

Request For Proposal (RFP) 2-Acre Mixed Use Development Downtown Warsaw – Shovel Ready





CITY OF WARSAW

Joseph M. Thallemer, Mayor

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The City of Warsaw, in partnership with the Kosciusko County Economic Development Corporation, is excited to issue a Request For Proposals (RFP) for the former Owens Grocery Store, a shovel-ready, two-acre site in Downtown Warsaw.

Global leaders in orthopedic manufacturing, Zimmer-Biomet and Depuy-Synthes, generate more than \$17 billion in annual product revenues in Warsaw, also known as the “Orthopedic Capital of the World”. In addition, a robust network of suppliers, second tier manufacturers, and support industries create a significant demand for biomedical and industrial engineers, highly-skilled machinists, and polishers, among others. Studies conclude that the steady growth of the industry will continue to fuel growth of these quality jobs.

The highly specialized workforce necessary to support this industry has created a significant demand for housing. In 2019, the City of Warsaw partnered with community stakeholders to study the residential housing market potential and quantify the demand for local housing. The results of that study show that the City of Warsaw can absorb up to 1,150 housing units over the next five years. In addition, the City has partnered with our local economic development agency, KEDCO, to create a housing corporation and land trust to support new housing development.

The Owens Grocery Store site is a quality opportunity for developers to invest in Warsaw. We have a thriving downtown, unmatched quality of life, and expanding companies that need housing for their employees. We invite you to review the RFP and submit your proposals to create a transformative project in downtown Warsaw.

Sincerely,

Joseph M. Thallemer
Mayor



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102 S. Buffalo St., Warsaw, IN 46580

December 16, 2022

RE: Request for Proposals

Greetings!

On behalf of our team at KEDCO, the local economic development organization serving Kosciusko County, the City of Warsaw, and Towns in Kosciusko County, thank you for considering the opportunity to partner with our organization and the City of Warsaw on redevelopment of the former Owen's grocery store site in downtown Warsaw.

We have been working for nearly three-years with partners like the City of Warsaw and our largest private employer Zimmer Biomet to develop and launch a strategy to increase the development of market-rate workforce housing throughout Kosciusko County in order to expand housing options, reduce commuting from outside markets, and improve workforce retention.

We are focused primarily on sites located in proximity to "anchor employers" like Zimmer Biomet. The 2+ acre Owen's property is a shovel-ready site in a prime location in downtown Warsaw that is accessible to Zimmer Biomet's downtown headquarters and to the company's west campus locations. The company is in the process of hiring 200 to 300 production and office workers in the Warsaw area.

Our team is committed to building a pipeline of projects to meet the potential housing market demand of 1,250 residential units in Warsaw identified by a 2019 report completed by Zimmerman Volk. We look forward to reviewing your proposal and hope that you can help us to create a success story for our community and provide a catalyst for further in-fill development in downtown Warsaw!

Sincerely,

Alan Tio
CEO

Kosciusko Economic Development Corporation (KEDCO)

KEDCO Family of Businesses

Kosciusko Community Development Corporation • Kosciusko Development, Inc.
Kosciusko Development Land Trust • Kosciusko Workforce Housing Corporation

Request For Proposal (RFP)

2-Acre Mixed Use Development

Downtown Warsaw – Shovel Ready

Development Opportunity

Kosciusko Economic Development Corporation (KEDCO), the local economic development organization whose mission is to convene, build and show Kosciusko County’s talent, ideas and capital is partnering with the City of Warsaw to offer an exciting, two-acre, shovel ready redevelopment site in the heart of downtown located at 302 W. Market St., Warsaw Indiana.

Vision

KEDCO and City of Warsaw are looking for qualified developers to submit proposals to develop the two-acre site into a transformative, mixed-use development that includes apartments, parking and market appropriate/sized active street level uses (studio office, retail or restaurant space). The proposed development should become a new anchor for Downtown and incorporate design excellence and complement downtown Warsaw’s existing businesses. Proposals may include either the entire site or a portion of the site. Local ordinances allow for the establishment of PUD, if a phased approach is proposed by the respondent.

It is the desire of KEDCO and City to develop the site in a manner that helps address the critical need for workforce and related housing necessary for the business environment of Warsaw as the Orthopedic Capital of the World. This site is being developed as a part of the IHCDIA Workforce Housing Anchor Employer Demonstration Program. For purposes of this development, Workforce Housing is defined as 60%-100% Area Median Income (AMI) for rental units and 60%-120% AMI for buyers. The 2022 AMI for Kosciusko County is defined by the Federal Housing Finance Authority as being \$80,100. It should be assumed that acceptable rental rates would require no more than 30% of monthly gross income being spent on housing and housing related expenses, such as utilities. The chosen developer may make an appropriate application to the Kosciusko Workforce Housing Revolving Loan fund for consideration. A mix of rental rates is acceptable; however, some units must meet the criteria established above.

The site is ideally located in the heart of downtown, one block from the Kosciusko County Courthouse and Warsaw City Hall, and 4 blocks from Zimmer Biomet world headquarters. It is also only six blocks from Warsaw’s Municipal Central Park and the 120-acre Center Lake.



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KEDCO's and the City's desire is for a development project to be transformational. To that end, included in this RFP are design renderings for the site. Any respondent is not bound or required to follow these renderings or propose a project that is similar to the renderings. Respondents are encouraged to determine what they believe is the best type of development upon the site which satisfies KEDCO's and the City's requirements for a quality mixed use development that targets workforce and related housing.

Market Dynamics

In 2019, the City of Warsaw, the Kosciusko County Commissioners and the Kosciusko County Community Foundation retained Zimmerman Volk to conduct a housing demand study for Warsaw and Kosciusko County. The study found that Kosciusko County could absorb up to 3,030 housing units over a five-year period with Warsaw having the greatest demand and the potential to absorb up to a total of 1,150 new housing units over five years.

Community Profile

Warsaw Overview

Warsaw is the county seat of Kosciusko County and is its largest city with 15,000 residents. It is home to two of the world's top four manufacturers of orthopedic devices (Zimmer Biomet and DePuy Synthes) and a staggering *50% of the world's joint reconstruction* market. The medical device sector is 56 times more concentrated in Warsaw than in the average US city. Warsaw has a high quality of life with City Parks, the Lake City Greenway Trails, City County Athletic Complex (CCAC) and two golf courses to offer residents. Central Park, which overlooks Center Lake, is host to regular concerts during the summer months. It is adjacent to the Town of Winona Lake and borders 571-acre Winona Lake.

Warsaw Area Higher Education Institutions

Grace College and Seminary with a student population of 1,900 and offering 100+ majors, minors, certificates and graduate programs and 18 Varsity NCCAA & NAIA Sports Teams.

Ivy Tech-Warsaw Silveus Building Located in the Warsaw Technology Park and is part of the largest singly accredited community college system. Built in 2011, the \$11 million campus building contains 46,800 square feet of classrooms, labs, meeting locations, and office space. It is also home to a state-of-the-art the 20,000+ square foot Orthopedic and Advanced Manufacturing Training Center (OAMTC), which has some of the region's most sophisticated advanced machining, electrical, robotics, and welding training equipment.

Transportation

Warsaw is located at the intersection of US 30 Federal Highway and Indiana State Road 15 providing excellent access for workforce, residents, commerce and visitors. US 30 Federal



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Highway is currently within an environmental assessment review by the Indiana Department of Transportation for the purpose of eventually converting US 30 to a limited access highway between the City of Fort Wayne and SR 49 at the I-80 90 Toll Road near Chicago. Additionally, Warsaw boasts a Municipal Airport that offers two, mile-long runways, courtesy cars, and safety features found at larger airports. All categories of aircraft can conduct instrument landings at Warsaw Airport with weather minimums of a 200-foot ceiling and 3/4-mile is an economic development attraction for future businesses wishing to locate to or expand within our community.

Kosciusko County

Is a bustling center for orthopedics, agribusiness and entrepreneurship home to the

- The world's largest bio-diesel plant
- World's leading duck and egg producer
- Ranked 4th in the State of Indiana for total value of ag products sold
- Diversified agriculture industry with production and equipment manufacturing

Kosciusko County is also known for memorable recreation experiences on scenic trails, sun-soaked beaches, fun parks, tour boats, fishing, kayaking and more for the entire family. Over 100 natural lakes including Lake Wawasee (3,000 acres) - the largest natural lake, and Lake Tippecanoe (880 acres), the third largest natural lake in Indiana, provide a water wonderland just waiting to be discovered.

Kosciusko County is part of the 11-county economic development region known as the Northeast Indiana Regional Partnership. The regional partnership has been recognized as a model for regionalism and collaboration across the State of Indiana and partners with the Local Economic Development Organization comprised of the local economic development agencies in the 11-county region together with the Mayors and Commissioners Caucus that is supported by municipal and county elected officials throughout the 11-county area, including the Mayor of Warsaw and the Kosciusko County Commissioners.

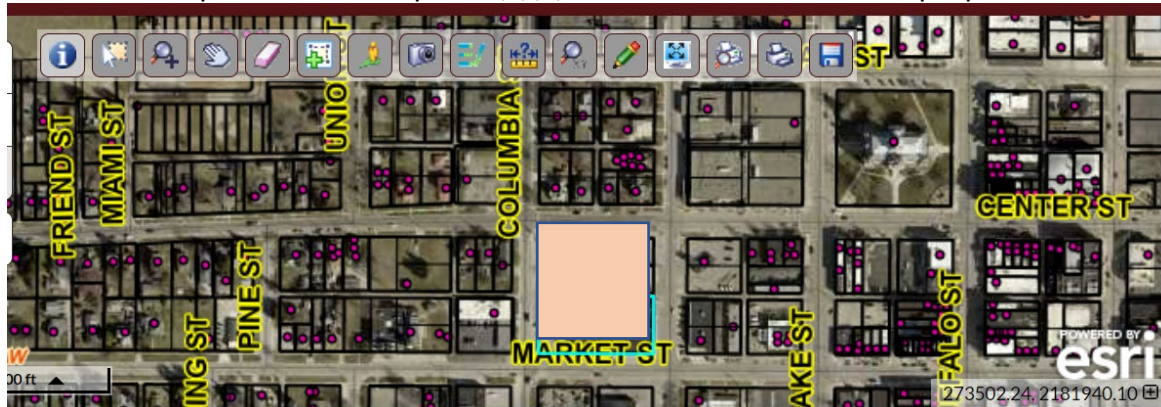
About KEDCO

KEDCO was founded in 1984 and is the designated economic and community development organization serving Kosciusko County, the City of Warsaw and the other towns and municipalities within the county. More can be found at: [Kosciusko Economic Development Corporation - Taking Economic Development to the Next Level \(kosciuskoedc.com\)](http://www.kosciuskoedc.com)

Site

The site is comprised of two parcels creating a two-acre, complete city block bounded by Center St. on the north, Market St. on the south, Columbia St. on the west and Washington St.

on the east. Property has been completely cleared of all structures. It is currently owned by Kosciusko Development Land Trust, Inc. and the City of Warsaw. The property is zoned C4 and has no height restrictions. The Kosciusko Development Land Trust is an affiliate of KEDCO and maintains a separate tax exempt 501(c)(3) status for Federal Income purposes.



Incentives and Resources

Incentives

KEDCO and City will be able to support the redevelopment project with the following incentives:

- Two-acre site will be transferred to developer as part of the development agreement for no cost.
- The site is located in a Warsaw Tax Increment Finance District and will be eligible to receive TIF support with amount available to be determined based upon the overall project and the projects impact on downtown Warsaw.
- City is willing to provide the sidewalk and streetscape construction, and infrastructure improvements.
- Kosciusko Development Land Trust, Inc. is willing to consider partnership in a development entity for the purpose of providing a tax-exempt entity partner with a minority ownership interest if beneficial for state or federal income tax purposes.
- KEDCO has completed predevelopment tasks. The following documents and resources can be found at [link](#):
 - Pre-Development Documents
 - ALTA NSPS Land Survey
 - IDEM, June 15, 2022, Comfort Letter and Environmental Restrictive Covenants
 - SES, May 25 2022, Phase I Environmental Site Assessment Updated
 - ALT & WITZIG CONSULTING SERVICES, September 10, 2021, Phase II Environmental Site Assessment

- Zimmerman Volk Residential Market Potential Study for the City of Warsaw and Kosciusko County
- Site Vision Documents
 - Design Collaborative visioning documents and site plans
 - KEDCO/City of Warsaw visioning site plans and renderings

Pre-Submittal Conference/Zoom Meeting

A Pre-Submittal Conference/Zoom Meeting will be held on Tuesday, January 10, 2023, at 3:00 p.m. in the Warsaw City Council Room 102 S. Buffalo St., Warsaw IN. Attendance at the Pre-Submittal Conference is optional, but strongly encouraged either in person or via Zoom. Respondents are encouraged to prepare and submit their questions by Friday, January 6, 2023, to expedite the proceedings. Responses to questions received by this due date may be distributed at the Pre - Submittal Conference. Any oral responses provided by KEDCO/City staff at the Pre-Submittal Conference shall be preliminary. A written summary of the Pre-Submittal Conference shall contain official responses, if any. Any oral response given at the Pre-Submittal Conference that is not confirmed in the written summary of the Pre-Submittal Conference or by a subsequent addendum shall not be official or binding. Only written responses shall be official and all other forms of communication with any officer, employee or agent of the KEDCO/City shall not be binding on the City.

Submissions

Submittal Requirements

The submission of a concise, professional, and complete response to the RFP will help the KEDCO/City of Warsaw identify the most qualified development teams and will be indicative of the level of the respondent's commitment to the desired project. Any questions that arise during preparation of a submittal should be addressed only to Terry Sweeney at tsweeney@kosciuskoedc.com. Respondents must demonstrate the experience, resources, and expertise needed to design, develop, finance and construct a successful project. Past design, finance and development experience, especially with similar projects, will be critical in evaluating the RFP responses. Current financial capacity, access to funding sources and the ability to complete the project in a timely manner will also be important factors in determining the most qualified RFP responses. Respondents are asked to submit their proposals via email only, in PDF format to tsweeney@kosciuskoedc.com.

Submittals must be received by the KEDCO/City of Warsaw no later than February 7, 2023 at 4:00 PM. Submittals received after this due date and time will not be accepted. Delivery of the RFP response to the specified location by the prescribed time and date is the sole responsibility of the respondent.

RFP Response Components Transmittal Letter

The submission must include a transmittal letter, on official letterhead, that provides contact information for the person with authority to negotiate on behalf of the development team. The letter must also include an affirmative statement that the respondent agrees to the minimum business terms identified in the RFP. The respondent must certify that the RFP response and exhibits are true and correct. Unsigned and/or undated submissions will not be accepted.

Development Team

Identify the developer and other key members of the development team, including the project leader for day-to-day management and the key consultants that will be responsible for implementing said project. Provide a succinct narrative describing the role and relevant expertise of each of the key team members that would be involved in the project's implementation.

Proposed Conceptual Development Scope and Development Timeline

Provide a one-page narrative that describes the development concept that is envisioned for the Site. As part of this description, identify any responsibilities (i.e. work to be done to site or incentives) proposed to be imposed on KEDCO/City of Warsaw. Please indicate the number or percentage and type of units (studio, 1 bedroom, 2 bedroom, etc.) for the entire development, and indicate which units will be Workforce Housing units, described above. Respondent should also provide graphics such as a conceptual site plan and architectural renderings of the development.

Also, include a development timeline assuming that a project agreement will be signed by April 14, 2023. Include projected start date, intermediate milestones and completion date. KEDCO/City of Warsaw desire to have the developer start project in Q3 2023 with completion Q1 2025.

Experience

Provide descriptions of at least three projects that the respondent has undertaken within the past five years that the respondent believes are analogous to the project being proposed for the Site. Each description should include the following information:

- The project's name and location
- Development Scope: Summary of the project including square footage breakdown of uses, parking spaces/structure, Photographs of the project
- The total development costs.
- Public Sector Participation:

- Provide contact information for a representative of the jurisdiction in which the project is located including telephone number and email address.
- Indicate whether or not the project was undertaken as a public/private partnership. If so, describe the responsibilities accepted by the public sector partner, and the financial level of state and local government support and means (i.e. TIF, land donation, , state grants etc.).

Financial Capacity

Provide evidence of the development team’s financial ability to undertake and successfully complete the proposed project including the following:

- Bank Letter of Credit of interest in lending for the project.
- Financial Statements:
 - If available, submit audited financial statements for the past two years for each development entity that is part of the developing team.
 - If audited financial statements are not available, provide documented evidence of prior development transactions in which substantially all of the funding was obtained by the respondent. This information should include letters from the project lenders that identify the size of the loans and the repayment terms, as well as letters from the equity investors that identify the investment amounts and summaries of the transaction terms.
 - Provide a statement identifying the threshold rate of return requirement anticipated to be imposed on the proposed project. The threshold can be presented as a stabilized return on total investment or an Internal Rate of Return (IRR) on total investment.
- List and explain any litigation or disputes any member of the development team is involved in that could result in a financial settlement that has a materially adverse effect on the ability of the development team to complete the proposed project.
- Provide a statement detailing whether any member of the development team has ever filed for bankruptcy or had projects that have been declared in default or foreclosed upon. If the answer is ‘yes’, to any of these questions, list the dates and describe the circumstances. KEDCO recognizes the sensitive nature of the financial capacity information that is requested in this RFP; therefore, respondents may choose to provide a secure download site address link and share access with the KEDCO/City of Warsaw.

Selection Process, Evaluation Criteria and Timeline

KEDCO/City of Warsaw and the review committee shall review proposals. The following RFP evaluation criteria will be used to select the short list of development teams that will be invited to be interviewed to determine the winning development team:

- The developer’s vision for property, design and transformative impact on downtown.

- The amount of public support requested by developer to complete the project and the market feasibility of the project capital stack.
- The developer’s proven experience in designing, financing and constructing projects of similar scope and scale.
- The developer’s ability to meet the development and completion schedule presented in the RFP.
- The developer’s demonstrated ability to partner with or utilize third party vendors in development of the site from Warsaw, Kosciusko County or the northeast Indiana region.
- Financial capacity to undertake a project of the proposed magnitude.
- And other criteria that the review committee may deem applicable.

Tentative Developer Selection Schedule, Execution of Project Agreement

Release of the RFP	December 19, 2022
Pre-Submittal Conference	January 10, 2023
Proposal Due date	February 7, 2023
Review Committee evaluation of proposals	February 7-17, 2023
Developer Interviews	February 20-24, 2023
Interview Follow-up	February 24-March 2, 2023
Final Selection of Developer	On or before March 7, 2023
Execution of Project Agreement	On or before April 14, 2023



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Intent To Respond To RFP

Developers who intend to submit proposals in response to the RFP are asked to complete the form below so KEDCO/City of Warsaw may be sure to communicate any changes to the process and gain a sense of interest in the project from the development community. Completing and returning this form is not mandatory but encouraged.

Development Company Name: _____

Company Address: _____

Development Team Member Contact Information

Name: _____

Email: _____

Phone: _____

Submit to Terry Sweeney at tsweeney@kosciuskoedc.com by January 5, 2023