

LAKE STREET BEACH REDEVELOPMENT

860 N. Lake Street Gary, Indiana 46403



City of Gary Redevelopment Commission 504 Broadway, S200 Gary, Indiana 46402 Lake Street Beach Redevelopment

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Gary, Indiana 46402

April 2019



CITY OF GARY

Karen M. Freeman-Wilson, Mayor

GARY REDEVELOPMENT COMMISSION

Kenya A. Jones, President Eric E. Reaves, Vice President Namon Flournoy, Secretary Pastor Marion Johnson, Commissioner Bill Joiner, Commissioner

Joe van Dyk, Executive Director Gilbert King, Jr., Counsel

1. General Site Information.

PARCEL SIZE:	21.2 Acres
ADDRESS:	860 North Lake Street Gary, IN 46403
FORMER USES:	School Naval Training Center
IMPROVEMENTS:	217,800 sq. ft. main building 192 space parking lot accessory garage buildings concession stand (defunct)



The 860 North Lake Street property ("the Property") is roughly twenty-one acres of lakefront real estate at the western gateway to the Indiana Dunes National Park adjacent to Gary's Marquette Park to the east. The Property is located in Gary's Miller neighborhood, served by the South Shore commuter rail. Chicago's lakefront skyline, twenty-five miles away from the site, is visible from the Property.

The Property represents the single largest commercial/recreational development opportunity on Lake Michigan east of Chicago with potential to be an anchor tourism destination, benefitting from the Indiana Dunes National Park, Lake Michigan beachfront, and Gary's proximity to four national highways: I-80, I-94, I-65, and the Indiana Toll Road (I-90). Gary is a 30-minute drive from the nation's third largest city, Chicago, and within a two-hour drive of four international airports and eleven major interstates.

The Miller neighborhood, wherein the Property is located, is experiencing significant investment through both public infrastructure and private development. The estimated \$315 million system-wide modernization of the South Shore rail line will result in renovated commuter rail infrastructure and a newly created terminus, Miller station, for express rail service to Chicago by 2022; \$21 million in improvements to Lake Street and US Highways 12 and 20 will create pedestrian-oriented development via widened sidewalks, new lighting, bike lanes, and added off-street parking with construction scheduled for June of 2019.

A dozen new businesses have located within the Property's neighborhood servicing both residents and tourists. The Property's adjacent beaches attract over 4 million visitors each summer and serve as a focal point for winter tourists looking to explore the Indiana Dunes National Park, Paul H. Douglas Center for Environmental Education, Indiana Dunes State Park, and Miller Woods.

The Indiana Dunes National Park is comprised of over 15,000 acres of dunes, oak savannas, swamps, bogs, marshes, prairies, rivers and forests, navigable via the park's nearly fifty miles of trails. Over 1,100 flowering plant species and ferns make their homes in the park and more than 350 species of birds have been observed here. Indiana Dunes National Park is the only national park within a 260-mile radius (St. Louis' Gateway Arch is the closest), and the only one located in the greater Chicagoland Region.

2. Desired Project.

The City of Gary and Gary Redevelopment Commission (collectively "The City") seeks an anchor development for hospitality/tourism, commerce, and potential eco-tourism, to complement the Indiana dunes waterfront, while capitalizing on significant year-round traffic. This is a unique opportunity to provide an asset solely available at this location. Lake Street Beach is the northernmost activity center along a newly revitalized commercial corridor currently undergoing nearly \$400 million in public investment. The City will consider the following uses:

- hospitality/hotels/lodging
- restaurants and dining
- unique attractions (science centers, museums, recreational amenities, etc.)
- tourist-oriented retail and pedestrian-oriented commerce

As a destination site with a substantial potential impact, a responsive proposal will not only be an economic driver, but also respect the surrounding environment and enhance the quality of life for Gary's residents. Gary's residents and local businesses have communicated the following guiding principles through robust public conversation via the Marquette Plan (2005), City of Gary Comprehensive Plan (ongoing), Gary Northside Redevelopment Project (2013), and Miller Neighborhood Spotlight Initiative (ongoing).

<u>Focus on Eco-Tourism</u>: The Indiana Dunes National Park draws 3.5 million visitors annually. The Property's redevelopment is the single best chance to increase park traffic and highlight our natural assets. A responsive proposal will make the connection between nature and commercial opportunity.

<u>Preservation of Public Access</u>: The Property includes a 600-foot stretch of Lake Street, the central north-south corridor that connects Lake Michigan's beachfront with the Lake Street commercial node and Miller rail station. Lake Street and the existing Chanute Trail must remain freely accessible public rights-of-way providing access to the waterfront and park network. Public access of the beach is non-negotiable, and a responsive proposal will preserve/enhance public access to the Lake Michigan waterfront and seek to re-purpose or replace existing utilities and public facilities, including public restrooms.

<u>Protection of Existing Dunes and Wetlands</u>: While the majority of the site consists of an already developed footprint, to the extent these areas abut natural dune features, a responsible proposal will preserve and enhance the natural assets that make the site unique and attractive; new development will observe a natural buffer from neighboring residences and natural assets.

<u>Attractive, Responsible Design</u>: Whether reconstruction of the existing facility or construction of a new facility, design choices will complement and enhance the lakefront's natural beauty. A responsive proposal will reflect the character of the lakeshore and exemplify accessibility through context sensitive universal design standards and pedestrian-oriented principles.

3. Environmental Information and Existing Conditions.

In 2018, Michael Baker International and Orbis Environmental Consulting completed an environmental conditions assessment consisting of two components:

- 1. An ASTM Phase I Environmental Site Assessment ("Phase I") that serves as due diligence in advance of sale or transfer.
- 2. An ecological survey and wetland delineation that provides an inventory of state and federal listed species located at the site and determines the nature and extent of regulated surface water.

The Property includes several buildings and related infrastructure that have been on the site for many years. This area includes the Main Building, Maintenance Building, Storage Building, Bath House and Restrooms, and Parking Facilities.

Based on findings and opinions generated by the Phase I, Michael Baker International concluded that the southwest corner of the Property has the following Recognized Environmental Conditions (RECs): Potential soil, groundwater, and/or vapor migration in and around the Maintenance Building; potential subsurface soil and/or groundwater contamination associated with two underground storage tanks; potential soil/groundwater contamination as part of numerous containers and soil staining from Armory activities; potential PCB surface soil contamination from current and previous transformers.

There are no wetlands on the Property. The connectivity to adjacent environmentally significant land provides an excellent opportunity for stewardship and enhancement, adding value to the Property.

The full environmental report is available online at <u>www.gary.in.us/redevelopment/</u> and upon request.

4. Utilities

The project area is serviced by the following utilities:

- Electricity and Natural Gas
 Water
 Northern Indiana Public Service Company
 Indiana American Water Company
- Sewer Gary Sanitary District

Property currently maintains adequate capacity for all previous uses to date. Upgrades to the utility infrastructure and other planning and design for water, sewer, storm water, and natural gas may be necessary to support some proposed projects and will be the responsibility of the developer.

5. Potential Funding and Incentive Opportunities.

The City of Gary may be willing to partner on potential funding opportunities to the mutual benefit of developers and residents in order to maximize the value and local impact of a beachfront development. The Property is eligible for, though not limited to, the following programs:

Opportunity Zone Program:

Opportunity Zones provide federal capital gains tax advantages for investments made in federally designated areas per the Tax Cuts and Jobs Act of 2017. This designation is intended to attract capital investment into areas that are economically distressed, by deferring capital gains taxes for eligible investments. The Property is located in a designated Opportunity Zone census tract by the U.S. Department of Treasury and provides a valuable incentive for equity investors

Gary Port Authority:

The Gary Port Authority (the "GPA") has broad governmental and business enterprise powers and may exercise those powers independent of any other political body. GPA is specifically authorized by state law to develop facilities with private enterprise and may do so through a public/private partnership sale and leaseback arrangement. Specifically, whether for itself or upon the request of a private party, the GPA may:

- Construct, operate and/or maintain land-based real estate and maritime developments
- Purchase, construct, sell, lease, and operate facilities
- Enter into contracts with persons, railroads, or other corporations
- Acquire, own, hold, sell, lease, or operate real or personal property

With GPA as a partner, all purchases of construction materials and equipment are exempt from sales tax. Just as significantly, once completed, this project constructed in collaboration with the GPA would also be exempt from real and personal property taxes, during the term of the public/private partnership. To offset the loss of sales and property tax revenue to local taxing districts, GPA utilizes an opt-in tax arrangement. Because such an agreement is not required by state law, however, its terms are flexible, and wholly subject to negotiation.

Tax Increment Financing:

The Property is located on the north end of the East Lakefront TIF district providing potential for the use of Tax Increment Financing. Subject to approval of the Gary Redevelopment Commission, Gary Economic Development Commission, Gary Planning Commission, and Gary Common Council, TIF-backed bonds or captured revenue share may be available for this project. Captured TIF revenue may also be used for infrastructure improvements in the East Lakefront TIF district.

State of Indiana Incentives

The State of Indiana also offers many business tax incentives, corporate tax credits and economic development programs for companies creating new jobs and investment in Indiana. Details can be found at <u>https://iedc.in.gov/incentives</u>.

Public Private Partnerships

When considering a public-private partnership, the City diligently reviews the economics of each project to ensure that taxpayer funds are prudently used for their highest and best purpose. The City seeks to ensure that the development will yield jobs that support the City's tax base while providing amenities to residents.

In addition to other items included in this RFP, the City will consider such factors as the (a) specific type of development proposed (b) design and architecture; (c) the amount offeror will pay the City for the RFP Parcel (not less than the average of two appraisals of the Property); and (d) what, if any, incentive the developer seeks from the City.

Although the foregoing factors are not comprehensive, offerors are encouraged to address each factor specifically in its application. Offerors are also encouraged to highlight the overall economic impact their proposed development will have on Lake Street and the City, including, without limitation, new or retained jobs, commerce and other ancillary benefits of the proposed project.

6. Zoning.

The City of Gary's current zoning code does not contain a zoning district classification that permits by-right the variety of uses envisioned for this site. The Departments of Planning, Zoning, and Redevelopment are in the process of revising the City's zoning code. Should the proposed development process begin before the recodification is finalized, the City will lead efforts to rezone the parcel or otherwise assist the developer in obtaining necessary zoning changes and approvals.

7. Additional Considerations.

The Property is currently utilized by the Parks Department and public safety personnel for accessory storage and staging of beach equipment. Reasonable accommodation must be made to replace or maintain those needs in partnership with the City.

Given Lake Street's public utility as a key beach entry point, the following considerations will be included in a successful and responsive proposal:

- Continuation, maintenance, replacement, or enhancement of boat launch currently located on the northern edge of the Property
- Continued availability of pedestrian, bike, and vehicle beach access via Lake Street (City will consider exclusions or alternative accommodations during construction)
- Consideration for shared/publicly available parking that does not surrender current capacity
- Chanute Trail head to the east of the site must remain freely accessible
- Proposals that include demolition of existing improvements will be considered.

8. Detailed Proposal Requirements.

Responses must include the following:

- 1. Executive summary letter describing the proposed development and listing and contact information followed by a Table of Contents referencing the other components of the proposal. The summary:
 - Should include sufficient non-proprietary and non-confidential information to enable members of the public to understand the concept and intention of the proposal.
 - Should include a summary of the anticipated uses and site plan, and the plan's relationship to surrounding uses.
 - Should be printed separately and be suitable for public dissemination and submitted along with all the other required materials.
- 2. Summary of prior experience leading a project similar to the proposed.
- 3. A list of all current and prior government agency partnerships within the last ten (10) years.
- 4. Three (3) references, including client name, contact person, phone number, email address, scope of services provided, and length of time services were provided.
- 5. If any aspect of the proposal is subcontracted, please provide at least three (3) references for the subcontractor. The references should include client name, contact person, phone number, email address, scope of services provided, and length of time services were provided.
- 6. Summary of development team experience including identification of the project architect and engineer.
- 7. A summary of the respondent's approach for the redevelopment of the Property that includes:
 - a. Future programming concept and design;
 - b. Project timeline including start and completion dates and other key benchmarks
- 8. Letters of intent from future tenants (as applicable) or evidence of past experience in the business proposed for the site.
- 9. A development budget (with current sources & uses), and a ten-year pro forma/operating budget analysis in accordance with **Exhibit A Financial Analysis and Financing Plan**
- 10. Alternative ownership and partner structures to support the unique destination amenity will be considered.
- 11. Please include and clearly state a proposed price containing all information specified in Exhibit H.
- 12. Requests for clarification in this section only shall be submitted in writing via email to the Gary Redevelopment Commission, Joe van Dyk Executive Director, jvandyk@ci.gary.in.us.

9. Selection Process and Reservation of Rights.

Selection Team:

A selection committee comprised of City of Gary and Gary Redevelopment Commission staff and their assigns may review and evaluate all proposals and interviews based on the criteria defined below. In addition to the selection committee members, subject matter experts and community members may also participate in the proposal review and/or attend the interviews/demonstrations to provide added perspective to the selection committee members regarding the proposal.

Selection Criteria:

The City reserves the right, in its sole discretion, to reject all responses, reissue a subsequent RFP, terminate, restructure or amend the process at any time as may be in the City's best interests. The City may reject a response to the RFP if it does not specifically respond to the evaluation criteria listed below. The selection committee shall be formed to evaluate the responses to this RFP. Each member of the selection committee shall evaluate each response based on the following:

- Experience, Qualifications and References of the Proposer
- Suitability and Quality of the Development Proposal
- Suitability and Quality of the Proposed Financing
- Innovation and Other Beneficial Proposal Aspects
- Proposed Land Price
- Proposal Presentation
- Locality of the Proposer
- Local Workforce Participation

RFP Timeline:

Week of April 22, 2019:	Request for Proposals issued
June 19, 2019:	Responses due to City of Gary Redevelopment Commission
	Responses opened at a public hearing
June 21, 2019:	Notification to responsive bidders in advance of public presentation
Week of June 24, 2019:	Responsive bidders will present their proposals at a public meeting
July 17, 2019:	Gary Redevelopment Commission award at public hearing

Reservation of Rights:

The Gary Redevelopment Commission and City of Gary reserve the right to reject any and all proposals and to select the proposal it deems is in the best interests of the City, even if it is not the highest purchase price. The Gary Redevelopment Commission and the City of Gary reserve and may exercise the right to request one or more of the respondents to provide additional material, clarification, confirmation or modification of any information in the submission, and can supplement, amend, substitute, cancel, or otherwise modify this Request for Proposal at any time prior to the selection of one or more developers. In the event that the process does not result in the execution of a definitive selection, the Gary Redevelopment Commission and the City of Gary, at its sole option, may choose to initiate negotiations with any other qualified developer, reopen the entire marketing process, or

pursue any other avenues for the sale of the property deemed appropriate in accordance with State of Indiana law. All land sales must be approved by the Gary Redevelopment Commission.

All land, inclusive of any property therein, will be sold "AS IS." No warranty or representation, expressed or implied, is made as to the accuracy of the information contained in this request for proposal. The information may be subject to unintentional errors, omissions, changes of price or other conditions, withdrawal without notice, and to any other special conditions. The Property is being offered "AS-IS, WHERE-IS". Each firm is encouraged to conduct its own due diligence regarding the condition of the Property. The Gary Redevelopment Commission and the City of Gary make absolutely no warranty or representation regarding the environmental condition of any of the sites offered within this marketing packet.

10. Contact Information.

Questions regarding this Request for Proposals can be directed to the following (email correspondence is strongly preferred):

Joe van Dyk City of Gary Redevelopment Commission 504 Broadway, S200 Gary, Indiana 46403 (219) 886-1531 jvandyk@ci.gary.in.us

11. Additional Terms and Information.

The selected developer will be required to enter into a development agreement with the City of Gary Redevelopment Commission, regarding details of the development, local participation requirements, scheduled development timeline, and terms and conditions of any public assistance.

The contents of this packet are for informational purposes and are without warranty. Respondents should rely exclusively on their own investigations and analyses. The Gary Redevelopment Commission will honor confidentiality requests to the extent possible. If certain components of a response are proprietary in nature, please indicate accordingly.

12. Communications and Contact Information.

All communication is strictly limited to written questions submitted to the contact listed herein. Communication may be submitted by email or mail. Questions received by the deadline and deemed appropriate for response by the City, in its sole discretion, will be answered by posting the questions and answers on the Redevelopment page of the City of Gary's website. Offerors shall be responsible for checking the website. The City may rephrase questions as it deems appropriate and may consolidate similar questions. Responses, when posted, will constitute addenda to this RFP. Failure to abide by this section may result in disqualification from the RFP process.

13. Addenda Modifications and Withdrawal

The City reserves the right to issue written addenda to this RFP (each, an "Addendum" or collectively, "Addenda") at any time before the RFP Submission Deadline and will post any Addenda on the City's website. The Addenda will be numbered consecutively. Any Addenda shall constitute a part of this RFP. All proposals shall be prepared with full consideration of the Addenda issued prior to the RFP Submission Deadline. Each offeror is solely responsible to ensure that it has received all Addenda issued by the City and should routinely monitor the City's website.

Proposals may be modified or withdrawn in writing to the City contact, if such modification or withdrawal is received prior to the RFP Submission Deadline. Any modification to a proposal received by the City after the RFP Submission Deadline will not be considered by the City. The offeror may also withdraw its RFP in person at any time before the Submission Deadline.

EXHIBIT A FINANCIAL ANALYSIS AND FINANCING PLAN

NOTE: Except for offeror's pro-forma, which shall be inserted into a separate envelope that is marked "Confidential Proprietary Information" and included with the proposal package, all documents submitted in response to this RFP, including, without limitation, the executive summary, will be considered public documents subject to Indiana statutes governing access to public records, Ind. Code § 5-14-3 et. seq., after negotiations with the Award Recipient(s) conclude.

This section of your proposal should include, at a minimum, the following:

- 1. Construction costs, generally broken out into the following major categories:
 - i. land acquisition (proposed purchase price from the City);
 - ii. soft costs
 - iii. utility costs (acquisition and relocation, if necessary); and iv public space, sidewalk and/or path improvements consistent with requirements of the NPD Code.
- 2. Financing Costs.
- 3. Demonstration of applicant's ability to fund the project and financial responsibility. Specifically identify private equity, financing, etc.
- 4. Contingencies and project equity investment.
- 5. Project pro forma (which shall be enclosed in a separate envelope marked "Confidential

Proprietary Information" and included with the proposal).

- 6. Letters of interest or support from interested tenants in the project to be constructed.
- 7. Portfolios of past, similar experience, letters of recommendation and other documents establishing preparedness for the project, including, without limitation, experience in public- private partnerships.

EXHIBIT B - TRANSMITTAL LETTER

Offeror: _____ City of Gary c/o:

The undersigned ("Offeror") submits this proposal in response to the Request for Proposal for Acquisition and Development of City Property (dated April 22, 2019 ("RFP") issued by the City of Gary, Lake County, Indiana ("City"). Offeror represents and warrants that it has read the RFP and any addenda and agrees to abide by the contents and terms of the RFP.

Offeror understands that the City is not bound to negotiate with any Offeror and may reject each response that it receives. Offeror further understands that all costs and expenses incurred by it in preparing this proposal will be borne solely by offeror. Offeror understands that any documents, work product, or proprietary information submitted to the City in response to this RFP or throughout the RFP process shall become the sole and exclusive property of the City and the City.

Offeror acknowledges and agrees that the City reserves, at all times in connection with this RFP, all rights available to it under applicable law, including without limitation, with or without cause and with or without notice, the right to the following: (1) terminate this RFP in whole or in part at any time prior to the execution of a project agreement, (2) issue a subsequent RFP after the withdrawal of this RFP for the project or any part of the project, (3) reject any and all proposals, (4) terminate, suspend, or elect not to proceed in negotiations with offeror(s) at any time, and (5) waive any deficiencies, nonconformities, irregularities, and/or apparent clerical mistakes in a proposal. Offeror acknowledges and agrees that the issuance of this RFP does not commit the City to enter into a project agreement or proceed with the RFP process.

Offeror acknowledges and agrees that this RFP and all aspects of the process described therein shall be governed by and construed according to the laws of the State of Indiana.

Ву:	Date:
T.	

Its: _____

EXHIBIT C - NON-COLLUSION AFFIDAVIT

The undersigned authorized representative of offeror, being duly sworn on oath, states and affirms that neither offeror nor any other member, representative or agent of the offeror has entered into any combination, collusion or agreement with any person or entity relative to the price or other factors offered or in response to the RFP or in any way acted to prevent any other offeror from responding or otherwise submitting a proposal to the RFP. Offeror's proposal is made without reference to any other proposal and without any agreement, understanding or combination with any other person in reference to such proposal.

Further, no member of the City or City Council, or other officers of the City, or any person in the employ of the City is interested in the proposal, or the work to which it relates.

OATH AND AFFIRMATION I HEREBY AFFIRM UNDER THE PENALTIES FOR PERJURY THAT THE FOREGOING FACTS AND INFORMATION ARE TRUE AND CORRECT.

Dated this _____ day of June, 2019 ______ (Offeror) ______ (Offeror's Authorized Representative) ______ (Signature) ACKNOWLEDGEMENT STATE OF INDIANA COUNTY OF _____)

Before me, a Notary Public, personally appeared the above-named and swore that the statements contained in this Non-Collusion Affidavit are true and correct.

Subscribed and sworn to me this _____ day of June, 2019. _____ Notary Public Signature

EXHIBIT D - NO DEFAULT OR BREACH

The proposal must include an affidavit of the offeror affirming that the offeror and its affiliates are not: (a) involved in any current or pending litigation or legal disputes with any federal, state, or local governmental entity; (b) in arrears to any federal, state, or local governmental entity of any debt or contract; (c) a defaulter as surety or other obligation upon any federal, state, or local governmental entity or (d) in failure to perform faithfully in any previous contract with a federal, state, or local governmental entity in the preceding five (5) years.

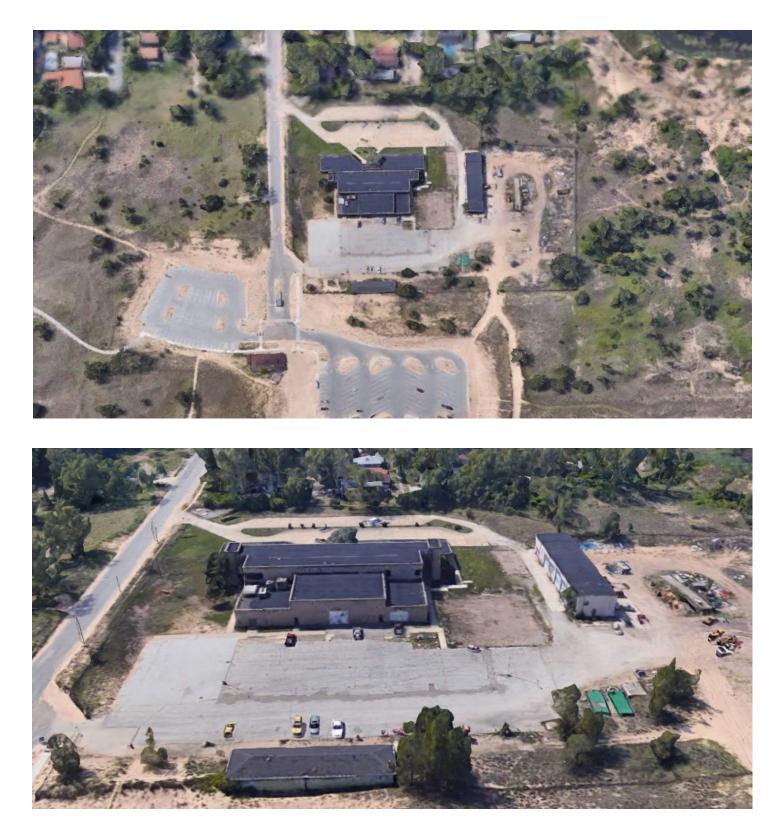
EXHIBIT E - NO BANKRUPTCY

The proposal must include a signed affidavit from the offeror, affirming that the offeror and all affiliates of the offeror are currently solvent and have not, in the preceding five (5) years, voluntarily or involuntarily filed for bankruptcy or other similar insolvency proceeding.

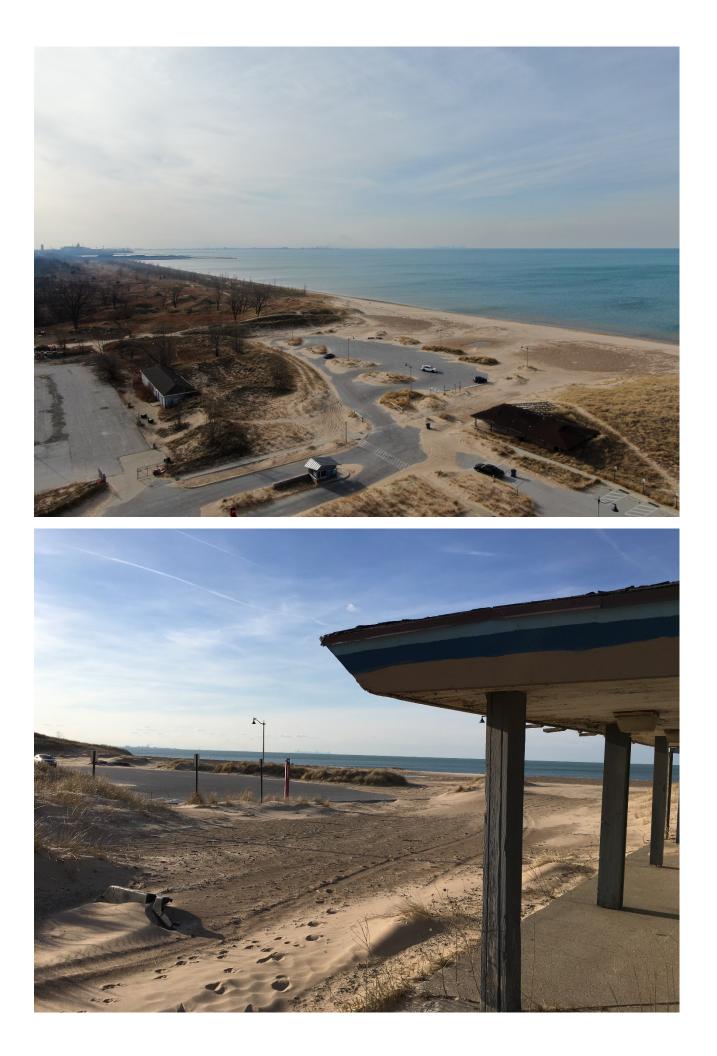
EXHIBIT F AFFIRMATION OF NO LITIGATION OR EXPLANATION OF LITIGATION

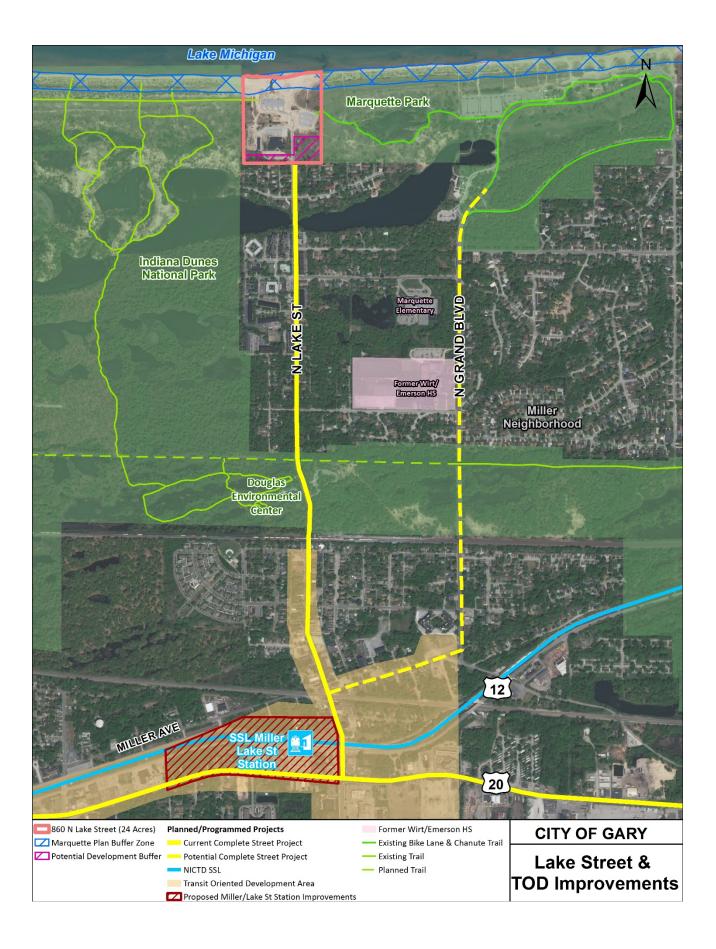
Provide an affirmation that offeror is not currently and has not been for a period of (3) years subject to litigation, including without limitation threatened litigation. If such an affirmation cannot be made, a full description of all such litigation or threatened litigation shall be included.

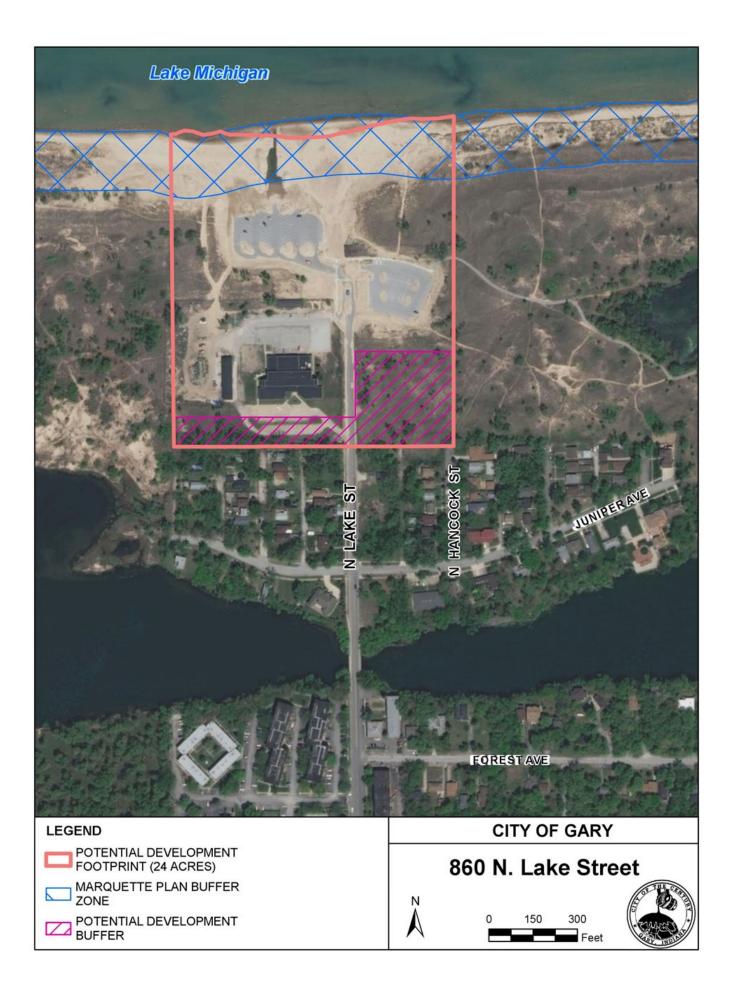
EXHIBIT G-1 SITE PHOTOS AND LOCATION MAPS













NICTD South Shore Line system map ©2019

EXHIBIT G-2 PLANNED LAKE STREET IMPROVEMENTS





EXHIBIT H

REQUEST FOR PROPOSALS FOR ACQUISITION AND DEVELOPMENT OF REAL PROPERTY

The City of Gary Redevelopment Commission will receive sealed bids **until Wednesday**, **June 19, 2019 at 3:00 p.m.** at its office at 504 Broadway, Suite 200, Gary, Indiana 46402 for the purchase of the Properties. Sealed bids will be opened at a public hearing of the City of Gary Redevelopment Commission at 4:00 p.m. on Wednesday, June 19, 2019 at its offices, listed above.

Minimum Offering Price: \$4,250,000

Bids must be accompanied by a full proposal containing the items requested in the Request for Proposals which is available online at <u>https://garyin.us/</u>. The Redevelopment Commission reserves the right to reject any and all bids, to waive any non-substantive formalities and to make the award to the highest and best bidder.

The Redevelopment Commission shall take into consideration the following factors:

- 1) The character of the improvements proposed to be made by the bidder on the real property bid on.
- 2) The bidder's plans and ability to improve the building with reasonable promptness.
- 3) Whether the real property when improved will be sold or rented. If so, the bidder's proposed sale or rental prices.
- 4) The bidder's compliance with I.C. 36-7-14-22(d)(3), if applicable.
- 5) Any factors that will assure the Commission that the sale, if made, will further the execution of the redevelopment plan and best serve the interests of the community.

NAME:

PROPOSER ADDRESS:

SUBJECT PROPERTY ADDRESS:

860 N. LAKE ST. GARY, IN 46403 PARCEL: 45-05-31-201-001.000-004

BID AMOUNT:

SIGNATURE