REQUEST FOR PROPOSALS

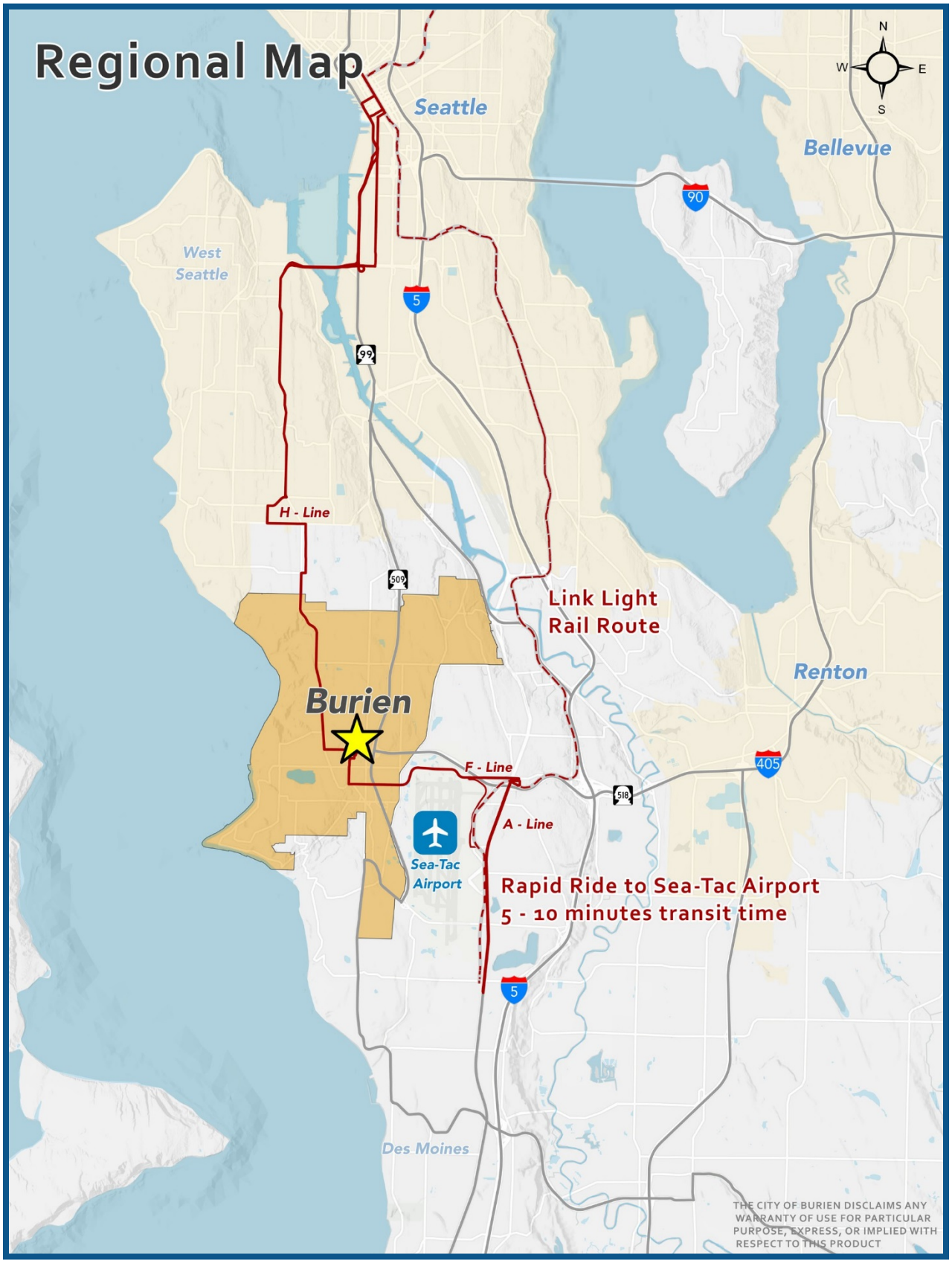
Development of a hotel in the City of Burien



View of Burien in foreground from plane above Sea-Tac International Airport

Responses due November 5, 2018

Burien


Regional Map
N
W
E
S
Seattle
Bellevue
West Seattle
90
5
99
H - Line
509
Link Light Rail Route
Renton
Burien
F - Line
405
518
A - Line
Sea-Tac Airport
Rapid Ride to Sea-Tac Airport
5 - 10 minutes transit time
5
Des Moines
THE CITY OF BURIEN DISCLAIMS ANY WARRANTY OF USE FOR PARTICULAR PURPOSE, EXPRESS, OR IMPLIED WITH RESPECT TO THIS PRODUCT

Request for Proposals
Executive Summary
City of Burien

Opportunity

Development of a hotel on a 1.3 acre City-owned property in downtown Burien. The project may also include any combination of retail, residential, and/or office space.

Location

Burien borders Puget Sound, south of Seattle and west of Sea-Tac International Airport in Southwest King County. The site is immediately accessible to SR 509 and SR 518.

Development Team

Qualified developers must have significant hotel development experience and a demonstrated ability to develop successful, high quality hotels and mixed-use concepts if applicable. Experience working in public/private partnerships preferred.

Timeline

RFP Issued	September 7, 2018
Onsite Q & A	October 10, 2018
Responses Due	November 5, 2018
Hotel Advisory Committee	November 6-16, 2018
Review	November 26, 2018
Finalist City Council Interview	December 18, 2018
Developer Selected by	

Contact Person for Application Packet

Andrea Snyder, Economic Development Manager
andreas@burienwa.gov or (206) 248-5528.

Proposals Due

Due no later than 5:00 p.m. on November 5, 2018 to:

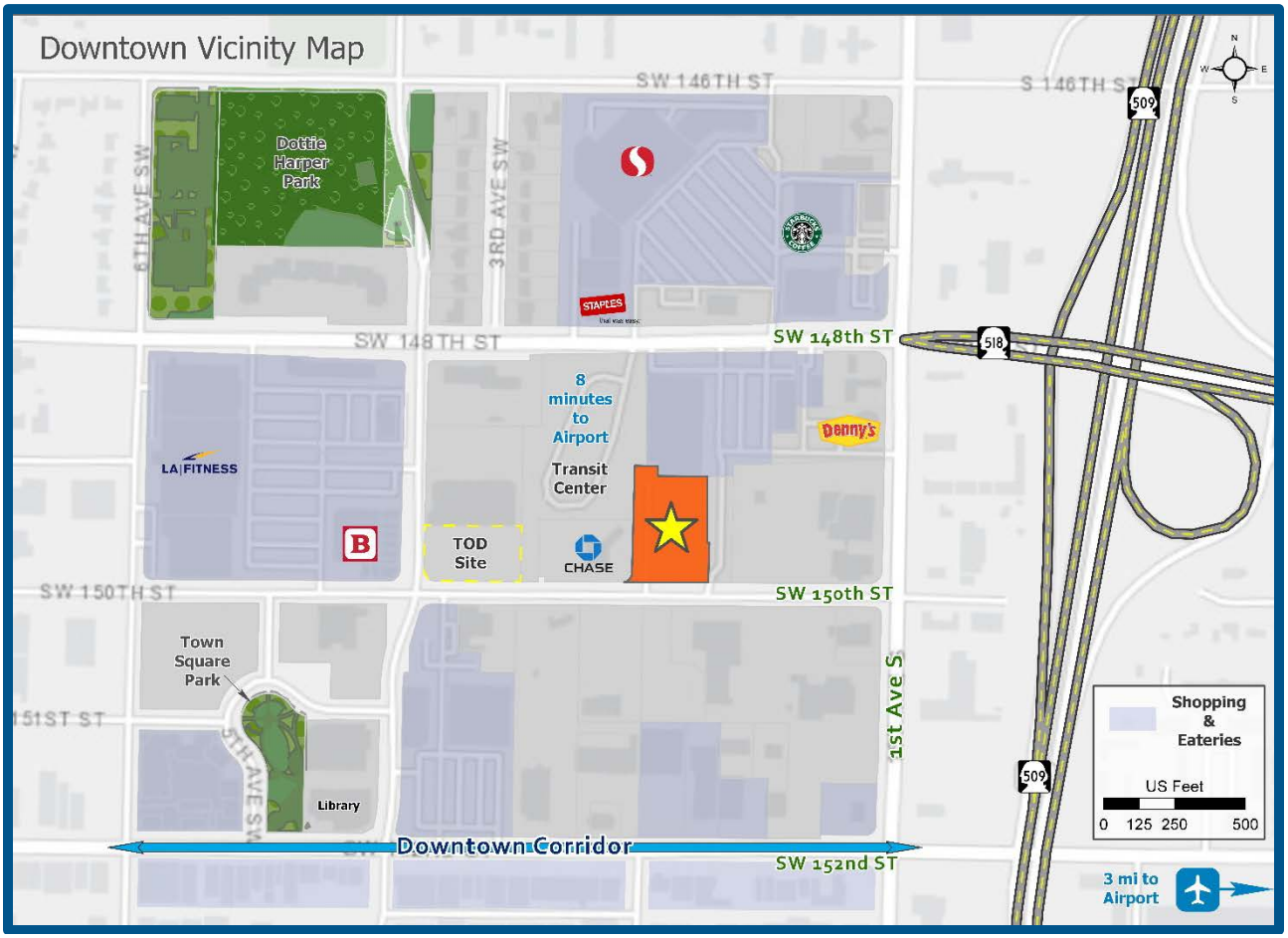
Andrea Snyder
400 SW 152nd St, Suite 300
Burien, WA 98166

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1. Site Information

The 54,000+/- square foot property is located within Burien's downtown commercial zone, adjacent to the Burien Transit Center and planned Burien Transit Oriented Development (TOD). The vacant and cleared site is accessible from SW 150th St., one of the main access routes into Downtown Burien. The site is less than 4 miles (or 7 minutes) from Sea-Tac International Airport's Main Terminal and is ¼ mile from two major freeways—SR-518 providing access to the airport, I-5, and I-405; and SR-509 providing access to Seattle. Depending on the build out, there is potential for visibility from SR 518 exit onto 1st Ave. The site is two blocks NE of the new Burien Town Square development and boasts of views of Mount Rainier to the south. The City completed a land survey in 2005 which can be found on our website.



Highway Access

Burien is connected directly to Sea-Tac Airport via SR 518, which terminates one block from the site. Burien also enjoys direct 20-minute access to Seattle by State Route 509. Washington State Department of Transportation (WSDOT) has approval to connect SR 509 and I-5 just south of the airport. Construction will begin in 2022. (See project website.) While traffic congestion afflicts much of greater Seattle, Burien's location offers faster connections to Seattle's business and industrial areas, including the maritime and air ports.

Sea-Tac International Airport

Sea-Tac International Airport terminals are a brief seven minutes' drive east of this site. Sea-Tac International Airport is the only major airport serving Seattle and Portland metropolitan areas. It is the fastest growing airport in the United States over the past 4 years and continues to grow. Construction for a new international terminal is underway and the Port of Seattle is engaged in a Sustainable Airport Master Plan (SAMP) process in order to accommodate future projected growth of passenger and freight service.

Transit

The Burien Transit Center borders the site, offering two bus rapid transit routes—one to light rail, regional shopping malls, and Boeing's Renton location; and the other to downtown Seattle. Another bus rapid transit line has been approved and is in the planning stage which will provide service along the I-405 corridor.

A future Transit Oriented Development (TOD) is planned for the west portion of the Transit Center property, adjacent to 4th Avenue SW.



Walkability and Downtown Amenities

With a Walkscore of 90, downtown Burien appeals to scrutinizing guests that prefer to have unique and original experiences. Downtown Burien is home to renowned bakeries, small cafés, a craft brewery, grocery stores, pharmacies, a farmer's market, and a diverse range of restaurants representing cuisines from every corner of the globe. There is also a library, a splash park, and a small urban forest all within a 5-7 minute walk from the site.

2. The Project

The City of Burien is seeking a three star or better hotel which will cater to local and airport-related lodging needs. The hotel project should complement existing and planned

development in the area and contribute to a vibrant downtown. Though not required for consideration, the City also welcomes proposals that include:

- Mixed-use projects that incorporate a hotel with residential units, retail space and/or office space;
- LEED Silver or better certification;
- Conference/events space; and
- A maximum number of living wage jobs.

The City plans to sell the site at fair market value (in consideration of land price and/or the monetary equivalent of any public benefits) to a qualified developer, who agrees to execute a formal Disposition and Development Agreement (DDA) for hotel development. It is important to the City that the successful development team shares the City's objective in creating quality jobs for the Burien community. Therefore, the City will require that the successful candidate has a registered Washington State apprenticeship program and that the candidate promotes women and minority owned firms.

3. Development Standards

The site is zoned Downtown Commercial (DC). The maximum height limit for that zone is five (5) stories and maximum floor area ratio (FAR) is 3.5. Increases in height up to twelve (12) stories and increases in floor area ratio of up to 7 are permitted through the provision of public benefit features as outlined in BMC 19.15.025.1. The Downtown Commercial zone allows a wide variety of land uses including hotels, retail, office, restaurants and unlimited residential density. The City has also adopted Design Guidelines for the downtown zone in BMC 19.47. The City follows an administrative design review process; there will be no public design review process for this project. The City utilizes the 2015 International Building Code (IBC) and all current construction codes can be accessed on the City's website. All development standards, downtown design guidelines and related Comprehensive Plan policies are available on the City's website at (www.burienwa.gov).

Development on this site is exempt from SEPA. The City of Burien has established a SEPA categorical exemption for new residential or mixed-use projects that are consistent with the Comprehensive Plan's intent to increase residential density within Burien's Urban Center (including Downtown Burien) in BMC 14.10.040(2).

4. Burien's Hotel Market

In 2016, the City hired CBRE to conduct a hotel study analyzing the latent demand for lodging within the City of Burien. The study demonstrated that Burien demand alone justifies an 85-100 key midscale hotel. The hotel study did not take into consideration the demand generated by Sea-Tac International Airport. See the study for details on Burien's local demand drivers.

For a more complete and updated glimpse about Burien's hotel market, the July 2018 STR report for the SeaTac, Tukwila, and Des Moines area includes 53 properties and shows lodging demand holding steady despite the increased supply. (See table below.)

The City of Burien currently partners with the Seattle Southside Regional Tourism Authority (RTA) on promoting Burien to visitors. The Seattle Southside RTA has an annual budget of $5.5 Million which they use to promote the region and encourage hotel stays. The RTA works with area hoteliers within the Tourism Promotion Area (TPA) on booking conferences, sports tournaments, and increasing the overall market share of the SeaTac area hotels. The RTA, which represents about 10,000 hotel rooms, reports that occupancies in airport-area hotels mirror those of downtown Seattle.

STR Summary Report			
	2016	**2017**	**2018**
Occupancy (%)	78.4	81.2	80.3
ADR	118.85	125.72	127.55
RevPAR	93.15	102.03	102.46
Supply	1,666,129	1,681,272	1,687,822
Demand	1,305,931	1,364,402	1,355,730
Revenue	155,207,022	171,532,510	172,926,668
*All numbers are year-to-date for July			

5. Burien Community Information

Burien's location in Puget Sound's dynamic commercial corridor makes it an ideal setting for businesses, employees and residents. The City has a diverse population of 51,000 calling this waterfront community home.

"If cities had coming-of-age parties, this would be Burien's." –Marc Stiles, PSBJ

The top industry in Burien is health care, with the Highline Medical Center as one of Burien's lodging demand generators mentioned in the hotel study. There are also major national brand clinics such as CHI Franciscan and Kaiser Permanente as well as private practitioners that serve southern Seattle and the greater Burien area. Among the top 5 industries are retail and food services, which points to Burien's wealth of restaurants and amenities – and the availability of work force for a hotel concept.

Burien's Downtown

The downtown area has a rich history as a celebration and services destination for the Highline area for more than 50 years. By attracting customers and entrepreneurs with its easy access, Burien is the center for small business and is increasingly known as the foodie paradise of the south Seattle area. As the preferred dining location for airport personnel, airport users with baggage in tow is a common sight downtown. Cultural amenities abound, such as the Northwest Symphony Orchestra, the Burien Actor's Theatre, and various sports playfields which are all within walking distance from the hotel site.



Development Success in Burien Town Square

Burien's Town Square project was completed in 2017 with the addition of the Maverick Apartments and Merrill Gardens, adding 350 high-end luxury residential units. Both complexes experienced fast paced leasing. Fully leased before opening, the Burien Merrill Gardens is their fastest leasing project. The Maverick Apartments were 76% leased two months after opening, and its current average effective rent is $2.52/square foot.

6. Development Incentives

Opportunity Zone

Downtown Burien has been designated an Opportunity Zone in accordance with the Investing in Opportunity Act, which incentivizes new investments by providing deferment and potential relief from capital gains tax obligations. For more information on this new incentive, please see https://eig.org/opportunityzones or https://www.enterprisecommunity.org/policy-and-advocacy/policy-priorities/opportunity-zones-program

Multi Family Tax Exemption (MFTE)

For mixed-use hotel concepts that may include residential development, the City of Burien has a generous MFTE policy that encourages residential development and density in the downtown. New multi-family construction in the downtown can experience a relief from local property taxes for 8 years. Multi-family projects that incorporate affordable housing may receive a local property tax exemption of up to 12 years. For more information, see Burien Municipal Code 19.45.

Expedited Permit Timelines

Once the DDA has been finalized by both parties, the City is committed to providing an expedited review for this project, with land use review to be complete within 60-90 days of complete application and first review comments on building permits available within 8-10 weeks, based on previous projects. The City of Burien has an administrative design review such that the developer team will work directly with city staff to apply the design guidelines and is not subject to a public design committee process. Also as mentioned previously in this document, there is no SEPA review needed for this project.



7. Projected Timeline & Process

RFP Issued	September 5, 2018
Onsite Q & A	October 10, 2018, 3 - 4pm
Responses Due	November 5, 2018
Hotel Advisory Committee Review	November 6-16, 2018
Finalist City Council Interview	November 26, 2018
Developer Selected by	December 18, 2018
DDA Approved by City Council	April 2019

The City of Burien is a responsive government entity and is interested in an accelerated process that facilitates timely execution of the contract and construction process. Timelines after responses are due are estimated and may change or accelerate based on the needs of the finalist(s) or the City of Burien.

Hotel Advisory Committee

An advisory committee has been established including City staff, business leaders, and residents. The committee represents a range of expertise in real estate, hotel development, hotel management, financing, planning, and other relevant areas.

Once the responses are received, the advisory committee will review the responses and evaluate them based on the selection criteria established herein. More information may be required from the respondents. Some candidates may be invited to individual interviews with the advisory committee. The City may select one or more finalists to submit and negotiate more fully developed responses. The advisory committee will recommend final candidate(s) to the City Council for its decision. The City Council will interview the final candidate(s). The respondent selected by City Council will be given exclusive rights to negotiate with the City.

General Information

Developer selection and potential real estate transactions are subject to Burien City Council approval. All questions regarding this RFP should be directed to:

Andrea Snyder
Economic Development Manager
City of Burien
andreas@burienwa.gov
206-248-5528

8. Terms and Conditions

If, at any time, negotiations with any selected party are not proceeding to the satisfaction of the City, the City may, in its sole judgment, terminate the discussions and select another party with whom to conduct negotiations.

The City assumes no responsibility for delays caused by the U.S. Postal Service or any other delivery service. Late responses will not be accepted nor will additional time be granted to individual respondents unless the RFP extends the required submittal date for all respondents.

The City will not be liable for any costs incurred by any respondents in the preparation and presentation of responses to this RFP or in the participation in negotiations or any other aspect of this RFP process.

All firms or individuals doing business with the City of Burien shall have all required State of Washington licenses. Selected respondent will be required to have a City of Burien Business License.

The City reserves the right to reject any or all responses at any time with no penalty and to waive immaterial defects and minor irregularities in responses. The City reserves the right not to select any of the respondents. Responses that fail to address each of the items identified in the materials section of this document will be considered incomplete and therefore will not be considered.

All responses and accompanying documentation will become the property of the City. Respondents should be aware that the City is required by law to make their records available for public inspection, with certain exceptions (see RCW Chapter 42.56). Respondents should mark materials they deem confidential or proprietary. Should the City receive a request pursuant to RCW 42.56 for disclosure of material marked confidential or proprietary, the City will provide written notice to the Respondent of the request and the opportunity for Respondent to obtain injunctive relief preventing release of the information.

Miscellaneous Process Considerations

Responses must include sufficient supporting material for City staff to evaluate. The City reserves the right to disqualify a response due to insufficient supporting or explanatory information or to request additional supporting information.

References may be checked for all parties identified under qualifications and experience of the respondents.

Respondents may submit more than one response to this RFP. However, each response must be a separate, complete package that can be considered independently of any other response from the same respondent.

The City may amend or revise the RFP as a result of questions submitted by potential respondents or for any other reason that causes the City to believe it would be in the best interests of the City to do so.

Such amendments or revisions will be sent to all persons or firms that have been provided copies of the RFP.

9. Submittal Requirements

Submission Date and Location

The deadline for proposal submittals is 5:00 p.m. on November 5, 2018. Any submittals arriving thereafter will not be accepted. Original and nine copies of the materials should be submitted to:

Andrea Snyder
Economic Development Manager
City of Burien
400 SW 152nd St, Suite 300
Burien, WA 98166
andreas@burienwa.gov

Materials

Original and nine copies of the following:

1. Project Concept Description, including:
   a. Project vision;
   b. General development concept (this should consist of a narrative description and concept level visual depictions and preliminary site plan);
   c. The proposed hotel brand/flag if known;
   d. Project development timeline, including desired timelines for design, construction, and land purchase identified;
   e. Incorporation of the City objectives in the development concept, with a discussion of how the development concept meets the objectives; and
   f. Job and wage information, including estimated number of construction jobs and permanent jobs, estimated average wages, and goals for hiring women and minority owned firms.

2. Purchase offer including land price and any public benefits planned for the project that the City should consider. By law, the City must sell city land for market value, unless there are other benefits provided to the public that would have an equal or greater monetary value as part of the purchase agreement. Examples of public benefits are noted in the Burien Municipal Code Table 19.15.025.1, but this is not an exhaustive list and the City welcomes creative proposals. (Note: the purchase offer is subject to further negotiation during the DDA negotiations process.)

3. Qualifications and roles identified of key team members including
   a. Development partners, equity partners, and technical partners (architects, engineers, etc); and
   b. Identification of the person or persons with the authority to represent and make legally binding commitments on behalf of the team.

4. Portfolio of up to five (5) related projects, with the team member roles in each project identified and:
    a. Project name and location;
    b. Description of project size and scope, including number of rooms, units, and square feet;
    c. Total project cost;
    d. Date construction began and was completed;
    e. Contact information for the primary public official who worked with the developer on the project; and
    f. Brief description of any public outreach or how public input was incorporated into the project.

5. Names and phone numbers of relevant references and clients, including lender references and other information that demonstrate the financial capacity of the developer and development partners.

Format
Submittals should be in the form of 8-1/2" x 11" for text portions. Graphics that are larger than 11" x 17" should be folded to 8-1/2" x 11". Please provide electronic files (PDF) of all documents.

10. Selection Criteria

The Hotel Advisory Committee will evaluate the proposals on a system of 100 points, based on the following criteria:

Project & Design Concept (40 Points)
Projects that demonstrate a high quality design and align with city goals as identified in Section 2 of this RFP and in the City's Comprehensive Plan, and projects that maximize employment opportunities will score the maximum points.

Price and purchase offer (25 Points)
The most competitive proposals will offer a fair price and substantiation of that price, as well as a description of any other public benefits included with the project.

Proven Ability to Execute (25 Points)
Developers that demonstrate through their portfolio, team qualifications, and references their ability to execute a quality project will score the maximum points.

Schedule (10 Points)
The City is committed to delivering this product quickly in order to take advantage of a favorable market. Proposals that show realistic but aggressive schedules will achieve a favorable score.