

# Request for Proposals

## Redevelopment Opportunity at West Market Parcels – Lexington Market Baltimore, Maryland 21201

**Issued: October 3, 2018**

### I. Introduction

Lexington Market Inc. (“LMI”), on behalf of the Mayor and City Council of Baltimore (the “City”), through this Request for Proposals (RFP), is seeking written proposals from qualified Respondents for the long-term lease and redevelopment of City-owned properties located in the block immediately west of historic Lexington Market. The intent of this RFP is to promote the development of this property in a fashion that will achieve City objectives of growing the local economy, supporting the adjacent Lexington Market, strengthening communities, generating City taxes, and making a significant capital investment in Downtown. Further, it is the intent of this RFP to promote redevelopment that fits within the context of the Bromo Tower Arts and Entertainment District, Market Center National Historic District, and the University of Maryland, Baltimore campus.

### II. Site Description

The West Market Parcels (herein referred to as the “Site” or “Property”) is comprised of three (3) parcels – 520 West Lexington Street, 200 North Paca Street, and 232-5 North Paca Street, which are also known as Ward 4 Section 5 Block 593, Parcels 1, 2, and 3 (see Exhibit 1, Block Plat). The Site is approximately 2.973 acres (129,503 square feet) in area, of rectangular shape and bounded to the north by Saratoga Street, to the east by Paca Street, to the south by Lexington Street, and to the west by Greene Street (see Exhibit 2, Site Map).

### III. Intent of Offering

LMI, on behalf of the Mayor and City Council, is seeking proposals from qualified developers or interested parties (the “Developer” or “Respondent”), to enter into a long-term lease for redevelopment of the Property, in accordance with the objectives, goals, and regulations as stated herein (the “Proposal”). The goals of LMI in offering the Property include, but are not limited to, the following:

- A. To solicit a Developer who will redevelop the Property in a fashion that enhances and fits into the existing fabric and context of the environs. The Project will be compatible with the neighborhood and adjacent properties. The Project will achieve the highest quality of architectural/interior design and construction. The architect for the project should be identified at the submission of the Proposal and shall have demonstrated design excellence.
- B. To solicit a Developer who will redevelop the entire Site.
- C. To solicit a Developer who will undertake redevelopment of Property in a timely fashion.
- D. To increase residential or employment density in the neighborhood.
- E. To solicit a Developer whose redevelopment will include uses that activate the street and enhance the street-level experience.
- F. To enter into a master lease by which LMI receives no less than \$700,000 in Year 1, with periodic increases thereafter, along with profit-sharing.
- G. To enter into a master lease that reserves 300 parking spots for LMI and LMI's customers, with a negotiated number of reserved spots to pay market rate, a negotiated number of reserved spots to pay discounted rates, and a negotiated number of free spots for LMI's use.
- H. Lease duration shall be based upon the required and proposed capital investment in the Property.
- I. To provide capital investment in infrastructure and aesthetic improvements to the Property.

#### IV. Zoning and Land Use Regulations

- A. The Property lies within a C-5-DC zone, the Downtown Core Subdistrict. The purpose of the C-5-DC Downtown Core Subdistrict is to establish standards for structures located within the majority of Downtown. The standards recognize that this subdistrict is to be the most intensely developed portion of Downtown and is to be predominately pedestrian-oriented in nature. Be advised that all Proposals submitted in response to the RFP shall comply with the City's Zoning Code and the Subdistrict designation and the performance standards set forth in Title 10 of the Baltimore City Zoning Code, or shall clearly identify proposed modifications of the current zoning designation required to facilitate the Respondent's Proposal.

- B. The Property is located within the boundary of the Market Center Urban Renewal Plan (URP). Redevelopment of the Property must comply with the URP. The Respondent's Proposal shall clearly identify any proposed modifications to the URP required to facilitate the Respondent's Proposal.

V. Development Incentives

**NOTE: No City discretionary financial assistance is offered or anticipated for this Project.**

A variety of tax credits are generally available to the public. It is the Developer's responsibility to ascertain which of the programs will provide the greatest assistance based on proposed use and proposed development approach.

VI. Standards and Controls

- A. All appropriate provisions of the Zoning Code of Baltimore City, land-use regulations, and building/fire codes of Baltimore City shall apply to the Project.
- B. The Property is located in a C-5-DC Zoning District; any proposed uses that are not permitted in this zoning category would require approval from the City of Baltimore and should be clearly identified in the Proposal.
- C. Building height is governed by the Floor Area Ratio (FAR) and any applicable parameters set by LMI or City-designated design review entity.
- D. The Property may contain environmental hazards that might require remediation by the Developer prior to redevelopment. Neither LMI nor the City make any representation, guaranty, or warranty, expressed or implied, concerning any site conditions, including the possible presence of environmentally hazardous materials.
- E. Reliance on public financial assistance is not offered or anticipated.
- F. The Respondent understands that that the City is offering the Property in an "As-Is" condition through a Master Developer's Agreement (MDA). The City will retain ownership of the property and will coordinate with the selected respondent in drafting an MDA for the purpose of the Project.

- G. All mechanical equipment, such as television antennas, satellite dishes, or other communications antennas that are visible from adjacent streets shall be screened from view.
- H. No storage of materials, refuse, garbage, unlicensed vehicles, etc., shall be permitted to remain outside structures, except as allowed by Baltimore City regulations. All dumpsters and trash/recycling facilities and equipment shall be screened from view at all times.
- I. Building design must adhere to all Federal, State and local ordinances and the Americans with Disabilities Act, as modified from time to time.
- J. No buildings, structures, or parking areas shall be constructed over an easement within the Property without the prior written consent of LMI.
- K. If deemed appropriate by LMI, exterior building materials should be compatible with, and reflect, the characteristics and features of surrounding buildings. Materials conveying permanence are also encouraged.
- L. The design of the Project, including all on-site and off-site improvements, will be approved in writing by LMI prior to obtaining any other regulatory approvals; in addition, the design may be subject to review and approval by City-designated design review bodies.
- M. The selected Developer shall be responsible for obtaining, at its sole cost, all permits, approvals, and engineering and environmental studies as required. All costs (including, but not limited to, “soft costs”) of this Proposal and subsequent Project shall be borne by the Developer.
- N. Proposals should include an identification of signage concepts and areas proposed for signage.

VII. Proposal Content and Submission Requirements

All proposals must be received by the LMI no later than **January 3, 2019, by 5:00 PM EST.**

**One (1) original and seven (7) copies of the Proposal and one (1) electronic version of the Proposal on a flash drive are required. All materials must be submitted with a \$400 non-refundable fee payable to LMI.**

Proposals should be mailed or delivered to:

Lexington Market, Inc.  
c/o R. E. Thomas  
400 W. Lexington Street, 2<sup>nd</sup> floor office  
Baltimore, Maryland 21201-1752

**All proposals must contain, at a minimum, the following information in the order indicated:**

1. Proposals must include a table of contents referencing each of the sections listed below in the order indicated.
2. A detailed Project Summary including, but not limited to, the following information:
  - a. Narrative Project description.
  - b. Names of Project Team members including the Respondent(s), architect, engineers of all appropriate disciplines, general contractor or construction manager, real estate professionals, environmental consultants and other professional consultants.
  - c. Proposed corporate/organizational structure for Developer on this Project.
3. A detailed narrative clearly indicating the lease payment terms, profit-sharing plan, proposed capital expenditures, and terms of operation if applicable.
4. Concept Plans including:
  - a. Concept level plans showing all proposed on-site and off-site construction.

- b. Elevation plans for all sides of the Project and any related structures clearly delineating all proposed building materials.
  - c. A massing plan, if the proposal requires substantial change to the existing building envelope.
  - d. Floor plans.
- 5. A detailed Development Schedule from Proposal submission to completion and stabilized occupancy, to include milestones and time frames for negotiations, financing, design, construction, and absorption periods.
- 6. A detailed Project Feasibility Statement defining the marketability of the project including the market assumptions that support cost and revenue projections.
- 7. Project financial information including:
  - a. A detailed Sources and Uses Statement clearly identifying: the amount, source, and terms of all Project financing, debt, and equity, for construction and permanent financing phases by funding source. Detail the uses of all funds identified in the Sources Statement.
  - b. A detailed Development Budget clearly identifying all hard, soft, and financing costs for the development of the Project.
  - c. A detailed ten-year Operating Pro-Forma clearly identifying all equity pay-in, revenue sources, expenses, debt service, and sales if applicable. Include all assumptions for revenue and expense increases. Disclose any sale to or “Take-Out” of the Project by a third party prior to year ten and proposed terms of that sale. Operating Pro-Forma shall indicate appropriate Debt Coverage Ratio (DCR) typically required of construction and permanent lenders, as well as Developer’s returns on an

Internal Rate of Return (IRR) basis, or other returns analysis which clearly indicates the financial feasibility of the Project.

- d. Evidence of all debt and equity financing for the Project. Term sheets or commitment letters from lending or equity sources should be included if available. If Project financing is from corporate or personal sources, identify the source(s) and provide evidence of amounts on hand. Fully document financial capabilities to complete the lease.
8. A detailed plan addressing each of the design considerations outlined below:
    - a. Creating a quality exterior that fits the neighborhood's character; and
    - b. Any revisions to the building footprint, including engagement with the surrounding street grid.
  9. Estimates of the projected number of construction and permanent full-time jobs and full-time-equivalent jobs broken out by industry type, with respective estimated annual salaries.
  10. Estimates of annual net new real estate, utility, parking, sales, and other taxes to be generated by the Project to the benefit of the City.
  11. Submit the Commitment to Comply with the City of Baltimore's Minority and Women's Business Enterprise Program (See Exhibit 3, Commitment to Comply).
  12. Submit the Employ Baltimore Statement (see Exhibit 4, Employ Baltimore).
  13. Provide the following supplemental information:
    - a. Detailed narrative statement describing the previous experience of the Respondent and principal Project Team members, especially with regard to projects that are relevant to the

development proposed. Emphasize aspects in which the Respondent's qualifications are believed to be exceptional or unique.

- b. A list of examples of relevant projects undertaken by the Respondent including type of development, development cost, when completed, and identification of the Project Manager.
- c. Resumes of the Project Team, including, if applicable, architect, engineers of all appropriate disciplines, contractor and/or construction manager, retail or market consultants, and real estate/property management firm.

#### VIII. Contract Terms and Conditions

- A. Laws: The laws of the State of Maryland shall govern the Contract.
- B. Liability: All Respondents are independent contractors. LMI assumes no liability for the injury to the contractor's agents or employees unless LMI or LMI's agents or employees cause such injury by gross negligence or intentional acts. The Developer will be liable for any damage caused by negligence of the Developer, its agents or employees. Neither party shall be liable to the other for any incidental or consequential damages arising from the Contract.
- C. Insurance: The selected developer will furnish insurance certificates as a condition of the contract award naming the City of Baltimore and LMI as additionally insureds. The Developer must maintain the required coverage throughout the length of the contract. The coverage must contain a 30-day notice of cancellation.

#### IX. Pre-Proposal Access and Inspection

The Property is available for inspection at the time of the Pre-Proposal Conference only, which will be held on site on **November 15, 2018, at 10 AM**. For further information please contact:

Mr. Robert Thomas  
Lexington Market, Inc.  
400 W. Lexington Street  
Baltimore, Maryland 21201-1752  
E-mail: [rethomas@lexingtonmarket.com](mailto:rethomas@lexingtonmarket.com)

X. Award Procedures

- A. LMI will not be limited solely to the information provided by the Respondent, but may utilize other sources of information useful in evaluating the capabilities of the Respondent, including input from public entities such as the Baltimore Development Corporation. All proposals submitted in response to this RFP must be mailed or hand-delivered. No e-mailed or faxed proposals will be accepted. Proposals or unsolicited amendments to proposals arriving after the Closing Date and time may not be accepted.
- B. Respondents may be required to make a presentation, or presentations, at a mutually convenient time to community groups adjacent to the Property to obtain their comments prior to final approval by the LMI. All such meetings will be arranged by LMI. In the discretion of LMI, the respective community associations may be permitted to submit written comments regarding the proposed Project to LMI, to which the Respondent may be required to provide written responses within ten (10) working days.
- C. LMI may convene an Advisory Panel to evaluate the Proposals. The Advisory Panel may include members of the LMI Board of Directors and staff, representatives from other City and State agencies, community representatives, or other members of LMI's choosing.
- D. Respondents submitting Proposals may be required to make oral presentations to the Advisory Panel, or the LMI Board of Directors or staff (or any committee thereof), for purposes of clarifying their Proposal.
- E. All Requests for Information (RFI) related to the RFP, the preparation of the Proposal, or the Property shall be in writing. All responses to the RFI shall be provided by LMI and shall be in writing and delivered to all registered Respondents, or alternatively may be issued as an Addendum to the RFP by LMI. The deadline for receipt of all RFI shall be at least ten days prior to the Closing Date. LMI shall issue all written responses to RFI received prior to the RFP deadline, or shall issue an Addendum, at least seven days prior to the Closing Date.
- F. If a Respondent is selected, LMI, on behalf of the Mayor and City Council, or another appropriate designee of the City, will issue an Exclusive Negotiating Privilege (ENP) to the selected Respondent. The Term of the ENP shall be as determined by LMI in its sole discretion. The ENP will specify the terms and conditions under which LMI will negotiate with the selected Respondent, the requirements and the deadlines for commencing and completing said

negotiations, and the terms and conditions under which LMI will consider entering into a Lease of the Property. A fee for the Exclusive Negotiating Privilege will be charged. If negotiations have not been completed prior to the termination of the ENP, then the ENP shall expire; provided, however, that LMI may extend the ENP time period if LMI, in its sole discretion, finds that negotiations are proceeding satisfactorily. Should the parties fail to agree upon the terms and conditions for the lease, and redevelopment of the Property within the time frame specified in the ENP including any extensions thereof, LMI may cancel negotiations with the first selected Respondent and proceed to negotiate with the next acceptable Respondent, re-solicit for new proposals, or abandon the RFP process.

G. LMI, on behalf of the Mayor and City Council, or another appropriate designee of the City, shall issue a Right-of-Entry (ROE) to the selected Respondent setting forth the terms and conditions by which the Respondent may access the Property during the ENP period. A fee for the Right of Entry will be charged. LMI may extend the ROE time period if LMI, in its sole discretion, finds that negotiations are proceeding satisfactorily. Pursuant to the ROE, the selected Respondent, its employees, agents, and representatives, shall be granted entry into the Property for the purposes of generating information on the Property to include, but not be limited to:

1. Environmental analysis.
2. Parcel surveys, plats, and re-subdivisions, as applicable.
3. Soil boring data and analysis.
4. Architecture and engineering studies.

H. Final acceptance of any redevelopment proposal and lease of the Property may be subject to the approval of the Board of Estimates of Baltimore City.

#### XI. Evaluation Criteria

Proposals shall be evaluated based on, but not limited to, the following criteria:

A. The scope, quality, and degree to which the Respondent's Proposal addresses the RFP's goals, intents, and terms of offering.

- B. The Respondent’s ability to provide or obtain sufficient financial resources to start and complete the Project in accordance with the timetable established in the Proposal.
- C. The quality of the proposed development in terms of design, construction, and impact on the surrounding community.
- D. The Lease Payment and terms to be paid by the Respondent to LMI.
- E. Financial returns to the City.
- F. Conformity of the proposed development to the Federal, State, and City laws, ordinances, and regulations.
- G. Job retention and creation.
- H. The extent to which the Proposal complies with and meets the goals of the Employ Baltimore Program and the City’s MBE / WBE program.

XII. Schedule of Events

<b>Event:</b>	<b>Due Date:</b>
<b>RFP Issued</b>	<b>October 3, 2018</b>
<b>Pre-Proposal Conference</b>	<b>October 15, 2018 – 10 AM</b>
<b>Request for Information (RFI) Deadline</b>	<b>November 5, 2018</b>
<b>Closing Date</b>	<b>January 3, 2019</b>
<b>Community Presentations</b>	<b>To Be Scheduled If Necessary</b>
<b>Oral Presentations</b>	<b>To Be Scheduled If Necessary</b>
<b>Review Panel</b>	<b>To Be Scheduled If Necessary</b>

**Please note above dates and times are subject to change.**

XIII. Rights Reserved and Administrative Information

- A. Should it become necessary to revise any part of this RFP, provide additional information necessary to adequately interpret provisions and requirements of this RFP, or respond to written inquiries concerning the RFP, LMI reserves the right to issue an Addendum to registered RFP respondents by posting such Addendum on its website.
- B. LMI reserves the right to extend any dates in this RFP by a reasonable time.
- C. LMI reserves the right, in its sole discretion, to recommend the award of a contract related to this RFP based upon the written proposals received by LMI without prior discussion or negotiation with respect to those proposals. All portions of this RFP will be considered to be part of any contract awarded in connection with this RFP and will be incorporated by reference. Any contract awarded in connection with the RFP will be subject to approvals as required by City law, including possible final approval by the Board of Estimates of Baltimore City.
- D. As part of the evaluation and development process, LMI specifically reserves the right to review and approve the drawings, plans and specifications for redevelopment with respect to their conformance with the goals and requirements of this RFP. Such review and approval are in addition to all other review and approvals required by Federal, State and City laws, rules, regulations, and ordinances.
- E. LMI reserves the right to refuse to approve any drawings, plans or specifications that are not suitable or desirable, in its opinion, for aesthetic or functional reasons. In so approving or refusing to approve such drawings, plans and specifications, LMI shall have the right to take into consideration, but shall not be limited to, the suitability of the schematic drawings, architectural treatment, building plans and elevations, materials and color, construction details, access, parking, loading, landscaping, identification signs, exterior lighting, refuse collection details, street, sidewalks and the harmony of the plan with the surroundings.
- F. LMI reserves the right to accept or reject any and all proposals, at its sole discretion, received as a result of this RFP, to waive minor irregularities, and to conduct discussions with any or all responsible and responsive Respondents, in any manner necessary, to serve the best interest of LMI and the City of Baltimore.

- G. LMI reserves the right to request additional information from any or all Respondents, if necessary, to clarify that which is contained in the Proposal.
- H. LMI reserves the right to require verbal inquiries to be provided in writing.
- I. Proposals will not be opened publicly.
- J. Neither the City of Baltimore nor LMI shall be responsible for any cost incurred by any Respondent in preparing and submitting a Proposal or by submitting requested supplemental information in response to the RFP.
- K. The Respondent selected for award agrees that it will comply with all Federal, State and City laws, rules, regulations, and ordinances applicable to its activities and obligations under this RFP and the contract.
- L. LMI, on behalf of the City, reserves the right of possession of the property, and any improvements thereto, in the event of Lease termination or expiration.

#### XIV. Employ Baltimore and Commitment to Comply

In responding to this RFP, the Respondent covenants and agrees to comply with the City's Employ Baltimore Program and Executive Order (see Exhibit 4, Employ Baltimore Agreement) and be subject to compliance with Article 5, Subtitle 28 of the Baltimore City Code (2007 Edition) regarding participation by Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) (see Exhibit 3, Commitment to Comply). Respondent covenants and agrees to use all reasonable good faith efforts to meet the Employ Baltimore and MBE/WBE participation goals for this Project. All questions related to the Baltimore City's Employ Baltimore Agreement should be directed to:

Director  
Mayor's Office of Employment Development  
3001 East Madison Street  
Baltimore, Maryland 21205  
Phone (443) 984-3014. • Fax (410) 361-9648

Baltimore City has an interest in and policy of encouraging the equitable utilization of minority-owned businesses and women owned businesses. The selected Developer is strongly encouraged to make every good faith effort to equitably utilize the services of City certified minority business enterprises ("MBEs") and women's owned business enterprises ("WBEs"). For convenience, the selected Developer is encouraged to use the MBE / WBE directory available online at [www.baltimorecity.gov/government/law/mwboo](http://www.baltimorecity.gov/government/law/mwboo) or in print form from the Minority and Women's Business Opportunity Office to identify available minority-

owned and women-owned businesses. Further information can be also be obtained by contacting the Director of the Minority and Women’s Business Opportunity Office.

Minority and Women’s Business Opportunity Office  
City Law Department  
City Hall, Room 101  
100 North Holliday Street  
Baltimore, Maryland 21202  
(410) 396-4355

XV. Attachments

Exhibit 1	Block Plat
Exhibit 2	Site Plan
Exhibit 3	Commitment to Comply
Exhibit 4	Employ Baltimore



**EXHIBIT 2  
SITE PLAN**



**EXHIBIT 3**  
**COMMITMENT TO COMPLY**

**COMMITMENT TO COMPLY WITH THE  
MINORITY AND WOMEN’S BUSINESS ENTERPRISE PROGRAM  
OF THE CITY OF BALTIMORE**

In consideration for receiving fiscal assistance from or through the City of Baltimore, the Developer covenants and agrees to comply with Article 5, Subtitle 28 of the Baltimore City Code (2007 Edition) regarding participation by Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) in its development of the project known as **West Market Parcels - Lexington Market**. Developer covenants and agrees to use all reasonable good faith efforts to meet the overall MBE participation goal and the overall WBE participation goal for the Project. The dollar amounts of the overall MBE goal and the overall WBE goal will be calculated using the following percentages:

**MBE 27%**  
**WBE 10%**

Prior to the commencement of construction, Developer agrees to submit to the City written documentation, including executed contracts, service agreements, or utilization commitment forms which shall identify the particular minority and women's business enterprises (i) contracting directly with the Developer, or (ii) subcontracting with prime contractors who have contracted directly with the Developer. The executed contracts, service agreements, or utilization commitment forms submitted to the City shall specify the dollar value of the participation, the type of work to be performed, and such other information as may be reasonably required by the City.

In the event that after reasonable and good faith efforts to meet the goals, Developer is able to demonstrate to the satisfaction of the City that sufficient qualified and willing MBE's and WBE's are unavailable in the market area of the Project as defined by City law, then the Developer may request a waiver or reduction of the MBE and/or WBE goals.

The City's Minority and Women's Business Opportunity Office (MWBOO), or its successor, is designated to administer the provisions of the law on behalf of the City. Developer shall comply with the rules and regulations of the MWBOO or its successor in meeting the requirements of the law.

**COMMITMENT TO COMPLY WITH THE  
MINORITY AND WOMEN’S BUSINESS ENTERPRISE PROGRAM  
OF THE CITY OF BALTIMORE**

THE UNDERSIGNED DO SOLEMNLY DECLARE AND AFFIRM THAT THEY ARE  
AUTHORIZED TO MAKE THIS COMMITMENT.

FOR: \_\_\_\_\_

BY: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
Chief, Minority and Women's Business Opportunity Office

Anticipated Starting Date of Construction

Date: \_\_\_\_\_

**EXHIBIT 4  
 EMPLOY BALTIMORE**

*Employ Baltimore*  
CERTIFICATION STATEMENT

Contracting City Agency	Bid Number	Bid Due Date

To promote the commitment to utilize *Employ Baltimore* to meet employment needs, all businesses awarded contracts, franchises and development opportunities with the City of Baltimore, shall comply with the terms of the Executive Order as described in the bid specification. Under this agreement, contract awardees will **complete and submit this certification statement with the bid package.**

Excluded from this Executive Order are professional service contracts, emergency contracts, and contracts for \$49,999.00 or less.

Additionally, companies awarded construction contracts of \$ 300,000 or more that fully participate in the *Employ Baltimore* program and submit and comply with the certification statement, may receive an early release of or reduction in the retainage fee assigned to the contract.

**CERTIFICATION STATEMENT**

As a representative of \_\_\_\_\_, I \_\_\_\_\_  
(NAME OF COMPANY) (PRINT NAME and TITLE)

Certify that a company representative will schedule a meeting with the Mayor's Office of Employment Development within two weeks of contract award to review the workforce plan required for this contract.

If there is a need for additional employees, I agree to post the new job openings with MOED's One Stop Career Center Network for seven (7) days prior to publicly advertising these openings. I agree to interview qualified Baltimore City residents referred from MOED. I agree to submit an Employment Report on June 30<sup>th</sup> and December 31<sup>st</sup> identifying the total number of workers on this project and total number of Baltimore City residents on payroll during each year of the contract and at the contract completion as a condition of release of the final payment or any retainage due.

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Company Address \_\_\_\_\_ Email: \_\_\_\_\_