

DISCLAIMER: THIS IS A **DRAFT** VERSION OF A REQUEST FOR PROPOSALS TO BE ISSUED IN APRIL 2019. UPDATED SITE SPECIFIC INFORMATION AND EXHIBITS MAY BE ADDED AND ADDITIONAL COMMUNITY FEEDBACK WILL BE GIVEN CONSIDERATION DURING THE 30-DAY PUBLIC COMMENT PERIOD. THERE ARE TECHNICAL REQUIREMENTS UNDER INDIANA STATUTE THAT WILL BE ADDED TO THIS RFP PACKET AS WELL AS FORMAL INSTRUCTIONS TO BIDDERS. THIS **DRAFT** CONSTITUTES THE SUBSTANTIVE ELEMENTS AND CRITERIA AS EXPRESSED BY THE GARY REDEVELOPMENT COMMISSION IN ADVANCE OF ISSUING A FINALIZED REQUEST FOR PROPOSALS. **THIS IS NOT A BINDING DOCUMENT.** THIS IS NOT A FINAL VERSION AND IT IS AVAILABLE SOLELY FOR INFORMATIONAL PURPOSES TO GIVE INTERESTED RESIDENTS AND COMMUNITY MEMBERS AN OPPORTUNITY TO REVIEW AND COMMENT PRIOR TO FINALIZATION.

THE GARY REDEVELOPMENT COMMISSION WELCOMES CONSTRUCTIVE FEEDBACK. PLEASE PROVIDE ANY COMMENTS IN WRITING, TO THE FOLLOWING ADDRESSES:

EMAIL: jvandyk@ci.gary.in.us
(PLEASE USE SUBJECT LINE: "LAKE STREET RFP DRAFT")

MAIL/IN-PERSON: City of Gary Redevelopment Commission
c/o Joe van Dyk, Executive Director
504 Broadway, S200
Gary, Indiana 46403

REQUEST FOR PROPOSALS

[site photo]

Lake Street Beach Redevelopment

860 N. Lake Street

Gary, Indiana 46403



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: 23 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-three acres of lakefront real estate adjacent to the Indiana Dunes National Park to the west and Gary’s Marquette Park to the east. The Property is located in Gary’s Miller neighborhood, served by the South Shore commuter rail to Chicago, which is twenty-five miles away from the site; the Chicago skyline is visible over Lake Michigan 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 and its wildlife.

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 seeks to utilize the Property for hospitality/tourism, commerce, and potential eco-tourism, to complement the Indiana dunes and waterfront, while capitalizing on significant year-round traffic. This is a unique opportunity to provide an asset solely available at this location. 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).

Focus on Eco-Tourism: 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 capitalize on our natural assets. A responsive proposal will make the connection between nature and commercial opportunity.

Preservation of Public Access: 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 will remain a freely accessible public right-of-way providing access to the beachfront. 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.

Protection of Existing Dunes and Wetlands: 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.

Attractive, Responsible Design: 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 universal design standards and pedestrian-oriented principles.

Community Connectivity: Project programming should be reflective of the community needs and unmet opportunities. Site redevelopment will support the creation of enjoyable atmospheres for those visiting the Lake Michigan beachfront, and a responsive proposal will consider creative approaches to offering commercial spaces and public utility.

3. Environmental Information.

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 is comprised of existing buildings and infrastructure that may be present, in some form, 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.

The ecological and wetland resources identified on the property are located on the adjacent tract to the east of the Property. That site has experienced limited prior disturbance and has a number of native plants and animal species present. The adjacent parcel is connected to the Property along the beachfront and via the Chanute Trail, with a trailhead at the end of the existing parking lot. The connectivity to this environmentally significant land provides an excellent opportunity for stewardship and enhancement, adding value to the Property to the east.

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

4. 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
- Establish, operate, and maintain foreign trade zones
- Construct, operate, and maintain a railroad
- Promote multi-modal transportation assets, to increase commercial opportunities locally, nationally and internationally

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 Economic Development Area providing potential for the use of Tax Increment Financing. Subject to approval of the Gary Redevelopment Commission, Gary Economic Development 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 district, generally.

5. Zoning.

The development will be regulated as a Use Variance under Indiana development statutes (I.C. 36-7-4), subject to the approval of the Board of Zoning Appeals and Gary Common Council. This will better facilitate redevelopment of the Property and allow for a wider range of uses and flexibility not afforded by traditional zoning code standards.

6. 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

Proposals that include demolition of existing improvements will be considered.

7. Detailed Proposal Requirements.

Responses must include the following:

1. Summary letter describing the proposed development and listing proposed purchase price and contact information followed by a Table of Contents referencing the other components of the proposal.
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 proposed general contractor.
7. A summary of the respondent's approach for the redevelopment of the 860 N. Lake St area that includes:
 - a. Future programming concept and design;
 - b. Project timeline including start and completion dates and other key dates such as securing incentives, etc.
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.
10. Alternative ownership and partner structures to support the unique destination amenity will be considered.
11. Identify all incentives that may be pursued (Note: incentive processes add time. Any development approaches that reduce predevelopment schedule will be given special consideration).
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.

8. 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, evaluate, and score all proposals and interviews based on the criteria and weights defined below. In addition to the selection committee members, non-scoring subject matter experts (SME) 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 scoring items listed below. The aforementioned selection committee shall be formed to evaluate the responses to this RFP. Each member of the selection committee shall score each response to the RFP based on the following:

SELECTION CRITERIA	WEIGHTED %
Experience, Qualifications, and References of the Proposer	20
Suitability and Quality of the Development Proposal	15
Suitability and Quality of the Proposed Financing	20
Innovation and Other Beneficial Proposal Aspects	10
Proposed Land Price	20
Proposal Presentation	10
Locality of the Proposer	5
TOTAL:	100

RFP Timeline:

Week of April 15, 2019: Request for Proposals issued
June 5, 2019: Responses due to City of Gary Redevelopment Commission
Responses opened at a public hearing
June 7, 2019: Notification to responsive bidders in advance of public presentation
Week of June 10, 2019: Responsive bidders will present their proposals at a public meeting
June 19, 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.

9. 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

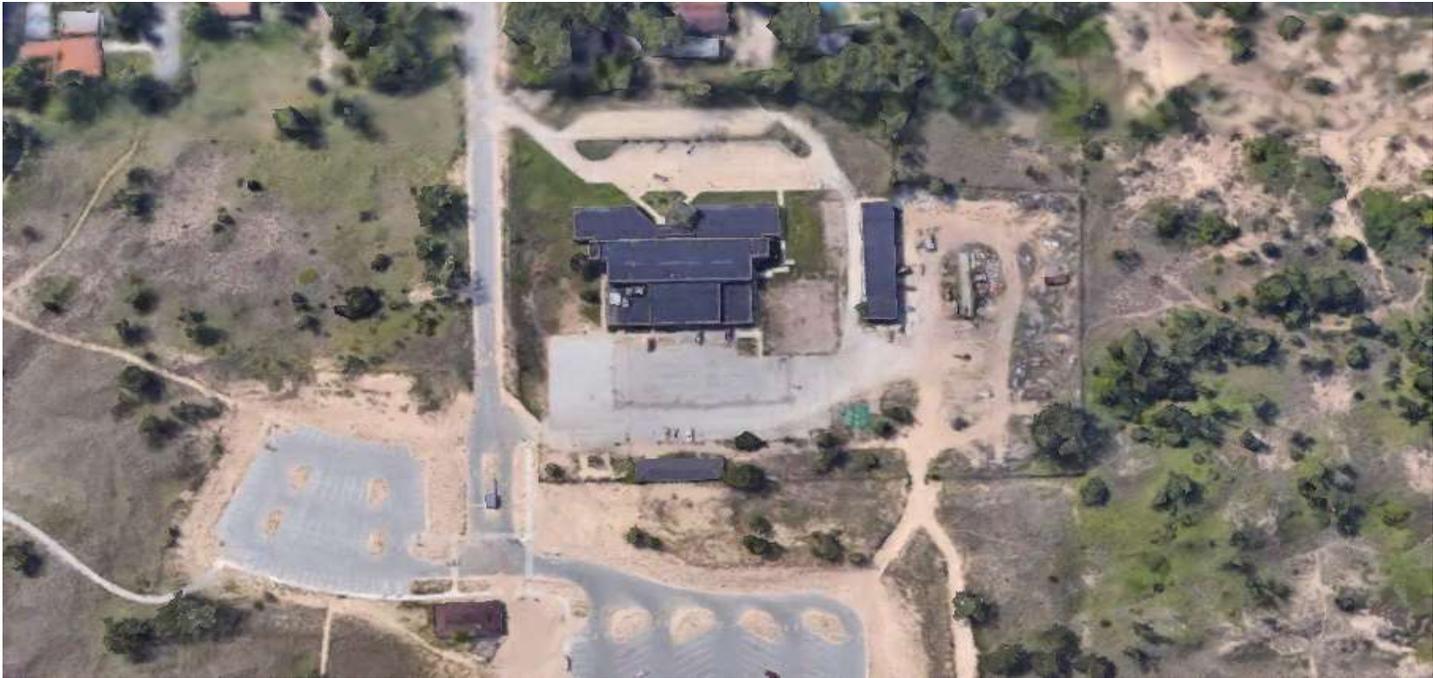
10. Additional Information.

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.

[parcel boundary map TO BE UPDATED SOLELEY TO INCLUDE WESTERN PARCEL AND FINALIZED SITE DIMENSIONS AND SURVEY DETAILS]





[ADDITIONAL SITE PHOTOS TO BE ADDED]

DRAFT - NOT AN OFFICIAL DOCUMENT