

# TOWN CENTER HOTEL

FEDERAL WAY, WASHINGTON  
TOWN CENTER HOTEL REQUEST FOR PROPOSAL



February 12, 2016

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## INTRODUCTION

The City of Federal Way, Washington invites written proposals for the development, financing, design, construction, and operation of a hotel(s) adjacent to the City of Federal Way's Performing Arts and Event Center.

Proposals are solicited in accordance with the terms, conditions, and instructions as set forth in this Request for Proposal ("RFP").

### Overview

The deadline for submitting the response to this RFP is 5:00 pm (PST) April 15, 2016. Proposals will be accepted via hand delivery or mail delivery. (If mailed, the proposal must be received by the City of Federal Way by this date and time). Proposals will be time stamped at City Hall and must be sent to:

Tim Johnson  
Director, Economic Development  
City of Federal Way  
33325 8th Ave South  
Federal Way, WA 98003-6325

Late proposals will not be accepted.

- Faxed or emailed proposals will not be accepted.
- The City of Federal Way is not responsible for submissions not properly identified.
- Respondents to this RFP must submit the following in a sealed package identified as the "Town Center Hotel Proposal":
  - The Proposal shall be submitted with one (1) bound copy as the original and one (1) unbound and one (1) copy in a digital format on either a thumb drive or CD and shall include:
  - Requested sources of financing and estimated job information;
  - All requested project descriptions, renderings and site plans for hotel

**NOTE:** A site visit will be available upon request up until April 1, 2016

Any and all questions regarding this RFP must be sent by March 31, 2016 directed to:

Tim Johnson  
Director, Economic Development  
City of Federal Way  
33325 8th Ave. South  
Federal Way, WA 98003-6325  
[Tim.Johnson@cityoffederalway.com](mailto:Tim.Johnson@cityoffederalway.com)  
253-835-2412

The City of Federal Way reserves the right to reject any and all proposals or to accept any proposal deemed to be in its best interest. The City of Federal Way shall not be obligated to enter into any contract with any respondent on any terms or conditions.

## EXECUTIVE SUMMARY

### The Vision

For years, citizens have asked: “When is downtown going to be revitalized?” The answer is now. Now is the time. We are taking bold action – and prudent risks – to make good things happen.

***“Vision without action is just a daydream.”***

Federal Way residents tell me that they dream of a thriving local economy with a great quality of life and a place where families want to live, work, attend school and play.

To achieve this, the City Council and I began the process of creating what is called the Town Center. It is a Transit Oriented District and “Place Making” Center. The proposal to build a hotel is part of this vision, to create a center- a *heart of Federal Way*.

The anchor and focal point of this development is the city’s Performing Arts and Event Center. The Center is a 41,000 sq. ft. multi-purpose facility on three acres that includes a 700 seat plus theater and 8,000 sq. ft. for arts, cultural, educational and community activities. Construction began in October 2015 and is expected to be completed by the summer of 2017.

Additionally, in November of 2014, the City Council and I voted to acquire 7.48 acres adjacent to the Center. The purpose for the acquisition is to further redevelop the downtown through a mixed use development. The vision includes hotel development adjacent to the Center along with the construction of building space for restaurants, specialty retailers, galleries, and studios. In addition, space will be provided for office space and housing. Residents will have views of the majestic Mt. Rainer and the imposing Olympic Mountain Range. Capping it all off, the City is constructing adjacent to this, a 4 acre park site known as the Town Square Park(completion summer 2016) will enhance the development by providing open space for visitors and residents alike

Combined with the existing Federal Way Transit Center, there are nearly 21 acres to create a Transit Oriented District and “Place Making Center” in the effort to grow and revitalize Federal Way’s downtown.

The hotel is a significant component of the Town Center, specifically as it too acts as a magnet and supports activity in the downtown

As the Japanese proverb goes, “vision without action is just a daydream.” Town Center will be the catalyst for an economic renaissance that is already transforming the core of our city. I hope that you will join us on this exciting journey to build the “Heart of Federal Way.”

**Jim Ferrell**  
**Mayor**  
**Federal Way, WA**



**Purpose and Intent**

The City of Federal Way is issuing a Request for Proposals (“RFP”) for the purpose of seeking experienced and interested individuals and/or parties willing to purchase acreage from the City of Federal Way’s Town Center Phase III for the purpose of developing and operating a hotel(s) adjacent to the City’s Performing Arts and Events Center, (PAEC).

**Background**

The City of Federal Way, Washington (92,000 population) located in the Seattle/Tacoma metro area along Interstate 5, is seeking interest from individuals or businesses in the development of a hotel(s) adjacent to the City’s Performing Arts and Event Center as a part of the nearly 21 acre Transit Oriented Development known as the Town Center project. The Town Center will be the heart of Federal Way, which includes the City’s existing “Transit Center” served by Sound Transit, King Metro Transit and Pierce County Transit. This area is also the planned home for the new light rail station (construction date yet to be determined).

The City is in the midst of constructing a 41,000 sq. ft. performing arts and multi-purpose facility built on three acres that includes a 700 plus seat theater and 8,000 sq. ft. of exhibit space for arts, culture and education. It is scheduled for opening in summer 2017.

It is the hope of the City to have adjacent to this facility an “Upscale” or “Upper Midscale” hotel(s), meaning a dual product will be considered by the city due to price and product segmentation, along with cost efficiencies. The City has set aside 1.3 acres for the hotel(s) plus another half-acre for a reciprocal easement agreement with the City for hotel and PAEC parking. However, the City is open to discussion of the acreage needed based upon each individual proposal.

Additionally, these facilities will be combined with adjacent properties of approximately 5 acres, for the development of a mixed use center. The effort envisions a dense mix of uses including office, housing, specialty retail, including space for studios and galleries, restaurants along with other specialty food and beverage facilities, educational/classroom space and civic uses.

The theme for the Town Center consists of encouraging strategic investment in a compact environment that contains a variety of uses and creates a unique sense of place.

In addition, the City has also begun construction of a 4- acre park adjacent to the site scheduled for opening summer of 2016.

**Demand for a Hotel**

The City commissioned a study, hiring HVS Consulting to prepare a report that examined the demand for a hotel. The report (available in the Addendum), illustrates the demand for an estimated 100 room “Upper Midscale” hotel. The report identifies that within the competitive market segment there is nearly 75 percent occupancy in the area. As identified above, the City has set aside property for the development of a hotel adjacent to the Performing Arts and Event Center.



**Location**

The location of the site is immediately to the east of the Performing Arts and Event Center which is located at the southeastern corner of South 316<sup>th</sup> and Pete Von Reichbauer Way (formerly 20<sup>th</sup> Ave South). The site for the hotel is parallel to the Performing Arts Center and will be accessible by motor vehicle from South 314<sup>th</sup> Street.

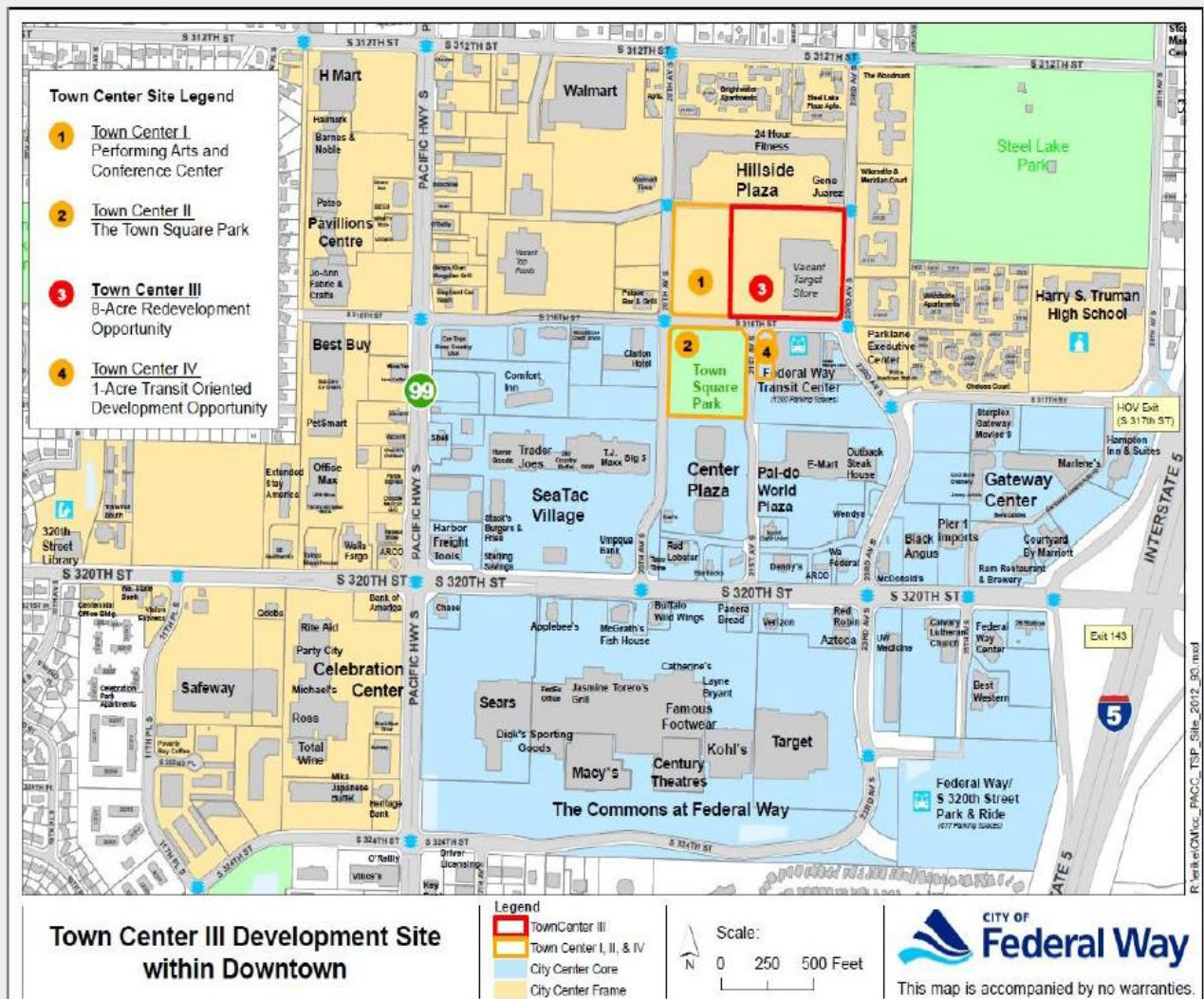
- The Property's current address:  
2141 S. 314<sup>th</sup> Street, Federal Way, WA 98003
- Assessor Parcel Number:  
092104-9017
- LEGAL DESCRIPTION: Real property in the County of King, State of Washington, described as follows:

LOT 4 OF KING COUNTY LOT LINE ADJUSTMENT APPLICATION NO. 8611006, AND AS SHOWN AND SO DESIGNATED ON THAT CERTAIN RECORD OF SURVEY RECORDED IN VOLUME 52 OF SURVEYS, PAGES 220 AND 220A, UNDER RECORDING NUMBER 8612129019, IN KING COUNTY, WASHINGTON; EXCEPT THAT PORTION CONVEYED TO KING COUNTY FOR SOUTH 316TH STREET BY DEED RECORDED UNDER RECORDING NUMBER 20020429001853.

- Owner of Record:  
City of Federal Way
- Property Dimensions:  
Approximately 604' x 540'.
- Land Area:  
7.48 acres (326,005 square feet) See Map A & B

Sources: King County Assessor and Recorder's Office websites

## Map A. Development Phases of Town Center



### Zoning

The site for the hotel is located in the City Center Frame zoning district. This zone allows medium dense, urban character mixed-use development. The “Frame Zone” allows hospitality, restaurant, retail, office, civic, residential and other uses. Hotels are allowed to a height of 65 feet with the potential for additional height upon meeting specific criteria (See City Center Frame Design Guidelines).



## Map B. Location of Town Center III





### Preferred Hotel Location

The City of Federal Way has taken the liberty to illustrate how a hotel(s) can fit on the site. Map C illustrates that the footprint is 1.8 acres. The City has set aside 1.3 acres for the hotel(s) plus another half-acre for a reciprocal easement agreement with the City for hotel and PAEC parking. However, the City is open to discussion of the acreage needed based upon each individual proposal.

The City recognizes that proposals for dual brands to meet price and market needs maybe submitted, hence the opportunity for discussion on the footprint required. However, this configuration illustrates a simple site plan for the hotel and connectivity to the front door of the PAEC which is located on the southern end of the building.

### MAP C. Footprint of City's Preferred Hotel Location



## PROPOSAL REQUIREMENTS

### Time Schedule

The City will follow the following timetable for solicitation, receipt, evaluation, and selection of a Hotel/Operator Developer:

Issue RFP	February 12, 2016
Last Day for City to take Questions on RFP	March 31, 2016
Last Day for City Hosted Appointments	April 1, 2016
Deadline for Submittal of Proposals	April 15, 2016
Proposal Presentations to Mayor/City Council	May 3, 2015
Public Testimony on Proposals	May 17, 2015
Selection of Master Developer	June 7, 2015*
City/Developer Negotiations	June/July, 2015*
Mayor/City Council Approval	[TBD]*

\*Tentative dates. The City may amend these dates at its sole discretion. But will notify parties in advance of any changes.

Proposals will be reviewed by City staff, Mayor and City Council. It is anticipated that applicants should be available for subsequent in-person or phone interviews.

Should your proposal be selected, you should be prepared to make a public presentation on your proposal at the first or second meeting in May 2016. Those identified proposers will have 30 minutes to make a presentation on their proposal before the Mayor and City Council at a Special Meeting.

The presentation before the Mayor and City Council will be televised. It is advised that the applicant provide not only conceptual drawings but also a digital version(s) that can be used in the television production and presented on monitors in Council Chambers.

The Mayor and City Council will take public testimony on the proposals at their next regularly scheduled meetings in May/June. Then the Mayor and Council can make their decision at their next meeting in June.

## Instructions to Proposers

- A. All proposals must be received by mail or hand delivered to:

Tim Johnson  
Director, Economic Development  
City of Federal Way  
33325 8th Ave South  
Federal Way, WA 98003-6325  
(253) 835-2412

[tim.johnson@cityoffederalway.com](mailto:tim.johnson@cityoffederalway.com)

Any questions concerning the City's specifications or request process shall be directed to the contact above.

- B. All proposals and the box or envelope used to transmit the proposal must be clearly marked with your company name and "Town Center Hotel Proposal."
- C. All proposals must be received by Friday, April 15, 2016 at 5:00 p.m., at which time they will be opened. Please provide one (1) original and one (1) unbound copy of the proposal and one (1) copy in digital format on either a thumb drive or CD. No faxed, telephoned, or emailed statements will be accepted.
- D. Emphasis should be on completeness and clarity of content. Use of recycled paper for requests and any printed or photocopied material created pursuant to a contract with the City is desirable whenever practicable. Use of both sides of paper sheets for any submittals to the City is desirable whenever practicable.
- E. All proposals must be organized and identified with Sections, consistent with the submittal requirements as outlined below. Submittals must consist of 8 1/2' x 11' and 11'x17' fold outs if necessary.



## Submission Order

1. Executive Summary of Proposal
  - A. Provide a summary letter that introduces your firm, or team, stating your specific interest in the Town Center Hotel project, outlining your firm or team's experience and qualifications, summarizing the hotel development and operations proposed.
2. Table of Contents
3. Company and Team Member Information including:
  - A. Descriptions of each component partner of the proposing entity, including history, size of hotel portfolio, locations of hotels, markets or communities served and executive leadership.
  - B. Previous experience working with local governments on hotel development including background and project references.
  - C. Name, address, contact information and all relevant background information including experience on similar projects of the project team members.
  - D. The roles and responsibilities for each team member including architects, engineers, contractors, potential equity and debt partners, and others as appropriate.
  - E. The primary point of contact who can answer any questions posed by the City regarding aspects of the proposal.
4. Provide conceptual plans relating to your firm's proposed development concept to include:
  - A. Project site plan, exterior elevations, dimension of site and building(s) and dimensions.
  - B. Identification of footprint (square footage and acreage of property required).
  - C. Presentation of proposed major building material, finishes, and colors.
  - D. A rendering(s) of hotel on site.
  - E. A description of how the hotel will physically connect to the Performing Arts and Community Events Center. Please map.
  - F. A landscaping plan and designation of public and semi-public areas including addressing a city concept of a 60-foot wide promenade across the southern portion of the property and pedestrian connectivity from the hotel to a City proposed "Grand Staircase" on the southern portion of the property.

- G. Identify parking requirements for hotel and how you plan to address them either through a reciprocal agreement or through on site design or other means.
  - H. Provide vehicular and pedestrian circulation patterns, including parking lay-outs.
  - I. Provide timeline(s) for project development. Describe any expected development phasing. e.g., preconstruction, construction and post construction.
  - J. Provide references from other communities related to your previous projects. Provide contact information, address, phone and e-mail.
5. Provide conceptual plans relating to your firms proposed operational concepts to include:
- A. Identify amenities to be provided, for example; pool, fitness center, business center, conference rooms - number and size, bar, restaurant and lobby size.
  - B. Provide thoughts on synergies with the Performing Arts and Event Center and hotel on such as food and beverage, room block arrangements and event coordination.
  - C. Describe the type of brand(s) e.g., dual brand to meet pricing and product segmentation or (if any) and its corresponding rate structure.
  - D. Describe the breakdown of hotel room mix by category and types of room e.g., king or queen suites, conference suites, one and two bedroom, extended stay.
6. Sources of Financing and Economic Information.
- A. Identify Funding Sources to be utilized for the development and operations
  - B. Estimates of construction and hotel part-time, temporary and full time permanent jobs
7. Provide examples of how your firm has help promote tourism in the communities where your hotels are located.
8. Pricing for the property will be negotiated at \$30 to \$34 per square foot. Identify your interest in this range.

## SELECTION PROCESS

### Ranking Criteria

The following criteria will be considered in the evaluation of your proposal:

1. Demonstrated relevant experience
2. References
3. Type of hotel brand(s) or product
4. Amenities offered
5. Financial capacity to purchase property and perform development proposal
6. Professional qualifications
7. Quality of information submitted in response to the RFP
8. Evaluation of past projects and performance, e.g., ability and history of successfully completing projects of this type, and meeting project deadlines
9. How the proposal creates a physical connection to the Performing Arts and Events Center
10. How the proposal addresses synergies between the hotel and Performing Arts and Events Center, e.g., food and beverage, room block arrangements and event coordination
11. Timeliness of implementation of the hotel development in concert with opening to Performing Arts & Event Center
12. Ideas towards connectivity of property to the rest of the Town Center, e.g., vehicular and pedestrian access and circulation
13. How the proposal addresses parking
14. How the proposal addresses city code related to height
15. How the proposal addresses quality of building design
16. How the proposal addresses quality of building products
17. How the proposal will address the concept of a 60-foot wide promenade across the southern portion of the property.
18. How the hotel proposal will address pedestrian connectivity to the city proposed "Grand Staircase" on the southern end of the Town Center Development
19. Purchase price for property
20. Commitment to Federal Way and promotion of Tourism

The top ranked proposal will result in the selected applicant becoming the "Selected Hotel Developer/Operator."



## TERMS AND CONDITIONS

The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal, and to select the firm that, in the City's sole judgment, best serves the City's interests.

The City reserves the right to request clarification of information submitted, and to request additional information from any proposer.

The City reserves the right to amend this RFP. If a conflict exists between amendments, or between an amendment and the RFP, the document issued last shall take precedence.

Any contract between the Selected Hotel Development/Operator and the City shall be in a form supplied or approved by the City, and shall reflect the specifications in this RFP. A copy of a contract is available for review and shall include requirements to comply with ADA, Civil Rights Act, and EEO requirements. The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP, and which is not approved by the City Attorney's office.

The City, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation issued pursuant to such Act, hereby notifies all proposers that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises as defined at 49 CFR Part 26 will be afforded full opportunity to submit an RFP in response to this invitation and will not be discriminated against on the grounds of race, color, national origin, or sex in consideration for an award.

The City shall not be responsible for any costs incurred by the firm in preparing, submitting or presenting its response to the RFP or any other expenses incurred while the selection process is underway. These costs are the sole obligation and responsibility of the applicant. The City shall not be liable for any real estate commissions or brokerage fees that may arise because of the development team selection process.

The information in this RFP has been prepared with care, but mistakes are always a possibility; therefore, it is each proposer's responsibility to perform its own review and due diligence of the facts and assumptions that are identified. Information provided with this RFP is provided only for general information purposes. It is not warranted to be accurate or complete. Each competing proposer is responsible for independent verification of any and all information.

Additionally, the Town Center development has utilized federal funds for construction of public amenities, and these funds require that the city and its development partners meet certain job creation targets for low and moderate income persons. The private development portions of the project are expected to create approximately 35 full time equivalent positions over the first three years of operation. Fifty one percent (51%) of the positions must be held by or made available to low and moderate income residents. The successful hotel developer, and/or operator, will be required to work with the City to document the creation of these jobs and their availability to low and moderate income residents through semi-annual reporting that documents the recruitment, hiring and retention of targeted residents. The terms of this program shall be incorporated into the agreement between the City and the successful hotel developer/operator.

## **DEVELOPMENT NEGOTIATION PROCESS**

The Selected Hotel Developer/Operator will be invited to enter into a collaborative pre-development process based upon the Selected Hotel Developer/Operator Proposal.

The Selected Developer/Operator will negotiate with the City to reach mutually agreeable terms for the acquisition and development of the site.

It is anticipated that a successful negotiation will result in:

- A Memorandum of Understanding that will later be finalized in a Purchase and Sale Agreement with Development Covenants.
- The sale of the property from the City.
- Any negotiations as it may pertain to leaseback agreement, for example, an agreement with the City for parking for the PAEC.
- Other documents necessary to effect this transaction.

If negotiations with the Selected Hotel Developer/Operator are not successful, negotiations will be terminated and new negotiations will begin with the next ranked Selected Hotel Developer/Operator Finalist; or, the City may determine in its sole subjective discretion to terminate the process entirely.

## **ADDENDUM/REFERENCE MATERIALS**

Due to size, reference materials and documents are available online identified as Addendum at the Homepage of [www.cityoffederalway.com](http://www.cityoffederalway.com)

- A. Community Design Guidelines-City Center Frame Zone
- B. HVS Study
- C. Comprehensive Plan- Downtown Element
- D. City Center Planned Action Final SEIS and Addendum #2
- E. Photo - Aerial of Site
- F. Ground photos, General Overview of Location for Hotel and surrounding area
- G. Central City Frame Design Guidelines
- H. Matrix of Hotel Regulations
- I. Diagrams and Renderings of Performing Arts and Event Center