



Request for Proposals 2.3-Acre Development Opportunity US 101 and SE 35th Street, Newport

Urban Renewal Agency of the
City of Newport, Oregon
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Table of Contents

1.	INTRODUCTION	3
2.	SITE CONTEXT	4
3.	DEVELOPMENT CONSIDERATIONS	5
4.	EXAMPLE CONCEPTS	7
5.	SUBMISSION AND EVALUATION	10
6.	APPENDIX	11

INTRODUCTION

The Urban Renewal Agency of the City of Newport, Oregon (“Agency”) is seeking to partner with a private developer(s) to redevelop 2.3 acres in the City’s South Beach neighborhood with retail service uses to serve those that live, work or visit the area. Potential uses may include a specialty grocer, general merchandiser, micro-restaurant/food carts, or small-scale mixed retail/office/service uses.

Nestled on the south side of the Yaquina Bay Bridge, South Beach is developed with a mix of regional institutions, recreational facilities, neighborhoods, and retail businesses, including the popular Oregon Coast Aquarium, Hatfield Marine Science Center, OMSI’s Camp Gray, Oregon Coast Community College, Newport Municipal Airport, and the Port of Newport’s South Beach Marina and RV Park. The City’s largest residential planned development is also located in South Beach, known as the “Wilder” community.

Agency’s property is situated at the northeast corner of the newly signalized intersection of US 101 and SE 35th Street. The few remaining buildings will be removed, and the site will be made available in a ready to develop condition with requisite utilities and public services. The



site frontage is fully developed with new driveway approaches, sidewalk, a multi-use path, underground utilities and street lighting.

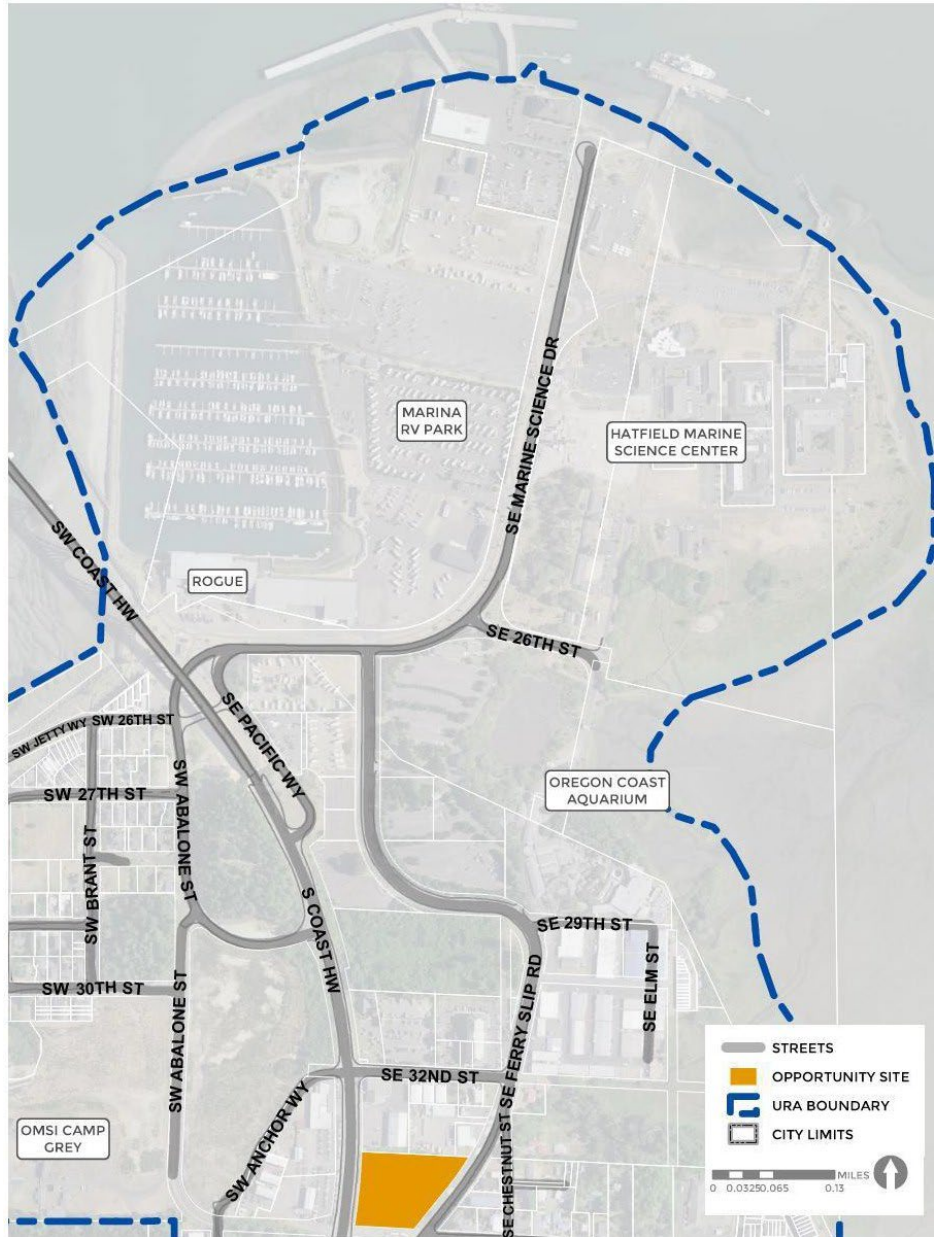
Through development and sale of the site, Agency seeks to achieve one or more of the following objectives (1) create a neighborhood hub and gateway to South Beach, (2) support food entrepreneurs and surrounding businesses, (3) provide a gathering space for residents and visitors with a variety of retail and/or restaurant choices; and (4) create a stopping point for users of the South Beach pedestrian and cycling network that connects the site with key destinations.

SITE CONTEXT

Agency’s vision for the 2.3 acre site and surrounding area is that it will become a gateway to South Beach. Its visible and central location on US 101 could attract investments in buildings that could house additional services or retail (e.g. specialty grocery, restaurants, shops) as well as a central gathering space for eating and convening of groups to serve South Beach area residents and employees.

The site will also serve as a key node along South Beach’s iconic bicycle and pedestrian loop, which connects all of the key destinations in the area, including the Oregon Coast Aquarium, Hatfield Marine Science Center, South Beach State Park, Rogue’s pubs, OMSI’s Camp Gray, and Aquarium Village.

There are opportunities and challenges associated with redevelopment of the site, and developer(s) are encouraged to consider them when preparing proposals. Those identified by the Agency include:



Opportunities	Challenges
<ul style="list-style-type: none"> ○ Highly visible with lots of through traffic on a corner intersection 	<ul style="list-style-type: none"> ○ Far from downtown and other commercial activity
<ul style="list-style-type: none"> ○ Close to key destinations 	<ul style="list-style-type: none"> ○ Context is arterial/commercial
<ul style="list-style-type: none"> ○ Can be part of the South Beach brand 	<ul style="list-style-type: none"> ○ No existing building as centerpiece for adaptive reuse
<ul style="list-style-type: none"> ○ Can be a key node for multimodal path 	<ul style="list-style-type: none"> ○ Development must weather coastal conditions

DEVELOPMENT CONSIDERATIONS

There are a number of factors that may have an impact on the redevelopment of this site. This section provides an overview of these considerations, which should be taken into account as interested parties explore their vision and ideas for the property.

Site Availability: Agency has two tenants subject to month-to-month leases. South Beach Church occupies a 6,598 square foot structure at the northeast corner of the property. The other tenant is the Oregon Coast Community Forest Association that is utilizing a portion of a 3,500 square foot storage building. Both tenants will vacate by December 31, 2023. Developer(s) should plan for the site to be available for construction spring of 2024.

Site Preparation/Services: The above referenced buildings will be removed and the site will be leveled at Agency expense. Water, wastewater, storm drainage, power, and fiber are all available to the site. The property possesses one driveway approach onto US 101 and two on SE Ferry Slip Road. These should be the assumed points of access for redevelopment of the property.

Environmental: The property is free of environmental constraints. In the 1980's a portion of the property was developed with a convenience store and card lock fueling station. That building, later converted to a restaurant, has been demolished and the tanks removed consistent with Oregon Department of Environmental Quality requirements. A 1,200 gallon underground concrete holding tank is situated immediately north of the building occupied by South Beach Church. That building had previously been used as an automotive repair shop. The holding tank has been cleaned and sealed, and it will be removed by Agency as part of the site preparation work. Anderson Geological performed Phase I and Phase II Site Assessments in 2014 prior to Agency acquiring the property. Those documents and associated records can be made available upon request.

Development Charges: The City of Newport provides a dollar-for-dollar System Development Charge (SDC) credit for improvements existing on a property within the last 10 years. Given the extent of previous development on this property, which in addition to the above included a 4,675 square foot restaurant and 240 square foot drive through coffee establishment removed in 2020, it is unlikely that any



SDCs will be payable. A School Construction Excise Tax, Affordable Housing Excise Tax, and building permit fees will apply to new development.

Zoning: The property is currently zoned I-1/"light industrial," a designation that allows commercial/retail uses envisioned at this location. The I-1 zoning; however, requires a 50-foot setback from US 101 that would limit the development area on the site. Additionally, surrounding I-1 properties could develop with actual light industrial uses, such as vehicle repair or self-storage, that could be incompatible with the atmosphere desired for the site. Agency is prepared to address these zoning limitations prior to redevelopment.

Gateway: Agency is committing at least \$1.0 million in additional funding to enhance placemaking in South Beach to help promote a development concept for this 2.3 acre site, and transform the southern entrance to Newport. That effort will be in concert with, and parallel to, the redevelopment of this site and will include public art, wayfinding, and landscaping improvements (example below)



Investment opportunity: Left - Existing multi-use path along Ferry Slip Rd.

Right – Example of trail improvements: Indianapolis Cultural Trail is a 3-mile trail connecting Downtown Indianapolis with integrated art and landscaping. *Photos compiled by SERA Architects.*

Public/Private partnership: Depending upon the value proposition offered by the selected developer(s), Agency could offer up to the full cost of the land as a write down. The Agency prefers the potential land write down not exceed \$750,000 but the decision would be subject to the development proposals solicited as part of this Request for Proposals (RFP) process. Development concepts for this site should incorporate a public restroom and stopping point as a user amenity given the site's proximity to the City's looped multi-use path network. Agency is prepared to cover the cost of those improvements and will coordinate an ongoing maintenance agreement with the City.

Public outreach: A significant amount of outreach has been undertaken by the Agency, the results of which are outlined in the South Beach/US 101 Refinement Plan a copy of which is included in the appendices. Developer(s) are encouraged to review that document and anticipate public vetting of their vision for the property before a proposal is selected by the Agency.

EXAMPLE CONCEPTS

Agency has worked closely with South Beach stakeholders to identify three potentially market viable redevelopment concepts to illustrate the types of end uses the community hopes to see at this location. The concepts were informed by outreach to individuals that live, work or visit the area and were vetted with business professionals familiar with the Newport market.

Alternative A: "Food Destination" Specialty Grocery Plus Micro-Restaurants.

The Agency-owned site will host a small/medium grocery with prepared food, a deli, and perhaps small counter-service dining. Adjacent to the grocery will be a cluster of food carts with possible structured shelter and partial indoor space, and a micro-restaurant pod with an indoor/outdoor blend.



Credit: SERA Architects

Alternative B: Mixed Retail.

The Agency-owned site will host a cluster of smaller retail/service/office uses, such as food carts, offices, coffee shop, retail, small medical, and similar uses. Ideal retailers should be oriented to serving the local community, in addition to visitors, and filling gaps in the South Beach neighborhood.



Credit: SERA Architects

Alternative C: "Go Big" Large Anchor and Retail.

The 2.3-acre Agency-owned site north of 35th Street will host a major tenant like a Bi-Mart style general retailer/grocery on roughly 75% of site. The rest of the site will fill out with detached additional retail and/or open space with trail amenities.

The southern parcels, which currently contain Airrow Heating, Columbia Distributing, and Hoover's Pub and Grill, will contain a small retail cluster and single large stand-alone Restaurant (new or refresh). These properties are privately owned, and concepts will be influenced by ongoing conversations with the current business and property owners. Agency has reserved funding to facilitate redevelopment of these sites including removal of the two legacy billboards.



Credit: SERA Architects

SUBMISSION AND EVALUATION

Agency seeks to select a developer(s) with the most creative and compelling vision for redevelopment of the property that is both market viable and in line with the stated community objectives. Further, the developer(s) must demonstrate that they have the capacity to implement the concept they envision for the site. With that in mind, responses to this RFP will be evaluated using the following criteria:

1. Vision for the site accomplishes community objectives.
2. Development proposal is financially feasible.
3. Developer(s) success in previous public-private partnerships.
4. Quality of representative projects.
5. Qualifications of the project team members.

Written responses should be succinct. There is no formal page limit on the length of a proposal; however, Agency suggest that the submittal not exceed 20 pages, excluding appendices. Resumes, cut sheets, and other marketing materials may be included in an appendix. Content should be organized as outlined in the table below.

Proposal	Submittal Requirements	Suggested Page Limit	Total Points
Development Team	Identify the developer(s) and describe their role(s). If possible, include potential joint venture partners or others who would play a significant role in implementing the development.	2 pages	5
Vision	Provide a concise description of your vision for redevelopment of the site and how the concept aligns with community objectives. This should include a written business plan, an illustrative site plan, and elevation drawing or photographs of planned site improvements. Identify probable development phasing (if applicable).	12 pages	50
Financial Capacity	Include a statement regarding the capability of developer(s) to secure financing necessary to implement the development project, including: <ul style="list-style-type: none"> ○ Description of ownership and operating model ○ Conceptual sources and uses of financing 	2 pages	20
Development Team Experience	Describe development team qualifications and experience in development of up to three (3) high quality, successful development projects. For each, please provide: <ul style="list-style-type: none"> ○ Project name and location ○ Description of project ○ Total development cost ○ Total building area by use ○ Developer(s) role in project ○ Financing structure ○ Development partners ○ Demonstrated use of local contractors and/or minority and women owned businesses ○ Project timeline (site control through occupancy) ○ Images of project 	3 pages	20

References	Contact information for at least three (3) individuals that developer(s) have partnered or contracted with to construct past projects.	1 page	5
Appendices	May include supporting materials to supplement above responses, such as resumes of key personnel, non-binding letters of support from financial partners, and testimonials from partners or stakeholders.	No limit	0

Interested developer(s) may submit proposals electronically by email to Community Development Director Derrick Tokos, AICP at d.tokos@newportoregon.gov. Proposal may also be submitted in hard copy form to the attention of the Community Development Director at Newport City Hall (169 SW Coast Hwy, Newport, Oregon 97365).

Evaluation Schedule, Process, and Award

May 20, 2022: Request for proposals released.

July 29, 2022: Deadline for questions.

August 5, 2022: Deadline for Agency to issue addenda (this will include a summarized list of questions and answers).

August 19, 2022: Responses due by 5pm PST.

September/October: Selected developers(s) will be invited to present their proposal to the Agency. This may be in person or on a digital platform like ZOOM.

October/November: Selection announced.

The site is publicly accessible and available for self-guided tours at any time.

Public Records Disclosure

Information provided to the Agency will become property of the Agency and will be subject to public inspection after completion of the evaluation in accordance with Oregon Public Records Law, ORS 192.311 et seq. If an entity responding to this RFP believes that a specific portion of its response constitutes a "trade secret" under Oregon Public Records Law (ORS 192.345(2)) and is; therefore, exempt from public disclosure, the entity must clearly identify that specific information as a "trade secret." Identification of information as a "trade secret" does not necessarily mean that the information will be exempt from disclosure. The agency will make that determination based upon the nature of the information and the requirements of Oregon Public Record Law.

Designated Contact

For questions regarding this RFP please contact Derrick I. Tokos, AICP, Community Development Director, City of Newport, at d.tokos@newportoregon.gov or 541-574-0626.

APPENDICES

(Attach South Beach US 101 Refinement Plan)