

City Council Communication

Department: Community Development	Resolution No.: 22 -	City Council: November 28, 2022
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Subject/Title

Resolution selecting Baxter Development, LLC as the preferred developer of City-owned property legally described as Block 1, River's Edge Subdivision, and selecting Broadmoor as the preferred developer for City-owned properties legally described as Lot 2, Block 3, Rivers Edge Subdivision, Replat 2; Block 4, Rivers Edge Subdivision; and Lots 1 through 3, Block 5, Rivers Edge Subdivision, Replat 2, and to enter into a purchase, sale, and development agreement with said developers.

Background/ Discussion

On August 22, 2022, the Council Bluffs City Council approved Resolution No. 22-211 which authorized the Community Development Department to release a Request for Proposals (RFP) for the following six parcels of land in River's Edge Subdivision (see Attachment A):

- Block 1, River's Edge Subdivision (1.72 acres)
- Lot 2, Block 3, River's Edge Subdivision, Replat 2 (.81 acres)
- Block 4, River's Edge Subdivision (.86 acres)
- Lots 1 through 3, Block 5, River's Edge Subdivision, Replat 2 (1.52 acres)

Additionally, City Council approved Resolution No. 22-212 on August 22, 2022 which established the minimum development requirements, competitive criteria, and procedures for disposition of said properties. Since all of the above stated properties are located within the Playland Park Urban Renewal Area, the disposition of these properties must comply with Iowa urban renewal laws. As part of the disposition of property, Iowa urban renewal statutes require the city ensure a reasonable competitive bidding procedure and 30 days to respond. This also includes providing notice by publication in a newspaper having a general circulation to the community 30 days prior to the execution of a contract involving the transfer of property.

On August 23, 2022, the City released the RFP through their IonWave online bidding portal, as well as, directly emailed it to approximately 50 real estate developers/brokers throughout the Council Bluffs-Omaha Metropolitan Area and Midwest region. All proposals were due October 4, 2022 and interested developers were required to submit proposals that demonstrate their capacity to satisfy the requirements of the RFP including:

1. Application
2. Project Summary – A brief written description of the project.
3. Project Plans – A scaled plot plan of the proposed development. The plot plan should illustrate the location of structures, parking areas, ingress and egress, open or landscape areas, etc. The developer must also submit additional information such as elevation drawings, photos of similar projects, typical floor plans, etc.
4. Developer Experience – Provide a listing of previous projects completed, especially with regard to projects that are relevant to the proposed development.
5. Project Timeline – A timeline for the project design, bidding, construction and occupancy.
6. Financial Summary – Developer must provide a proposed cost and source of funding for the project, including a 10-year project proforma. Developer must also outline expected funding sources and projected date all financing will be secured.

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7. Project Contingencies – Indicate any special assistance needed to implement the project, such as financial assistance, state or federal applications, or other public participation.

Each proposal was reviewed by staff of the Community Development Department and was scored using the following criteria, which was detailed in the RFP ensuring developers knew how they would be evaluated.

- a. Design, Aesthetics and Quality of Construction Materials and Landscaping (40%): River's Edge is a master planned, mixed-use development. The City has an adopted master plan that functions as the primary regulatory document relative to: building setbacks and heights, architectural designs, block designs and mix of land uses, public art, on and off-street parking, street connectivity and design, pedestrians and cyclists, and other special design requirements within the neighborhood. All buildings and their associated architectural appearance/site layouts shall be designed in manner that is deemed compatible with this master development plan and existing development within the neighborhood. A list of materials and visual renderings of the site layout, units and exterior design must be provided as a part of this submittal.
- b. Developer's Experience and Capacity (25%): The makeup/description of the developer's project team. The preferred developer will have significant experience in the construction of urban-style, mixed-use commercial and residential development. The names of individuals involved and the roles they will perform must be listed. Provide a description of the qualifications and experience of the specific individuals who will be involved in the work described in this RFP, including staff and other professionals.
- c. Number of Units Proposed and Unit Sizes, Building Square Footage, and Minimum Assessed Value (20%): Preference will be given to developers who maximize the number of units, building square footage, and minimum assessed values on each of the identified properties. Proposals will also be scored on the length of time it will take to construct and occupy the project.
- d. Funding Sources (15%): Preference will be given to Developers not utilizing either 4% or 9% Low Income Housing Tax Credits (LIHTC). No income restrictions are applicable to the property. Preference will be given to developers who propose projects with 80% or more market rate housing. Provide a list of proposed funding sources and when the funds are expected to be awarded/confirmed.

Discussion

Two developers responded to the RFP. The first proposal was from Broadmoor (Attachment B) who has completed many multi-family and mixed use developments throughout the metropolitan area, including River's Edge. Their proposal included the following:

Parcel B: Lot 2, Block 3, River's Edge Subdivision, Replat 2

- Twenty (20) apartments in a two-story building with a mixture of 1 and 2 bedroom units, attached garages, and off-street parking for their residents. Construction Estimate: \$3,060,000.00

Parcel C: Block 4, River's Edge Subdivision

- Twelve three-story, 2-bedroom townhomes with an attached two car garage for each unit. Construction Estimate: \$2,280,000.00

Parcel D: Lots 1 through 3, Block 5, River's Edge Subdivision, Replat 2

- Mixed commercial/residential structure similar to their existing developments at 4040 and 4104 Rivers Edge Parkway. This new building would be comprised of 18 apartments, 3,155 square feet of retail, attached garages, and off-street parking for their residents. Broadmoor also expressed concern about the current retail environment in River's Edge and asked for the City to

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allow flexibility to convert the 3,155 square feet of retail space into additional apartment units if the retail space is vacate beyond one year. The remaining areas of the parcel not used for buildings and/or parking would be converted into greenspace. Construction Estimate: \$2,646,000.00.

Total timeframe for full build-out is approximately three years, as per the submitted proposal.

The second proposal was from Baxter Development, LLC (Attachment C) who has previously worked with the City to develop a mid-rise mixed commercial/residential structure on Parcel A. Their proposal included the following:

Parcel A: Block 1, River's Edge Subdivision

- A 10-story pedestal building with 200+ apartment units (Studio, 1 bedrooms, and 2-bedrooms), 250+ covered parking stalls, and amenity space (retail/restaurant, fitness room, pool, etc.).

Parcel B: Lot 2, Block 3, River's Edge Subdivision, Replat 2

- Thirty-six (36) 2-bedrooms/2.5 bathrooms units in a three-story townhome structure. Off-street parking will be provided via garages and surface parking stalls.

Parcel C: Block 4, River's Edge Subdivision

- Nine (9) row-homes that will contain a mixture of 2-bedrooms/2.5 bathrooms and 3-bedrooms/2.5 bathrooms units. Parking will be provided via garages and surface parking stalls.

Parcel D: Lots 1 through 3, Block 5, River's Edge Subdivision, Replat 2

- Eighteen (18) townhomes and sixteen (16) row-homes similar to those proposed on Parcels B and C stated above. Off-street parking will be provided via garages and surface parking stalls.

The total estimated project costs is \$83.6 million dollars and all construction will be completed within two years, as per the submitted proposal.

Recommendation

Staff recommends selecting Baxter Development, LLC as the preferred developer of City-owned property legally described as Block 1, River's Edge Subdivision, and selecting Broadmoor as the preferred developer for City-owned properties legally described as Lot 2, Block 3, Rivers Edge Subdivision, Replat 2; Block 4, Rivers Edge Subdivision; and Lots 1 through 3, Block 5, Rivers Edge Subdivision, Replat 2, and to enter into a purchase, sale, and development agreement with said developers.

Attachments

Attachment A: River's Edge RFP

Attachment B: Broadmoor proposal

Attachment C: Baxter Development, LLC proposal

Submitted by: Christopher Gibbons, Planning Manager, Community Development Department

Approved by: Courtney Harter, Director, Community Development Department