.

There are currently no deliberately designed facilities in Tuscarilla Park to provide food, drink or other retail offerings. The park, surrounding neighborhoods, and recreational uses provide steady, active occupation of the area seven days per week.

Numerous public and private investments in the Tuscarilla and Midtown areas are already planned for 2019 and 2020. A map showing the location of these projects and investments is attached and will be reviewed in detail during the mandatory pre-proposal meeting on January 30, 2019.

What is happening now?

In April of 2016, the City of Ocala issued a request for Letters of Interest for the preparation of a Midtown Master Plan (the "Plan"). A link to a map showing the boundary and location of Midtown in relation to surrounding areas of the city is attached as **Exhibit A – Midtown Location Map**. Midtown is an area with several dominant uses: professional office, judicial, retail, social service, a historic residential district, cultural arts, institutional and light manufacturing. City Council approved the final Plan on June 6, 2017, the Plan is attached as **Exhibit B – 2017 Midtown Master Plan**. *Interested proposers are strongly encouraged to study and understand the Plan and, after thorough review, request additional background information or clarification of any information contained in the Plan by submitting questions electronically through www.bidocala.com.* This RFP is only relative to the Fire Station Site---Site 1 of the 5 catalytic opportunity sites that were identified in Midtown.

Over the past decade, the City has commissioned studies that examined the potential development for properties in the Downtown and Midtown. Proposers are encouraged to review the exhibits that are provided with this solicitation; the **2004 Downtown Ocala Master Plan** (Exhibit C), the **2010 Ocala 2035 Vision Plan** (Exhibit D), the **Vision-Based Comprehensive Plan** (Exhibit E), the **Form-based Code** (Exhibit F), the **2010 Downtown Parking Master Plan** (Exhibit G), the **2013 Gibbs Downtown Retail Study** (Exhibit H), a **Map of Nearby Projects and Investments** (Exhibit I), and a map of **Catalytic Sites in Opportunity Zones and CRAs** (Exhibit J).

The **2004 Downtown Ocala Master Plan** and the **2010 Ocala 2035 Vision Plan** offer insights into the level of development intensity and uses desired by the City Council and the community. The **2010 Downtown Parking Master Plan** provides an overview of parking capacities, forecasts, challenges, and possible solutions. The **2013 Gibbs Downtown Retail Study** offers analysis and insight into the retail challenges and opportunities present in our downtown, and quantified estimates of the types and amounts of new mixed-use development that are economically feasible. Proposers should carefully consider the current validity of the forecasts and recommendations provided in those documents. While City Council is not bound to the recommendations contained in any of these previous studies, much of the information remains relevant to today's market.

What funding is available to support development of the site?

Site 1 is within the East Ocala Community Redevelopment Area and a State of Florida designated Opportunity Zone. As such, this catalytic site is eligible for a number of economic development tools that could potentially offset redevelopment costs and capital gains taxes. Site 1 is also located within an Urban Job Tax Credit Program area, in which new businesses that hire at least 10 employees are eligible for a sales or corporate income tax credit of up to \$1,500 per employee.

The City is willing to consider developer incentives if justifiably needed. Suggested and required incentives must be identified and quantified for this site. The rationale for each incentive desired must be explained sufficiently to justify its need. The City will not consider incentives requested as compensation for risk. Incentives must be tied to the project's economic feasibility and the proposer's ability to produce the desired results. Other than the CRA grant and tax increment financing, the City does not have the ability to provide short-term cash incentives or project financing. When necessary, proposers should carefully consider incentive options that would provide long-term but equivalent return to the proposer that are based upon win/win scenarios for the proposer and the City.

As it pertains to the development ideas for this site, proposers should be aware of current and future planned construction of the Osceola Trak. Proposers are encouraged to discuss with City staff its progressive design and implementation. The Osceola Trak is a linear park that extends along Osceola Avenue between SE 3rd Street and NE 5th Street. The purpose of the linear park is to provide a recreation-oriented connection from the downtown to the cultural arts district in Tuscawilla Park. Key to the success of the linear park will be its perceived safety, comfort, and effective pedestrian crossing at State Road 40. Proposers should be aware that traffic on Osceola Avenue will be periodically restricted as the City's development of that linear park progresses over the next eighteen months.

II. SCOPE OF WORK

The site proposal should outline the conceptual design and details of the intended uses of the proposed development. Proposers should be able to provide estimated square footage amounts that will be developed for each type of use (i.e., manufacturing, service areas, seating areas, tasting rooms, outdoor spaces etc.). When applicable, proposers should reference how their development plan is in sync with surrounding development. The proposal should also demonstrate understanding of the various city reports referenced above or how the proposed project otherwise achieves the overarching goals of the city.

Site 1 – Fire Station Site

The *2017 Midtown Master Plan* identified Site 1 as a key catalytic site for redevelopment. This property presents numerous adaptive reuse and development opportunities. Of the catalytic sites, this site is envinously positioned to capture the best views and access to Tuscawilla Park and its water bodies. It abuts the Tuscawilla Historic District and is one of the key activity points for the Osceola Trak.

The entire 3-acre city-owned property (composed of 7 parcels) abuts NE 3rd Street and Tuscawilla Park to the north, NE 2nd Street to the south, NE Tuscawilla Avenue and the Tuscawilla Historic District to the east, and NE Watula Avenue to the west. Four parcels on the northern side of the block contain a City of Ocala fire station, a separate recreation and parks administration building, and a small parking lot with 11 spaces. The designated future land use is High Intensity/Central Core with a minimum density of 12 units per acre or 0.20 FAR and a maximum density/intensity of 8.0 FAR. The parcel lies in the City's new Form-based Code Zoning District (FBC). The FBC is a flexible zoning district based on design more than uses. It mandates no parking minimums, but places emphasis on the transitions between the public and private realms. The total area of the site is approximately 130,680 square feet. Standard parking dimensions are 9.5 feet wide by 19 feet deep and a slight reduction of those dimensions is possible based upon other design criteria which will be determined at site review. The property is located in the East Ocala CRA. A Phase I Environmental Site Assessment Report (Exhibit K-Phase I ESA Report) was completed in October 2018, which revealed the potential for lead paint and asbestos in the Fire Station building. As a result, a very limited Phase II study is now underway. Otherwise, Site 1 is clean. The city block has an approximate 8-foot grade change from south to north; refer to Exhibit L-Boundary and Topographic Survey. The need for onsite storm water retainage is not anticipated for this development request. The appraisal for this block is attached as Exhibit M-Fire Station Appraisal.

The property was cleared of several houses recently and the only remaining onsite active improvements are the two above-referenced buildings and a parking area. The Fire Station operation will be relocated a few blocks away as part of a new First Responder campus that will provide replacement fire and police stations. Construction of these new buildings will be completed in January 2019. The services provided in the Recreation and Parks Administration building will also be relocated elsewhere in the city as redevelopment of Site 1 warrants.

Required Fire Station Conversion Component

The City's long-term vision for this block is a sustainable mixed-use development to include any combination of the following preferred mixed uses: retail, residential, restaurant, office, entertainment, or cultural. However, for the purpose of this solicitation, the immediate goal is to repurpose the existing fire station into a microbrewery, micro-winery or microdistillery with a visible manufacturing process, which will include a restaurant or food court and other retail

offerings. The City is willing to utilize only specific parcels, or a portion of the block, depending on the proposed development plan.

The redeveloped fire station should act as a destination location for social gatherings. The City is looking for a redesign and investment that provides a high-quality indoor and outdoor eating and drinking experience for singles, families, tourists, and patrons with dogs. The indoor patron area should include seating with views of the park, visible brewing equipment, and a fire and rescue theme. The outdoor patio component should be designed to facilitate games or activities and should be seamlessly integrated into Tuscawilla Park and the Osceola Trak. Evidence of the building's adaptive reuse should be obviously noticeable and recognizable to people passing by through the creative use of visible exterior elements and a high level of transparency into the building. The City envisions this type of development as catalytic to create near-future consumer demand and private sector interest in the subsequent development of additional mixed uses including retail, office and residential buildings on the entire 3-acre site. The respondents to this request may decide to include construction of residential and retail components on the entire block as well as converting the existing fire station or focus their proposal solely on converting the existing fire station to a microbrewery, micro-winery, or microdistillery with a restaurant/food court and/or retail. The existing Fire Station is a landmark property in the city and Tuscawilla Park. The City would prefer redevelopment of the Fire Station to pay respect to its prior use through retention of architectural features which will continue to resonate the prior use and naming incorporating fire and rescue themes and elements. See precedent images below for adaptive reuse of fire stations into microbreweries in Denver, CO and Williamsburg, OH that successfully retained the thematic character of the building's origin.

Figure 1: Exterior of a fire station adaptively reused as a microbrewery



Figure 2: Exterior of a fire station adaptively reused as a microbrewery



Figure 3: Interior of a fire station adaptively reused as a microbrewery



Figure 4: Interior of a fire station adaptively reused as a microbrewery



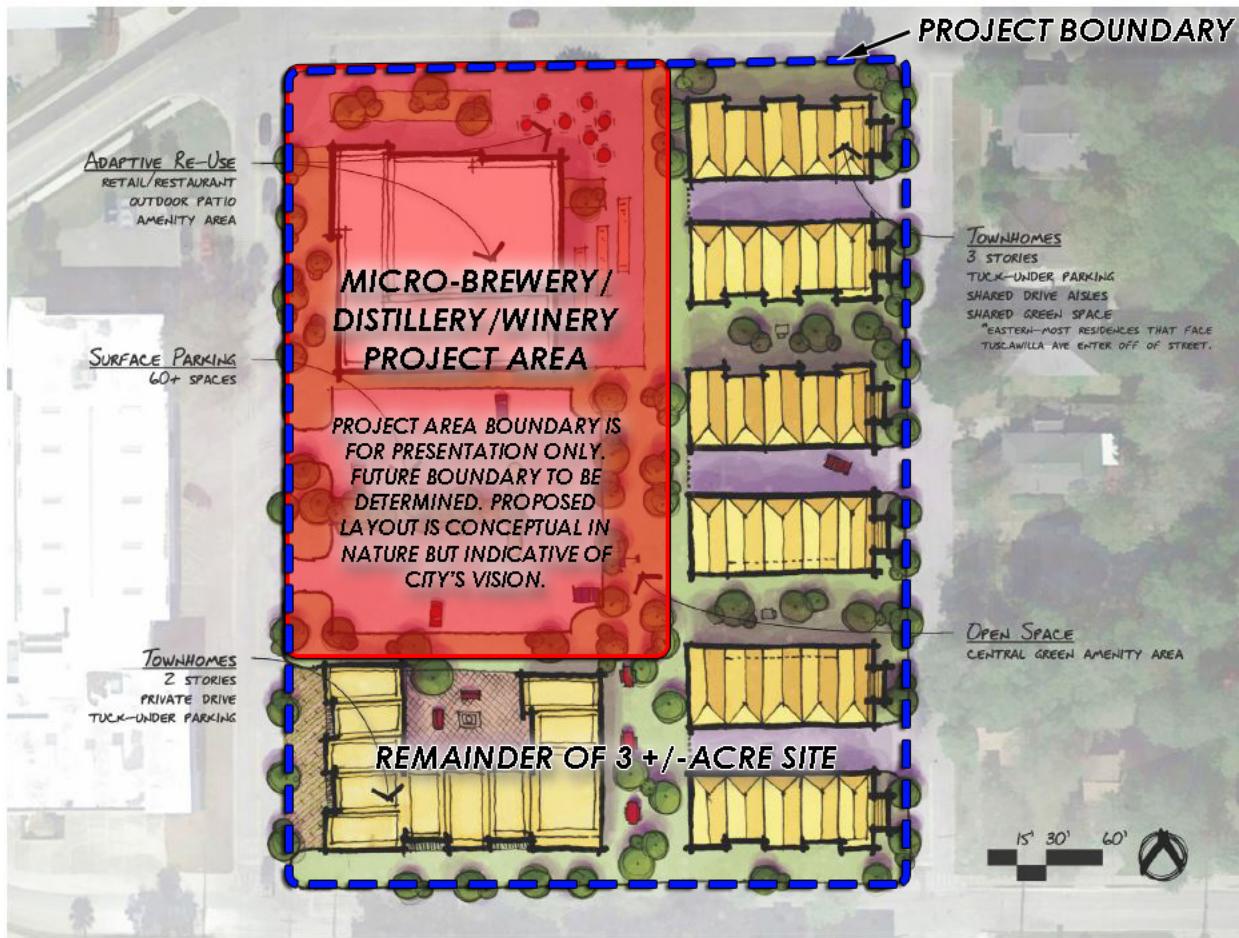
OPTIONAL Residential/Retail Component with New Construction

The **optional*** residential/commercial component of this redevelopment project should result in a pedestrian-oriented public/private realm with a variety of amenities. Each building should be aesthetically attractive and provide visible and direct access to the public realm or ROW. This site has an ascending north to south slope and proposers should carefully consider how building placement and design may maximize vista benefits and attractors, as well as management of storm water drainage and flows. Storm water capacity is available in the ponds at Lake Tuscawilla. Building architecture should be complementary to the best examples of historic buildings in the Tuscawilla Historic District, Tuscawilla Park and Downtown Ocala. According to the Form-Based Code, buildings in this area shall be built 11' from the curb, and the open space shall be screened with a street wall or dedicated to the pedestrian realm. The aim is to create a defining street wall with parking occurring on-site, within structured parking or behind buildings. All building elevations that front on a street shall be considered primary façades.

For retail applications, the first-floor façade shall have a high proportion of windows (transparency) to encourage pedestrian activity. Proposers should also carefully consider and demonstrate how the combination of a particular mix of uses is compatible and will create optimum synergy between the mixes of uses. Proposers should clearly indicate each type of use they envision on the property, the approximate square footage for each use, the approximate location of the use on the property, and the timeframe of when each use will be developed within the total development cycle envisioned for the site.

***The City will not consider proposals solely for the residential/retail component of this site.**

See the figure below for an illustration of roughly where the required and optional development areas are located on the site. Exact boundaries will be determined in negotiation.

Figure 5: Fire Station Site Illustrative Layout

III. PRELIMINARY SCHEDULE

All dates and information contained herein may be extended, changed, or updated within the listing at www.bidocala.com. Proposers are responsible for verifying all current listing information before submitting a response to this Request for Proposals.

The following dates are proposed as a timeline for this solicitation:

• Pre-Proposal Meeting (Mandatory)	January 30, 2019
• Second Mandatory Pre-Proposal Meeting <i>(only if didn't attend first meeting)</i>	March 5, 2019
• Written Proposals Due	March 29, 2019
• Selection Committee Meeting	TBD
• Negotiation with Selected Proposer(s)	April 30, 2019 – May 30, 2019
• Final Selection Announced	June 3, 2019
• Send to City Council for Approval	June 18, 2019
• Contract Development Period	June 24 – July 2, 2019
• Execution of Contract by Council	August 6, 2019

IV. PROPOSAL SELECTION CRITERIA

1. Pre-Proposal Meeting

There will be a **Mandatory Pre-Proposal Meeting** with a question and answer session followed by a site visit scheduled on **January 30, 2019**, at **1:00 PM** in the Growth Management Training Room at the Customer Service Center, 201 SE 3rd Street, 2nd Floor, Ocala, FL, 34471.

A Second Mandatory Pre-Proposal Meeting with a question and answer session followed by an optional site visit is scheduled on **March 5, 2019**, at **10:00 AM** in the Growth Management Training Room at the Customer Service Center, 201 SE 3rd Street, 2nd Floor, Ocala, FL, 34471.

NOTE: Proposers/Developers who attended the first mandatory pre-proposal meeting are not required to attend the second meeting. Each team is required to have a team member attend and sign-in at one (1) of the mandatory pre-proposal meetings to submit a proposal for this RFP.

This is a **Mandatory meeting**; therefore, proposal submission will be contingent upon attendance at **one of the meetings**.

2. Proposal Submission

Proposals must be received electronically using www.bidocala.com no later than **2:00 PM** on **March 29, 2019**. Responses received at any other location will not be considered. Respondents must be registered as a vendor on the City's e-procurement site at www.bidocala.com to participate.

Proposals must be clear, succinct and not exceed twenty (20) pages, excluding conceptual site plans, attachment materials, and proposal cover letter. Proposers who submit more than the pages indicated may not have the additional pages of the proposal read or considered. All submittals will be evaluated on the completeness and quality of the content. Firms providing complete information as required will be ranked higher. The ability to follow these instructions demonstrates attention to detail.

Ensure your proposal is the best offering and includes all considerations and design options for the site. Selection for negotiation may be based solely on your proposal.

This is a non-binding solicitation until the City negotiates and approves an agreement with the successful proposer(s)/respondent(s).

3. Organization of Proposal

The respondents must provide all information as requested in this Request for Proposal (RFP). Responses must follow the format outlined in this RFP. Additional materials in other formats or pages beyond the stated page limit(s) may not be considered. The City may reject as non-responsive, at its sole discretion, any proposal or any part thereof, which is incomplete, inadequate in its response, or departs in any substantive way from the required format. Proposal responses shall be organized in the following manner:

A. Cover Letter, which shall be addressed as indicated on the cover page of this proposal (1 page – not included in page total).

The Cover Letter will state the name of the person(s) authorized to represent the proposer in any negotiations, the name(s) of the person(s) authorized to sign any contract that may result, the contact person's name, mailing or street addresses, phone and fax numbers and email addresses. A legal representative of the successful firm, authorized to bind the firm in contractual matters, must sign the Cover Letter and the Proposal.

The Cover Letter will also include a short narrative describing the respondent's understanding of the scope of work and their overall vision for the successful development of Site 1, while addressing the site in conjunction with the City's desired outcomes, highest and best use, and creative offering to the City.

B. Project Team**

Identify key personnel, any partnerships, subcontractors, and their specific project roles.

The key personnel description shall include:

- Primary contact for company principal
- The extent of the company's principal member's involvement
- Names of key members who will be assigned to this project, and:
 - their responsibilities on this project
 - experience in similar or related projects of this size and scope
 - unique qualifications
- Team qualifications and experience on similar or related projects:
 - qualifications and relevant development experience
 - project manager's experience with similar projects
 - resources available to dedicate to the project

**Proposers are cautioned to carefully select and commit to the listed Project Team members continuous involvement throughout the entire development project. The Project Team is an evaluation criterion in the selection process. Failure of the proposer to keep the entire stated Project Team in place throughout the term of the agreement will be considered a default condition in the development agreement.

C. Respondent's Capabilities

The Respondent and/or team must have extensive experience in developing economic projects. Identify the Respondent's and/or team's experience with developing private/public sector projects, economic development (private or public), and successful marketing of those projects:

- Describe up to three (3) public and/or private economic development or redevelopment projects, whereby respondent completed the market and proforma analysis, project financing, design, construction, and marketing of the project within the last five (5) years.
- Describe those projects which best characterize evidence of the respondent's ability to provide the development and potential adaptive reuse experience sought by this RFP.

The Respondent should also demonstrate their financial capacity to complete their proposed project.

D. Respondent's Project Understanding and Approach

Each firm should explain any market research or current experience that would support the type(s) of uses being proposed for the site.

E. Economic Feasibility Analysis/Proposed Cost

Each firm is expected to identify their estimated cost of the project and detailed pro forma for the final scope of work described within the RFP.

A preliminary economic/feasibility analysis should be provided showing the overall construction costs and potential revenue from sale or direct lease payments, and potential increased ad valorem tax revenues.

The Respondent should include estimated dollar amounts for any public subsidies that the Respondent believes are necessary to make development of the site feasible.

F. Conceptual Site Plans/Supportive Material (*not included as part of 20-page limit*)

Supporting material must be relevant to the scope requested by the City for Site 1.

Conceptual site plans showing the Respondent's initial thoughts regarding spatial development of the site, proposed uses, approximate square footage of each use, approximate number of parking spaces, architectural design, connection to the Osceola Trak, and open/civic areas, if appropriate. Other information pertinent to this proposal may be included at the discretion of the firm/team.

Architectural elevations are not required of each proposed building; however, a typical architectural style showing compatibility with the City's design guidelines must be included.

The Respondent should also include an estimated project schedule, including time for due diligence research, securing necessary development entitlements, and construction of the project.

4. Proposal Evaluation (All criteria will be considered for ranking)

A. Evaluation Criteria:

Each proposal shall be evaluated on the following non-prioritized evaluation criteria as follows:

- *Prior private development experience – where, when, brief scope of the improvements provided, and value of projects*
- *Prior successful experience in public-private proposer agreements*
- *Project Team and qualifications of the principals and their prior experience working together with others if combining external individuals or other companies*
- *Architectural style, site plan and innovative design*
- *Existing or potential partnerships to secure desired uses*
- *Site connectivity to Osceola Trak*

- *Market justification*
- *Project schedule (entitlement, construction etc.)*
- *Past performance completing similar projects*
- *Ability to finance the project or support financing*
- *Property purchase offer and financing sources*
- *The estimated dollar amount or other subsidy consideration, if any, the development of a specific project site requires*

B. Proposal Review:

The proposers shall be selected by the following process:

A proposal evaluation committee will be appointed to evaluate submitted proposals.

The committee members will independently rank each responsive proposal received in accordance with the evaluation criteria. During the Selection Committee meeting the committee members will review the proposals and will submit their rankings. A short list of proposers may be selected for oral interviews if deemed necessary.

If oral interviews are determined to be necessary, the initial ranking will be considered preliminary. Final rankings based on the same evaluation criteria will be determined following the interviews if required.

Negotiations, up to a Best-and-Final offering, will commence with the highest ranked proposer.

If the City cannot reach a mutually beneficial agreement with the first selected proposer, the City reserves the right to enter into negotiations with the next highest ranked proposer and continue this process until an agreement is reached, or the City decides to terminate this RFP.

C. Clarifying Proposal during Evaluation:

During the evaluation process, the City has the right to require any clarification or change to understand the Respondent's view and approach to the project and scope of the work.

Any changes to the Proposal will be made before executing the contract and will become part of the final contract.

V. CONTRACTUAL ARRANGEMENTS

A City contract will be drafted with the successful Respondent and all general City terms and conditions apply.

VI. GENERAL TERMS AND CONDITIONS

A. Response to RFP:

Please ensure your company registers as a vendor on www.bidocala.com to participate in this RFP. Only registered vendors will be considered.

B. Issuing Office:

City of Ocala, Corrin Fitsemons
City Hall – Procurement and Contracting Division
110 SE Watula Avenue, 3rd Floor
Ocala, FL 34471

C. Inquiries:

Questions concerning the scope of work in this RFP should be addressed in writing via the specific bid on www.bidocala.com. Binding written responses will be emailed to the proposer asking the question through the ProRFx system and will also be posted electronically under the corresponding RFP. It is the responsibility of the proposers to check for updates and addenda.

Minor, non-binding clarifications may be requested by calling Tiffany Kimball, Contracting Officer, at 352-629-8366 or via email at: tkimball@ocalafl.org.

D. Issuing Date:

December 21, 2018

F. Closing Date/Time:

March 29, 2019/2:00 p.m.

All submitted proposals will be available for public inspection once a selection has been made; therefore, confidential information should not be submitted. Please indicate in your proposal what information is confidential. An additional redacted copy is required.

G. Incurring Cost:

The City is not liable for any cost incurred by any proposer interested in submitting an RFP, or any selected proposer, prior to the execution of a contract.

H. Indemnification:

The successful proposer shall indemnify and hold harmless the City of Ocala, its officers, boards, commissions, agents and employees against any and all claims, demands, causes of action, suits, proceedings, damages, costs or liabilities (including costs or liabilities of the City with respect to its employees), of every kind and nature whatsoever, including, but not limited to, damages for injury or death or damages to person or property, regardless of the merit of any of the same, including any attorney fees, accountant fees, expert witness or proposer fees, court costs, per diem, expense traveling and transportation expense, or other costs or expense arising out of or pertaining to the performance of this Agreement by the successful proposer and for which the proposer would otherwise be responsible unless resulting from the negligence of City or its officers, boards, commissions, agents, or employees.

I. Assignment:

The final selected proposer shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this contract, without the prior written consent of the City.