

# CITY OF MCKINNEY, TEXAS



## 12-025 RFP

### **CITY OF MCKINNEY, TEXAS SEEKS PROPOSALS FROM QUALIFIED DEVELOPMENT TEAMS FOR THE REDEVELOPMENT OF CITY-OWNED PROPERTIES IN HISTORIC DOWNTOWN**

The City of McKinney, Texas (“City”) is seeking master development proposals from qualified development teams for the redevelopment of a City-owned *primary* site (approximately 9 acres) and/or any combination of nine (9) City-owned *secondary* sites located in the City’s historic downtown.

Consistent with the City’s adopted Master Plan for the historic downtown area, redevelopment of the primary site and/or any combination of the secondary sites is expected to include new residential uses and/or new commercial/office/retail/educational uses (single use and/or mixed use building improvements) within a compact and pedestrian-friendly design.

By responding to this request, the responding development team agrees to perform in accordance with the terms and conditions set forth in this document in the event that its response is selected.

**REQUEST FOR PROPOSALS (RFP)**  
**for**  
**DOWNTOWN REDEVELOPMENT**  
**of**  
**CITY-OWNED SITES**  
**in the**  
**CITY OF MCKINNEY, TEXAS**

**12-025 RFP**  
**ISSUED**  
**July 1, 2012**

**A Pre-Submittal Conference and Site Tour is scheduled for**  
**8:30 a.m. Central Daylight Time on August 1, 2012.**

**Submittals will be accepted by mail or hand delivery no later than**  
**2:00 p.m. Central Daylight Time on September 27, 2012 to:**

Debbie Nye  
Purchasing Manager  
City of McKinney  
1550 D College Street  
McKinney, Texas 75069

Respondents must submit proposals and all additional documents. It is requested that respondents provide six (6) bound copies and one (1) electronic copy (on a CD-ROM, DVD, or USB Flash Drive) of all documents in a sealed envelope, manually signed in ink by a person having the authority to submit the development entity's information.

The City of McKinney is always conscious and extremely appreciative of your time and effort in preparing this information. Requests for information/clarification should be directed to:

Kevin Spath, AICP  
Assistant Director of Planning  
City of McKinney  
221 N. Tennessee Street  
McKinney, Texas 75069

[kspath@mckinneytexas.org](mailto:kspath@mckinneytexas.org)

**TABLE OF CONTENTS**

**SECTION 1. INTRODUCTION.....4**  
1.1 The Opportunity  
1.2 Minimal Submission Requirements  
1.3 Regional Context  
1.4 Local Context

**SECTION 2. SITE INFORMATION.....8**  
2.1 Primary Site  
2.2 Secondary Sites

**SECTION 3. ROLES AND POLICY CONTEXT.....13**  
3.1 Project Scope  
3.2 Pre-Development Agreement or Memorandum of Understanding or Interim Agreement  
3.3 Role of Development Team  
3.4 Role of City  
3.5 Policy Context

**SECTION 4. SUBMISSION PROCEDURES AND REQUIREMENTS.....17**  
4.1 Submittal Requirements  
4.2 Submittal Format  
4.3 Pre-Submittal Conference and Site Tour  
4.4 Submittal Deadline  
4.5 Key Events Schedule  
4.6 Inquiries and Interpretations  
4.7 Public Information

**SECTION 5. EVALUATION CRITERIA AND SELECTION PROCESS.....21**  
5.1 Evaluation of Submittals  
5.2 Selection Process  
5.3 Respondent’s Acceptance of Evaluation Methodology

**SECTION 6. GENERAL TERMS.....23**

**APPENDIX A.....24**  
Response Letter to 12-025 RFP

**APPENDIX B.....25**  
Respondent’s Questionnaire for 12-025 RFP

## SECTION 1. INTRODUCTION

The City of McKinney, Texas (“City”) is accepting submittals for proposals, pursuant to applicable sections of the Texas Local Government Code, in accordance with the terms, conditions, and requirements set forth in this Request for Proposals (“RFP”).

RESPONDENTS ARE CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED.

### 1.1 The Opportunity

The City of McKinney is seeking master development proposals from experienced development teams for the redevelopment of a City-owned *primary* site (approximately 9 acres) and/or any combination of nine (9) City-owned *secondary* sites located in the City’s historic downtown.

Consistent with the City’s adopted Town Center Study Phase 1 Report and associated illustrative vision (“Town Center Master Plan”), redevelopment is anticipated to include new residential uses and/or new commercial/office/retail/educational uses (single use and/or mixed use building improvements) within a compact and pedestrian-friendly design.

The City has identified the primary site as a major opportunity for downtown redevelopment. Highlights of the primary site’s location are as follows:

- Approximately 400 feet from historic Downtown Square
- Approximately 800 feet from future passenger rail station
- Approximately 440 feet of frontage along regional roadway
- Approximately 1,960 feet of frontage along local roadways
- Immediately adjacent to nationally-ranked Farmers Market

More information about the primary site can be found in Section 2.

Respondents are encouraged to draft development proposals that they consider best suited, in their professional judgment, to begin first-phase construction within 18 months of proposal selection. Respondents may propose projects with multiple phases.

### 1.2 Minimal Submission Requirements

The City has attempted to minimize submittal requirements in order to maximize the prospect of receiving your proposal(s). Only basic information concerning the development team, project approach, project concept and renderings, project timeline, relevant development experience and capacity, and references is required. More information about the submission procedures and requirements can be found in Section 4.

### 1.3 Regional Context

Established in 1848, McKinney is a picturesque city with a small town feel. With its historic charm, green spaces, and good schools, it is not surprising that, over the past decade, McKinney was the second-fastest growing city in America. From 2000 to 2010, McKinney grew from a large town of 54,000 to a small city of more than 131,000, increasing in population by more than 141% and now ranking as the 19th largest city in Texas. The county seat of Collin County, McKinney is located approximately 30 miles north of Dallas, 15 miles north of Plano, 30 miles east of Denton, and 60 miles northeast of Fort Worth.

U.S. Highway 75 (Central Expressway) is McKinney’s major north-south regional transportation corridor and serves the City with seven exits. It is also the primary connection between McKinney and Dallas as well as other surrounding areas such as Plano, Allen and Richardson. State Highway 121 (the Sam Rayburn Tollway) makes up a major portion of McKinney’s southern city limit and is a major east-west

regional transportation corridor. State Highway 121 is McKinney's primary connection to Fort Worth, the Dallas/Fort Worth International Airport, and other areas to the west.

The City of McKinney is also home to the Collin County Regional Airport, a general aviation reliever airport located approximately 35 miles northeast of Dallas/Fort Worth International Airport and 28 miles northeast of Dallas Love Field Airport. Recent upgrades to the Collin County Regional Airport, including a new control tower and runway, will allow it to accommodate virtually all business aviation and many commercial aviation fleet aircraft.

As of January 1, 2012, the City of McKinney is approximately 63.3 square miles in size, with an estimated population of 136,666. McKinney's population has a comparatively high level of wealth. According to the Census, the median household income in McKinney (and Collin County) is nearly \$80,000, well above the median household income (\$49,500) for the entire State of Texas. Additionally, McKinney's population has a comparatively high level of educational attainment. According to the Census, the percentage of residents 25 years old and over with a bachelor's degree or higher in McKinney is approximately 45%, well above the percentage (25%) for the entire State of Texas.

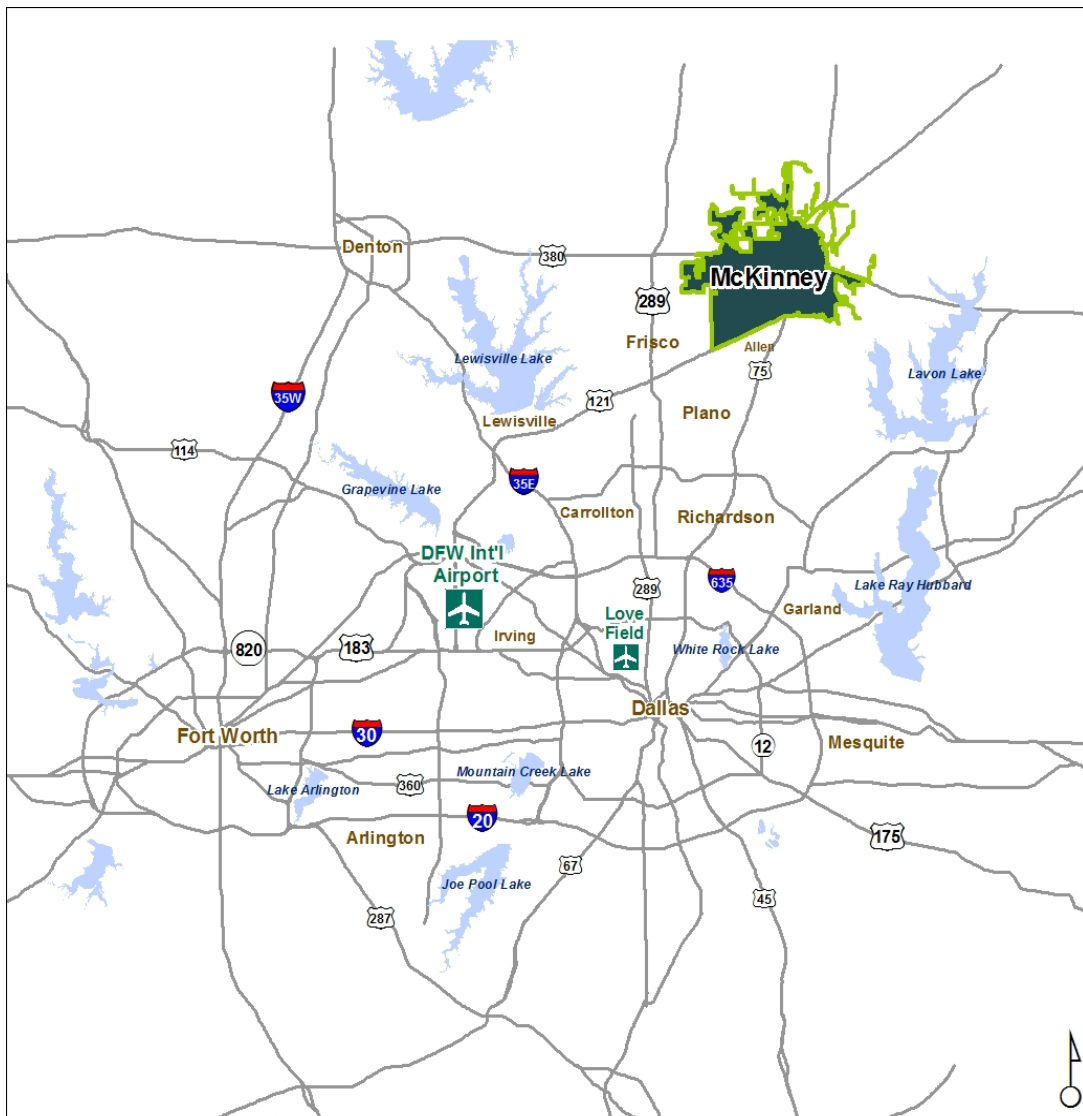


Figure 1. Regional Location Map

## 1.4 Local Context

### Historic Town Center

McKinney's historic Town Center contains neighborhoods and commercial districts that are well established, eclectic, and historic. These places collectively form the core of the City and include some of the oldest developments in McKinney. In 2010, the City was ranked by Money Magazine as the 5th "Best Place to Live" in the country. According to Money Magazine, "lots of towns near Dallas have low crime, affordable homes, and good jobs; McKinney is no exception. What makes it stand out is its gem of a downtown..." McKinney was the only city in Texas ranked in the top 10. This recognition adds to McKinney's growing list of accolades, having already received acknowledgement from Forbes, Best Life Magazine, CNN, and more.

Since the 1950's, as one of the primary north/south roadways through McKinney, State Highway 5 (McDonald St.) has served as the backbone of the Town Center, supporting a large portion of local and regional traffic. The former Southern Pacific Railroad Line, currently owned by Dallas Area Rapid Transit (DART), parallels State Highway 5 just a few blocks to the east. Identified in the North Central Texas Council of Governments (NCTCOG) long-term Metropolitan Transportation Plan, future passenger rail service is planned along this rail line and is intended to connect McKinney with the existing passenger rail network in the Dallas/Fort Worth region.

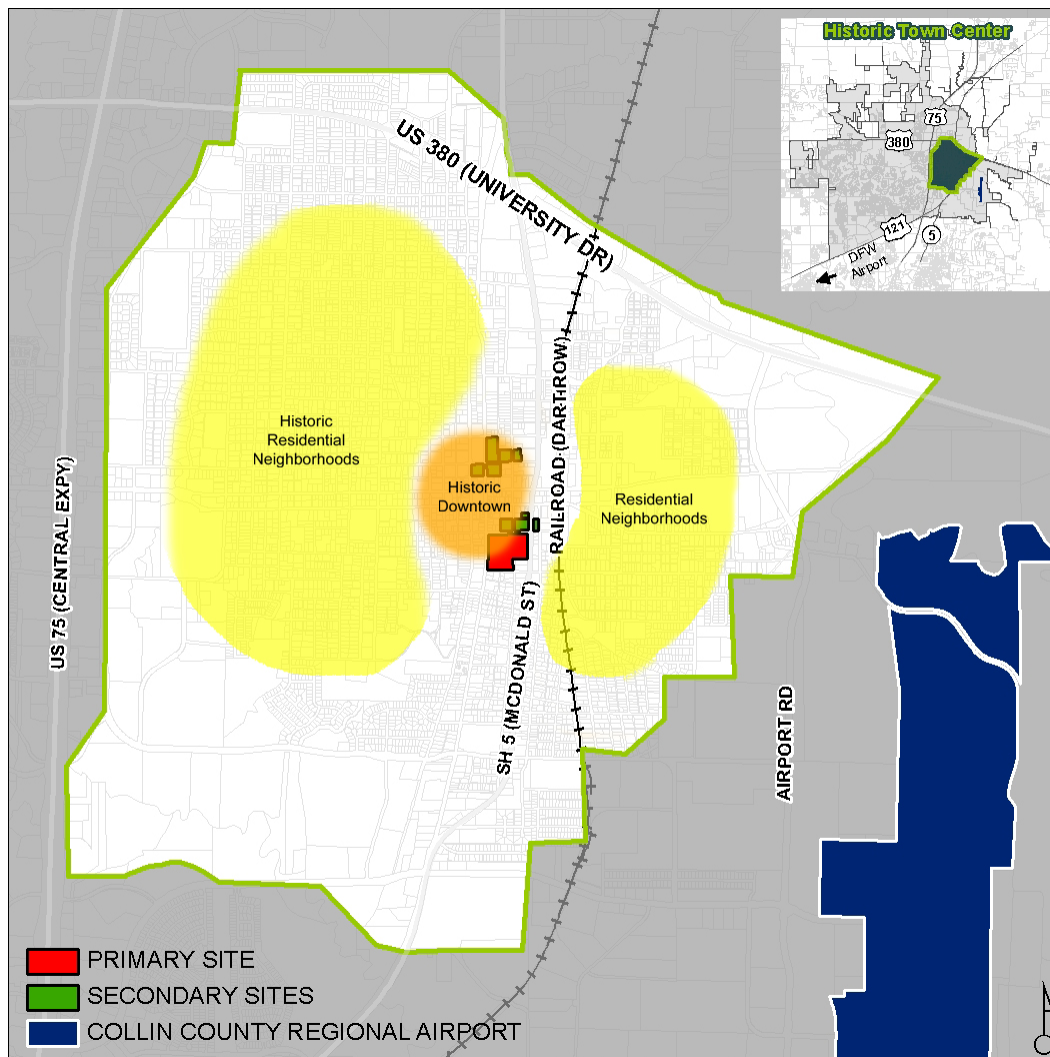


Figure 2. McKinney's Historic Town Center

### The Historic Downtown Square

The historic Downtown Square is the symbol recognized throughout North Texas as being uniquely McKinney. The original town plan was based on a grid plan with a square (anchored by a county courthouse) near the City's center. The Downtown Square (approximately 2.5 acres) was the sole public space, and the commercial core (situated on long and narrow lots) surrounded the square. For over 100 years, the Downtown Square was the focal point for business, government, special events, and community celebrations.

Eventually, as new highways bypassed downtown and commercial growth moved to the highways, the once vibrant Downtown Square fell into decline. In the late 1970's, a new county courthouse was constructed several blocks away and the "old" courthouse closed its doors on the square. During the 1980's, most of the historic buildings around the square were underutilized or mothballed.

In the late 1990's, the City embarked upon the first of two major capital initiatives to revitalize the historic downtown and resurrect the Downtown Square as a lively, active, and relevant public space. After nearly five years of planning and significant stakeholder input, consensus was reached in 2004 on a plan to fully convert the "old" courthouse into a performing arts center. Construction on the \$9.5 million project was completed in 2006 and included rehabilitation of the courtroom into a 427-seat theater. Other rooms were rehabilitated into conference rooms, office space, a catering kitchen, rehearsal rooms, gallery space, and public restrooms. The McKinney Performance Arts Center at the Historic Collin County Courthouse now serves as a truly unique and professional multi-purpose venue in which the community's cultural, artistic, and educational opportunities are nurtured.

In 2007-2008, following adaptive reuse of the courthouse, the City focused attention on the redesign and reconstruction of the public infrastructure on the downtown square. At a cost of \$2.6 million, the redesigned square included reconfiguration of intersections to improve pedestrian safety, more efficient layout of on-street parking, substantial widening of sidewalks, a unified streetscape to enhance the Square's sense of place, and upgrades to the utility and drainage infrastructure.

These capital initiatives have been the primary catalysts for the renaissance seen in downtown McKinney today and have re-established the historic Downtown Square as the heart of the community for citizens and visitors alike. In addition to helping weather the recent economic downturn, these initiatives have helped to increase sales per square foot, increase demand for downtown housing, increase weeknight/weekend activity, increase private investment in the downtown area, and secure voter approval in 2010 of a bond program to finance additional public infrastructure projects expanding outward from the historic Downtown Square (now in the design phase).

In 2011, McKinney's historic Downtown Square was awarded a "Downtown Merit Award for Public Space" by the International Downtown Association (IDA). This award recognized the focused capital investments over the past 10 years that have enhanced the urban design, physical function, and economic viability of the downtown area.

## SECTION 2. SITE INFORMATION

The City is seeking master development proposals from qualified development teams for the redevelopment of a City-owned *primary* site (approximately 9 acres) and/or any combination of nine (9) City-owned *secondary* sites located in the City's historic downtown. The following Section 2.1 provides detailed information about the primary site; however, detailed information for the secondary sites has not been provided in this document. If requests for more detailed site information are made during the inquiry period, the City will provide a formal response by written addendum.

### 2.1 Primary Site

The primary site is located 2 blocks southeast of the historic Downtown Square and has 442 feet of frontage on State Highway 5 (McDonald Street). State Highway 5 is a major north-south regional roadway, supporting a significant amount of local and regional traffic (average daily traffic count of approximately 30,000 vehicles). The primary site also has 623 feet of frontage on Tennessee Street, 687 feet of frontage on Davis Street, 449 feet of frontage on Anthony Street, and 204 feet of frontage on Chestnut Street. Generally, the primary site slopes gently to the northeast; however, a small portion of the southwest corner slopes to the southwest.



Figure 3. Primary Site (Bird's Eye View from the South Looking North)



### Highlights of the Primary Site:

- Southern anchor and gateway to the core of historic downtown
- 442 feet of frontage on major north-south regional roadway
- Existing public infrastructure
- Flexible mix of uses
- City-initiated rezoning in process
- No environmental remediation necessary
- Owned by the City of McKinney
- Proximity to historic Downtown Square, historic commercial core and surrounding historic residential neighborhoods, including: over 1,500 historic buildings; over 100 unique shops (15 restaurants); performing arts center; farmers market; City municipal facilities (e.g. library, fire station, City Hall, Development Services, Municipal Court), City parks, recreation, and open space facilities (e.g. Mitchell Park, Old Settler's Park, Finch Park, Towne Lake Recreation Area, and the Wilson Creek greenway); museum/cultural facilities (e.g. North Texas History Museum, Heard-Craig Center for the Arts); and Collin County Regional Airport
- 35-minute drive to downtown Dallas; 40-minute drive to Dallas/Fort Worth International Airport
- 3,000 residents within ¼ mile; 28,000 residents within 2 miles; 100,000 residents within 5 miles
- Proximity to future passenger rail station

History of the Site: From the late 1800s to the mid-1950s, the site was comprised of 8 individual blocks (each approximately 200 feet by 200 feet) within the original grid street network. Land uses on the site during that period were primarily single family residential buildings.

From the mid-1950s to the 1960s, the site began to transition to a mix of residential and commercial (mostly automobile-oriented retail/service) uses with the construction of State Highway 5 (McDonald Street). In 1967, the City of McKinney constructed an approximately 9,200 square foot, one-story building at the northwest corner of Anthony Street and Chestnut Street (on the southern portion of the current site) to serve as the Public Library.

In the 1970's, the 8 individual blocks began to be assembled and aggregated into a "superblock" in order to facilitate the development of the Collin County Government Center campus. Specifically, in 1976, the City vacated rights-of-way for Johnson Street, Chestnut Street, Henry Street, and Howell Street. In 1978-79, Collin County constructed two new buildings: an approximately 122,000 square foot, 6-story building with a basement (the Courthouse) and an approximately 57,000 square foot, 3-story building with a basement (Annex A). Collin County also acquired and renovated the City's Public Library building (then becoming Annex B). Collin County surrounded the buildings with landscaping and concrete surface parking lots. In 1988, the City vacated the remaining right-of-way segment for Johnson Street. The site was used as the Collin County Government Center from 1979 until 2006.

In 2006, Collin County sold the site with all existing improvements to the City.

In 2010, the City demolished the Courthouse building and the Annex A building.

Existing Buildings: The building known as Annex B remains on the southern portion of site. With the City's purchase of the Collin County Government Center site in 2006, the City reacquired the building and subsequently completed office space renovations in 2007 and 2008. The building is currently occupied by the Code Enforcement, Human Resources, and Community Services Departments. Incorporation of the existing building into the redevelopment proposal is optional. If removal of the existing building is needed to optimize the redevelopment proposal, the City is prepared to relocate the affected City departments.

Site Adjacency: To the north across Davis Street: 1-story and 2-story commercial buildings (used for office/retail/service purposes), including the City's Municipal Court and Building Maintenance functions. To

the east across State Highway 5 (McDonald Street): 1-story commercial buildings (used for office/retail/service purposes). To the southeast: Chestnut Square Historic Village, a collection of 1-story historic buildings (houses, schoolhouse, chapel, general store) and gardens used as a heritage museum. Chestnut Square is also host to the McKinney Farmers Market. To the south across Anthony Street: 1-story single family residential buildings used for residential and office/service purposes. To the west across Tennessee Street: 1-story historic residential buildings (used for residential, event space, office/retail/service purposes) and a 2-story commercial building (used for office purposes).

Configuration of Parcels: The site is currently comprised of 7 parcels, including former street rights-of-way that were vacated by the City in 1976 and 1988. As part of site redevelopment, individual parcels are expected to be consolidated and/or replatted. Existing utility easements are expected to be adjusted, and new easements necessary for redevelopment are expected to be added.

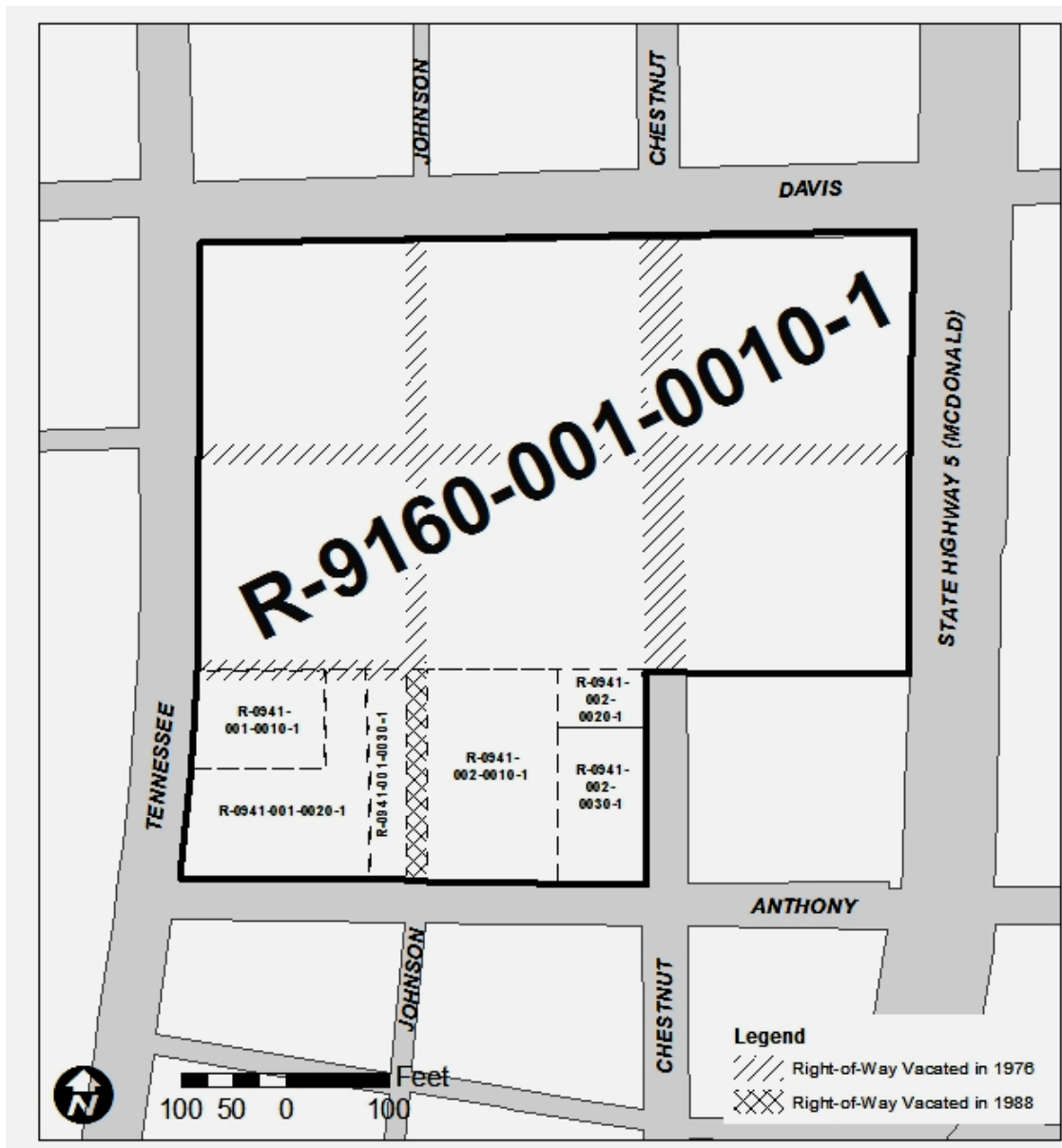


Figure 4. Configuration of Parcels and Rights-of-Way (Primary Site)

Existing Public Infrastructure: Water and sanitary sewer lines run both along the perimeter and through the site. Based on a preliminary assessment, the water and sanitary sewer lines in Tennessee Street appear to be of sufficient capacity and condition to serve most of the anticipated redevelopment of the site; however, depending on the ultimate redevelopment program for the site, upgrading of other utility lines (including certain segments of off-site sanitary sewer line) may be necessary.

Streets and sidewalks along the perimeter of the site appear to be of sufficient capacity and condition to serve the anticipated redevelopment of the site. Along the western perimeter of the site (the east side of Tennessee Street), there are approximately 21 on-street parallel parking spaces. Along the northern perimeter of the site (the south side of Davis Street), there are approximately 24 on-street parallel parking spaces. State Highway 5 (McDonald Street) is a State-maintained roadway that runs along the eastern perimeter of the site.

Existing Zoning: The site is currently zoned “GC” Governmental Complex District (which remains from the site’s previous use as the Collin County Government Center). The Governmental Complex District is specifically intended to provide standards for central governmental/institutional facilities and privately owned office space for professional services. The site is also governed by the “H” Historic Preservation Overlay District.

The City acknowledges that the existing zoning regulations (particularly, the “GC” base zoning district as well as some other special development provisions such as parking, screening, landscaping, and architectural standards) are inconsistent with the City’s adopted Town Center Master Plan and with the anticipated redevelopment of this site to include new residential uses and/or new commercial/office/retail/educational uses (single use and/or mixed use building improvements) within a compact and pedestrian-friendly design. Thus, as part of Phase 2 of the Town Center Study Initiative, the City initiated the drafting of a new form-based zoning code in 2010 in order to proactively address unique redevelopment challenges and achieve the desired physical form and character of the Master Plan. Formal adoption of the draft McKinney Town Center Zoning Code is anticipated in 2012 (see Section 3 for more details). Redevelopment of the site is expected to comply with the draft McKinney Town Center Zoning Code.

Existing Parking: Originally constructed to serve the Collin County Government Center, several lighted off-street concrete parking areas totaling approximately 482 parking spaces remain on the site. Currently, the City offers the parking spaces free of charge to support the downtown area. During the week, overall usage of the parking spaces ranges between 5% and 15%. When the Farmers Market at Chestnut Square is open on Saturday mornings during the growing season, overall usage of the parking spaces ranges between 25% and 35%. Incorporation of the existing off-street parking areas into the redevelopment proposal is optional. However, the City may require shared (i.e. public) use of some portion of the parking provided on the redeveloped site.

Existing Trees: Based on a recent tree survey, the site contains approximately 139 trees ranging in caliper size from 8 inches to 28 inches. Of the 139 total trees, 52 are Live Oak, 45 are Cedar Elm, 26 are Red Oak, 9 are Pecan, 3 are Bur Oak, 2 are Red Bud, 1 is Eastern Red Cedar, and 1 is Magnolia. Redevelopment of the site is expected to comply with the requirements of the City’s Tree Preservation Ordinance (Section 146-136 of the Zoning Ordinance).

Existing Environmental Condition: In conjunction with the City’s purchase of the Collin County Government Center in 2006, a Phase I Environmental Site Assessment (ESA) and a limited Phase II ESA were completed for the site. Based on the Phase I ESA, some recognized environmental conditions (RECs) were identified in connection with former on-site auto repair shops, a former on-site bus station, former off-site dry cleaners and auto service station, and an on-site registered 6,000 gallon underground storage tank (used by the Collin County Government Center to store gasoline between 1987 and 2006).

In 2006, a limited Phase II ESA was conducted (including soil samples and temporary groundwater monitoring wells). The soil samples were tested for the presence of petroleum hydrocarbons and volatile organic compounds. Lab results did not exceed Texas Commission on Environmental Quality (TCEQ) Protective Concentration Levels (PCLs) for residential property. No groundwater was present in the temporary monitoring wells; therefore, no groundwater samples were collected. No further assessment was recommended for the site.

In 2010, prior to the City's demolition of the 6-story courthouse building and Annex A, asbestos-containing material in each building was properly abated. Additionally, in conjunction with the City's demolition, the 6,000 gallon underground storage tank was removed, and formal close-out was achieved through TCEQ.

## 2.2 Secondary Sites

As depicted in yellow in Figure 5 below, there are nine (9) City-owned secondary sites in the downtown area. Detailed site information for the secondary sites has not been provided in this document; however, if specifically requested during the inquiry period, details for any of the secondary sites will be provided by formal written addendum.



Figure 5. Location of Secondary Sites

## SECTION 3. ROLES AND POLICY CONTEXT

### 3.1 Project Scope

The City expects proposals for the redevelopment of the primary site and/or any of the secondary sites to include elements such as new residential uses and/or new commercial/office/retail/educational uses (single use and/or mixed use building improvements) within a compact and pedestrian-friendly design.

### 3.2 Pre-Development Agreement or Memorandum of Understanding or Interim Agreement

Unless the City rejects all proposals, the City Council will authorize the City Manager to negotiate and execute a Pre-Development Agreement or Memorandum of Understanding or Interim Agreement with the selected development team. The Pre-Development Agreement or Memorandum of Understanding or Interim Agreement will: (a) define the general terms and conditions of the land sale/lease, the responsibilities of the development team, and the responsibilities of the City, (b) set a schedule for obtaining financial commitments and plan reviews/approvals, and (c) guide the negotiation of a Comprehensive Development Agreement between the development team and the City.

### 3.3 Role of Development Team

The selected development team will engage the necessary consultants to define and design the project, complete the design, secure the necessary permits (including but not necessarily limited to building permits, engineering permits, certificates of occupancy, etc.), secure equity and debt financing, contract for and construct the project, and own and manage the project after completion.

### 3.4 Role of City

The City is committed to facilitating the redevelopment of the primary site and/or any of the secondary sites by any reasonable means, including the full range of economic development tools available under state law. Offered incentives will aim to be mutually beneficial and will be based on negotiations with the selected development team and the merits of the proposed project. The City's ownership of the primary site and of the secondary sites offers several options for property control/acquisition by the development team. The land conveyance process for any included sites will be undertaken in accordance with applicable state laws governing disposition of public property.

City Staff will also take an active role in technically assisting the development team through the development process in order to secure all necessary endorsements and approvals as expeditiously as possible (e.g. platting, zoning, site planning, building permits, etc.).

### 3.5 Policy Context

The development criteria are flexible. However, proposals must be guided by the redevelopment goals and preferred concepts outlined in the Town Center Study Initiative Phase 1 Report and associated illustrative vision ("Town Center Master Plan").

#### Town Center Study Initiative, Phase 1

The Town Center Study Initiative is a sector plan of the oldest part of McKinney, called for as part of the City's 2004 Comprehensive Plan. McKinney's Historic Town Center is blessed with and well-positioned to leverage its location, physical assets, history, character, community pride, vibrant businesses, cultural arts, and diverse demographic composition. However, like many city centers, the challenge facing McKinney's Historic Town Center is learning how to create a renewed emphasis on its authentic form and character while still embracing growth and planning for the future. As a proactive step towards this end, the City of McKinney launched Phase 1 of the Town Center Study Initiative in 2006.

Phase 1 of the Initiative consisted of a series of multi-day public design workshops that engaged community stakeholders (over 300 residents, property owners and business owners) and generated critical ideas about how the Town Center should look, feel, and function over the long-term. This innovative approach resulted in a bold, community-based vision. The overriding beauty of the vision is that it

acknowledges that market forces will play a critical role in shaping the Town Center's future, and it allows for a certain level of flexibility to accommodate this vision.

Essentially, the vision is to have the Town Center anchored by two thriving urban villages (the historic downtown core on the west side of State Highway 5 and the transit-oriented village on the east side of State Highway 5) surrounded by the stable and preserved single-family residential neighborhoods. These two villages will be compact, walkable, and diverse urbanized places that will have a concentration of jobs, housing, commercial uses, public spaces, public transportation, and pedestrian activity. To create a healthy synergy between the two villages, the State Highway 5 corridor will embrace and unite, rather than divide. Different but compatible land uses will be mixed horizontally or vertically. Buildings for infill development will relate to their associated street types in terms of size, scale, mass, orientation, and frontage. A variety of urban residential products with minimal setbacks from the street and a comprehensive parking program will help to achieve a density necessary to support transit and local commercial activity.

Given the general demographic shifts ("back to the city" movement; Generation Y's living and working preferences; Baby Boomer Generation seeking low maintenance housing that is conveniently located close to activity, diversity and vibrancy; single parent households; multi-generational households, etc.) and emerging retail and office trends, McKinney's historic Town Center is poised to fill a market niche for people who want an urban lifestyle but with a small town feel. As the vision is fulfilled, the Town Center will prove to be an appealing alternative to generic suburban subdivisions, strip shopping centers, and congested auto-oriented roads, offering many of the positives of a big city lifestyle without many of the negatives typically associated with a big city.

### Town Center Master Plan

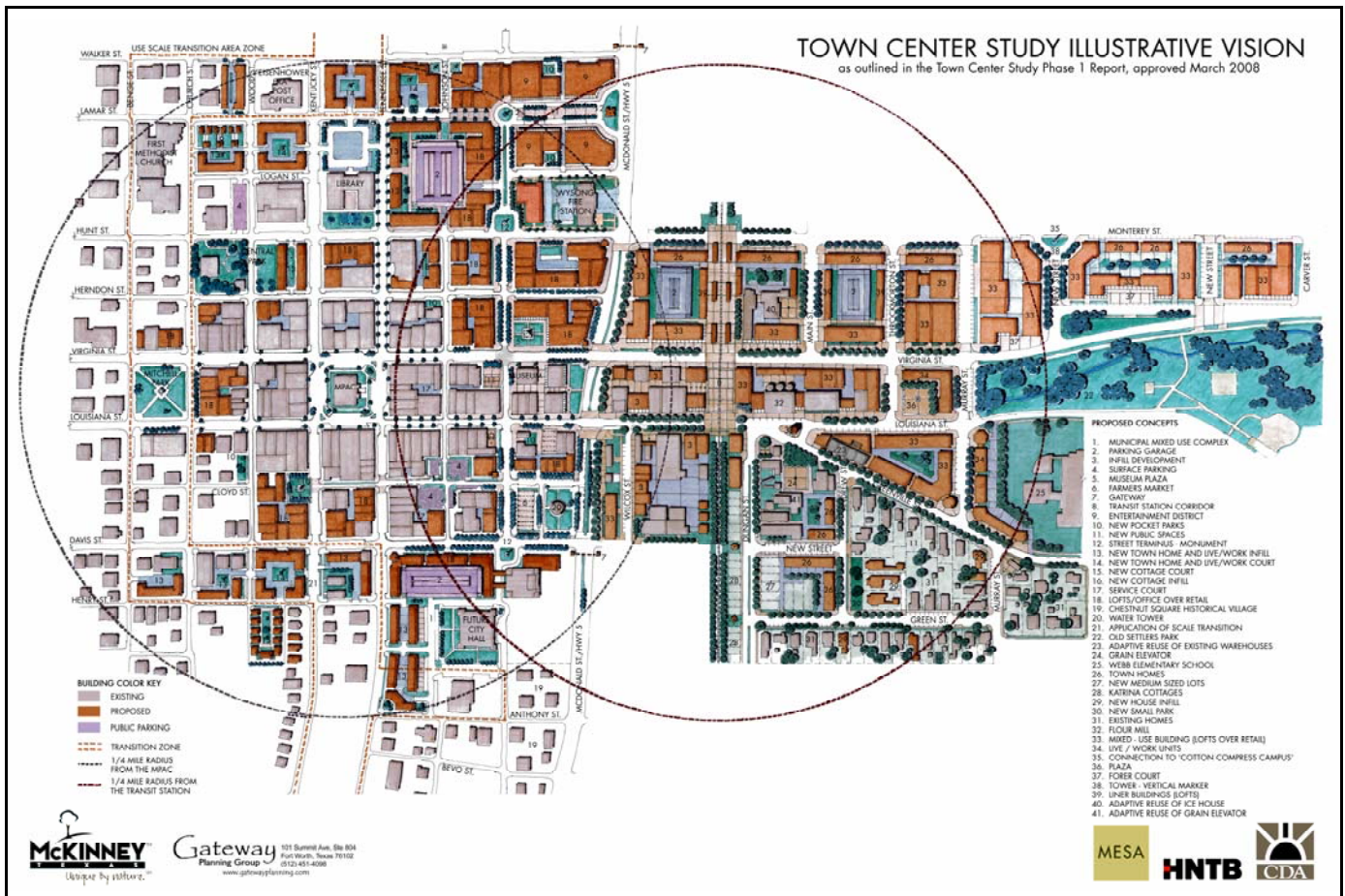
In March 2008, the Town Center Study Phase 1 Report and the associated illustrative vision (shown in Figure 6) were unanimously approved by City Council and adopted by reference into the Comprehensive Plan. Known together as the "Town Center Master Plan," they serve as a meaningful policy guide for city officials, City staff, property owners, private developers, and citizens when considering decisions in the Town Center.

The Town Center Master Plan includes a number of preferred redevelopment concepts such as encouraging mixed-use and urban residential infill growth, improving pedestrian walkability and connectivity, creating compatible physical scales and transitions, and fostering long-term economic development through the concept of "place."

It is important to acknowledge that the preferred concepts shown



in the illustrative vision are truly illustrative and do not represent the *only* approach that could be utilized to realize the Town Center Master Plan. The elements noted in the illustrative plan could be some of the many options that work for particular redevelopment concepts.



**Figure 6. Town Center Illustrative Vision**

Most notably, the Town Center Master Plan calls for a “Municipal Mixed-Use Complex” to anchor the southern side of the downtown area (specifically on the primary site described in this RFP). In the Town Center Master Plan, the “Municipal Mixed-Use Complex” envisions that the existing buildings on the site would be adaptively reused to accommodate the relocation of City Hall and that the municipal operations would also be integrated with new private redevelopment up to 5 stories (such as new townhomes or live/work units along the western side of the site and new mixed-use buildings lining a new internal parking structure).

However, more recently, the City has decided to postpone any decisions about whether to move forward with the relocation of City Hall to this site. And, in order to make the site more marketable for redevelopment, the City has also recently demolished two of the three buildings that had existed on the site (as previously explained in Section 2).

Nevertheless, with this Request for Proposals, the City is seeking private redevelopment of the site to include new residential uses and/or new commercial/office/retail/educational uses (single use and/or mixed use building improvements) within a compact and pedestrian-friendly design in order to serve as the anchor for the southeast quadrant of the downtown area.

**Town Center Study Initiative, Phase 2**

Now in the final stages of Phase 2, the City is also focused on implementing action steps that will bring the vision to life and help the City synchronize development regulations, public capital investment and fiscal tools. Thus far, successes of Phase 2 have included the completion of various planning/policy analysis

activities that have led the way to several key actions. More information about the Town Center Study Initiative can be found online at [www.mckinneytexas.org/towncenterstudy](http://www.mckinneytexas.org/towncenterstudy).

Key efforts of Phase 2 have included:

- A market feasibility analysis which analyzed both pre- and post-rail scenarios in the Town Center and confirmed that the preferred concepts of the vision are realistic. The analysis concluded that, over the next 10 years, McKinney's Town Center could reasonably expect to absorb approximately 1,200 residential units (urban single-family detached, single-family attached townhouses, condominiums, live-work units, and apartments over ground floor non-residential) and 400,000 square feet of non-residential.
- A comprehensive downtown parking analysis which evaluated existing and future supply/demand dynamics, site feasibility of a parking structure and options for a paid parking system in the downtown core.
- A public improvement district (PID) analysis, which evaluated the feasibility of establishing a PID in the downtown core.
- Implementation of a Tax Increment Reinvestment Zone (TIRZ #1), which serves as a key fiscal tool to support and encourage sustained revitalization of the Town Center over the long-term. Formal creation of the Town Center Tax Increment Reinvestment Zone occurred in late 2010. Redevelopment of the primary site in this RFP is specifically identified as a catalyst project in the TIRZ #1 Project Plan.
- Approval of the City of McKinney 2010 bond package, including \$3 million for parking improvements and \$8 million for roadway improvements within the Town Center.
- Award of almost \$2 million in Sustainable Development grant funds from the North Central Texas Council of Governments (NCTCOG) to support infrastructure and planning projects within the Town Center.
- Award of \$400,000 in Brownfields Assessment grant funds from the Environmental Protection Agency (EPA) to identify and assess potential brownfield sites in order to facilitate property reuse within the Town Center.
- An analysis of the existing development regulations, which has led to the drafting of a new form-based zoning code for the Town Center (known as the draft McKinney Town Center Zoning Code and Regulating Plan) to proactively address unique redevelopment challenges and achieve the desired physical form and character of the adopted community vision. Adoption of the McKinney Town Center Zoning Code is anticipated in 2012.

Note: In the draft McKinney Town Center Zoning Code, the primary site described in this RFP is located in the "Downtown Core" character district, which is intended to encourage redevelopment of the area immediately surrounding the Historic Core with specific emphasis on pedestrian orientation and street walls along Tennessee Street, Davis Street, Chestnut Street, Anthony Street, and State Highway 5. The draft code calls for the extension of at least one north/south street and one east/west street through the site in order to disaggregate the "superblock," reestablish the grid street network, and recreate internal blocks of a pedestrian-oriented size. The Downtown Core offers much more flexibility by allowing a range of commercial uses (retail/service/restaurant/lodging/entertainment/recreation), office uses, and residential uses (single family and multi-family) while also including standards for building placement, building frontage, building orientation, building massing and scale, building height (maximum 6 stories), building façade composition, building materials, parking, and service access. Redevelopment of the primary site (and secondary sites) is expected to comply with the draft McKinney Town Center Zoning Code.



## SECTION 4. SUBMISSION PROCEDURES AND REQUIREMENTS

Responses and any other information submitted in response to this RFP shall become the property of the City of McKinney. Respondents may submit more than one response to this RFP. However, each response must be a separate and complete package that can be considered independently of any other response from the same respondent.

### 4.1 Submittal Requirements

Submittals should include the following:

#### A. Cover Letter

- Signature from authorized officer/agent of the development entity

#### B. Development Team Composition, Experience, and Financial Capacity

- Development Entity – full legal name, type, primary contact.
- Proposed Development Team – brief resumes for key members.
- Ownership Entity – type, formation data, general and managing partner.
- List all projects (completed or nearly completed) in which the development entity or key member(s) has (have) been involved in the past five (5) years.
- Describe in greater detail those projects from the previous list that are similar in type, size, scale or complexity to the project scope anticipated in this RFP. To the extent possible, please include project name, type, location, description, current status, composition of development team, project cost, project financing, and project photos/renderings/marketing materials.
- List any current projects in the predevelopment, design, or construction phase.
- Include a Statement of Financial Capacity as well as a Certified Financial Statement showing the assets and the liabilities, including contingent liabilities, of the development entity, and any affiliates/partners with more than a ten (10%) ownership interest in the development entity, fully itemized in accordance with accepted accounting standards. Confidential financial information should be clearly labeled as such. The City of McKinney will consider and treat such information as confidential to the extent allowed by law.
- Include any additional information deemed helpful in demonstrating the development entity's financial capacity and capability to complete the proposed development.

#### C. Project Approach, Concept, and Description

- Describe the development team's approach to identifying a development program for the primary site and/or any combination of the secondary sites, including uses (type/amount/configuration), buildings (type/amount/configuration), and other components such as access, circulation, parking and open space.
- Describe the development team's preliminary thoughts on important functional design considerations for the site(s) and the initial design response to the redevelopment goals and preferred concepts outlined in the Town Center Study Phase 1 Report and associated illustrative vision ("Town Center Master Plan").

- Include graphical depictions of the development proposal. At minimum, a conceptual site plan and a rendering/elevation shall be provided.
- Include a feasibility analysis containing the estimate (and estimation methodology) of development costs/revenues for the project, including any direct and indirect revenue projections to the City.
- Include an itemization of the sources of funds anticipated to make the project feasible, including any development cost areas potentially requiring public participation.
- Include a timeline for the project, including any individual phases. The proposal should aim to begin first-phase construction within 18 months of proposal selection.

#### D. References

- Provide a minimum of 3 letters of reference (maximum of 5). Letters of reference should provide sufficient information to evaluate the development team's past performance, ideally on those projects described in greater detail by the Respondent in Section 4.1(B) of similar type, size, scale, or complexity to the project scope anticipated in this RFP.
- References should include company/organization, names, titles, telephone numbers, and email addresses for individuals who can provide information related to the capabilities of the development team and key team members. **DO NOT USE REFERENCES FROM CURRENT CITY OF MCKINNEY OFFICIALS.**

#### E. Response Letter and Questionnaire

Respondents must complete, sign, and include RESPONSE LETTER TO 12-025 RFP (Appendix A) and RESPONDENT'S QUESTIONNAIRE FOR 12-025 RFP (Appendix B) with the submittal. Failure to include these documents may subject the submittal to disqualification.

### 4.2 Submittal Format

- Six (6) bound hard-copies of the submittal not to exceed 30 pages (pages printed front and back will constitute 2 pages). Pages must not exceed 11"x17" in size and should be folded to 8.5"x11".
- One (1) electronic copy (PDF) of all submittal documents on a CD, DVD, or USB Flash Drive.
- Supplemental full color prints of conceptual site plans, renderings, or similar drawings will not count toward the 30 page limit. Acceptable sizing is 11"x17" or 24"x36" (folded to 8.5"x11").
- Respondents must complete, sign, and include RESPONSE LETTER TO 12-025 RFP (Appendix A) and RESPONDENT'S QUESTIONNAIRE FOR 12-025 RFP (Appendix B) as a part of their submittal. Failure to include these documents may subject submittal to disqualification.
- Submitted materials must be enclosed in a sealed envelope (or box or container); clearly indicating the RFP Number (12-025 RFP), all addenda, the submittal deadline, and the name, telephone number and return address of the Respondent.
- All submittals must conform to the requirements outlined in the RFP. Incomplete submittals will not be considered.
- Late submittals will not be considered under any circumstances. Late submittals properly identified will be returned to the Respondent unopened.

- Telephone (“PHONE”), Facsimile (“FAX”), or Internet (“E-mail”) submittals will not be accepted.

**4.3 Pre-Submittal Conference and Site Tour**

City Staff will host a pre-submittal conference and site tour on Wednesday, August 1, 2012 starting at 8:30 am Central Daylight Time at McKinney City Hall. McKinney City Hall is located at 222 North Tennessee Street, McKinney, Texas 75069. Immediately following the pre-submittal conference, City Staff will offer a walking tour of the primary site and secondary sites.

**4.4 Submittal Deadline**

Submittals must be received by the City of McKinney Purchasing Department by mail or hand delivery no later than 2:00 pm Central Daylight Time on Thursday, September 27, 2012 to:

Debbie Nye, Purchasing Manager  
1550 D College Street  
McKinney, Texas 75069

It is the responsibility of each Respondent to ensure responses are submitted in a timely manner. The City is not responsible for delays in mail delivery or failure of couriers to deliver responses by the submittal deadline.

**4.5 Key Events Schedule**

The timeline established by the City for this RFP process is:

|                                             |                                                     |
|---------------------------------------------|-----------------------------------------------------|
| RFP Issuance:                               | July 1, 2012                                        |
| Pre-Submittal Conference/Tour:              | 8:30 am Central Daylight Time on August 1, 2012     |
| Deadline for Inquiries and Interpretations: | 2:00 pm Central Daylight Time on September 6, 2012  |
| Final Addendum Issuance:                    | 5:00 pm Central Daylight Time on September 13, 2012 |
| Deadline for RFP Submittals:                | 2:00 pm Central Daylight Time on September 27, 2012 |
| Interviews (if needed):                     | week of November 12-16, 2012                        |
| City Council Award:                         | December 2012                                       |

This timeline is subject to change by the City.

**4.6 Inquiries and Interpretations**

Responses to inquiries which directly affect an interpretation or change to this RFP will be issued in writing by addendum and mailed or faxed to all parties recorded by the City as having received a copy of the RFP. Requests for interpretation or changes to this RFP must be received by the City’s contact person, as listed in this RFP. All such addenda issued by the City prior to 5:00 pm Central Daylight Time on September 13, 2012 shall be considered part of the RFP, and the Respondent shall be required to consider and acknowledge receipt of such in its response. Firms receiving this RFP other than directly from the City are required to register on the City of McKinney Electronic Procurement System. It is the obligation of the Respondent to make sure that it has registered and received all addenda prior to submission of its response. Respondents may obtain information on all addenda issued to the date of inquiry from the City’s contact person as listed in this RFP.

Only those responses to inquiries, which are made by formal written addenda, shall be binding. Oral and other interpretations or clarifications will be without legal effect and shall not be binding on the City. The Respondent must acknowledge receipt of all addenda in its response.

**4.7 Public Information**

The City considers all information, documentation and other materials requested to be submitted in response to this solicitation to be of a non-confidential and/or non-proprietary nature and, therefore, shall

be subject to public disclosure under the Texas Public Information Act (*Texas Government Code*, Chapter 552.001, *et seq.*)

Responses to this RFP may contain technical data or other knowledge or materials that constitute proprietary information which, if publicly disclosed, would cause injury to Respondent's competitive position. To protect this data from disclosure, Respondents should specifically identify the pages of the proposal containing such information by marking the applicable pages "CONFIDENTIAL." The City will give notice to Respondents of any requests for disclosure of information identified as confidential.

Respondents are hereby notified that the City strictly adheres to all statutes, court decisions, and opinions of the Texas Attorney General with respect to disclosure of public information.

## SECTION 5. EVALUATION CRITERIA AND SELECTION PROCESS

### 5.1 Evaluation of Submittals

The City shall evaluate all submittals and may invite consultants and representatives from other qualified organizations to evaluate the submittals as deemed necessary. The decision to reject any or all proposals is final and is not subject to due process or appeal. The City reserves the right to request additional information from any Respondent, to interview any Respondent, and to request and secure modifications or amendments to any submittal.

The City will review submittals based upon, but not limited, to the following criteria:

- Demonstrated experience in the successful financing, (re)development, operation, and economic performance of projects of comparable type, size, scale, and complexity.
- Demonstrated experience in completing projects of comparable type, size, scale, and complexity on time and within forecast budgets.
- Demonstrated experience in successful public/private partnerships.
- Financial capacity as reflected on the submitted Statement of Financial Capacity.
- Extent to which the proposed development program aligns with and contributes to the redevelopment goals and preferred concepts outlined in the Town Center Study Phase 1 Report and associated illustrative vision (“Town Center Master Plan”).
- Feasible financial level or structure of City participation.
- The quality of architectural and urban design aspects of comparable projects completed by the Respondent.
- Understanding of the City of McKinney, its downtown, and the importance of high quality (re)development at this site.

### 5.2 Selection Process

The City will evaluate the proposal, experience, financial and technical competence, capability to perform, past performance, financing, proposed public participation, and other appropriate factors submitted by each Respondent.

A maximum of six (6) Respondents may be asked to submit additional information and, if the City chooses, to interview. Finalists selected for an interview will be notified within thirty (30) days of the submittal deadline.

Within thirty (30) days following the last scheduled interview, the City shall evaluate the information submitted by Respondents on the basis of the selection criteria stated in this RFP and the results of the interview. The City may request additional information regarding demonstrated competence and qualifications, considerations of the safety and long-term durability of the project, the feasibility of implementing the project as proposed, the ability of the Respondent to meet schedules, costing and funding methodology, or other factors as appropriate. Consideration may also be given to any additional information and comments at the selection phase if it reflects on the Respondent’s proposal to perform the project. The City shall select the Respondent that submits the response offering the best value for the City on the basis of the published selection criteria and on its evaluation.

Unless the City rejects all submittals, the City Council will authorize the City Manager to negotiate and execute a Memorandum of Understanding or Pre-Development Agreement or Interim Agreement with the selected Respondent. If the parties cannot negotiate a successful Memorandum of Understanding or Pre-Development Agreement or Interim Agreement, the City will terminate negotiations with the selected Respondent and commence negotiations with another preferred Respondent in the same manner. If a Memorandum of Understanding or Pre-Development Agreement or Interim Agreement is not reached, the City will proceed with this process, in order of preference, until an agreement is reached or all submittals are rejected. The City reserves the right to reject any and all submittals.

Through this process, the City intends to select a master development proposal and execute a Memorandum of Understanding or Pre-Development Agreement or Interim Agreement with the responding development team, followed by a binding, negotiated Comprehensive Development Agreement(s) as needed for the development of the project. The City reserves the right to modify and approve final members of the development team.

### **5.3 Respondent's Acceptance of Evaluation Methodology**

WAIVER OF CLAIMS: Each Respondent by submission of a response to this RFP waives any claims it has or may have against the City, its employees, officers and elected officials, agents, representatives, that are connected with or arising out of this RFP, including, the administration of the RFP, the RFP evaluation, and the selection of qualified Respondents to receive a Request for Proposals.

Submission of Proposals indicates Respondent's acceptance of the evaluation technique and Respondent's recognition that some subjective judgments must be made by the City during the evaluation of proposals. Without limiting the generality of the foregoing, each Respondent acknowledges that the basis of selection and that the evaluations shall be made public in accordance with applicable law and waives any claim it has or may have against the above-named persons, due to information contained in such evaluations.

## SECTION 6. GENERAL TERMS

Respondents should carefully read the information contained herein and submit a complete response to all requirements and questions as directed. It is the responsibility of Respondents to check the McKinney website for posting of clarifications, amendments, or addenda on an ongoing basis.

Any questions regarding this RFP shall be directed by email to the City of McKinney contact:

Kevin Spath, AICP  
Assistant Director of Planning  
City of McKinney  
221 N. Tennessee Street  
McKinney, Texas 75069  
Email: [kspath@mckinneytexas.org](mailto:kspath@mckinneytexas.org)

The City specifically requests that Respondents restrict all contact and questions regarding this RFP to the above named individual.

The City will not provide compensation to Respondents for any expenses incurred by the Respondents for submittal preparation or for any demonstrations that may be made, unless otherwise expressly stated or required by law. Respondents submit proposals and other submittal information in response to this RFP at their own risk and expense.

Responses that are incomplete or qualified with conditional clauses or alterations or items not called for in the RFP documents, or irregularities of any kind, are subject to disqualification by the City, at its option. The City reserves the right to reject any or all proposals at any time with no penalty. The City reserves the right to waive any irregularity or informality in a response or submittal.

In the event that ambiguities, conflicts, or other errors are discovered in this RFP, the City of McKinney will make every attempt to address any such ambiguities, conflicts, or errors.

Each response should be prepared simply and economically, providing a straightforward and concise description of the Respondent's ability to meet the requirements of this RFP. Emphasis should be on completeness, clarity of content, responsiveness to the requirements, and an understanding of the City's expectations.

The City reserves the right to determine which of the submittals have met the minimum qualifications of this RFP. The City reserves the right to determine whether any deviation from the requirements of this RFP is substantive in nature, and may reject submittals that lack supporting or explanatory information. The City reserves the right to extend deadlines at its sole discretion.

The City makes no guarantee that an award will be made as a result of this RFP, or any subsequent RFP, and reserves the right to accept or reject any or all submittals, waive any formalities, irregularities or minor technical inconsistencies, or delete items/requirements from this RFP or agreement(s) when deemed to be in the City's best interest. All firms or individuals doing business with the City of McKinney shall have all required State of Texas licenses.

Respondents are responsible for errors and omissions in their responses, and any such errors will not serve to diminish their obligations to the City.

The City reserves the right to disqualify a Respondent if the proposal is not based on reasonable market assumptions.

**APPENDIX A**  
**RESPONSE LETTER TO 12-025 RFP**

Debbie Nye, Purchasing Manager  
City of McKinney  
1550 D College Street  
McKinney, Texas 75069

Ms. Nye:

This response is being submitted by the undersigned, on behalf of the Respondent

\_\_\_\_\_.

The person signing this response on behalf of the Respondent represents to the City that:

- 1) The information provided herein is true, complete and accurate to the best of the knowledge and belief of the undersigned; and
- 2) Respondent has received any Addenda to this RFP.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

RESPONDENT:

\_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## APPENDIX B

### RESPONDENT'S QUESTIONNAIRE FOR 12-025 RFP

In addition to the information requested in the main body of the RFP, Respondents are required to submit a complete response to each of the items listed below. Responses requiring additional space should be brief and submitted as an attachment to the Respondent's Questionnaire. For purposes of this Appendix B, "entity" shall mean the development entity and any affiliate or partner thereof with more than a ten (10%) percent ownership interest in such development entity.

1. Legal name of the development entity:

\_\_\_\_\_

Physical Address:

\_\_\_\_\_

\_\_\_\_\_

Telephone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Website: \_\_\_\_\_

Number of years in business: \_\_\_\_\_

Type of Operation: Individual \_\_\_\_\_ Partnership \_\_\_\_\_ Corporation \_\_\_\_\_

Number of Employees: \_\_\_\_\_

2. Name, email address and phone number (including mobile phone number) of development team's primary point of contact for this RFP.

\_\_\_\_\_

3. Provide a financial rating of your entity and any documentation (e.g. a Dunn & Bradstreet analysis), which indicates the financial stability of the entity.

\_\_\_\_\_

4. Provide any details of all past or pending litigation or claims filed against your entity arising out of, or in connection with, your entity's performance under a contract for development or other services. Describe how such suit or claims were resolved or current status.

\_\_\_\_\_

5. Is your entity currently in default on any loan or financing agreement with any bank, financial institution, or other entity? If yes, specify date(s) and details.

\_\_\_\_\_

6. Does any relationship exist between your entity and any of the City's officers, employees or associated entities whether by relative, business associate, capital funding agreement or any other such kinship? If yes, please explain.

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7. What difficulties do you anticipate in partnering with the City; how do you plan to manage these; and what assistance will you require? Describe your entity's past performance on other agreements with the City (e.g. cost control, cost savings, schedule control).

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8. Describe the various funding models that your firm has successfully used on past public/private partnership projects and include information on the percentages of public versus private contributions for project funding.

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