

**IDAHO FALLS REDEVELOPMENT AGENCY
REQUEST FOR PROPOSAL (RFP)
BONNEVILLE HOTEL
635 Park Avenue and 410 Constitution Way**

The Idaho Falls Redevelopment Agency (Agency) is pleased to announce the redevelopment offering for the Bonneville Hotel, constructed in 1926-27, located at the northwest corner of the intersection of Park Avenue and Constitution Way in Idaho Falls, Idaho. The building, including its 1951 addition, was listed on the National Register of Historic Places in 1984.

The Agency invites developers to submit redevelopment proposals for this property in conformance with this RFP, pertinent zoning regulations, *Idaho Falls Downtown Design Guidelines*, and the *Amended Snake River Urban Renewal Plan, 2006*.

This competitive proposal process is intended to allow interested developers to respond to public assisted development opportunities. The Agency will negotiate an Exclusive Negotiation Agreement (ENA) agreement with the selected developer to guide discussions leading to the preparation of a Disposition and Development Agreement (DDA).

1. Project Summary:

- **Lot Description:** Lots 11-18, Block 14, Holmes Addition, Idaho Falls, Bonneville County, Idaho. Note the hotel is also described as Units 1-4, Bonneville Hotel Condominiums. Approximately 0.6 acre.
- **Special Conditions:** A Phase I review has been completed. A preliminary asbestos and lead paint assessment was completed on January 18, 2016. Both documents are available on the link found in Paragraph 6, Additional Resources.
- **Lot Size Option:** Proposers should submit proposals for redevelopment of the entire property.
- **Current Use:** Studio, one bedroom, and two bedroom apartments. Two office spaces are located on the first floor. A laundry area is located on the first floor. The former bar and lobby area are vacant.
- **Current Zoning:** CC-1 (Central Commercial Zoning)
- **Ownership:** Ingrid and Kent Lott. Idaho Falls Redevelopment Agency has option to purchase the Bonneville Hotel until October 1, 2017.
- **Intended Use:** Uses in conformance with the Central Commercial Zone, *Amended Snake River Urban Renewal Plan (2006)*, and applicable local and state regulations.
- **Development Timeline:** Construction of improvements must be completed by June 30, 2018.

- Price: To be negotiated, but in no case less than the fair value for uses as determined by a fair use appraisal.

2. **Background:** In 2006 the City of Idaho Falls adopted the *Amended Snake River Urban Renewal Plan*. The Plan was designed to address economic underdevelopment and physical deterioration and to promote the redevelopment of properties. The plan is to promote the redevelopment of the downtown, especially the properties along Memorial Drive, Broadway, Constitution Way, and Yellowstone Highway. The improvements envisioned in the plan are intended to provide an improved environment for new commercial and mixed use-developments, eliminate unsafe and hazardous conditions, improve parking opportunities, assure safe and efficient movement of vehicular traffic, and eliminate the blight and deterioration identified in the eligibility study.

In the immediate downtown area, the Agency reconstructed Memorial Drive, landscaped the medians and public parking lot on Yellowstone Highway, constructed public parking at D Street and Park Avenue, and assisted with the improvement of the parking lot on the southeast corner of Yellowstone Highway and Broadway. The plan envisions the improvement of Constitution Way and rehabilitation of private properties. West of the Snake River, the Agency completed many public improvements, including the reconstruction of Lindsey Boulevard, Utah Avenue, Wardell Avenue, and portions of Pioneer Road and the relocation of electrical transmission lines.

The Agency entered into an option agreement with Kent and Ingrid Lott on October 1, 2015. The Agency has two years to exercise the option provided the Agency gives the owners at least sixty days written notice prior to exercise of the option. After the written notice is given to the Lotts, title insurance is to be submitted to the Agency.

3. **Project Objective:** The Idaho Falls Redevelopment Agency is seeking business owners and developers who are prepared to pay no less than the fair reuse value for the property and who are willing to develop the property for purposes and uses in conformance with the existing zoning of CC-1 (Central Commercial Zone), the *Idaho Falls Downtown Design Guidelines*, and the *Amended Snake River Urban Renewal Plan*. The concept of fair reuse value is discussed in Idaho Code Section 50-2011. A fair use value is determined by an appraisal that considers, among other factors, the resale value of a parcel considering the restrictions and controls set forth in the urban renewal plan and requirements of the Agency. See Paragraph 9 of the attached Summary of the Disposition and Development Agreement for further explanation.

The Agency envisions the rehabilitation of the exterior of Bonneville Hotel in compliance with the Secretary of the Interior's Standards for Rehabilitation and the *Idaho Falls Downtown Design Guidelines*. Community Development Block Grant funds may be available for the restoration of the façade. The project should be an esthetically pleasing and efficient mixed-use project that will complement and enhance downtown. The Bonneville Hotel is located on the former entrance to downtown Idaho Falls and is within one block of several major employers in the downtown area.

Proposed developments are encouraged to take advantage of this historic site and incorporate eating and drinking establishments, office support uses, or other uses supportive to residential uses housing on upper floors. The Agency hopes the proposed development will significantly increase residential uses downtown in order to increase economic activity in the urban core of Idaho Falls. However, an historic hotel is an alternative to residential housing. The design and uses should activate this key location.

4. **History of Property:** The Bonneville Hotel was listed on the National Register of Historic Places in 1984. The hotel was designed by the H. L. Stevens Company of San Francisco in the tradition of Italian Renaissance. H. L. Stevens was architectural firm with offices in New York City, Chicago, and San Francisco. The firm specialized in hotels with less than 500 rooms and designed their hotels in a rectangular or H-shape. At least fifteen of their hotels have been listed on the National Register. The structure is reinforced concrete faced with brick according to the Sanborn Maps. The original interior walls are brick described as Certain-teed Brick in the asbestos investigation.

The Bonneville was constructed by the Idaho Falls Hotel Corporation, a group of 421 local citizens spearheaded by the Chamber of Commerce. The Corporation was formed to bring a first class hotel to the Idaho Falls, one which contained meeting facilities. The location was on the entrance way to downtown. The railroad station sat on the eastern end of Constitution Way (then C Street) and the Bonneville County Courthouse on the western end. These structures were linked by a landscaped median down Constitution Way.

A special section of eight pages on the Bonneville Hotel was printed in *The Times-Register* for the grand opening of the hotel on May 31, 1927. The special section tells the story of the Bonneville and describes its interior appearance and features.

In 1951, a five story addition was added to the north of the 1927 hotel. The addition is compatible to the original hotel.

When constructed in 1927, the hotel contained 74 rooms. Today it contains 63 residential apartments, two commercial spaces/apartments, and a vacant ground-floor restaurant/bar. Some of the residential apartments are located on the first floor. To the west of the building is the parking lot for the Bonneville Hotel. It presently contains approximately 30 off-street parking spaces.

5. **Development Requirements:** The development will conform to the requirements of all development and zoning regulations found in the Central Commercial Zone. The text of this zone is located on pages 91-94 of the zoning ordinance and the ordinance can be found on the website site of Idaho Falls, <http://www.idahofallsidaho.gov/city/city-departments/city-attorney/city-code.html>. The proposal should be consistent with *Idaho Falls Downtown Design Guidelines*, especially pages 10-13, 14-19, and 32-33, which are found on the Idaho Falls website, www.idahofallsidaho.gov, and Agency webpage.

The developer shall be responsible for relocating residents and businesses in the Bonneville Hotel under Section 310 of the *Amended Snake River District Urban Renewal Plan*.

- 6. Additional Resources:** Resources which may be useful in developing a proposal are *Idaho Falls Downtown Housing Study, 2006 Downtown Design Assessment, 2007 Downtown Parking Study, 2012 Downtown Parking Study, the Amended Snake River District Urban Renewal Plan, and the Idaho Falls Comprehensive Plan.* These documents are available on the Idaho Falls Redevelopment Agency webpage. The webpage can be found by searching the Internet for Idaho Falls Redevelopment Agency or on the City's website, <http://www.idahofallsidaho.gov>. Under "city" on the upper portion of the City's webpage, select "city departments." Under departments, select "community development services." From the column on the left, select "Idaho Falls Redevelopment Agency." The nomination to the National Register prepared in 1984 is located on the website of the Idaho State Historic Preservation Office, <http://history.idaho.gov/bonneville-county>.

The Phase I and preliminary asbestos study are available on the following link: <https://www.dropbox.com/s/55dl5w7in4j7mrg/Bonneville%20Hotel%20Env%20Studies.pdf?dl=0&preview=Bonneville+Hotel+Env+Studies.pdf>.

Please email dpetty@idahofallsidaho.gov to request an emailed link.

7. Submittal Requirements

The proposer shall:

- Submit a cover letter which outlines the relevant details of the development proposed for the property, including, but not limited to: type of business to be conducted; business plan; basic design and description of the proposed improvements;
- Identify business partners, principals, design professionals, and other proposed development team members, highlighting similar relevant project experience and past successful development projects;
- Provide preliminary concept development plans including concept site plan, floor plans and building elevations;
- Identify any proposed phasing or development sequencing proposed and the timing and schedule of all such phasing;
- Provide preliminary project pro-forma including project funding sources and development and revenue estimates that demonstrate project viability;
- Be willing to execute a Disposition and Development Agreement (DDA); and
- Execute release documents as attached at time of submission of proposal.

Four (4) copies of the proposal, including the executed release documents, should be submitted to the Idaho Falls Redevelopment Agency, Brad Cramer, Executive Director, c/o Community Development Services, 680 Park Avenue, Idaho Falls, Idaho 83402. If submitted by mail, the mailing address is P O Box 50220, Idaho Falls, Idaho 83405. All proposals shall be clearly marked with "Bonneville Hotel Proposal." Project proposals may be received at any time during regular business hours (8:00 a.m. through 5:00 p.m. Monday through Friday, except holidays). The proposals shall be received in the office or postmarked by 5:00 p.m. on the date specified in paragraph 9 below. No facsimile or e-mail delivery will be accepted.

The Redevelopment Agency reserves the right to reject any and all proposals submitted, or to waive any minor formalities of this request if, in the judgment of the Chair, the interest of the Agency would be served.

8. Agency Selection Criteria: The Agency will select the preferred development proposal based on the Project Objective and the following criteria:

- How the proposed development meets the Agency’s goals and objectives as outlined below:
 - A mixture of market-rate housing and subsidized or tax credit housing above the ground floor.
 - As an alternative, a proposal for an historic hotel.
 - Commercial or community uses on the ground floor including eating/drinking establishments, office support services, and offices/services.
 - The use of the Federal Historic Preservation Tax Incentives Program or, if a tax exempt organization, the commitment to follow the Secretary of Interior’s *Standards for Rehabilitation*.
 - The restoration of the exterior of the building.
 - Reconstruction of the parking lot into an efficient parking design with landscaping in accordance with the *Idaho Falls Downtown Design Guidelines*.
 - Vehicular access from A Street and/or alleyway.
 - Loading zones and service areas off of alley.
 - Contribution to development of downtown and local employment and economy.
 - Probability of the proposed development’s success – based upon the stability and capability of the developer, demonstrated success based on past development projects undertaken by the developer, market analysis, business plan, financial strength, and timeline.
 - Developer’s expectations of the Agency for the project’s success.

9. Target Dates and Timelines:

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| • Notice published and RFP issued | 02-07-2016 |
| • Proposals due to the Agency | 05-02-2016 |
| • Review of proposals by Agency | 05-19-2016 |
| • Negotiation of terms complete | 06-09-2016 |
| • Execution of Exclusive Negotiation Agreement by | 06-16-2016 |
| • Execution of DDA Agreement by | 09-09-2016 |

10. Other Information: All questions regarding this RFP should be directed to Brad Cramer, Executive Director, Idaho Falls Redevelopment Agency. Only written responses from the Agency will be deemed official responses.

11. Agency Discretion and Authority: The Agency may accept such proposals as it deems to be in the public interest and furtherance of the purposes of the Idaho Urban Renewal Law, the Snake River Urban Renewal Plan, or it may proceed with further selection processes, or it

may reject any and all submissions. The Agency will determine from the information submitted in the responses, the most qualified developer as evaluated under the criteria set forth herein. Final selection will be made by the Agency Board.

The issuance of the RFP and the receipt and evaluation of submissions does not obligate the Agency to select a developer and/or enter into the Exclusive Right to Negotiate Agreement. Submissions do not constitute business terms under any eventual Exclusive Right to Negotiate Agreement. The Agency will not pay costs incurred in responding to this RFP. The Agency may cancel this process at any time prior to the execution of an Exclusive Right to Negotiate Agreement without liability.

12. Public Nature of all Submissions

This RFP is a public process. Therefore information collected under the RFP is of public record. The information that is received by the Agency may be subject to disclosure under the Idaho Public Records Law. With the potential exception of some credit data, it is anticipated submissions to this RFP will contain little or no material that is exempt from disclosure under the Idaho Public Records Law. Any questions regarding the applicability of the Public Records Law should be addressed by your own legal counsel PRIOR TO SUBMISSION. Any proprietary or otherwise sensitive information contained in or with any proposals may be subject to potential disclosure.

Accordingly, RFP Respondents should take the following steps with respect to any information believed to be exempt from disclosure or confidential: On any items submitted with the RFP that the Respondent believes are exempt from disclosure under the Idaho Public Records Law, clearly mark the upper right corner of each page of any such document or material with the word "Exempt". This does not mean the document qualifies under the legal definition of eligibility but the Agency will evaluate the request to make the document/page exempt if the content meets the legal requirement otherwise the document will considered public.

The Agency's disclosure of documents or any portion of a document submitted and marked as exempt from disclosure under the Idaho Public Records Law may depend upon official or judicial determinations made pursuant to the Idaho Public Records Law.



Historic photo of Bonneville Hotel.



Photo of Bonneville Hotel, 2015.

RELEASE, WAIVER AND INDEMNITY AGREEMENT

The undersigned has read and fully accepts the discretion and non-liability of Idaho Falls Redevelopment Agency (Agency), City of Idaho Falls, Idaho (hereinafter "City") as stipulated herein.

A. Discretion of City and Agency

Agency reserves the right in its sole discretion and judgment for whatever reasons it deems appropriate to, at any time:

1. Modify or suspend any and all aspects of the process for the Request for Proposals (hereinafter "RFP") seeking interested developers for the lot located at the northeast corner of the intersection of Broadway and Memorial Drive in Idaho Falls, Bonneville County, legally described as Lots 7-12, Block 28, Railroad Addition, Idaho Falls, Idaho.
2. Obtain further information from any person, entity, or group, including, but not limited to, any person, entity, or group responding to the Agency's RFP (any such person, entity, or group so responding is, for convenience, hereinafter referred to as "Developer"), and to ascertain the depth of Developer's capability and desire to purchase and/or lease and develop the property expeditiously, and in any and all other respects, to meet with and consult with any or any other person, entity, or group;
3. Waive any formalities or defects as to form, procedure, or content with respect to its RFP and any responses by any Developer thereto, herein referred to as Submissions of Interest ("SOI"); ;
4. Accept or reject any proposal or statement of interest received in response to the RFP including any proposal or statement of interest submitted by the undersigned, or select one Developer over another;
5. Accept or reject all or any part of any materials, drawings, plans, implementation programs, schedules, phasings, and proposals or statements, including, but not limited to, the nature and type of development.

B. Non-Liability of City and Agency

The undersigned agrees: (1) that neither City nor Agency shall have any liability whatsoever of any kind or character, directly or indirectly, by reason of all or any of the following; and (2) that the undersigned has not and shall not obtain at any time, whether before or after acceptance or rejection of any statement of interest or proposal, any claim or claims against City, Agency, or any of them, or against City property (all as hereinafter defined) or Agency, directly or indirectly, by reason of all or any of the following:

1. Any aspect of the RFP, including any information or material set forth therein or referred to therein;
2. Any modification or suspension of the RFP for informalities or defects therein;
3. Any modification of or criteria or selection or defects in the selection procedure of any act or omission of Agency with respect thereto, including, but not limited to, obtaining information from any Developer contacts or consultations with Developers who have submitted statements of interest or proposals as to any matters or any release or dissemination of any information submitted to Agency;
4. The rejection of any statement of interest or proposal, including any statement of interest or proposal by the undersigned, or the selection of one Developer over another;
5. The acceptance by Agency of any statement of interest or proposal;
6. Entering into and thereafter engaging in exclusive negotiations;
7. The expiration of exclusive negotiations;
8. Entering into any development agreement, other agreement or lease, relating to the statement of interest or proposal, or as a result thereof;
9. Any statement, representations, acts, or omissions of Agency in connection with all or any of the foregoing;
10. The exercise of Agency discretion and judgment set forth herein or with respect to all or any of the foregoing; and
11. Any and all other matters arising out of or directly or indirectly connected with all or any of the foregoing.

The undersigned further, by its execution of this Release, expressly and absolutely waives any and all claim or claims against Agency and Agency property, or City and City property, directly or indirectly, arising out of or in any way connected with all or any of the foregoing.

For purposes of this section, the terms "Agency," and "City" include their respective commissioners, appointed and elected officials, members, Agency property," or "City property" include property which is the subject of the RFP and all other property of Agency and City, real, personal, or of any other kind or character; the terms "claim or claims" include any and all protests, rights, remedies, interest, objections, claims, demands, actions, or causes of actions, of every kind or character whatsoever, in law or equity, for money or otherwise including, but not limited to, claims for injury, loss, expense, or damage, claims to property, real or personal, or rights or interests therein, and claims to contract or development rights or development interests of any kind or character, in any Agency and/or City property, or claims which might be asserted against to cloud title to Agency or City property. The words "Developer or Developers" shall include any person, entity, or group responding to Agency's RFP.

C. Hold Harmless and Indemnity

The undersigned shall defend, hold harmless, and indemnify Agency and City, and each of them, from and against any and all claims, directly or indirectly, arising out of the Undersigned's responses to the RFP, including, but not limited to, claims, if any, made by Undersigned or by anyone connected or associated with Undersigned or by anyone claiming directly or indirectly through Undersigned.

Interested Developer

Date: _____

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF BONNEVILLE)

On this ____ day of _____, 2016, before me,
_____, a Notary Public in and for said State, personally appeared
_____, known or identified to me (or proved to me on the oath of
_____) to be the _____ of _____, an
_____, the entity that executed the instrument or the person
who executed the instrument on behalf of said entity and acknowledged to me that such entity
executed the same.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

Summary of Disposition and Development Agreement

The following summary has been prepared to provide an overview of the contents of the Disposition and Development Agreement (“DDA”) the Idaho Falls Redevelopment Agency (“Agency”) will prepare for execution with the selected developer for the lot located at the northeast corner of the intersection of Broadway and Memorial Drive in Idaho Falls, Bonneville County, Idaho (the “Property”).

The DDA will contain 13 sections. The sections will cover the following:

1. Section 1 will contain definitions of relevant terms contained in the DDA
2. Section 2 will identify the parties to the agreement and reference the Agency’s urban renewal plan. This section will also cover the powers and limitations of an urban renewal agency when disposing of real property, which are contained in Idaho Code § 50-2011.
3. Section 3 will cover the pre-closing due diligence period, property investigation, and title issues that may arise.
4. Section 4 will deal with the selected developer’s proposed financing for the project and the Agency’s assessment of the financial viability of the proposed project, based on the firm commitments from lenders and financiers and when such commitments are required.
5. Section 5 covers the disposition of the property to the developer and the property closing details.
6. Section 6 will detail the condition of the property and any representations made by the Agency concerning the same. The Agency anticipates disposing of the property in “as is” condition.
7. Section 7 will set forth the development of the project and memorialize the project proposed project. The Agency anticipates providing some assistance to the developer for the project. The assistance will be based on the completion of the proposed project as detailed in Section 7.
8. Section 8 provides the Agency’s requirements for insurance and indemnification of the Agency.
9. Section 9 sets forth the mechanism the Agency will use to determine the difference between the fair market value of the Property and the fair reuse value of the Property. By law the Agency cannot dispose of real property for an amount less than the fair reuse value of the property. The fair reuse value of the Property will be calculated by assessing the design and construction costs of the proposed project to determine the minimum land acquisition cost that would enable the developer to construct the proposed project and earn a profit from the endeavor, as opposed to suffering a financial loss. The fair reuse value will be determined by an appraiser engaged by the Agency, who will consider the construction and design costs, financing costs, the marketability of the proposed project, and the developer’s entrepreneurial incentive.

10. Section 10 will contain obligations concerning the continued use of the Property in compliance with the Plan and the obligation of the Property owner to pay real property taxes assessed by the County Assessor. The Agency does not assess property taxes.

11. Section 11 will cover the potential for developer or Agency defaults of the DDA and remedies for the parties.

12. Sections 12 and 13 will contain standard contract provisions concerning assignment rights, notices and demands, and how the parties will coordinate with each other.