



# Request for Proposal - Development Opportunity Atlas Mill Site Coeur d'Alene, ID

- Single-Family
- Multi-Family
- Retail
- Office
- Hospitality

## Property Quick Facts

- **Location:** Along the Spokane River
  - *10 minutes* from downtown Coeur d'Alene
  - *40 minutes* from Spokane, WA
- **Total Land Area:** ~55 Acres
- **Zoning:** C-17 with PUD
- **Projected Yield**
  - *Single-Family* ±60 to 80 lots
  - *Townhomes* ±100 to 200 units
  - *Lowrise MF/Condo* ±200 to 350 units
  - *Office* 4 Acres (40,000 SF)
  - *Retail* 2.75 Acres (70,000 SF)



# Development Opportunity

The Atlas Mill Site (“Site”, “Property”) offers a rare opportunity to develop within a new mixed-use community on desirable riverfront land adjacent to the Spokane River in beautiful Coeur d’Alene. The Property was the former site of the Atlas Mill and is one of the few remaining development sites of scale along the river. The Property’s C-17 zoning designation, with desirable PUD zoning modifications, allows for a variety of housing types, along with office and retail uses. With its size and close-in location, **the Atlas Mill Site is the premier development opportunity within the Coeur d’Alene market.**

The Property is owned by the City of Coeur d’Alene (“City”) and has been designated an urban renewal area managed by ignite cda (Coeur d’Alene Urban Renewal Agency). The Site development and remediation work will be funded or developed by ignite cda. The City plans to transfer the developable areas to ignite cda to market various development opportunities on the Site, as site development and remediation progresses.

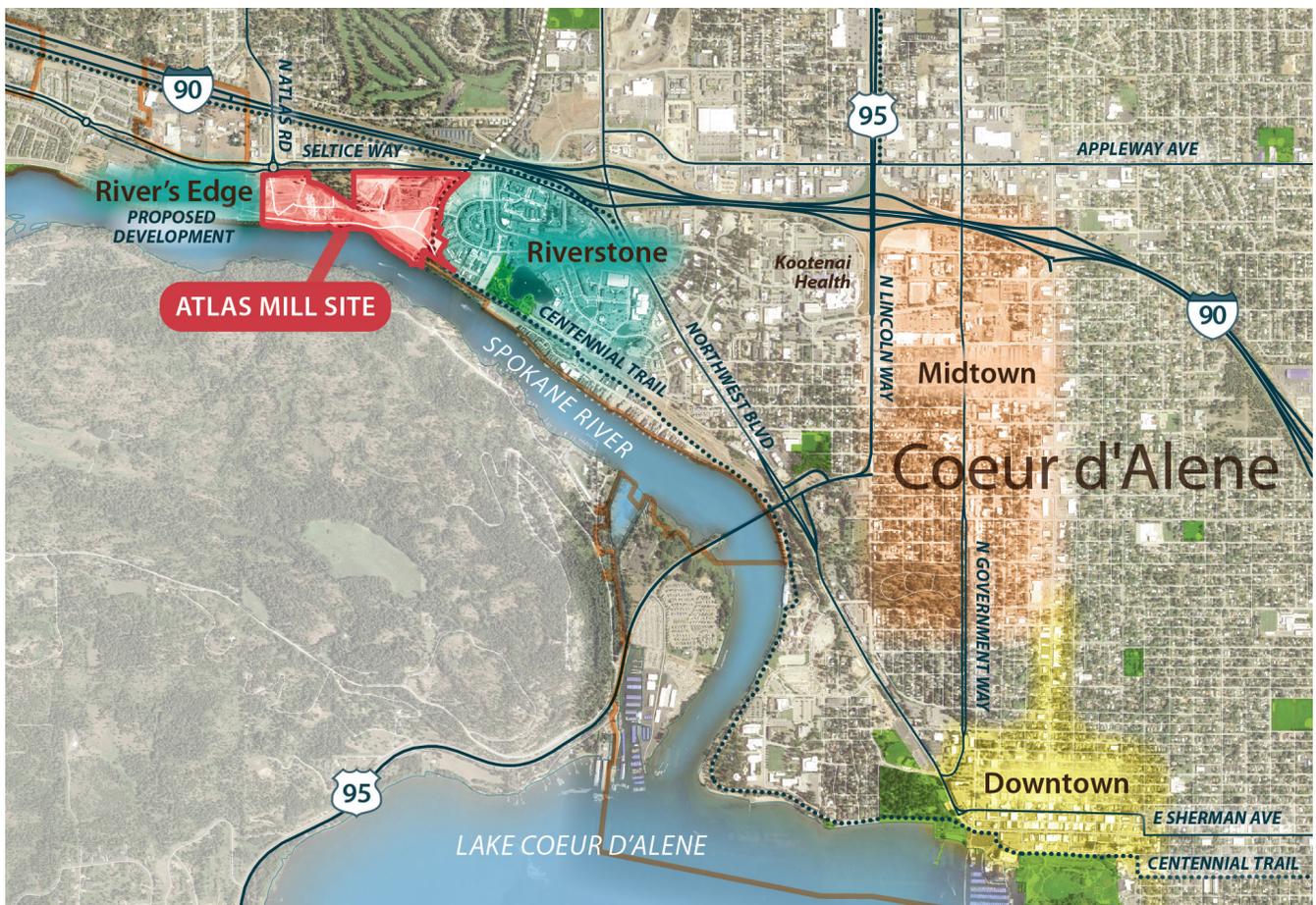
The Property lies on the northern bank of the Spokane River adjacent to Seltice Way.

Riverstone borders the parcel to the east and the proposed River’s Edge development borders the Property to the west.

## Vision

### Create a Private Development Land Use and Public Space Plan that will:

- Support and activate the entire waterfront public space
- Balance public and private funding
- Create a unique and desirable neighborhood that reflects community values
- Provide pedestrian and bike access throughout
- Create a natural and unique neighborhood identity
- Develop in accordance with City Comprehensive Plan



# Property Context

In 2005 the Atlas Mill closed and the Site has lain fallow since. In 2018, the City purchased the Site in collaboration with ignite cda and has been preparing the Site for eventual development by creating a new urban renewal area and funding the waterfront park development and remediation efforts. The intent of the City and ignite cda is to transfer areas of land for development in phases over the next couple of years as site development and remediation efforts progress. This strategy allows flexibility to adapt to market demand while still ensuring the key riverfront amenities of the Site are preserved. While overall area configurations are set by the Site Development Standards, within each area there is significant flexibility for developers to propose a range of projects that will both provide a diversity of uses while still ensuring the overall character of the development.

## Zoning

The Property's C-17 zoning allows for a variety of housing types, including single-family detached, townhomes, condominiums, and apartments. In addition, C-17 zoning allows a number of non-residential uses, such as retail and office (including medical/dental, hotel) and mixed use. Significant open space and trail amenities are also being planned for the Site to leverage its proximity to the Spokane River. A planned unit development based on a detailed Development Standards has secured desirable zoning deviations.

### PRELIMINARY MASTER PLAN



#### Property Area

- **Developable Area:** ~26 acres
- **Non-Developable Area:** ~30 acres
  - **Roads:** ~10 acres
  - **Open Space:** ~10 acres

#### Projected Yield (within areas)

- **Multi-Family:** 17-20 DU/AC
- **Townhomes:** 19 DU/AC
- **Single-Family:** 8 DU/AC
- **Commercial:** 0.6 to 1.2 FAR

#### Lot Size

- **Minimum 2,500 SF for Single-Family, 1,600 SF for Townhomes**
- **Minimum Lot Width 32' (SF), 20' (TH)**

**Max Building Height:** 45'

**Max Lot Coverage:** 40%

**Allowed Uses:** Multi-Family, Townhomes, Duplexes, Single-Family, Retail, Office, Hotel

# Market Overview

## Submarket

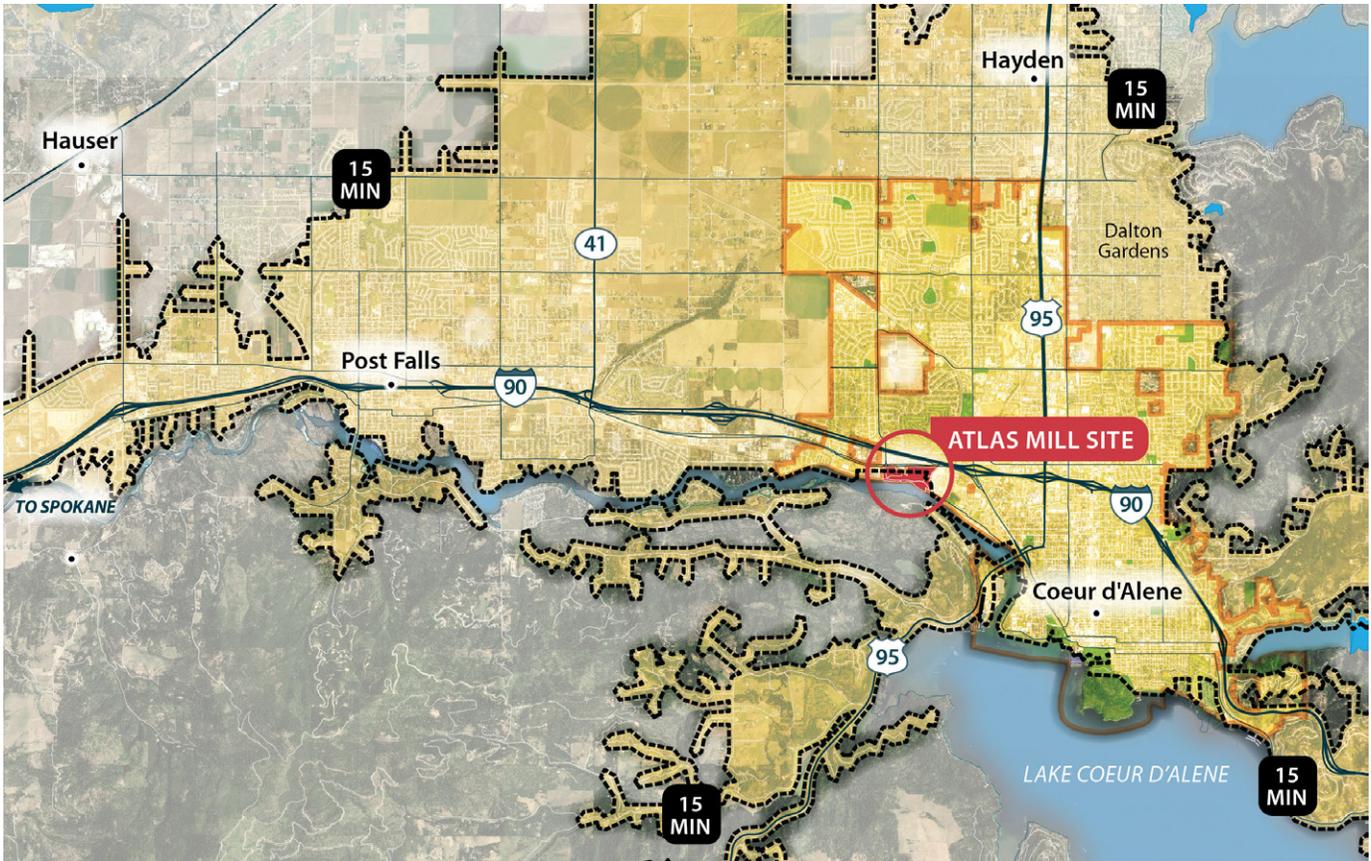
Coeur d'Alene is the seat of Kootenai County, a recreation-oriented community located 30 miles east of Spokane, Washington. The economies of Spokane and Coeur d'Alene are intertwined. Kootenai County has a population of 165,000 with strong annual population growth of 2%-3% during the past four years (US Census). In-migration is influenced by older people locating to Coeur d'Alene from more expensive metros, particularly California. As of March 2019, Coeur d'Alene boasted a 2.2% unemployment rate and employment growth of 1.86% over the last 12 months (BLS).

Coeur d'Alene benefits from a vibrant and well-diversified economy. 17% of jobs are in government, 14% in healthcare, 14% in tourism and hospitality, 14% in retail, and 14% in education. Kootenai Health is the largest employer with over 3,000 employees in north Idaho.



## Demographics

The Market Area for the Atlas Mill Site was determined by a 15-minute drive time from the Site within the state of Idaho, illustrated in the map below. This Market Area is located entirely within the Coeur d'Alene Metropolitan Statistical Area, which is defined by the Kootenai County boundary.



DEMOGRAPHIC INFORMATION	MARKET AREA	KOOTENAI COUNTY
Population 2019	107,675	138,494
Population 2023	119,215	182,262
Annual Growth Rate	2.06%	2.08%
Households 2019	42,348	63,626
Households 2023	46,702	70,242
Median Household Income 2019	\$50,662	\$53,167
Median Household Income 2023	\$56,739	\$60,577
Housing Units 2018	45,781	73,710
% For-Sale	55%	57%
% Rentals	37%	30%
Vacant	8%	14%
Housing Units 2023	50,197	81,038
% For-Sale	56%	58%
% Rentals	37%	29%
Vacant	7%	13%
Increase in # of Housing Units	4,416	7,328
% For-Sale	2,990	4,884
% Rentals	1,346	1,764
Vacant	80	680

	MARKET AREA	KOOTENAI COUNTY	
Top 3 Market Profile <sup>(1)</sup>			
1	Middleburg	Middleburg	
2	Old and Newcomers	The Great Outdoors	
3	Up and Coming Families	Green Acres	
Population by Age 2018			
	0 - 4	6.7%	6%
	5 - 9	6.7%	6%
	10 - 14	6.5%	7%
	15 - 24	12.3%	12%
	25 - 34	14.7%	13%
	35 - 44	12.6%	12%
	45 - 54	11.8%	13%
	55 - 64	12.1%	14%
	65 - 74	9.4%	11%
	75 - 84	4.8%	5%
	85 +	2.3%	2%
Median Age 2019		37.3	39.9
Median Household Income 2023		37.5	40.2

<sup>(1)</sup> Middleburg (Residents are partial to domestic vehicles; they like to drive trucks, SUVs, or motorcycles. Entertainment is primarily family-oriented, TV and movie rentals or theme parks and family restaurants. Spending priorities also focus on family (children's toys and apparel) or home DIY projects. Sports include hunting, fishing, bowling, and baseball. TV and magazines provide entertainment and information. Media preferences include country and Christian channels.

## Single Family

- The population in Kootenai County has grown by 12% over the last five years, and from 2014-2017, construction permits for for-sale housing (primarily driven by single family housing construction) has increased by 71%. (Source: Milken Institute's Best-Performing Cities 2018)
- The surge in construction over the past 5 years is a result of existing inventory not sufficiently meeting the demand for single family residences. There have been 707 single family homes that have been delivered and sold since 2014. (Zillow)
- Over the last five years the median listing price in Kootenai County has grown an average of 7.75% year-over-year, with the most growth occurring in 2017. (Zillow)
- The median listing price for a newly constructed single-family residence is \$359,000 in Kootenai County. The median listing price in the Market Area is slightly higher at \$394,000. (Zillow)
- The average size for new construction single family home is 2,300 SF. Finished lot sales along the Spokane River are listed for more than \$20 per lot SF. (Costar, Zillow)
- The sales volume for condominiums has grown year-over-year at average of 8% for the last five years in the Market Area. (Redfin)



## Multi-Family

- The population and job growth occurring in the Market Area over the past few years has positively impacted rent growth as demand for multifamily units has surged.
- Apartment deliveries over the past five years in the Market Area have met strong demand. Current vacancy for the Market Area is less than 3%. Over this five-year period, 944 units have been delivered (averaging ~188 units per year). (Costar)
- The current pipeline for the City of Coeur d'Alene has an additional 690 units under construction with 528 additional planned. (City of Coeur d'Alene Planning Department)
- Year-over-year rent growth for apartments in the Market Area has averaged 3.2% over the past eight years and peaked at 6% in 2017. (Costar)



## Office and Retail

### OFFICE

- Over the past four years, rapid employment growth promoted the City of Coeur d'Alene to the 5th position in the Milken Institute's list of best-performing small cities (Source: Milken Institute, Best-Performing Cities 2018).
- Job growth is heavily concentrated in the medical field as the low cost of living, climate, and lifestyle in the Market Area is attractive to aging retirees.
- The current vacancy for office space in the Coeur d'Alene Metropolitan Statistical Area is 5.6%, which is almost half the national average. (Costar)



### RETAIL

- The appetite for retail space is expected to remain strong as current demand is driving vacancy to less than 3%. Over 180,000 SF of retail space in the Market Area has been constructed over the past five years (averaging 36,000 SF per year). (Costar)
- There is about 15,000 SF of retail space under construction, and at least 12,000 SF of ground-floor retail in the pipeline attributable to residential mixed-use projects in the City of Coeur d'Alene. (City of Coeur d'Alene Planning Department)

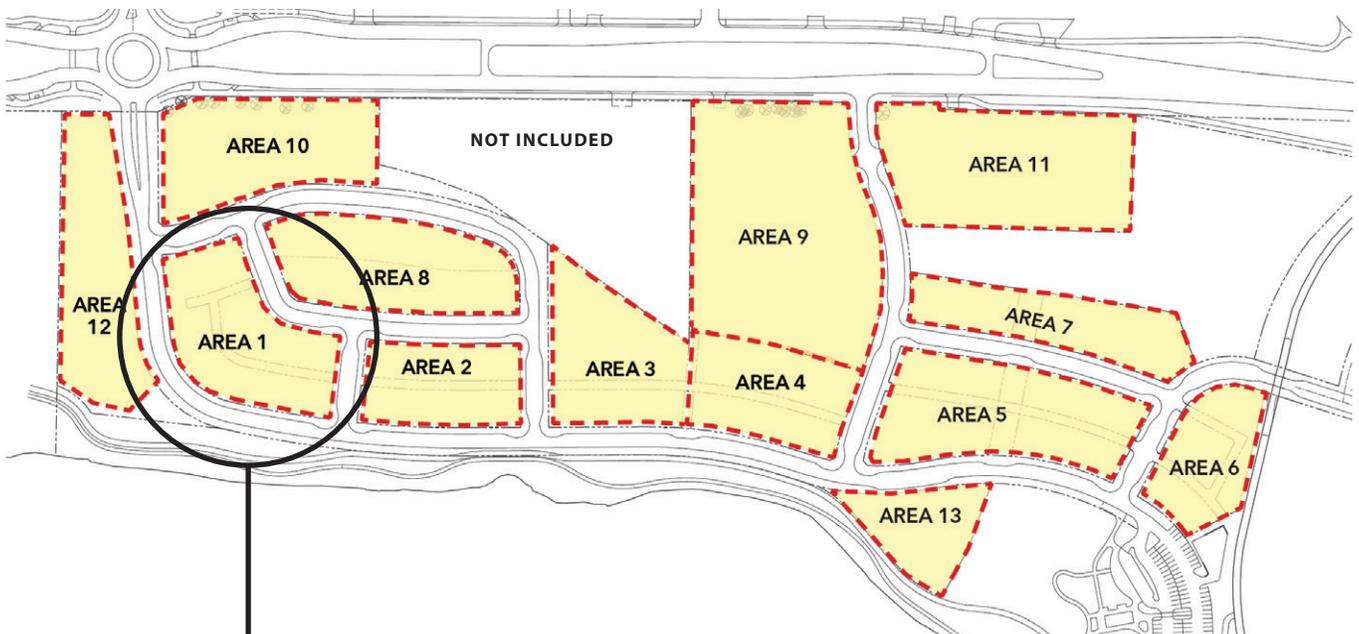
# Area Disposition Approach

## Preferred Area Disposition Approach

The City took the first step in implementing the redevelopment of the Atlas Mill Site by purchasing the property in 2018 for \$7.85M. Now that the land is owned publicly, the intent of the City is to transfer property to ignite cda as development opportunities arise in accordance with Idaho Code (IC) 50-2011, to assist in covering acquisition and development costs. ignite cda is initially offering Phase 1 (Areas 1, 2, 6, 8, 10, & 12) with infrastructure improvements scheduled for completion in Q3 2020 (dependent on Area sales). Phases are shown on page 9.

Based on the Site Plan, an estimated 13 development areas may be transferred to developers/builders by ignite cda. These areas could be sold individually, or multiple areas could be sold to an interested party depending on market interest. The disposition process for the sale of these areas (or groups of areas) will be phased over the course of multiple years.

### PRELIMINARY AREA PLAN



### APPROVED AREA CONFIGURATIONS EXAMPLE - See Development Standards

1. TOWNHOUSES



2. SINGLE FAMILY



3. MIX OF TOWNHOUSES, SINGLE FAMILY HOMES & COTTAGE HOUSES

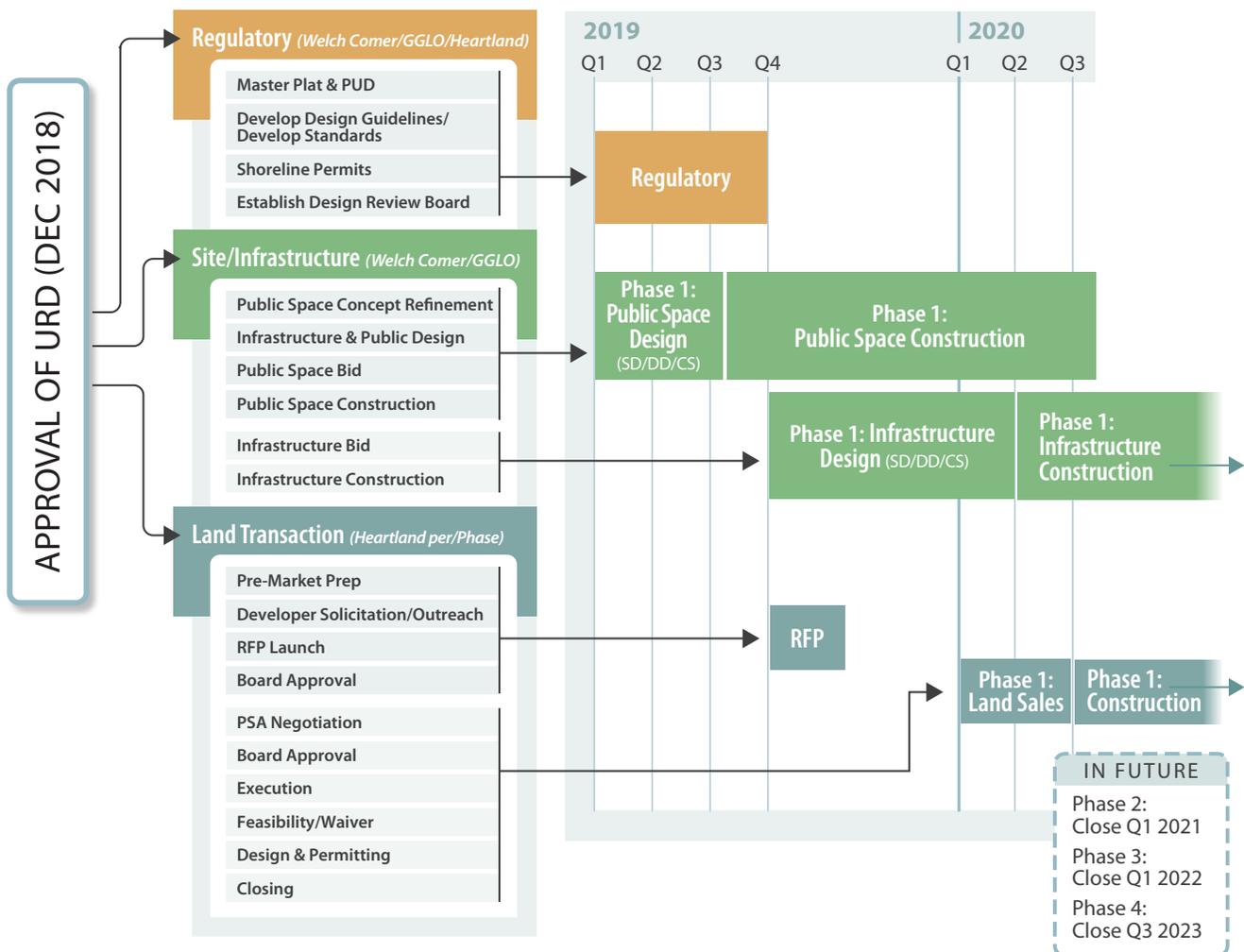


# Timing

This formal RFP process, in accordance with Idaho Code (IC) 50-2011, will be conducted by ignite cda. Proposals from interested parties responding to the RFP will be evaluated and ignite cda will enter into an Agreement to Negotiate Exclusively to begin negotiations prior to signing a Disposition & Development Agreement (“DDA”). After a DDA is signed, the Board will need to approve the sale and the interested party will complete feasibility work. Closing of property could either occur after waiver of feasibility and/or entitlement depending on the terms of the DDA, as well as approve architectural aspects of the development. The estimated time from pre-market prep to closing for each area is estimated to take 12-18 months.

Area land sales are estimated to be marketed in phases as follows:

- Phase 1: Late 2019
- Phase 2: Early 2020
- Phase 3: 2021
- Phase 4: Later than 2021

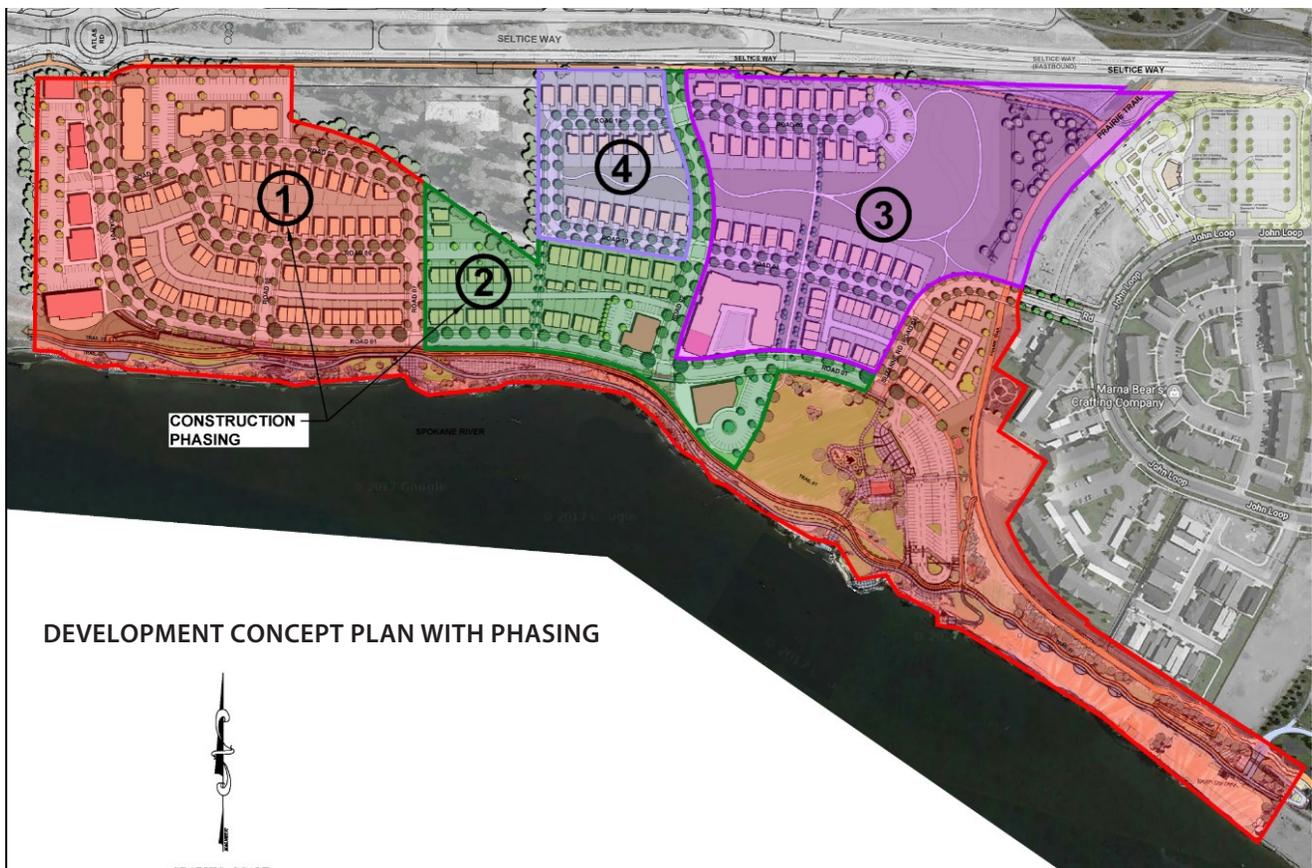


# Phased Infrastructure & Remediation

## Site Improvements

The Atlas Mill Site has no internal utilities, highly varied topography and large areas with structurally unsuitable soils. These site characteristics have made development very challenging because of the high infrastructure and site improvement costs. The proposed land use plan was developed to minimize site grading requirements and maximize views to the Spokane River.

Funding for site grading, to subgrade elevations across buildable areas, will be provided by ignite cda. The buildable areas of Phases 1, 2, and 3 will be either native soil or compacted structural fill with documented compaction test reports. Phase 4 has deep unsuitable material that will be remediated later in the project development as funding is available from land sales. Phase 3 north also has deep unsuitable material that is not expected to be remediated. The Site will be regraded into a usable form with walking trails in a natural style public open space.



DEVELOPMENT CONCEPT PLAN WITH PHASING

Limited “backbone” infrastructure (water, sewer, stormwater, and dry utilities) will be installed by ignite cda by phase on a schedule that will have the infrastructure in place at land sale closings for each phase. Individual lot services will be installed based on the developer’s desired lot density and configuration.

The City is currently constructing \$6,000,000 in waterfront public space improvements and the work will be completed mid summer 2020. The improvements include extensive walking and biking trails, water access, ADA swimming and kayak access, restored beach, and restroom and picnic areas. The waterfront park will be a premiere public space. See the **Due Diligence Materials** section for additional details.

# Submittal Requirements

1. **Development Team & Project Narrative:** Prepare a narrative description of the type of project envisioned for the Property including the following information:
  - a. **Development Team:** Brief narrative introduction of the firm and general qualifications.
  - a. **Development Concept:** A summary description of the proposed project including the specific area(s) to be acquired and proposed product type.
2. **Letter of Intent:** Provide a Letter of Intent (LOI) that outlines the material terms, including purchase price, that would be incorporated into a DDA for one or more areas. See pages 11-15 for more guidance.
3. **Project Financing:** Outline the firm's financial capacity and track record with anticipated funding sources for this project.
4. **Support for Atlas Mill Development Vision:** Provide a description of how the development will contribute to one or more of the stated priorities of the Atlas Mill development, including:
  - Support and activate the entire waterfront public space
  - Create a unique and desirable neighborhood that reflects our community values
  - Create a natural and unique neighborhood identity
5. **Professional Development References:** Provide three (3) professional references that speak to the quality of work on current or past developments, and performance during and upon completion of past projects that are similar to those proposed on the Property. Contact information should include the name, title, entity, telephone number, email and relationship to your firm.

Respondents must e-mail their proposal by **Friday, December 20th, 2019 at 5:00 PM** to Matt Anderson, Principal & Senior Project Director at Heartland LLC, at [manderson@htland.com](mailto:manderson@htland.com).

An evaluation to assess each **submittal** will identify the strongest **proposal** for final LOI negotiation based on the strength of the submittal requirements and reference checks.

The following weighting will be used during the evaluation process:

	CATEGORY	POINTS
1	Development Team & Project Narrative	80
2	Letter of Intent	70
3	Project Financing	20
4	Support for Development Vision	25
5	Professional Development References	5
<b>TOTAL POINTS</b>		<b>200</b>

In the event that an Agreement to Negotiate Exclusively cannot be finalized with the top ranked firm within 30 days, ignite cda reserves the right, in its sole discretion, to enter into negotiations with the next highest-ranked firm, call for new proposals, or discontinue this selection process. ignite cda intends to negotiate and execute a DDA with a developer within 45 days of executing an LOI.

**Any DDA resulting from this RFP shall be subject to Final Approval by ignite cda.**

# Transaction Structure & Process

- **Ranking:** Scoring Committee will review and rank proposals
- **Special Call Meeting:** ignite cda will consider scoring criteria and may authorize award
- **Notification:** ignite cda will notify winning developers
  - *ignite cda may elect to negotiate exclusively with one party*
- **Disposition and Development Agreement (DDA):** Scoring Committee and buyer will negotiate an Agreement to Negotiate Exclusively and ultimately a DDA, that includes the following terms:
  - *Feasibility period*
  - *Earnest money deposit timing and amount*
  - *Conditions of closing*
  - *Agreement will include provision allowing ignite cda to repurchase areas at 95% of agreed upon purchase price if construction has not commenced within 12 months.*
- **Closing:** Closing will occur at issuance of building permits.
- **Multi-Area Proposals:** For any developer making a proposal to purchase all or multiple areas, lot takedown plan and development schedule must be outlined. Under a proposal for all areas, sale would be on an “as-is” basis. Infrastructure investment would be undertaken by buyer subject to approved infrastructure concept plans. Completing final infrastructure plans and securing City approvals will be the buyer’s responsibility. Price escalation features will be negotiated for any deferred closings. Proposals will be subject to development and design standards. Land closings must occur upon building permit approval.



# Due Diligence Materials

## Available Documents

Available Due Diligence documents, including development standards, environmental reports, site analysis, and site photos have been compiled and are available digitally [here](#).



All documents and information were obtained from sources we believe to be reliable. However, ignite cda makes no guarantee, warranty, or representation as to its accuracy or completeness. Without reliance on this or any other information, written or verbal, from ignite cda or its consultants, a prospective purchaser must make its own independent due diligence, investigations, projections, and conclusions concerning the Site and any proposal, including such design, engineering and environmental inspections as they deem necessary to determine the condition of the Property for their intended use.

# RFP Terms & Conditions

## General Terms

- This RFP is not an offer, a contract or a commitment of any kind by ignite cda and does not commit ignite cda to sell property, enter into a DDA or to pay any cost incurred in the preparation of a proposal. The submission of a response to this RFP constitutes an invitation to negotiate with ignite cda.
- Upon receipt by ignite cda, all proposals, including any and all attachments to the proposals, will become the property of ignite cda and subject to public disclosure. ignite cda will have the right to copy, reproduce, or otherwise dispose of each proposal received. ignite cda will be free to use as its own, without payment of any kind or liability therefore, any idea, scheme, technique, suggestion, layout, or plan received during the procurement process.
- Failure to provide any of the requested data within the specified submission period may cause ignite cda, at its sole discretion, to reject the proposal or require the data to be promptly submitted.
- All facts and opinions stated in this RFP and in all supporting documents and data, including but not limited to any statistical and economic data and projections, are based on available information from a variety of sources. No representation or warranty is made with respect to this information.
- In the interest of a fair and equitable selection process, ignite cda retains sole responsibility to determine the timing, arrangement and method for any presentations during the selection process. Prospective respondents and members of their team are cautioned not to undertake any activities or actions to promote or advertise their qualifications except in the course of ignite cda-sponsored presentations.

## Competitive Integrity

ignite cda seeks to maintain a neutral competitive environment for all potential Proposers to protect the integrity of the RFP process. Any communication concerning the content of this solicitation by a potential or actual Proposer, or anyone on its behalf, with any ignite cda employee and not via Heartland LLC, ignite cda's RFP Consultant, will result in the rejection of that Proposer's proposal unless, in the reasonable judgment of ignite cda's General Counsel, the communication could not reasonably be believed

to have given the Proposer a competitive advantage or have impaired the neutral competitive environment of this solicitation.

## Rejection of Responses

ignite cda, at its sole discretion, reserves the right: (i) to accept or reject, in whole or in any part, proposals to this RFP, (ii) to request new proposals, (iii) to waive any immaterial defects and irregularities in the proposals, (iv) to reissue the RFP, or (v) to not proceed with any part of the procurement process. During the evaluation process, if ignite cda determines that a particular requirement may be modified or waived, then the requirement(s) will be modified or waived for all respondents and all proposals will be re-evaluated in light of the change.

## Public Disclosure

All proposals are subject to disclosure upon receipt by ignite cda. Respondents should be aware that ignite cda is required by law to make its records available for public inspection, with certain exceptions. If respondents wish to be notified of public records requests to which documents submitted by respondents may be responsive, respondents must clearly mark any information contained in their proposals that they consider proprietary with the words "Trade Secret." However, respondents are advised that even materials marked "Trade Secret" may be subject to public inspection. In addition, marking all or nearly all of a proposal as proprietary may result in rejection of the proposal. Respondents shall be responsible for and bear the costs of taking legal action in any attempt to prevent disclosure of any information they deem proprietary.

## Responsibility for Cost

All costs associated with the preparation of a proposal will be the responsibility of the respondents, including but not limited to costs of: delivery, express, parcel post, packing, cartage, insurance, license fees, permits, and bonds. ignite cda shall not be liable for any costs incurred by respondents in the preparation or submission of a proposal or participation in the RFP process.

# Agency Discretion & Authority

ignite cda may accept such proposals as it deems to be in the public interest and furtherance of the purposes of the Idaho Urban Renewal Law and the Plan, or it may proceed with further selection processes, or it may reject any and all submissions. ignite cda will determine from the information submitted in the responses, the most qualified developer(s) as evaluated under the criteria set forth herein. Final selection will be made by the ignite cda Board.

The issuance of the RFP and the receipt and evaluation of submissions does not obligate ignite cda to select a developer and/or enter into an Agreement to Negotiate Exclusively or DDA. Submissions do not constitute contractual terms under any eventual Agreement to Negotiate Exclusively. ignite cda will not pay costs incurred in responding to this RFP. The Agency may cancel this process at any time prior to the execution of an Agreement to Negotiate Exclusively without liability.

## Public Nature of all Submissions

This RFP is a public process therefore information collected under the RFP is of public record. The information that is received by the Agency may be subject to disclosure under the Idaho Public Records Law. With the potential exception of some credit data, it is anticipated submissions to this RFP will contain little or no material that is exempt from disclosure under the Idaho Public Records Law. Any questions regarding the applicability of the Public Records Law should be addressed by your own legal counsel PRIOR TO SUBMISSION. Any proprietary or otherwise sensitive information contained in or with any proposals may be subject to potential disclosure.

Accordingly, RFP Respondents should take the following steps with respect to any information believed to be exempt from disclosure or confidential: On any items submitted with the RFP that the Respondent believes are exempt from disclosure under the Idaho Public Records Law, clearly mark the upper right corner of each page of any such document or material with the word "Trade Secret". This does not mean the document qualifies under the legal definition of eligibility but ignite cda will evaluate the request to make the document/page exempt if the content meets the legal requirement otherwise the document will be considered public.

ignite cda's disclosure of documents or any portion of a document submitted and marked as exempt from disclosure under the Idaho Public Records Law may depend upon official or judicial determinations made pursuant to the Idaho Public Records Law.

# Exhibit 1: Acknowledgement & Release

The undersigned (“Respondent”), on behalf of Respondent and all participants and parties included or subsequently added in/to Respondent’s development team, has read and fully accepts ignite cda’s (“Agency”) discretion and nonliability as stipulated herein, expressly for, but not limited to, Agency’s decision to proceed with a selection process by issuing the Request for Proposals for the development of the Atlas Mill Site (the “RFP”). Capitalized terms not defined herein shall have the meaning ascribed in the RFP. A response to this RFP does not create a contract or an obligation of any kind with ignite cda.

Respondent accepts and agrees to the terms and conditions as described or as may be modified as well as the following:

1. Agency reserves the right in its sole discretion and judgment, for whatever reasons it deems appropriate and at any time:
  - a. *To suspend or modify any part of the selection process or terminate the RFP at any time for any reason with no financial or other obligation to Respondent.*
  - b. *Obtain further information from any person, entity, or group, including, but not limited to, any person, entity, or group responding to the RFP and to ascertain the depth of Respondent’s capability and desire to develop the Site;*
  - c. *Waive any formalities or defects as to form, procedure, or content with respect to its RFP and any submission by any respondent;*
  - d. *Accept or reject any submission or part thereof received in response to the RFP, including any statement submitted by the undersigned, or select any one submission over another;*
  - e. *Accept or reject all or any part of any materials, plans, proposals or statements included in a submission, including, but not limited to, the nature and type of submission.*
2. Agency is governed by state law as provided in Title 50, Chapter 20, and in Title 50, Chapter 29 of the Idaho Code, and other state and federal regulations that may apply, and Respondent acknowledges that the RFP selection process and any assistance in the development of the Site from Agency must conform to all applicable laws, rules and regulations.
3. Agency may, in its discretion, conduct public hearings during the RFP selection process that would require disclosure of the Respondent’s proposed project and related details to the public and the media and disclose information pursuant to the Public Records Law.
4. Agency may accept or reject any proposal or statement and/or information received in response to the RFP, including any proposal, statement, or information submitted by the undersigned, or select one developer over another.
5. Respondent understands that by responding to the RFP, its proposed project will be subject to review and comment by Agency staff and consultants.
6. Respondent agrees to waive any formalities or defects as to form, procedure, or content with respect to the RFP and any responses by any respondent thereto.
7. Respondent consents to the acquisition of information by Agency in conjunction with this RFP, waives all claims, and releases Agency from any liability in the acquisition of this information and use of this information.
8. Respondent agrees that neither Agency, or the City of Coeur d’Alene (the “City”), shall have any liability whatsoever of any kind or character, directly or indirectly, by reason of all or any decision made at the discretion of Agency or the City.
9. Respondent, including all team members, have carefully and thoroughly reviewed the RFP and have found the RFP and all attachments thereto to be complete and free from ambiguities and sufficient for their intended purpose.
10. Respondent participates in the RFP process at its own risk.

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

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