

REQUEST FOR PROPOSALS

STATION CENTER INNOVATION DISTRICT PHASE ONE



UREC

5-PAGE PROPOSALS DUE:

Thursday, February 24, 2022 at 11:59 PM MST

25-PAGE PROPOSALS DUE:

Wednesday, April 4, 2022 at 11:59 PM MST



SECTION I - REQUEST FOR PROPOSALS (“RFP”) INFORMATION

GENERAL PURPOSE

The Utah Real Estate Challenge (the "UREC") is soliciting competitive sealed proposals from qualified student teams to prepare a development proposal for Phase One of the Station Center Innovation District located in Salt Lake City. Recently, the Salt Lake City Redevelopment Agency (RDA) and University of Utah entered into an exploratory partnership to evaluate opportunities to jointly redevelop an approximately 27-acre area directly west of the Rio Grande Depot in Downtown Salt Lake into a mixed-use innovation district.

The RDA's goal for the area, referred to as Station Center, has always been to create the State of Utah's premier model of transit-oriented development with added transportation connections, enhanced infrastructure, and high-density, mixed-use buildings that accommodate the need for affordable housing and retail spaces for local businesses and non-profits. A partnership with the University of Utah will expand that vision to include a focus on making Station Center a hub for the innovation economy in Salt Lake City.

PROJECT HISTORY

An important and longstanding influence on Salt Lake City's west side has been the Rio Grande Depot. The current Rio Grande Depot, located at 300 South between 400 and 500 West, replaced an original wooden depot building at 600 West to accommodate the joining of the Denver, Rio Grande and Western Pacific Railway systems.

The Union Pacific, whose depot was situated just down the street at South Temple, was the Rio Grande's main competition. The new Denver and Rio Grande Depot was designed by Chicago architect Henry S. Schlachs and completed in 1910 at a total cost of \$750,000. This depot served as a symbol of the influence the railroad has had on Salt Lake City since the turn of the century.

As of 1911, the area south of 300 South, between 500 west and 600 West contained residential/industrial diversity. The northwest corner was occupied by Utah Ice & Storage and the Jensen Creamery Companies. The remaining length of 300 South consisted of several dwellings and a shop. The Salt Lake Mattress and Manufacturing Company was near the middle of the block. The southern portion of the block (between the ice and creamery facilities and 400 South) was a mixture of housing, stables, and a vacant church. Between 1911 and 1949 this area reflected the peak of the railroad era before the transition to the age of the highway.

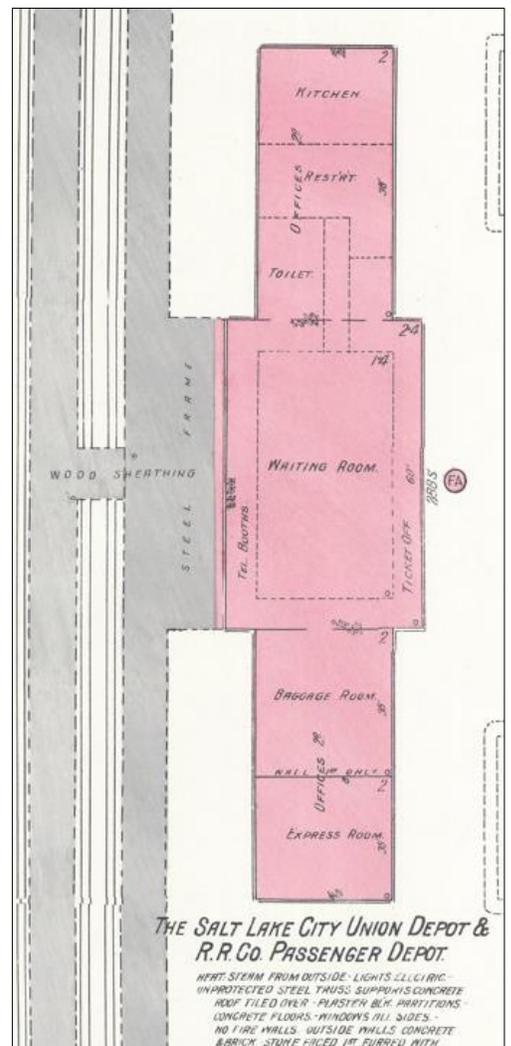


Figure 1: Rio Grande Depot building as seen in 1950 Sanborn Fire Insurance Map

Related Historical Documents / Articles

1. [Rio Grande Depot Area – 1950 Sanborn Fire Insurance Map](#)
2. [Utah Historical Quarterly – Denver & Rio Grande Depot](#)
3. [University of Utah Think Tank – Rio Grande Depot History](#)

INNOVATION DISTRICT BOUNDARIES

The Innovation District encompasses an area from 200 South to 400 South and from 500 West to 600 West.

The 2022 UREC competition will incorporate the creation of a vision for the programming / design of Phase One of the Innovation District (“the Competition Site”) as well as the underwriting of one of two building sites located upon the competition site. Additional detail on the competition site as well competition components can be found on the following pages.



PHASE ONE BOUNDARIES - The Vision

The Competition Site is just west of the Rio Grande Depot building at the intersection of 300 South and 500 West.

Proposals are required to develop a vision for the programming / design of intersection of 300 South and 500 West with a focus on the on-site streetscapes. This intersection is envisioned to be the gateway into the innovation district. Additionally, 300 South is envisioned to be a "curbless" pedestrian-oriented "festival street".

500 south has been envisioned by the city as can be seen in the [500 West Streetscape Study](#)

The creation of a vision for the area shown below can be accomplished through the use of renderings, massings, streetscapes, and the thoughtful, intermittent use of precedent images.

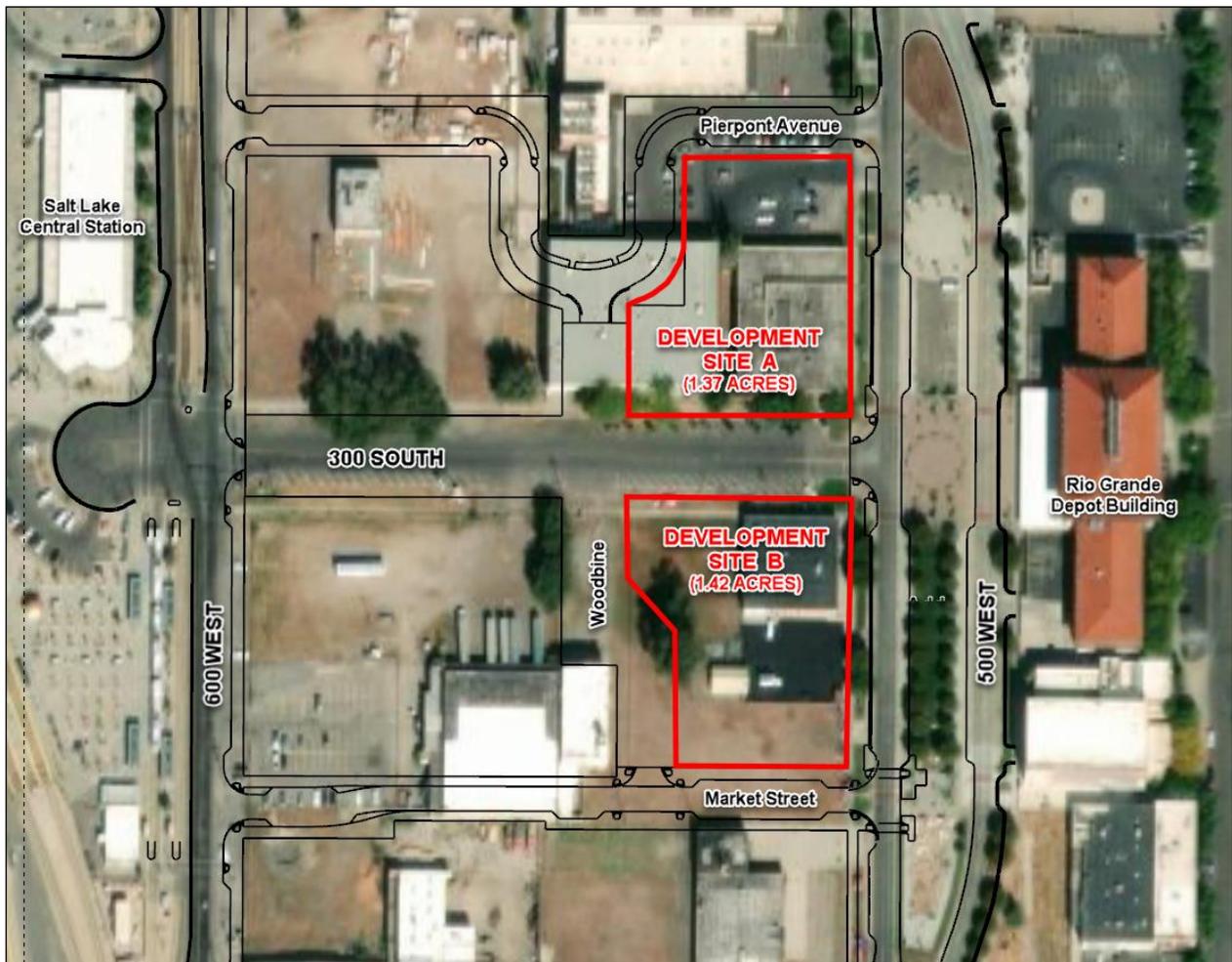


PROJECT BOUNDARIES - Design & Underwriting

Proposals are required to underwrite development of one of two building sites (Site A or Site B below) located upon the competition site. As detailed below, primary uses envisioned for the Innovation District include office (with an emphasis on life sciences and health care), retail and housing, all heavily influenced by proximity to public transit. Note: this is the premier T.O.D. site in the state; pay attention to how the mix of uses interacts. Some uses make better neighbors than others.

As noted in the 2022 UREC Competition Packet *this section may include a development budget for the project with a breakdown of all the development costs. The budget may include land cost, site work (both on and off), hard construction costs, and soft costs. Development proposals may also include details of the projected income, expenses, and other pertinent factors. Contestants should include an operating pro-forma that outlines projected revenues, operating and management expenses, net operating income, debt service, and net cash flow for the project.*

Teams may pick one of the two sites depicted below to underwrite. Underwriting and the feasibility of the site should be in alignment with the overall vision for the area.



PROJECT VISION

UREC proposals submitted in response to this RFP are to adopt principles set forth as being in the best interest in the development of the Station Center Innovation District.

Article: [How Universities are Building Innovation Districts in Cities](#) - JLL

A. PROJECT VISION - OVERALL

Plans have long called for Station Center to become a model of successful transit-oriented development that is both innovative and community focused:

- i. Capitalizes on the area's unparalleled transit assets and implements strategies to reduce auto dependency and encourage the use of alternative modes of transportation;
- ii. Is mixed-use, maximizes market and neighborhood supported densities when possible, and contains commercial, residential, and active street-level uses with priority given to local businesses and/or non-profits;
- iii. Complements the existing urban form and character of the larger Depot District and the SLC Warehouse National Historic District.
- iv. Extends the original gridded street pattern to connect transit, development, open space, and other destinations with an emphasis on a friendly and safe environment for bicycles and pedestrians. This includes a design that turns 300 South into a pedestrian-focused (possibly automobile-free) "festival street";
- v. Encourages residents and visitors to either utilize alternative modes, or "ditch" their vehicles in favor of walking to nearby destinations. Parking facilities shall be located in such a way to have limited visibility and not detract from the character of the neighborhood. A districtwide parking strategy is preferred;
- vi. Celebrates the historic Rio Grande Depot and a successful, vibrant, and permeable use within it.

B. PROJECT VISION - INNOVATION ASSETS

An Innovation Asset Assessment was conducted by HR&A Advisors. The assessment resulted in an identified set of potential programmatic drivers for the innovation district, and a more specific set of opportunity areas whose pursuit could position the district as a premier hub for innovation in the city and region. This assessment defines the added value that Station Center will provide to tenants and partners beyond the proposed real estate development. Most of the assessment was conducted after the stakeholder engagement process and is informed by it, aligning potential drivers with stakeholder ambitions.

Ultimately, a community-driven vision for Station Center will be supported by existing and planned efforts led by organizations and people that currently make up the local innovation ecosystem - these include anchor institutions such as universities, economic initiatives, industry clusters, and non-profit programs. The innovation asset assessment sought to identify current and potential innovation assets in the region, within the City, and within the University, and to understand the City and the University's strengths and weakness to meet those expressed needs.

The two key programmatic drivers for Station Center identified through this process were **Life Science** and **Community Health**. Given what was heard from stakeholders and what is known about the current strengths and opportunities within the local and regional Innovation ecosystem, it is believed that new development should consider these two drivers the focus of a new Innovation district at Station Center.

Life Science has been in a continuous state of evolution over the past several decades due to shifts in the provision of healthcare, greater focus on biotechnology, global health challenges, and other trends. Life Science is a significant driver of employment in Utah and has been spotlighted as an area of interest for Station Center.

The focus on **Community Health** over the past several decades has demonstrated a shift from diagnostic to preventative care, greater focus on equity and access, food security and nutrition, and other trends. Community health is a critical component of building an equitable Innovation economy In Salt Lake City, presenting opportunities for investment and development.

Strategic opportunities within Life Sciences include...

Bio-technology Research	Healthcare	Technology and Entrepreneurship
<ul style="list-style-type: none"> Promote responsible and ethical innovation in biotechnology, like the innovations from the Center for Medical Innovation and the LS Peery MD Orthopedic Innovation Center Continue to explore and advance research in genetics, including gene editing and genetic testing Advance the use of robotics in medicine, as a tool for diagnostics, treatment, and bio-enhancement Create systems and locations to support and advance industry innovations in biotechnology research through the Center for Medical Innovation 	<ul style="list-style-type: none"> Increase focus on prevention of chronic illness and disease Advance access to health care education – including increasing the diversity and equity in health care providers Continue to explore social and behavioral sciences as areas of health care research Adapt care systems to be inclusive of preventative care, and emphasize the need for balance between preventative and diagnostic care systems 	<ul style="list-style-type: none"> Expand the capacity of technology and commercialization organizations through PIVOT and the larger University Provide spaces for startups to settle after outgrowing incubator space Increase access to serial entrepreneurs and facilitate connections between entrepreneurs and industry leaders Advance the opportunity for community members to access resources for technological development and commercialization

Strategic opportunities within Community Health include...

Food Security	Nutrition	Health Equity and Education
<ul style="list-style-type: none"> Develop an indoor public market to provide year-round access to locally grown produce that is typically only seasonally available. Develop and maintain community gardens to provide sustainable local produce 	<ul style="list-style-type: none"> Develop stronger locally sourced food systems to support community food production 	<ul style="list-style-type: none"> Increase focus on healthcare outcomes at both the individual and community levels by incorporating a preventive health program on site Adapt existing and emerging health systems to address physical and mental health inequities Enhance present-day opportunities for equitable health coverage through reform of healthcare quality, access, and affordability particularly for residents of the West Side

C. PROJECT VISION -UNIVERSITY OF UTAH AT STATION CENTER

In its Strategy Refresh 2025, the University of Utah emphasized the importance of having a presence downtown and the need to "work with downtown agencies and organizations to increase U presence," while also expanding educational access and engaging local communities. Station Center provides the opportunity for the University to not only be downtown, but also to have more direct connections to the West Side. A University presence at Station Center will also give communities across Salt Lake City better access to the vast entrepreneurial and research resources that the University is known for.

For the purposes of UREC, it should be assumed that the University of Utah is positioned to step into the anchor partnership role within the Innovation District.

ZONING & USE

As of January 2022, the Competition Site has been zoned GMU (Gateway Mixed-Use) and is subject to prevailing zoning requirements associated with the GMU zoning district.

For the purposes of UREC, it should be assumed that all property has been sold to the University of Utah, thus, is exempt from Salt Lake City zoning regulations. It will be up to the teams to determine building height/massing that is both context sensitive, financially feasible and inclusive of the desired public benefits.

Tip: D-1 Zoning can be used as a guide if necessary.

AFFORDABLE AND FAMILY RESIDENTIAL DEVELOPMENT

All development proposals must adhere to the following housing guidelines if the proposal includes for rent market-rate housing units.

- a. The proposal reserves 20% of the total residential rental units as affordable and restricted for those earning 60% Area Median Income (AMI) and below for a minimum of 50 years. In addition, at least 20% of the total rental units are reserved and affordable for those earning 40% AMI and below for a minimum of 50 years.
- b. The provision of affordable residential ownership opportunities, i.e., a for-sale product that is restricted to households earning 80% AMI and below.
- c. Proposal supports a balance of incomes throughout all Station Center residential development by dispersing affordable units throughout the project and not grouping them into one structure or portion of the development.

Document Link: [Building Affordable in Salt Lake City – An Affordable Residential Development Guide](#)

AFFORDABLE COMMERCIAL DEVELOPMENT

All development proposals must consider the following desired affordable commercial guidelines:

- a. The project reserves a minimum of 30% of ground-floor commercial space with rents set at 20% below market rate value for a minimum of 50 years. Leasing opportunities shall be advertised in a way that targets and provides preference to the following tenant types:
 - o Minority and/or women-owned businesses;
 - o Relocation of existing Salt Lake City small business, or a new small business being created by a Salt Lake City resident;
 - o Non-profit services or underrepresented business types that the local community identifies as lacking and desires.

EQUITABLE AND INCLUSIVE PROGRAMMING

Site programming should consider the following:

- The District offers community health programming with a greater focus on food security, healthcare equity, access, and education, and nutrition.
- The provision of equitable opportunities for those not typically engaged in innovation industry sectors to access University of Utah spaces and support services.
- The creation of programming that meaningfully closes the gap between the City's east and west sides by providing educational, apprenticeship, and/or job opportunities that support upward mobility.
- A possible public market somewhere within the district.

SUSTAINABLE DEVELOPMENT

The RDA requires the use of sustainable building practices and the inclusion of energy efficiency elements in all of its development projects. The developer may include as part of its qualifications a description of the sustainable building practices and/or energy efficiency measures that have been incorporated in previous projects.

Please see the RDA Sustainable Development Policy included in a link below. Please note that for the purposes of UREC it has been assumed that the RDA Sustainable Development Policy shall be used as a guide for sustainable development policies and not as development requirements.

For more information on the Salt Lake City RDA Loan Program, see section E below, *Financial Incentives Available*.

Document Link: [RDA Sustainable Development Policy](#)

SALIENT FACTS

Proposals must consider the following:

A. GROUND LEASE

The Salt Lake City RDA plans to sell the Competition Site to the University of Utah. All development proposed upon the Competition Site is subject to the terms of a 99-year unsubordinated ground lease. The University of Utah intends to use ground lease revenues to fund District programming and maintenance.

Land in Depot District area is estimated to be trading in the range of \$150 to \$175 per square foot. Additionally, ground lease capitalization rates in the area are 3.5% with 10 to 35 basis point fluctuations.

B. INFRASTRUCTURE IMPROVEMENTS

It should also be assumed that all horizontal infrastructure improvements required for Phase One development are fully constructed and in-place, ready to support development.

The SLC RDA plans to sell the Competition Site along with other sites within the Innovation District to the University of Utah but will retain right-of-way areas for the construction of planned public improvements. These include upgraded utilities to support increased density, the reconstruction of 300 South into a 'festival street' that can be closed and programmed for events, and the construction of new mid-block streets that currently don't exist: Woodbine Court, Pierpont Avenue, and Market Street.

The Salt Lake City RDA has committed to funding the construction of the above-mentioned improvements and will coordinate with developers of individual sites.

The cost associated with roadway and utility infrastructure improvements should not be included in proposal underwriting.

C. OPTIONAL INCLUSIONS

SALT LAKE MATTRESS COMPANY BUILDING - TO BE PRESERVED

Proposals have the option to include the Salt Lake Mattress Building within the programming / design vision. The RDA has specified that this historic building is to be preserved and will be part of the Innovation District.

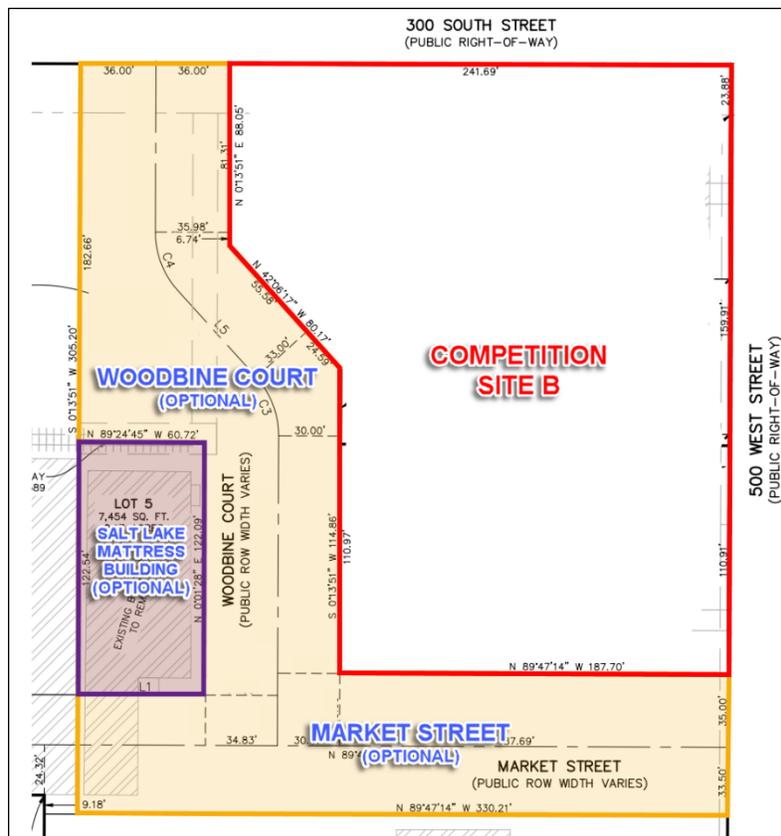
It should be noted that proposals are not to include the restoration cost of the Salt Lake Mattress Building in underwriting. Therefore, if a proposal includes the Salt Lake Mattress Building in programming / design vision, the underwriting component of the project SHALL NOT assume additional income received from the inclusion of this component.

Document Link: [Salt Lake Mattress Building Shoring Construction Documents](#)

WOODBINE COURT AND MARKET STREET

The Competition Site has two main frontages along 300 South and 500 West; therefore, the proposal vision must consider the interaction of the proposed development with these streets. Additionally, the Competition Site has frontages along the proposed Woodbine Court and Market Street. Proposals have the option of including these proposed roadways as integral components of the proposed development.

As previously mentioned, the Salt Lake City RDA has committed to funding the construction of these proposed roadways.



D. PARKING

Proposals will include a parking plan for both sites. Parking must also be included as a component of underwriting in the development underwriting for the selected site. Parking may be either on or off site but must be within the Innovation District. Off site parking structures will likely be large and service more than the competition sites. Underwriting should only include the cost/income from parking spaces required to service the competition site that is chosen for underwriting.

As this site is not subject to municipal zoning, parking requirements as defined by zoning do not apply. However, market resistance, project inefficiencies, cost overruns, and lost revenue can result from either over or under-parking a project. Participants are strongly encouraged to perform market research, including interviews with relevant market participants, in determining parking ratios for included uses.

E. FINANCIAL INCENTIVES AVAILABLE

The following financial incentives are typically available for community development projects in the area. They may be considered in planning and underwriting but are not a required component of the competition. If included, make sure they are presented correctly.

- Tax Increment Financing
- Public Infrastructure Districts
- Low-Income Housing Tax Credits (LIHTC) – 4% or 9% credits
- RDA Loan Program – [Program Policies and Guidelines](#)
- Olene Walker Housing Loan Fund – [Pricing Policy / Loan Products / Loan Specifics](#)

SURROUNDING DEVELOPMENT

Substantial development is currently in planning for the area surrounding the Station Center Innovation District. Links to several area plans can be found below. It should be noted that these proposals are somewhat dated any may not reflect current development plans in the area.

- [Depot District Project Area Map](#)
- [Salt Lake Central Station Plan + RFP](#)
- [Urban Design Associates & UTA – Station Center Proposal – 2019](#)
- [Central Station Apartments](#)
- [Building Salt Lake: 650 new federally subsidized units in the pipeline thanks to new RDA loans](#)

SECTION II - OTHER SUBMISSION AND COMPETITION INFORMATION

SUBMISSION INSTRUCTIONS

- The 2022 UREC Competition timeline is as follows:
 - Competition Launch and Site Visit Feb. 09, 2022
 - Development Proposal Deadline - 5 pages Feb. 24, 2022
 - Judging and Finalist Selection March 3, 2022
 - Development Business Plan Deadline - 25 pages April 4, 2022
 - Final Presentations and Awards Ceremony April 13, 2022
- Additional competition information regarding required proposal components and submission can be found in the [2022 UREC Competition Packet](#).
- All questions can be directed to Danny Popowski at danny@wsmultifamily.com

SECTION III - SUPPORTING DOCUMENTS

RELEVANT DOCUMENTS - COMPETITION / SITE

- [UREC Station Center Blank Site Map \(Sketchup Template\)](#)
- [Development Site A \(North\) – Plat Map](#)
- [Development Site B \(South\) – Plat Map](#)
- [Salt Lake Mattress Building Shoring Construction Documents](#)
- [RDA TIF Collections Area Map](#)

MARKET RESEARCH - MULTIFAMILY

- [Western States Multifamily – Salt Lake County & Salt Lake City Apartment Market Data](#)
- [Cushman & Wakefield – Apartment Market Report – Greater Salt Lake Area – Mid-Year 2021](#)
- [Real Capital Analytics – Multifamily Sales Transactions through 04.2021](#)
- [CoStar – Downtown Salt Lake City – Multifamily Submarket Report](#)
- [CoStar – Downtown Salt Lake City – Multifamily Capital Markets Report](#)
- [Kem C. Gardner Policy Institute – Salt Lake County Renter Demographics – June 2020](#)
- [Kem C. Gardner Policy Institute – 2020 Census Utah Counties and Communities](#)

MARKET RESEARCH - RETAIL

- [Colliers – Salt Lake County Retail – Q4 2021](#)
- [CoStar – Salt Lake City CBD/Periphery – Retail Submarket Report](#)
- [CBRE – Salt Lake City – Retail Market View – H1 2021](#)

MARKET RESEARCH - OFFICE

- [Colliers – Salt Lake County Office – Q4 2021](#)
- [Cushman & Wakefield – MarketBeat Salt Lake City Office – Q4 2021](#)
- [JLL – Salt Lake City – Office Insights – Q4 2021](#)
- [Newmark – Salt Lake County Office Market – Q4 2021](#)

MARKET RESEARCH - MEDICAL / LIFE SCIENCE

- [JLL - 2021 Life Sciences Real Estate Outlook – September 2021](#)
- [Cushman & Wakefield – Life Sciences on the Rise](#)
- [Colliers – Life Sciences Report – Q1 2021](#)
- [CBRE – US Life Sciences Report – Midyear 2021](#)