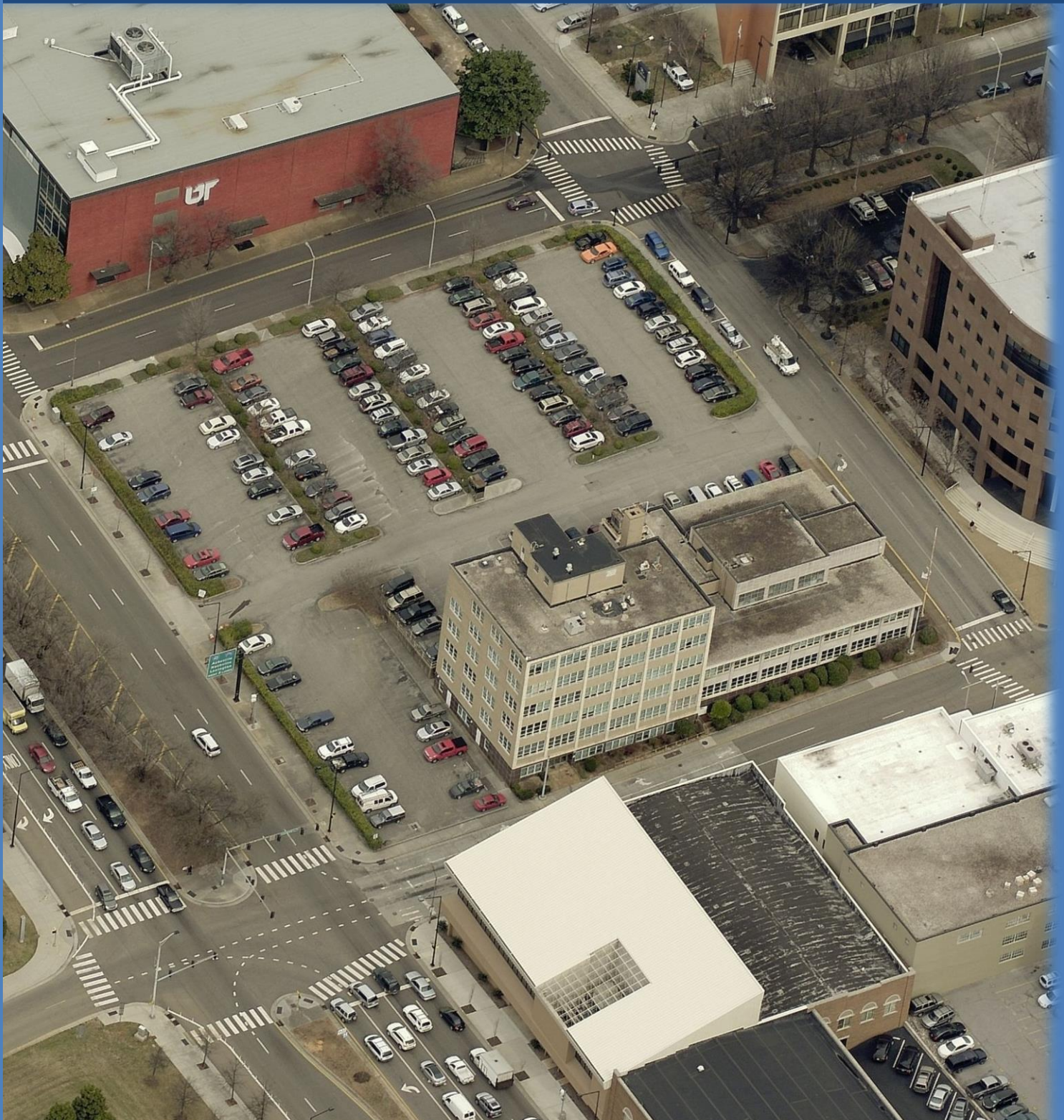




CITY OF KNOXVILLE
MADELINE ROGERO, MAYOR



Request For Proposals
Purchase, Design, and Development of the
Former State Supreme Court Site



TABLE OF CONTENTS

Item	Page Number
I. Statement of Intent	3
II. RFP Timeline	3
III. About Knoxville	
Downtown Redevelopment	4
Economy	5
Healthcare and Transportation	6
Education	7
Tourism, Arts, & Culture	8
Recreation & Sports	9
IV. Goals and Vision for the Project Site	10
Zoning & Other Requirements	11
Downtown Knoxville Design Guidelines	11
Plans Review and Inspections	12
Sustainability	13
V. About the Site	14
VI. Former State Supreme Court Building	15
VII. General Conditions	18
VIII. Scope of Service	21
IX. Contract Requirements	23
X. Instructions to Submitting Entities	32
XI. Evaluation Criteria	38
Submission Forms	39
Appendix: Property Market Information for the Former State Supreme Court Site	49

I. STATEMENT OF INTENT

Request for Proposals Development of Former State Supreme Court Site

Statement of Intent:

The City of Knoxville is requesting proposals from responsible firms or teams to purchase, design, and develop the former State Supreme Court site, located in downtown Knoxville; the location is proximate to a number of hotels, restaurants, and entertainment venues, as well as the Knoxville Convention Center. Please see the remainder of this RFP for more specific information regarding the site and its environs.

Submission by a Proposer of a Proposal represents acceptance of and agreement to all terms and conditions detailed in this Request for Proposals.

II. RFP TIME LINE

RFP Time Line:

Availability of RFP	June 12, 2016
Pre-proposal conference	August 31, 2016
Deadline for questions to be submitted in writing to the Assistant Purchasing Agent	September 26, 2016
Proposals Due Date	October 10, 2016

NOTICE: An informational meeting for proposers will be held on August 31, 2016, at 10:00 a.m. at the project site located at 719 Locust Street; Knoxville, Tennessee, 37902. A specific time and room number will be provided, via an addendum, at a later date.

This timetable is for the information of submitting entities. These dates are subject to change. **However, in no event shall the deadline for submission of the proposals be changed except by written modification from the City of Knoxville Purchasing Division.**

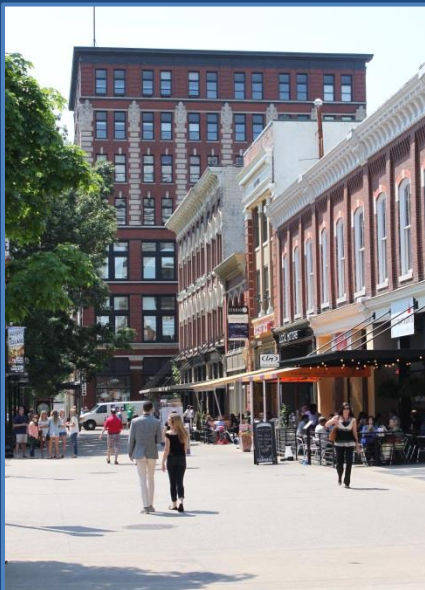
III. ABOUT KNOXVILLE: A Livable and Lively Community

Knoxville is located between the Cumberland Mountains to the northwest and the Great Smoky Mountains to the southeast. These two ranges provide an attractive natural setting and moderate, four-season climate, with normal daytime temperatures of 48 degrees in January and 88 degrees in July.

The city continually receives high marks regarding quality of life. In 2015, Forbes magazine named Knoxville as the second most affordable city in America based on housing prices, living costs, and the consumer price index. The American Chamber of Commerce Researchers Association (ACCRA) also ranked Knoxville as one of the more affordable southeast urban areas, with a cost-of-living index of 86.4 in 2015, the average of participating cities equaling 100.0.



DOWNTOWN REDEVELOPMENT



Knoxville continues to experience renewal in downtown activity and living that has helped revitalize its urban core. In the last ten years, over \$83 million dollars have been invested in downtown. The number of residential units has increased, with 225 condominium and 643 new apartment units added to the inventory since 2006. New retail, restaurants, theaters, hotels and festivals draw locals and tourists alike to downtown. The former State Supreme Court site will play an important role in continuing the momentum of downtown redevelopment efforts.

ECONOMY

The Brookings Institution ranked the Knoxville metropolitan area as the 48th best-performing in the country, based upon job growth, unemployment figures, output in gross product, and housing prices. Among Tennessee's metropolitan areas, Knoxville was second only to Nashville, which ranked seventh nationally.



Sysco Corporation

Knoxville's commerce and industry is characterized by economic diversity, counting national and global companies such as Pilot Flying J, Regal Entertainment Group, Scripps Networks Interactive, Sysco Corporation, Clayton Homes, and Bush Brothers as hometown business giants. Knox County has seven business parks, four regional malls, and over 200 shopping centers/factory outlets. The area is promoted by Knoxville-Oak Ridge Innovation Valley, an economic development partnership for regional business growth. The Tennessee Valley Authority (TVA) is a federally-owned corporation headquartered in Knoxville; the nation's largest public power provider, TVA employs over 12,000 people region-wide.

There is no personal income tax in Tennessee; instead, the state levies a tax of five percent on stock dividends and bond interest. In 2013, Knox County's per capita personal income was the eighth highest in the state at \$41,533. Residential property in Tennessee is assessed at 25 percent of appraised value, and commercial/industrial property is assessed at 40 percent. Current property tax rate for Knoxville residents is \$2.7257 per \$100 assessed value and \$2.32 for \$100 in Knox County; Knoxville residents pay both property taxes.

There is no personal income tax in Tennessee; instead, the state levies a tax of five percent on stock dividends and bond interest. In 2013, Knox County's per capita personal income was the eighth highest in the state at \$41,533. Residential property in Tennessee is assessed at 25 percent of appraised value, and commercial/industrial property is assessed at 40 percent. Current property tax rate for Knoxville residents is \$2.7257 per \$100 assessed value and \$2.32 for \$100 in Knox County; Knoxville residents pay both property taxes.



Pilot/Flying J



Regal Riviera Theatre



Bush Brothers



HEALTHCARE

Knoxville’s medical and health care sectors cover a wide range from urgent care and walk-in clinics, to seven general use hospitals and one children’s hospital. The city’s largest hospital is the University of Tennessee Medical Center with 581 beds, followed by Fort Sanders Regional Medical Center (541), Parkwest Medical Center (462) and Physicians Regional (370).

Fort Sanders Regional Medical Center and East Tennessee Children’s Hospital (152) are both located within walking distance from the former State Supreme Court Site.



TRANSPORTATION

Knoxville is connected to the U.S. through an extensive transportation network. Nearly half of the nation’s population is within an eight to ten hour drive of Knoxville via I-40, I-75, and I-81, which meet in the heart of the metro area. Also serving the area are six airlines that fly out of Knoxville’s McGhee Tyson Airport (TYS) and a public transit service (Knoxville Area Transit or KAT) that runs 24 public bus routes, carrying 3.5 million passengers a year in the city. KAT’s downtown transit station serves as the intermodal public transportation hub for metropolitan Knoxville.



245 miles to Louisville



180 miles to Nashville



214 miles to Atlanta



115 miles to Asheville

EDUCATION

Knoxville is the home of the University of Tennessee's flagship campus, with a student population of over 28,000. Ranked 47th among public universities of America (based upon a number of performance indicators, including peer assessments, graduation/retention rates, and student-faculty ratio) by U.S. News & World Report -- making it a first tier institution -- the University's ties to nearby Oak Ridge National Laboratory through their UT-Battelle partnership promote an abundance of research opportunities for faculty and students alike. In addition to its well-known sports teams, UT has outstanding academic programs, art and theater offerings, and regular public performances by the University's School of Music.

Post-secondary education also is available at nine other public and private four-year institutions in Knox County and the surrounding area. Three community colleges offer two-year, associate degree programs, and several vocational and technical institutions also serve the area.

The Knox County School system earns consistently high scores in math, science, and social studies achievement from the Tennessee Department of Education. The school system comprises 90 schools (elementary, middle, and high schools, and 10 adult learning centers), as well as five magnet schools and a STEM academy. The average classroom ratio is one teacher for every 16 students; and the high school graduation rate, as of school year 2014-15, is 90%. Approximately 50 private and parochial schools also provide elementary and secondary instruction in Knox County.

The Public Library system offers special programs for both children and grownups, and has special events targeting teens (a recent program was "Robotics @ the Library"). The downtown Lawson McGhee library and the system's 17 branch libraries house over 1.3 million holdings.



University of Tennessee



L & N Stem Academy



LMU Law School

TOURISM, ARTS, & CULTURE

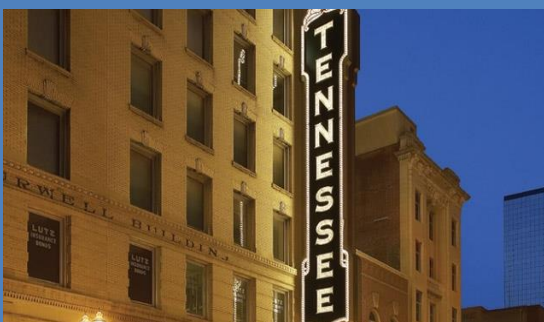
Knoxville supports an active tourism and convention trade with a 500,000-square foot convention center located at World's Fair Park and directly across from the former State Supreme Court site. Other local facilities include a large civic coliseum/auditorium, two exhibition halls, and the University of Tennessee's 22,000-seat Thompson-Boling Arena. There are numerous smaller performance venues, including the Tennessee and Bijou theaters, that promote local, regional, and national talent.

The downtown market currently has eight full-service and three select-service hotels in close proximity to the state-of-the-art Knoxville Convention Center, with a total of 1,535 rooms. The Tennessean, offering luxury accommodations and an estimated 86 rooms, is slated to open in Spring of 2017; two additional select service hotels are set to open in 2017, adding another 418 rooms to the downtown area. By the end of 2017, the total room availability in full- and select-service accommodation is anticipated to be 2,039.

Rooted in its Appalachian tradition and enlivened by progressive, modern influences, Knoxville's attitude toward arts and culture is broad-based and diverse, running the gamut from potters and blacksmiths to orchestra conductors to indie musicians performing avant-garde music in one of the city's numerous performance venues. Knoxville is home to the Knoxville Symphony Orchestra and Knoxville Opera Company, as well as a number of dance companies and choral groups.

The Knoxville Museum of Art, located a short walk from the former State Supreme Court site and World's Fair Park, and the Emporium Center for Arts and Culture both feature changing exhibits throughout the year. The East Tennessee History Center, McClung Museum of Natural History and Culture on UT's campus, and the Beck Cultural Exchange Center all celebrate Knoxville's regional heritage.

The Dogwood Arts Festival, Rossini Street Fair, International Biscuit Festival, and Christmas in the City are a few of the many festivals and special events hosted each year in Knoxville; the Big Ears music festival enjoys national prominence and continues to grow.



Tennessee Theatre



Knoxville Museum of Art

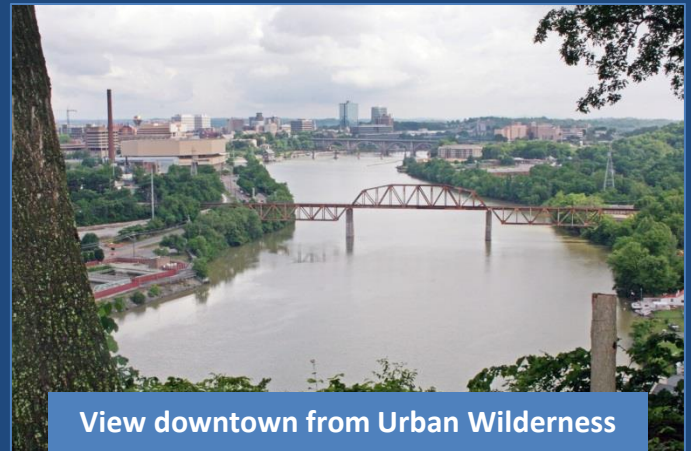


Knoxville Convention Center

RECREATION & SPORTS

Knoxville boasts two skate parks, four dog parks, three municipal 18-hole golf courses, seven senior citizen centers, four public swimming pools, and 49 municipal tennis courts at 12 different locations throughout the city. The nearby Great Smoky Mountains National Park is visited by over 10 million guests each year, and Knoxville is surrounded by a number of state parks and lakes.

A key amenity just minutes from downtown is Knoxville's Urban Wilderness. Located within 1,000 forested acres along downtown's south Waterfront, the UW offers an exceptional recreation opportunity with over 40 miles of multi-use trails, 10 parks, four Civil War sites, Mead's Quarry lake, incredible views, and natural features that provide a premiere outdoor experience with regional and national appeal.



View downtown from Urban Wilderness

Nationally-ranked UT athletic teams enjoy enthusiastic fan support, as do the Knoxville Ice Bears (hockey) and the Tennessee Smokies (Double-A affiliate of the Chicago Cubs). Notable recent sporting events include the 2016 Ozone Gymnastics Invitational and the World Cornhole Championships, as seen on ESPN. Knoxville has also played host to numerous AAU Junior Olympic Games, the USA Diving AT&T National Championship, and Powerboat Super League Classic on the Tennessee River.



Paddle boarding at Mead's Quarry



University of Tennessee Neyland Stadium

IV. GOALS AND VISION FOR THE PROJECT SITE

The City of Knoxville seeks the establishment of a transformational anchor to an emerging cultural district that ultimately attracts a large and diverse group of residents and visitors to the heart of the city. This development should create a sense of place that is attractive to residents seeking an exciting urban lifestyle, while building on Knoxville's unique historic fabric and growing downtown culture. Advancing the City's goals will require a development that offers a mix of uses, street level vitality, urban density, and animated character to make a significant contribution toward promoting downtown as a lively live/work/play environment and growing visitor destination.

Proposals, in part, will be judged on the degree to which the proposed uses and overall development scheme conform to the goals and vision for the site, as detailed below:

- Create street-level activity, with a mix of commercial and retail spaces that will contain all of the elements of a modern urban experience and will cater to a population that prefers a walkable neighborhood. The City welcomes greater density and has not prescribed a maximum amount of development;
- Develop an architecturally significant building or buildings that will make a strong and positive contribution to the culture and environment of the downtown area. Excellence in design of building, building materials, site amenities, and all design aspects are highly desired;
- Plan for the property to achieve its highest and best use, strengthening the area's equalized assessed valuation and sales tax base;
- Create architecturally significant housing (housing solely geared toward college students is not preferred);
- Line the streets of the site with commercial uses;
- Preserve portions of the original Supreme Court courtroom or reuse materials original to the Courthouse;
- Create street-level amenities promoting walkability for pedestrians and, if applicable, pedestrian and bicycle paths;
- Address structured parking and building services from an internal access point, limiting exposure to surrounding public streets;
- Advance a variety of transportation by encouraging walking, biking and transit ridership;
- Provide bike parking and changing/shower facilities for those biking to the site;
- Make available maps and information about alternative transportation options;
- Address City sustainability goals;
- Consider providing cultural, institutional, and other uses that enhance downtown Knoxville as a regional destination.

ZONING & OTHER REQUIREMENTS

The entire site is zoned C-2 (Central Business District) and D-1 (Downtown Design Overlay District). Provisions for these zoning districts can be found in the Knoxville, Tennessee, Code of Ordinances, Appendix B, Article IV, and Section 2.2 for the Central Business District and Section 5.5 for the Downtown Design Overlay District. Permitted uses are located in the C-2 zoning district, while design guidelines can be found in the Downtown Knoxville Design Guidelines.

The selected proposer will be responsible for obtaining any desired zoning changes and variances. Zoning ordinances are available for review at:

https://www2.municode.com/library/tn/knoxville/codes/code_of_ordinances

DOWNTOWN KNOXVILLE DESIGN GUIDELINES

The goals of the Downtown Knoxville Design Guidelines are to define expectations and allow flexibility, while fostering high-quality design. The guidelines respect existing downtown qualities, community desires, and the need for reasonable provisions for both public and private investment. The guidelines are available for download and review at:

www.knoxmpc.org/zoning/downtown.htm

The former State Supreme Court site is located in the D-1 Downtown Design Overlay District, and any redevelopment will be reviewed by the Downtown Design Review Board. The guidelines divide downtown Knoxville into four unique districts; the site is located in two of these districts, as indicated by the yellow box on the map to the right. The western half of the site is located in the Boulevard District, while the remaining eastern half is located in the Grid District.



Former State Supreme Court Site Location



PLANS REVIEW AND INSPECTIONS

The City's Plans Review and Inspections Department is responsible for the review, permitting, licensing, and inspection of all construction projects within the City of Knoxville and consists of plans review, building inspections, electrical inspections, signs and zoning inspections, mechanical/gas inspections and plumbing inspections. Additionally, the Plans Review and Inspections Department offers a pre-submittal conference for projects on the second Monday of every month.

For more information visit:

http://knoxvilletn.gov/UserFiles/Servers/Server_109478/File/PlansReviewsInspections/PreConfFlyer2016.pdf

The following list of applicable codes is provided for reference:

- City of Knoxville zoning ordinance (with amendments), adopted by City Ordinance 3369, see https://www2.municode.com/library/tn/knoxville/codes/code_of_ordinances
- *2009 ICC/ANSI A117.1*
- *2012 International Energy Conservation Code*
- *2012 Green Construction Code*
- *2012 International Building Code*
- *2012 International Existing Building Code*
- *2012 International Performance Code*
- 2011 edition of the *National Electrical Code*
- 2012 edition of the *International Fuel Gas Code*
- 2012 edition of the *International Mechanical Code*
- 2012 edition of the *International Plumbing Code*
- Knoxville Code of Ordinances for First Fire District, see: https://www2.municode.com/library/tn/knoxville/codes/code_of_ordinances?nodeId=PTIICOR_CH6BUBURE_ARTIINGE_S6-5FIFIDI

Additionally, the Fire Inspection Bureau reviews plans for compliance with the *2012 International Fire Code with Local Amendments*, see:

http://publicecodes.cyberregs.com/icod/ibc/2012/icod_ibc_2012_appd_sec001.htm

SUSTAINABILITY

The City of Knoxville is committed to making Knoxville a greener, more sustainable city, one where the economy, environment, and society can thrive today and in the future. Reducing the energy use and environmental impact of publicly- and privately-owned buildings is a priority for achieving the City's goal of reducing greenhouse emissions. The City is seeking proposals for the former State Supreme Court site that align with this goal.

At a minimum, proposed development must achieve basic LEED certification through LEED v4 Building Design and Construction.

In addition, the City will more favorably evaluate proposals that incorporate and demonstrate a strong commitment to energy efficiency and sustainability. Strategies for demonstrating commitment include, but are not limited to:

- Complying with the 2012 International Green Construction Code;
- Achieving LEED Silver (or higher) certification through LEED v4 Building Design and Construction;
- Publicly disclosing ongoing energy and water use through EPA's Portfolio Manager;
- Utilizing renewable, energy efficient systems such as solar photovoltaic, cogeneration, geothermal, or other innovative technology;
- Using green infrastructure or other low impact development strategies to avoid, minimize, and manage impacts to water resources above and beyond that required by standard regulation;
- Purchasing green power and/or carbon credits to offset all or a portion of energy use and/or carbon emission;
- Utilizing other innovative design and construction approaches (such as recycling or food waste composting) to minimize energy and water use, decrease landfill waste, utilize sustainable or locally-sourced products and materials, or otherwise reduce the environmental footprint of the development during construction and/or operation;
- Incorporating innovative programming to promote sustainable behaviors by occupants, tenants, and/or the general public.

Proposals must clearly state the intended strategies for incorporating energy efficiency and sustainability and demonstrate the ability and approach to successfully achieve these strategies.

V. ABOUT THE SITE

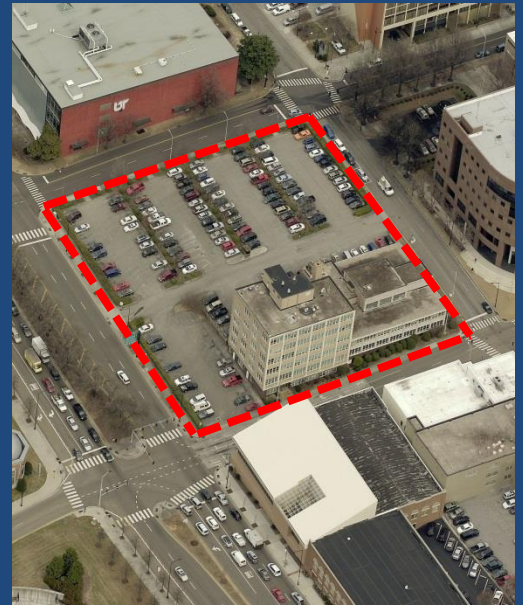
This is a unique opportunity to redevelop an entire city block, totaling 1.97 acres, and a rare chance to be a part of bringing the best in urban living experience to downtown Knoxville. The City envisions market rate housing, retail and hospitality developments with related amenities such as an urban landscape, and public use spaces where appropriate. The City is seeking a creative, qualified, and experienced developer to cement the City's efforts to create a vibrant, thriving downtown experience.

- The City of Knoxville owns the entire square block, most of which has been used as a surface parking lot, courtroom, and office building, since the 1950s. The total site area is 1.97 acres, or 85,752 square feet. It is a rectangular lot bounded by Locust Street, Cumberland Avenue, West Church Avenue, and Henley Street.
- The former State Supreme Court site is flat, entirely modified by urban development. Central to the site, the elevation is at 910 feet; it rises slightly higher to the east, to 920 feet. Along the western boundary of the site, Henley Street and the Convention Center are modestly lower in elevation at 900 feet.
- The property is zoned C-2/D-1 and is located within the Central Business Improvement District (CBID). This district is designed to provide for a wide range of retail stores, office buildings, entertainment venues, and service activities. Residences (single family, duplex, or multiple families) are also permitted.
- The property is divided into several smaller lots which the City currently is re-platting into a single lot.
- A Phase I Environmental Site Assessment (ESA) has been completed and a limited subsurface investigation has been conducted on the property. Both documents are available at the City's website (www.knoxvilletn.gov). Recent studies, plans, and documents detailing the potential for development of the block and its role in the revitalization of downtown Knoxville are also available for review at www.knoxvilletn.gov.
- Proposers are directed to the Urban Land Institute Advisory Service Panel Briefing Book, which examined five sites in and around downtown Knoxville, making recommendations for future possible uses. The Briefing Book is available at: www.knoxvilletn.gov/redevelopment.



VI. FORMER STATE SUPREME COURT BUILDING

The former State Supreme Court site, located at 719 Locust Avenue, occupies an entire block of downtown Knoxville on the western edge of the CBID. The site is improved with a building that has 52,776 square feet of gross building area and 36,375 square feet of net rentable area consisting of office and courtroom space. It is estimated that these improvements were constructed in 1952 to 1953. Over half of the lot serves as a surface parking lot to support the facility. The building has now been vacant for close to a decade while state employees continue to use the surface lot for parking.



Historical Significance:

The State Supreme Court building was designed by the Knoxville architectural firm of Baumann and Baumann, and was constructed with \$4.7 million appropriated by the Tennessee legislature in 1951. The building was dedicated in 1954, and its noteworthy design includes large expanses of East Tennessee marble, glass walls, and other characteristics of mid-century modern architecture. The court building served as the home of the Supreme Court in Knoxville for over half a century until the court moved into the post office building across the street. Adjoining the main court building is a six-story brick building that served as the main state office building until the 1980s.

The use of Tennessee marble and elements of the actual courtroom are encouraged for reuse with the proposed design of the block.



FORMER STATE SUPREME COURT BUILDING

Environmental:

Given the age of the former State Supreme Court building and materials that were in common use during the construction period (1952 -1953), the State requested a Hazardous Materials Screening prior to the disposal of the property. That work was conducted by Quantum Environmental and Engineering Services, LLC (QE2) to evaluate the presence of asbestos-containing materials (ACM), lead-based paint (LBP) and other hazardous materials. The principal objective of the hazardous materials screening was to gain information on the nature and general location of hazardous materials present in the facility in support of a study to evaluate final disposition. The information collected was used to determine potential hazardous materials abatement costs and was not intended to be a comprehensive hazardous materials survey for purposes of renovation or demolition. A comprehensive hazardous materials survey and sampling event will be required to ensure the environmentally compliant handling and disposal of all hazardous or special wastes, in accordance with all state and federal regulations, if renovation or demolition is planned.

The City subsequently hired QE2 to conduct a Phase I Environmental Assessment of the site in June of 2015. According to reviewed historical information, the site was densely developed as residential from at least 1890 until sometime in the 1950s, when most of the former residential structures were replaced with large commercial buildings. The site continued to develop until sometime prior to 1992, when it was solely occupied by the Supreme Court building with associated parking. Based on a review of the city directories and the 1950 and 1968 Sanborn maps, a gasoline filling station was located at 716-720 Henley Street on the southwest corner of the site. The locations of any underground storage tanks (USTs) are not indicated. The presence of the filling station and the potential for underground storage tanks or groundwater/soil contamination is a recognized environmental condition (REC). It is recommended that further investigation be conducted at the site to evaluate the presence of remaining USTs and any potential contamination from this facility.

FORMER STATE SUPREME COURT BUILDING

Environmental (continued):

The City then requested QE2 to perform a Limited Subsurface Investigation to determine the impacts of the RECs noted in the Phase I report. The subsurface investigation was limited to investigating the RECs listed in the June 2015 Phase I ESA. Based on the soil sample results of the limited subsurface investigation, the soil adjacent to the boiler system UST does contain petroleum compounds, although concentrations were below applicable cleanup levels. No evidence of water was observed at the drill rig refusal depth; therefore, a groundwater sample was not collected.

Copies of these reports are available in their entirety on the City's website at:
http://www.knoxvilletn.gov/government/city_departments_offices/redevelopment/former_state_supreme_court_site

The City makes no representations of any kind relative to the condition of the building, its contents, interior or exterior materials, or condition or the conditions of the land on which the building is located, accuracy of plans, or any statement relative to the former State Supreme Court building. Interested parties are directed to perform their own due diligence on this property.



VII. GENERAL CONDITIONS FOR PROPOSALS

7.1 The following data is intended to form the basis for submission of proposals to purchase, design, and develop the former State Supreme Court site.

7.2 This material contains general conditions for the procurement process, the scope of service requested, contract requirements, instructions for submissions of proposals, and submission forms that must be included in the proposal. The RFP should be read in its entirety before preparing the proposal.

7.3 All materials submitted pursuant to this RFP shall become the property of the City of Knoxville.

7.4 To the extent permitted by law, all documents pertaining to this Request for Proposals shall be kept confidential until the proposal evaluation is complete and a recommendation submitted to City Council for review. No information about any submission of proposals shall be released until the process is complete, except to the members of the Evaluation Committee and other appropriate City staff. All information provided shall be considered by the Evaluation Committee in making a recommendation to enter into an agreement with the selected consultant.

7.5 Any inquiries, suggestions or requests concerning interpretation, clarification or additional information pertaining to the RFP shall be made in writing and be in the hands of the Assistant Purchasing Agent by the close of business on September 26, 2016. Questions can be submitted by letter, fax (865-215-2277), or emailed to jmcclelland@knoxvilletn.gov. The City will not entertain questions relative to this RFP by telephone and will not engage in one-on-one communications relative to this RFP with individual proposers or their representatives. The City of Knoxville is not responsible for oral interpretations given by any City employee, representative, or others. The issuance of written addenda is the only official method whereby interpretation, clarification, or additional information can be given. If any addenda are issued to this Request for Proposals, the Purchasing Division will post them to the City's website at www.knoxvilletn.gov/purchasing. Submitting organizations are strongly encouraged to view this website often to see if addenda are posted. Failure of any proposer to receive such addendum or interpretation shall not relieve such Proposer from any obligation under his proposal as submitted. All addenda so issued shall become part of the Contract Documents.

7.6 The City of Knoxville reserves the right to (a) accept or reject any and/or all submissions of proposals; (b) to waive irregularities, informalities, and technicalities; and (c) to accept any alternative submission of proposals presented which, in its opinion, would best serve the interests of the City. The City shall be the sole judge of the proposals, and the resulting negotiated agreement that is in its best interest, and its decision shall be final. The City also reserves the right to make such investigation as it deems necessary to determine the ability of any submitting entity to perform the work or service requested. Information the City deems necessary to make this determination shall be provided by the submitting entity. Such information may include, but is not limited to, current financial statements by an independent CPA, verification of availability of equipment and personnel, and past performance records.

7.7 Included in the Contract Documents is an affidavit that the undersigned has not entered into any collusion with any person with respect to this proposal. The proposer is required to submit this affidavit with their proposal submission.

7.8 Regarding the Equal Business Opportunity Program contracting, the appropriate Form I or Form II must be submitted with the proposal. Successful proposers, who include Form I with their proposals, stating their intent to use MOB or WOB subcontractors for any part of the contract, will be required to submit Form III, Statement of Payments to MOB/WOB Subcontractor(s) & Supplier(s). Contractors will use Form III to report the amount(s) they have paid to MOB and/or WOB subcontractors on June 30th and December 31st of each year during the life of the contract and with the final payment. Failure to submit this reporting data may result in a delay of payments. Final payment may not be released by the City until Form III is submitted.

7.9 Subsequent to the Evaluation Committee's review and the Mayor's recommendation of a firm(s), Knoxville City Council approval will be required before the final contract may be executed.

7.10 All expenses for making a submission of proposal shall be borne by the submitting entity.

7.11 Any submission of proposals may be withdrawn up until the date and time for opening of the submissions. Any submission not so withdrawn shall, upon opening, constitute an irrevocable offer for a period of 180 days to the City of Knoxville for the services set forth in the Request for Proposals until one or more of the submissions have been duly accepted by the City.

7.12 Prior to submitting their proposals, proposers are to be registered with the Purchasing Division by setting up a Vendor Self-Service Account. Instructions for registering on-line are available at www.knoxvilletn.gov/purchasing. Proposals from un-registered proposers may be rejected.

7.13 **NO CONTACT/NO ADVOCACY POLICY: After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer or proposer's representative with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Purchasing Division representative listed herein or with said representative's authorization. Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction. Proposals must include a notarized No Contact/No Advocacy Affidavit (to be found in the "Submission Forms" section of this document).**

7.14 **INCLEMENT WEATHER:** During periods of inclement weather, the Purchasing Division will enact the following procedures with regard to solicitations and weather delays:

- If City offices are closed due to inclement weather on the date that bids/proposals/qualifications/letters of interest are due into the Purchasing Office, all solicitations due that same day will be moved to the next operational business day.
- The City of Knoxville shall not be liable for any commercial carrier's decision regarding deliveries during inclement weather.

VIII. SCOPE OF SERVICES

8.1 Proposers should carefully review Section IV ("Goals and Vision for the Project Site") before preparing their proposals.

8.2 The City of Knoxville encourages the use of Disadvantaged Business Enterprises (DBEs), as defined in the Equal Business Opportunity Program packet (included in the Submissions Forms section of this RFP). With this in mind, the City desires that DBE sub-contractors or sub-consultants be used in the design and/or construction of the development, where practical.

8.3 Development Agreement

The development agreement shall include language found in Section IX ("Contract Requirements") and will include provisions for the following:

1. The development agreement shall provide that prior to the commencement of construction on the property, the selected proposer shall require its contractor to procure payment and performance bonds ("the Bonds") in the full amount of the price of the construction contract between the selected proposer with its contractor. The bonds must be executed by a surety qualified to do business in the State of Tennessee, with an A.M. Best rating of A V or higher. The form of the bonds must be satisfactory to the City, in its reasonable discretion, and copies of the executed bonds must be provided by the selected proposer to the City.

2. The development agreement will contain negotiated deadlines whereby the selected proposer will submit, for the City's approval (the extent of such approval to be more particularly specified in the development agreement), (i) schematic design plans and outline specifications, (ii) design development plans and specifications, (iii) final construction plans and specifications, (iv) the date construction will commence, and (v) the date construction will be completed.

8.4 Financial Proposal

Acquisition: The City currently has invested \$2,470,000 in the project site. The minimum price to purchase the site is \$2,470,000.

City Assistance: Due to the relatively large size of the anticipated development project, proposers may seek public financing assistance for the proposed project. However, proposals seeking such assistance must contain an element or elements that provide substantial benefit to the public for public financing to be seriously considered. Moreover,

proposers hereby are notified that they must acquire the approval for any public financing from the City of Knoxville and the City does not guarantee or imply that such approval will be forthcoming. Ideally, the proposed plan will not be contingent upon the approval of public financing. The City may have capacity to assist projects that create a public benefit, such as public parking above that number which is necessary for the building occupants. Such assistance shall only apply if the proposal offers a substantive public benefit component.

Proposers are advised that the number and type of contingencies associated with the proffered financial plan will affect the points earned in this category (see Section X, "Evaluation Criteria").

IX. CONTRACT REQUIREMENTS

Submitting entities, if selected, must be willing to sign a contract with the City which will include certain provisions, among which are the following:

9.1 Contract Documents. The contract shall consist of (1) the RFP; (2) the proposal submitted by the contractor to this RFP; and (3) the contract. In the event of a discrepancy between the contract, the RFP and the submitted proposal, the terms that provide the greater benefit to the City and/or impose the greater obligation to the contractor will prevail.

9.2 Administration. The contract will be administered by the City of Knoxville's Office of Redevelopment.

9.3 Invoices. Invoices for services will be submitted to the City in accordance with the contract terms.

9.4 Independent Contractor. The relationship of contractor to the City will be that of independent contractor. The contractor will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants and subcontractors done during the performance of the contract. All services performed by the contractor shall be provided in an independent contractor capacity and not in the capacity of officers, agents, or employees of the City.

9.5 Assignment. The contractor shall not assign or transfer any interest in this contract without prior written consent of the City of Knoxville.

9.6 Indemnification and Hold Harmless. The successful proposer will be required to sign a contract with the City which contains the following indemnification clause. This indemnification clause will not be altered in any way. Failure to agree with this indemnification clause in the contract may result in the City moving to the next responsible responsive proposer.

Contractor shall defend, indemnify and hold harmless the City, its officers, employees and agents from any and all liabilities which may accrue against the City, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen from an act or omission of Contractor in performance of this Agreement or from Contractor's failure to perform this Agreement using ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the City, its agents or employees.

Contractor shall save, indemnify and hold the City harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the City alleging liability referenced above, including, but not limited to, costs, fees, attorney fees, and other expenses of any kind whatsoever arising in connection with the defense of the City; and Contractor shall assume and take over the defense of the City in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City. Contractor will have the right to defend the City with counsel of its choice that is satisfactory to the City, and the City will provide reasonable cooperation in the defense as Contractor may request. Contractor will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the City, such consent not to be unreasonably withheld or delayed. The City shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

Contractor shall save, indemnify and hold City harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

9.7 Termination. The City may terminate this Agreement at any time, with or without cause, by written notice of termination to the Contractor.

If the City terminates this Agreement, and such termination is not a result of a default by the Contractor, the Contractor shall be entitled to receive as its sole and exclusive remedy the following amounts from the City, and the City shall have no further or other obligations to the Contractor: the amount due to the Contractor for work executed through the date of termination, not including any future fees, profits, or other compensation or payments which the Contractor would have been entitled to receive if this Agreement had not been terminated.

The City may, by written notice of default to the Contractor, terminate the whole or any part of this Agreement if the Contractor fails to perform any provisions of this Agreement and does not cure such failure within a period of ten (10) days (or such longer period as the Purchasing Agent may authorize in writing) after receipt of said notice from the Purchasing Agent specifying such failure. If this Agreement is terminated in whole or in part for default, the City may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, supplies or services similar to those terminated..

9.8 Insurance. When applicable and prior to the commencement of the contract, contractor must, at its sole expense, obtain and maintain in full force and effect for the duration of the Agreement and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this Agreement. Contractor shall furnish the City of Knoxville with properly executed certificates of insurance which shall clearly evidence all insurance required by the City. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better. Such insurance shall be at a minimum the following:

A. Commercial General Liability Insurance; occurrence version commercial general liability insurance, and if necessary umbrella liability insurance, with a limit of not less than two million dollars each occurrence for bodily injury, personal injury, property damage, and products and completed operations. If such insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than \$3,000,000.

Such insurance shall:

(a.) Contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds. Proof of additional insured status up to and including copies of endorsements and/or policy wording will be required.

(b.) For any claims related to this project, Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, officers, employees, and volunteers. Any insurance or self- insurance programs covering the City, its officials, officers, employees, and volunteers shall be excess of Contractor's insurance and shall not contribute with it.

(c.) At the sole discretion of the City, dedicated limits of liability for this specific project may be required.

B. Automobile Liability Insurance; including vehicles owned, hired, and non-owned, with a combined single limit of not less than \$1,000,000 each accident. Such insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of Contractor.

C. Workers' Compensation Insurance. Contractor shall maintain workers' compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers' liability insurance with limits of not less than \$500,000. Contractor shall require each of its subcontractors to provide Workers' Compensation for all of the latter's employees to be engaged in such work unless such employees are covered by Contractor's workers' compensation insurance coverage.

D. Other Insurance Requirements. Contractor shall:

- Prior to commencement of services, furnish the City with original certificates and amendatory endorsements effecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days' prior written notice to the City Attorney of Knoxville; P.O. Box 1631; Knoxville, Tennessee 37901. Proof of policy provisions regarding notice of cancellation will be required.

- Upon the City's request, provide certified copies of endorsements and policies if requested by the City in lieu of or in addition to certificates of insurance. Copies of policies will only be requested when contracts are deemed to be extremely or uniquely hazardous, include a dollar amount that is significant to the overall budget of the City or a City Department, or the coverage(s) may not follow standard insurance forms. A policy will only be requested after the City's Risk Manager has reviewed the contract and proof of coverage has been provided. Should the certificate of insurance refer to specific coverage wording or endorsements(s), proof of such policy wording or endorsement(s) will be required.

- Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.

- Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.

- If Contractor cannot procure insurance through an insurer having an A.M. Best rating of A-VIII, Contractor may, in the alternative, place such insurance with insurer licensed to do business in Tennessee and having A.M. Best Company ratings of no less than A. Modification of this standard may be considered upon appeal to the City Law Director.

- **Require all subcontractors to maintain during the term of the Agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation/Employer's Liability insurance (unless subcontractor's employees are covered by Contractor's insurance) in the same manner as specified for Contractor. Contractor shall furnish subcontractors' certificates of insurance to the City without expense immediately upon request.**
- **Large Deductibles; Self-Insured Retentions. Any deductibles and/or self-insured retentions greater than \$50,000 must be disclosed to and approved by the City of Knoxville prior to the commencement of services. Use of large deductibles and/or self-insured retentions may require proof of financial ability as determined by the City.**
- **Waiver of Subrogation Required. The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by Contractor for the City. Proof of waiver of subrogation up to and including copies of endorsements and/or policy wording will be required.**
- **Occurrence Basis Requirement. All general liability policies must be written on an occurrence basis, unless the Risk Manager determines that a claims made basis is reasonable in the specific circumstance. Use of policies written on a claims made basis must be approved by the City. Risk Manager and retroactive dates and/or continuation dates must be provided to the City prior to commencement of any work performed. Professional Liability and Environmental Liability (Pollution Coverage) are most commonly written on a claims made basis and are generally acceptable in that form.**

9.9 Ethical Standards. Attention of all firms is directed to the following provisions contained in the Code of the City of Knoxville: Chapter 24, Article II, Section 24-33 entitled "Debts owed by persons receiving payments other than Salary;" Chapter 2, Article VIII, Division 11. the Contractor hereby takes notice of and affirms that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

A. Section 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee's knowledge there is a financial interest possessed by:

- (1) the employee or the employee's immediate family;
- (2) A business other than a public agency in which the employee or member of the employee's immediate family serves as an officer, director, trustee, partner or employee; or
- (3) Any person or business with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment.

B. Section 2-1049. Receipt of Benefits from City Contracts by Council Members, Employees and Officers of the City.

It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void.

C. Section 2-1050. Gratuities and Kickbacks Prohibited.

It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

- (1) An official action taken, or to be taken, or which could be taken;
- (2) A legal duty performed, or to be performed, or which could be performed; or
- (3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

Kickbacks. It is unlawful for any payment, gratuity, or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

D. Section 2-1051. Covenant Relating to Contingent Fees.

(a) **Representation of Contractor.** Every person, before being awarded a contract in excess of ten thousand dollars (\$10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) Intentional Violation Unlawful. The intentional violation of the representation specified in subsection (a) of this section is unlawful.

E. Section 2-1052. Restrictions on Employment of Present and Former City Employees. Contemporaneous employment prohibited. It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

- (1) Oral or written warnings or reprimands;**
- (2) Cancellation of transactions; and**
- (3) Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.**

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

9.10 Firms must comply with the President’s Executive Order No. 11246 and 11375 which prohibit discrimination in employment regarding race, color, religion, sex or national origin. Firms must also comply with Title VI of the Civil Rights Act of 1964, Copeland Anti-Kick Back Act, the Contract Work Hours and Safety Standards Act, Section 402 of the Vietnam Veterans Adjustment Act of 1974, Section 503 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, all of which are herein incorporated by reference.

9.11 Firms shall give consideration to the inclusion of minority firms or individuals in this project, and shall advise the city in this proposal of their efforts to do so.

9.12 Firms shall give consideration to the use of environmentally sustainable best practices, and shall advise the city in this submittal of qualifications of their efforts to do so.

9.13 Federal, State, and Local Requirements. Each submitting entity is responsible for full compliance with all laws, rules and regulations which may be applicable.

9.14 Licenses. Before a contract is signed by the City, the submitting entity, if selected, must provide the City Purchasing Division with a copy of its valid business license or with an affidavit explaining why it is exempt from the business licensure requirements of the city or county in which it is headquartered. If a contract is signed, the contractor's business license shall be kept current throughout the duration of the contract, and the contractor shall inform the City of changes in its business name or location. The contractor must be a licensed professional as required by the state of Tennessee, see T.C.A. Sections 62-2-101 et. seq., for any services in this contract requiring such licensure.

9.15 Funding. The City's performance and obligation to pay under this contract is subject to funding contingent upon an annual appropriation.

9.16 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Tennessee and its conflict of laws provisions. Venue for any action arising between the City and the Contractor from the Agreement shall lie in Knox County, Tennessee.

9.17 Subcontracts to the Agreement. Contractor shall not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the City.

9.18 Amendments. This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of the Agreement.

9.19 Captions. The captions appearing in the Agreement are for convenience only and are not a part of the Agreement; they do not in any way limit or amplify the provisions of the Agreement.

9.20 Severability. If any provision of the Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in the Agreement. Failure to enforce any provision of the Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

9.21 No Benefit for Third Parties. The services to be performed by the Contractor pursuant to the Agreement with the City are intended solely for the benefit of the City, and no benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to the Agreement. No such person or entity shall be entitled to rely on the Contractor's performance of its services hereunder, and no right to assert a claim against the City or the Contractor, its officers, employees, agents, or contractors shall accrue to the Contractor or to any subcontractors, independently retained professional consultant, supplier, fabricator, manufacturer, lender, tenant, insurer, surety, or any other third party as a result of this Agreement or the performance or non-performance of the Contractor's services hereunder.

9.22 Non-Reliance of Parties. Parties explicitly agree that they have not relied upon any earlier or outside representations other than what has been included in the Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything other than the specific written terms set forth herein.

9.23 Force Majeure. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

9.24 EEO/AA. The City of Knoxville is an EE/AA/Title VI/Section 504/ADA/ADEA Employer.

9.25 By submitting a proposal, the submitting entity agrees to all terms and conditions established in this RFP, including its contract requirements.

X. INSTRUCTIONS TO SUBMITTING ENTITIES

All submissions of proposals shall comply with the following instructions. These instructions ensure that (1) submissions contain the information and documents required by the City RFP and (2) the submissions have a degree of uniformity to facilitate evaluation.

10.1 General

Submission forms and RFP documentation may be obtained on or after June 12, 2016, at no charge from:

City of Knoxville Purchasing Division
City/County Building
400 Main Street, Room 667
P. O. Box 1631
Knoxville, Tennessee 37902

between 8:30 a.m. and 4:30 p.m. (Eastern Time), Monday through Friday or by calling 865/215-2070. Forms and RFP information are also available on the City web site at www.knoxvilletn.gov/purchasing where it can be read or printed using Adobe Acrobat Reader software.

10.2 Submission Information

Proposals shall include eleven (11) hard copies (one original and ten duplicates—**mark the original as such**) and one electronic copy of the proposal (CD only—**mark the storage device with the company name**); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract.

Proposals will be received until 11:00:00 a.m. (Eastern Time) on October 10, 2016. Each proposal must be submitted in a sealed envelope addressed to:

City of Knoxville Purchasing Division City/County Building
400 Main Street, Room 667
Knoxville, TN 37902

IMPORTANT NOTE: Each mailing envelope or carton containing a proposal or multiple copies of the proposal must be sealed and plainly marked on the outside “State Supreme Court Site.” Proposers are reminded that the Purchasing

Division receives many bids and proposals for any number of solicitations; **unlabeled submissions are extremely difficult to match to their appropriate solicitations and therefore may be rejected.**

Any proposals received after the time and date on the cover sheet will not be considered. It shall be the sole responsibility of the submitting entity to have the proposal delivered to the City of Knoxville Purchasing Division on or before that date.

Late proposals will not be considered. Proposals that arrive late due to the fault of United States Postal Service, United Parcel Service, DHL, FEDEX, any delivery/courier service, or any other carrier of any sort are still considered late and shall not be accepted by the City. Such proposals shall remain unopened and will be returned to the submitting entity upon request.

10.3 Format

The City is committed to reducing waste. Submissions of qualifications must be typed on 8.5 x 11 inch wide white paper, printed on both sides and placed in a sealed envelope (see Paragraph 7.2). Pages must be consecutively numbered. A table of contents must be included in the proposal immediately after the title page, and each of the following numbered sections must be tabbed.

Proposals shall be structured as follows. Numbered items listed below should have a numbered tab page:

Tab 1	Title Page
Tab 2	Table of Contents
Tab 3	Submission Forms:
	A. Form S-1
	B. Non-Collusion Affidavit
	C. No Contact/No Advocacy Affidavit
	D. Form I or II from Equal Business Opportunity Program
Tabs 4 - 11	Body of Proposal: See Paragraph 10.4 below

NOTE: All required submission forms are provided in these solicitation documents.

10.4 Body of Proposal

The following items must be included in the proposal, with each section tabbed as follows:

Tab 4: Proposal Summary/Executive Summary

The Proposal Summary shall include a brief overview of the proposed project's concept and development.

Tab 5: Proposer's Qualifications

Describe in detail the proposed development team and demonstrate a track record of successfully financing, developing, completing, and managing comparable projects.

- Clearly identify the key individual, companies, and organizational structure of the proposer.
- Clearly identify the roles and responsibilities of all proposal team members.
- Cite proposer's experience with other successful development projects, including roles and responsibilities for these projects' team members, in addition to providing current contact information for references relative to these projects.

Tab 6: Proposer's Financial Capacity

Provide clear and compelling information to demonstrate proposer's financial capacity to execute and complete the project successfully.

- Describe a clear strategy to fund all project costs.
- Specify and clearly describe all sources, types, and amounts of equity, financing, grants, and other funding sources for the proposed project.
- Provide documentation from potential lenders of interest in the property.
- Cite other projects in which the proposed equity/financing/granting entities have successfully worked with the proposer.
- Provide evidence of a history of project financing for prior projects.
- If tax credits are desired as part of the proposed financing plan, provide evidence of experience in applying for and being awarded tax credits. Additionally, clearly describe the public benefit component of the proposal as detailed in Paragraph 8.4 above.

Tab 7: Proposers Business Plan

Sufficiently detail and include a reasonable project budget and pro forma, in addition to demonstrating the proposed project's viability and details for the operation and

management of the project after completion of construction.

- Provide research/market demand data.
- Provide details on how the proposer intends to utilize the project site.
- Demonstrate committed and/or qualified tenants/buyers/operators for the completed project.
- Clearly detail and define the project's development costs, include all construction costs, soft costs, and contingencies.
- Clearly detail and define the project's operating pro forma, including all revenues, expenses, debt service, taxes, and other assessments for the same number of years for which City assistance, if any, is requested.
- Provide reasonable assumptions for all costs and revenues.

Tab 8: Level of Return and Benefit to the Community

Describe the economic, fiscal, employment, and other tangible public benefits generated by the proposed project. Requests for City assistance must be limited to assistance the City can reasonably accommodate and be clearly and quantitatively demonstrated to be less than the public benefit generated by the project.

- Specify requested City assistance, if any, and include details such as type of assistance, length of agreement term, commencement and completion dates, etc.
- Clearly demonstrate that any such requested financial assistance is a requirement for fulfilling a financial gap in the proposal.

Tab 9: Consistency with the City's Ordinances, Guidelines, and Vision

Explain how the proposal complies with other City policies.

- Explain how the proposal is consistent with the City's stated Goals and Vision for the Project Site
- Explain how the proposal is consistent with Downtown Knoxville Urban Design Guidelines
- Explain how the proposal is consistent with the City of Knoxville's zoning ordinances
- Explain how the proposal is consistent with the City's sustainability goals
- Explain why the proposal is a unique urban and/or mixed-use development or redevelopment project
- Describe how the project will create housing alternatives (if applicable), and net new jobs and business opportunities.

Tab 10: Description and Clear Scope/Scale of Project

Provide project details, a conceptual access and circulation plan, and describe the project's compatibility to the area and adjacent uses.

- **Clearly detail and define the project, including:**
 1. **Gross SF of project and proposed uses (e.g., commercial, retail, residential, office); Number of (rental or ownership) residential units or hotel rooms; note any specific intended user for the product (such as a business or boutique hotel)**
 2. **Number of parking spaces, differentiating between spaces for building occupants and spaces dedicated to public use**
 3. **Building height (feet and stories)**
 4. **Expected number of construction jobs and construction costs**
 5. **Expected number of permanent jobs**
 6. **Estimated project costs (all costs)**

- **Provide a conceptual site plan and building elevations (color recommended).**
- **Plans and elevations to be submitted in the proposal should be conceptual in nature. All plans and elevations included in the proposal should be bound with the proposal: larger drawings, physical models, or computer graphics/models may be used by proposers at interviews and presentations, if desired. Larger drawings and physical models should not be submitted with the proposal, but the City reserves the right to request such drawings and/or models for clarification purposes during its evaluation.**
- **Describe the utilization of the site.**
- **Describe how the project will exist in context with adjacent buildings, public amenities, and other uses.**
- **Provide circulation plan(s) showing transit, vehicular, bicycle, and pedestrian access and circulation within and around the site for the various proposed users.**

Tab 11: Project Timeline

Provide a comprehensive schedule with major milestones that addresses all phases of planning, entitlements, design, plan review, permits, construction, and occupancy. Proposers should commit to a reasonable project time frame.

- **Use reasonable assumptions**
- **Provide a construction mitigation plan that identifies potential challenges that neighboring businesses and residents may experience during the development and operating periods, and propose viable mitigation plans.**

10.5 Evaluation of Proposals

All qualified submissions received by the deadline will be analyzed by the Evaluation Committee according to the criteria outlined in these specifications. Failure to comply with the provisions of the RFP may cause any proposal to be ineligible for evaluation. Each submittal of proposals will be initially analyzed and judged according to the evaluation criteria below. The maximum score is 100 points.

The City reserves full discretion to determine the capability of proposing entities. Proposers, if asked, will provide, in a timely manner, any and all information that the City deems necessary to make such a decision. In addition to materials provided in the written responses to this RFP, the Committee may request additional material, information, references, a site visit, or a live test demonstration from the submitting entity or others. The Evaluation Committee may or may not decide to interview any or all proposing entities at a time and date determined by the City in order to address questions and more fully ascertain how the solution to this project satisfies the evaluation criteria. Firms and/or teams responding to this Request for Proposals shall be available for interviews with the Evaluation Committee. Discussions may be conducted with responsible submitting entities for purposes of clarification to assure full understanding of and conformance to the RFP requirements. Selection shall be based on the firms' qualifications applicable to the scope and nature of the services to be performed per this request for proposals. Determination of firms' qualifications shall be based on their written responses to this Request for Proposals and information presented to the Evaluation Committee during oral interviews, if any.

In addition to materials provided in the written responses to this Request for Proposals, the Committee may request additional material, information, or references from the submitting entity or others.

Provided it is in the best interest of the City of Knoxville, the firm or team determined to be the most responsive to the City of Knoxville, taking into consideration the evaluation factors set forth in this Request for Proposals, will be selected to begin contract negotiations. The firm or team selected will be notified at the earliest practical date and invited to submit more comprehensive information if necessary. If no satisfactory agreement can be reached with the "most responsive firm," the City may elect to negotiate with the next best and most responsive firm or team.

XI. EVALUATION CRITERIA

An evaluation team, composed of representatives of the City, will evaluate proposals on a variety of quantitative and qualitative criteria. Upon receipt of proposals, the City will review to determine whether the proposal is acceptable or non-acceptable based on the criteria outlined below.

The criteria and the associated weights upon which the evaluation of the proposals will be based include, but are not limited to, the following:

Consistency with Stated Mixed Use Vision	40 points
Financial Capacity and Business Plan	30 points
Qualifications and Experience	25 points
Goals for Sustainability and Use of DBEs Addressed	5 points

SUBMISSION FORMS

Form S-1

Non-Collusion Affidavit

No Contact-No Advocacy Affidavit

Form I or Form II from Equal Business Opportunity Program

**CITY OF KNOXVILLE
REQUEST FOR PROPOSALS**

**Purchase, Design, and Development of the
Former Supreme Court Site**

Submission Form S-1

**Proposals to be Received by 11:00:00 a.m., Eastern Time, October 10, 2016, in Room 667-674,
City/County Building, Knoxville, Tennessee.**

IMPORTANT: Proposals shall include eleven (11) hard copies (one original and ten duplicates—**mark the original as such**) and one electronic copy of the proposal (CD only—**mark the storage device with the company name**); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract.

Please complete the following:

Legal Name of Proposer: _____

Address: _____

Telephone Number: _____

Fax Number: _____

Contact Person: _____

Email Address: _____

Signature: _____

Name and Title of Signer _____

Note: Failure to use these response sheets may disqualify your submission.

NON-COLLUSION AFFIDAVIT OF PRIME BIDDER

State of _____

County of _____

_____, being first duly sworn, deposes and says that:

- (1) He is owner, partner, officer, representative, or agent of _____ ,
the Bidder that has submitted the attached Bid;
- (2) He is fully informed respecting the preparation and contents of the attached Bid
and of all pertinent circumstances respecting such Bid;
- (3) Such Bid is genuine and is not a collusive or sham Bid;
- (4) Neither the said Bid nor any of its officers, partners, owners, agents,
representatives, employees, or parties in interest, including this affiant, has in any way colluded,
conspired, connived or agreed, directly or indirectly, with any other Bidder, firm or person to
submit a collusive or sham Bid in connection with the Contract for which the attached Bid has
been submitted or to refrain from proposing in connection with such Contract, or has in any
manner, directly or indirectly, sought by agreement or collusion or communication or conference
with any other Bidder, firm, or person to fix the price or prices in the attached Bid or of any other
Bidder, firm, or person to fix any overhead, profit, or cost element of the bid price or the bid
price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful
agreement any advantage against the City of Knoxville or any person interested in the proposed
Contract; and
- (5) The price or prices quoted in that attached Bid are fair and proper and are not tainted by
any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of
its agents, representatives, owners, employees, or parties in interest, including this affidavit.

Signed: _____

Title: _____

Subscribed and sworn to before me this ____ day of _____, 2_____.

My commission expires: _____

No Contact/No Advocacy Affidavit

State of _____

County of _____

_____, being first duly sworn, deposes and says that:

(1) He/She is the owner, partner, officer, representative, or agent of

_____, the Proposer that has submitted the attached Proposal;

(2) The Proposer _____ swears or affirms that he/she will abide by the following “No Contact” and “No Advocacy” clauses:

a) **NO CONTACT POLICY:** After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Purchasing Agent (Boyce H. Evans) or Assistant Purchasing Agent (Janice McClelland). Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction.

b) **NO ADVOCATING POLICY:** To ensure the integrity of the review and evaluation process, companies and/or individuals submitting proposals for any part of this project, as well as those persons and/or companies representing such proposers, may not lobby or advocate to the City of Knoxville staff including, but not limited to, members of City Council, Office of the Mayor, Department of Redevelopment or any other City staff.

Any company and/or individual who does not comply with the above stated “No Contact” and “No Advocating” policies may be subject to having their proposal rejected from consideration.

Signed: _____

Title: _____

Subscribed and sworn to before me this _____ day of _____, 2_____.

My commission expires: _____

EQUAL BUSINESS OPPORTUNITY PROGRAM Contracting Component

SECTION I EQUAL BUSINESS OPPORTUNITY PROGRAM "GOOD FAITH EFFORT PLAN"

The City of Knoxville strongly encourages contractors to employ minority owned businesses and women owned businesses as subcontractors whenever feasible. This is viewed favorably by the City of Knoxville. In fact, the City's goal for minority and women owned business participation is 10 percent of the contract amount.

Prime contractors will consider all competitive sub-bids and quotations received from minority owned businesses (MOB) and women owned businesses (WOB). When a subcontract is not awarded to the MOB/WOB submitting the lowest bid, the prime contractor must document the reason(s) the award was not made in writing. If the Contractor terminates an agreement and/or subcontract with a MOB/WOB, then the contractor is required to strongly consider selection of another MOB or WOB as a replacement.

GOOD FAITH EFFORTS

1. Soliciting through all reasonable and available means.
 - a. Advertising
 - b. Written notices to all certified MOB's and WOB's who have the capability to perform the work or provide the service.
 - c. Solicitation of interest must be within sufficient time to allow MOB's and WOB's to respond to the solicitation.
 - d. Faxes, direct mailings, and telephone requests.
2. Providing interested MOB's and WOB's with adequate information about plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
3. Negotiating in good faith with interested MOB's and WOB's.

It is the **bidder's/proposer's** responsibility to make opportunities available to MOB's and WOB's subcontractors and suppliers and to select opportunities consistent with the available MOB/WOB business subcontractors and suppliers. Evidence of such negotiations includes the names, addresses, and telephone numbers of MOB's and WOB's considered.

- a. A description of the specifications for the work selection for subcontracting
 - b. Evidence why agreements could not be reached for MOB's and WOB's to perform the work.
4. Effectively using the services of available minority, women contractor groups, local minority and women business assistance offices, small business groups, and other organizations on a case-by-case basis to provide assistance in the recruitment and placement of minority/women business.

SECTION II

MOB/WOB SUBMITTAL TIME FRAME

The Contractor will submit the following forms with the **bid/proposal**:

1. "Statement of Intent for MOB/WOB Utilization" (Form I Attached)

This form will be submitted by the bidder/proposer if he/she plans to subcontract any portion(s) of the work with a MOB and/or a WOB. This form illustrates the areas the Contractor has identified as potential MOB and/or WOB subcontract opportunities and the dollar value associated with these opportunities. The purpose of "Form I" is to measure the Contractor's "**Good Faith Efforts.**" It does not commit the prime to subcontracting these areas only to MOB and WOB firms or release the prime from negotiating with MOB/WOB firms for subcontract opportunities.

OR

"Statement of Intent of Performing Work Without Subcontracting" (Form II Attached)

This form will be submitted if the bidder/proposer does not plan to subcontract any portion(s) of the work and if there are not any sufficient material purchases in which MOB/WOB firms can be utilized. The bidder/proposer must certify that this has been a typical practice on projects of similar scope and dollar value. By submittal of Form II, the Contractor certifies that:

He/she does not typically subcontract on projects of similar scope and dollar value.

He/she will not enter into any subcontract for duration of the project, and if he/she does decide to subcontract any portion of the work, he/she will: notify the City immediately of the decision to subcontract and adhere to the provision of "**Good Faith Efforts**" in filling that subcontract opportunity.

The Purchasing Division may request the apparent low bidder/proposer to provide additional information to clarify the bidder's/proposer's responsiveness and intent in this regard.

These documents will be received by the Purchasing Division upon submission of a proposal/bid. Additionally, prime contractors who submit Form I stating their intent to use MOB or WOB subcontractors for any part of the contract are required to report the amount(s) they have paid to these subcontractors on June 30th and December 31st of each year. Failure to submit this reporting data may result in a delay of payments. At the time of the final request for payment, the prime shall submit a Statement of Final Payments to MOB and WOB Subcontractors and Suppliers (Form III attached). Final payment will not be released by the City until Form III is submitted.

SECTION III

DEFINITIONS

Minority: A person who is a citizen or lawful admitted permanent resident of the United States and who is a member of one (1) of the following groups:

- a. Black American, which includes persons having origins in any of the Black racial groups of Africa;
- b. Hispanic American, which includes persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race;
- c. Native American, which includes persons who are American Indians or Alaska Native;
- d. Asian-Indian American, which includes persons whose origins are from Indian, Pakistan or Bangladesh.
- e. Asian-Pacific Islander, which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U. S. Trust Territories of the Pacific and Northern Marinas.

Minority Owned Business (MOB), Women Owned Business (WOB): A business which is at least (51%) owned and controlled by minority group members or European American female(s). A MOB/WOB is bona fide only if the minority group interests are real and continuing and not created solely to meet the MOB/WOB requirement. In addition, the MOB/WOB must perform satisfactory work or services to provide supplies under the contract and not act as a mere conduit. In short, the contractual relationship must be bonafide. Certification of minority owned businesses and women owned businesses is provided by City Community Relations Office.

Owned and Controlled: A business which is (1) a sole proprietorship legitimately owned by an individual who is a minority or European American female; (2) a partnership or joint venture controlled by minorities or European American females, and in which at least (51%) of the beneficial ownership interests legitimately are held by minorities or European American females; or (3) a corporation or other entity controlled by minorities or European American females, and in which at least 51% of the voting interests and 51% of the beneficial ownership interests are legitimately held by minorities or European American females. In addition, these persons must control the management and operation of the business on a day-to-day basis.

Subcontractor: Any named person, firm, partnership, or corporation which supplies any work, labor, services, supplies, equipment, materials, or any combination of the foregoing contract with the contractor on a public contract.

FORM I

**STATEMENT OF INTENT OF MOB/WOB UTILIZATION
(TO BE SUBMITTED WITH THE BID/PROPOSAL)**

We, _____, do certify that on the
(Bidder/Proposer)

(Project Name)

(_____)
(Dollar Amount of Bid)

MOB/WOB's will be employed as subcontractor(s), vendor(s), supplier(s), or professional service(s). The estimated **dollar value** of the amount that we plan to pay the MOB or WOB subcontractor(s), vendor(s), supplier(s), or professional service(s) is \$_____.

MOB/WOB Utilization

Description of Work MOB Amount WOB Amount Name of MOB/WOB

Description of Work	MOB Amount	WOB Amount	Name of MOB/WOB

The undersigned understands that they are to report the annual amount disbursed to these MOB(s) /WOB(s) on June 30th of each year. Moreover, the undersigned understands that he/she is required to report the total amount disbursed to MOB(s)/WOB(s) for this project at the completion of the project and that payments may be withheld until these reporting requirements are met.

- DATE: _____ COMPANY NAME: _____
-
- SUBMITTED BY: _____
- (Authorized Representative)
- TITLE: _____
-
- ADDRESS: _____
-
- CITY/STATE/ZIP CODE: _____
-
- TELEPHONE NO: _____

FORM II
STATEMENT OF INTENT TO PERFORM WORK WITHOUT SUBCONTRACTING (TO BE SUBMITTED WITH
BID/PROPOSAL)

We, _____, hereby certify that it is our
(Bidder/Proposer)
intent to perform 100 % of the work required for the _____
_____ contract.
(Name of Project)

In making this certification, the **Bidder/Proposer** states that:

1. It is a normal business practice of the bidder/proposer to perform all elements of this type contract with its own work forces without the use of subcontracts.

AND

2. If it is necessary to subcontract some portion of the work at a later date, the **bidder/proposer** will comply with all requirements of the "**Good Faith Efforts**" in providing equal opportunity to MOB/WOB Firms to subcontract the work.

The undersigned hereby certifies that he/she has read the terms and agrees to the terms of this statement.

Signature and title of authorized official of the company and the date must be properly executed on this document and a list of previous projects of similar scope and dollar value as stated in Section II attached or the bid may be deemed non-responsive.

DATE: _____ COMPANY NAME: _____

SUBMITTED BY: _____
(Authorized Representative)

TITLE: _____

ADDRESS: _____

CITY/STATE/ZIP CODE: _____

TELEPHONE NO: _____

FORM III

STATEMENT OF PAYMENTS TO MOB/WOB SUBCONTRACTOR(S) & SUPPLIER(S)
(TO BE SUBMITTED ON JUNE 30 AND DECEMBER 31 OF EACH YEAR FOR THE LIFE
OF THE CONTRACT AND TO BE WITH FINAL PAYMENT REQUEST)

Project: _____ Contract#: _____

Contractor's Name: _____

Cert #	MOB	WOB	Name of Firm/ Address & Phone #	Total Amount Paid	Contact Person

I hereby certify that this statement is true and that above payments have been made.

Contractor: _____

Address: _____

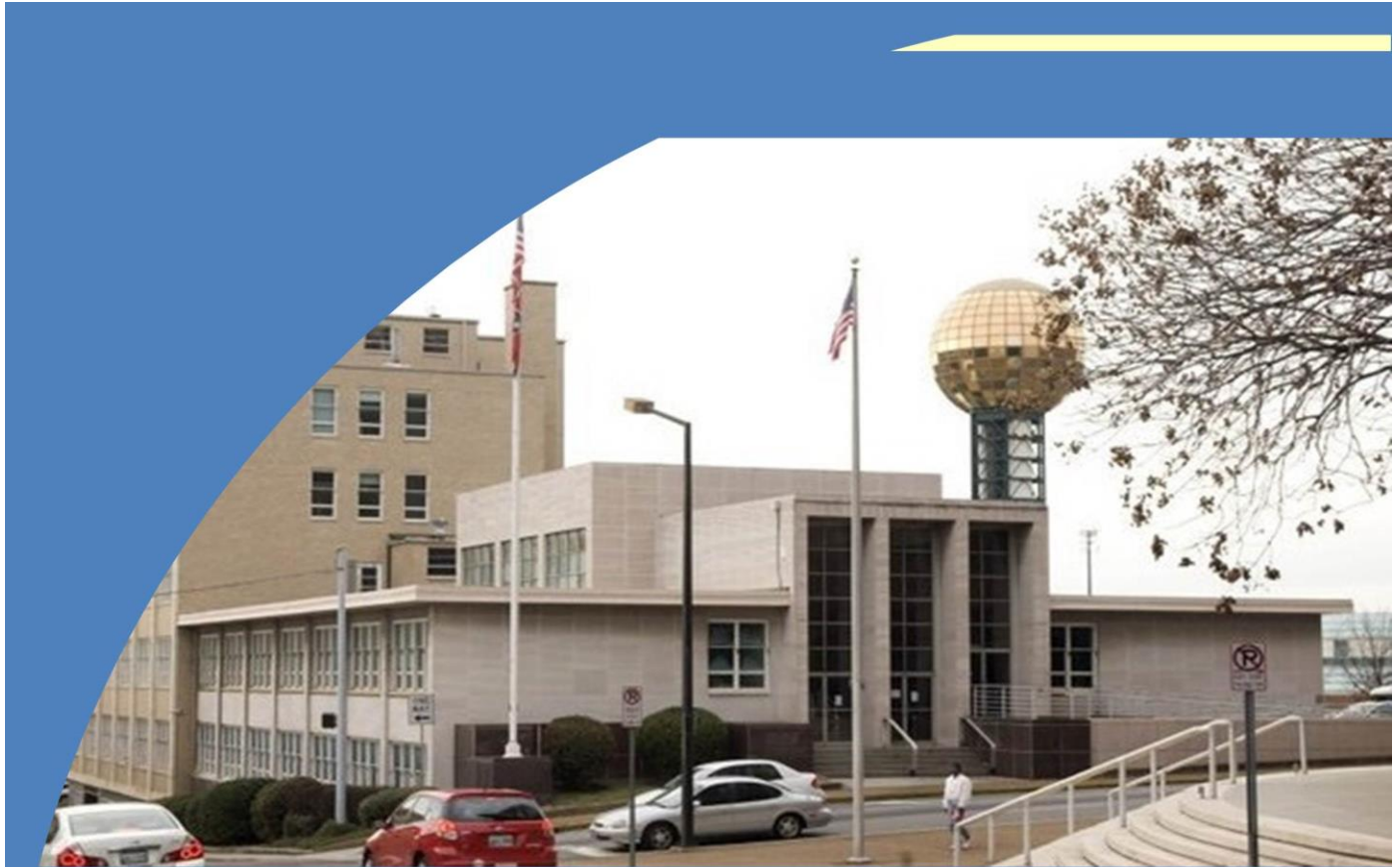
By: _____
Contractor's Signature Title

Subscribed and sworn to before me this _____ day of _____ 20__

Notary Public: _____

My Commission Expires: _____

APPENDIX: MARKET STUDY



PROPERTY MARKET INFORMATION FOR THE FORMER STATE SUPREME COURT SITE

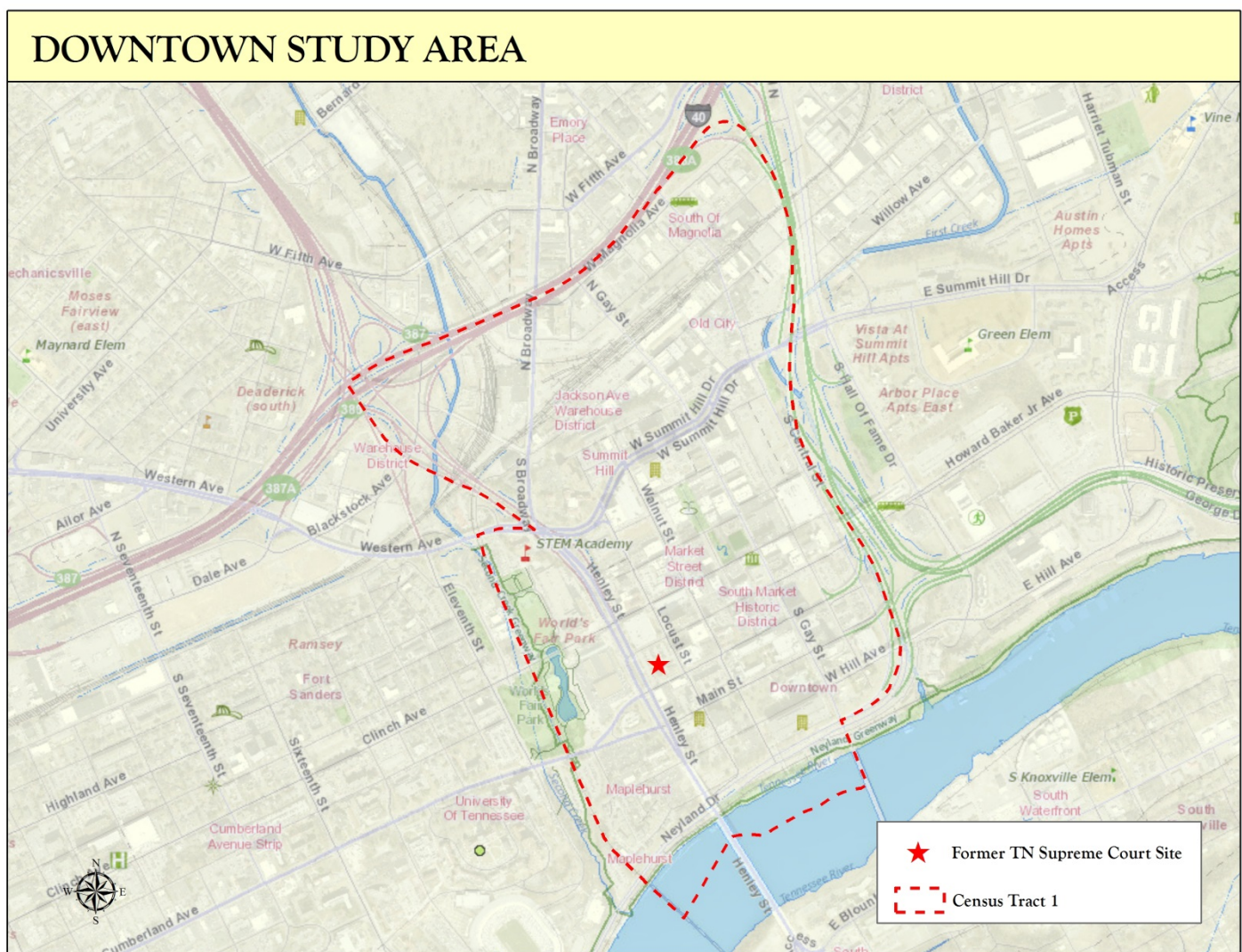
I. Background Information

The State of Tennessee granted the city of Knoxville's Industrial Development Board (IDB) an option to purchase the former State Supreme Court Site on Henley Street in 2005. The IDB issued request for proposals for the two-acre property in 2007 and 2013, but neither designated developer was able to advance the project. The site currently functions as a surface parking lot, with a vacant art deco courthouse dating to the 1950's.

This report will provide demographic, socio-economic and property market information on the area surrounding the former State Supreme Court Site. The goal is to help in the evaluation and recommendation of best use(s) for redevelopment.

II. Study Area

Census Tract 1 will be used as the study area surrounding the former State Supreme Court Site. The area is defined by the boundaries of Central Street to the east, Neyland Drive/Tennessee River to the south, rail line through World's Fair Park to the west and Interstate 40 to the north. From this point forward in the report, Census Tract 1 will be referred to as "downtown."



III. Executive Summary

Knoxville continues to experience a renewal in downtown activity and living that has helped revitalize urban cores across the country. Some notable characteristics of the downtown population are increasingly young (41 percent are Millennials), educated (58 percent have a Bachelor's degree or higher), and attracted to a dense, walkable environment (28 percent walk to a place of employment).

Residential growth downtown is steady with a focus toward apartment construction in the last five years. Low vacancies, coupled with a large renter population could sustain the proposed pipeline of apartments in and around downtown. The number of owner occupied housing has been slowly trending upward over the last decade and currently accounts for a 20 percent share of all occupied units downtown. With owner occupancy increasing and average residential sale prices climbing, the market seems to be on the front end of experiencing a small but renewed interest in condominium construction.

Employment downtown appears to have turned the corner from a ten-year-low registered in 2012 with gains in 2013 and 2014. The office market downtown peaked in 2012 as well with vacancy and rental rates starting to improve and absorption turning positive during the last two years. With improving office market fundamentals, a growing young professional population, and major companies relocating downtown (Tombras Group and Regal Entertainment Group), the market could be on the cusp of supporting new office construction.

Downtown hotel fundamentals performed well over the last ten years with minor corrections in 2009 due to the recession and the 2013 opening of the Hilton Garden Inn. With occupancies and average daily rates remaining strong, the local market has proposed three hotels totaling 474 guestrooms in the downtown study area.

IV. Demographic and Socioeconomic Profile

In the last ten to fifteen years, development and redevelopment has played a major role in the socioeconomic changes occurring downtown. The following tables(s) will look at characteristics such as population, households, education, transportation, level of business activity, housing units and affordability.

DOWNTOWN	2005-2009		2010-2014	
	Number	Share (%)	Number	Share (%)
Total Population	1,483	-	1,982	-
Silent Generation	181	12.2	110	5.5
Baby Boomers	359	24.2	278	14.0
Generation X	547	36.9	683	34.5
Millennials	356	24.0	815	41.1
Generation Z	40	2.7	96	4.8
Median Age	34.3	-	31.3	-
Male	755	50.9	1,089	54.9
Female	728	49.1	893	45.1
White	1,296	87.4	1,609	81.2
Black/African American	163	11.0	241	12.2
American Indian/Alaskan	0	0.0	0	0.0
Asian	22	1.5	89	4.5
Hawaiian/Pacific Islander	0	0.0	0	0.0
Other	0	0.0	9	0.5
Two or more races	2	0.1	34	1.7
Hispanic	0	0.0	62	3.1
Total Households	958	-	1,194	-
Family	205	21.4	238	19.9
Non-family	753	78.6	956	80.1
Median Household Income	-	-	\$35,313	-
Median Family Income	-	-	\$110,833	-
Median Non-family Income	-	-	\$25,294	-

Note: Silent Generation (1945 and before); Baby Boomers (1946-1964); Generation X (1965-1981); Millennials (1982-2000); and Generation Z (2001 and after).

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates.

Population: The downtown population grew 34 percent over the last ten years, adding 499 new residents. Millennials represent the largest downtown demographic segment with a 41 percent share, up from 24 percent in 2005-2009. In contrast, the retirement age population (Silent Generation and Baby Boomers) declined from 36 percent, to a 20 percent share in 2010-2014.

Households: There are 1,194 households¹ downtown with non-family households comprising the greatest share at 80 percent. Non-family households registered a median income of \$25,294, slightly below the city's \$26,250. Families made up the remaining 20 percent of households and recorded a median income of \$110,833, compared to \$47,180 for the city.

¹ Households are arranged into two groups: family and nonfamily. A family household contains at least two persons related by birth. A nonfamily household may contain only one person or additional persons who are not relatives.

Education: Downtown residents are an educated group with 58 percent of those 25 years and over having a Bachelor’s degree or higher, compared to 30 percent for the city.

Transportation: Proximity to work is important to downtown residents with 28 percent walking as a means of transportation to work, compared to 2.6 percent for the city. Public transit plays a smaller, yet significant role as well with seven percent living downtown taking public transit to work, while two percent citywide ride transit to a place of employment.

Business Activity: In the last ten years, employment downtown has fluctuated from a high of 25,686 in 2006, to a low of 23,316 in 2012. In 2014, a total of 23,634² people were employed downtown.



Housing Units: Since 2000, the number of residential unit’s downtown grew from 846, to 1,268³ units in 2010-2014. As the inventory increased, so did the number of occupied units from 88 percent, to 94 percent in 2010-2014. Renters account for the bulk of occupied units downtown with 80 percent. Owner-occupied units comprise the remainder and grew from 11 percent in 2000 to 20 percent in 2010-2014.

Millennials (age 15 to 34) account for 53 percent (128 units) of all owner-occupied units and 56 percent (534 units) of all renter-occupied units downtown in 2010-2014, the largest share of any age cohort.

² U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2014).

³ The total housing units includes Summit Towers (278 units) that are HUD subsidized with rents based on income and eligible only for elderly/disabled person at or below 80% Average Median Income.

DOWNTOWN	2000		2010-2014	
	Number	Share (%)	Number	Share (%)
Total Housing units	846	-	1,268	-
Occupied units	740	87.5	1,194	94.2
Owner-occupied	84	11.4	243	20.4
Age 15 to 34	14	16.7	128	52.7
Age 35 to 54	42	50.0	52	21.4
Age 55 to 64	20	23.8	36	14.8
Age 65 and over	8	9.5	27	11.1
Renter-occupied	656	88.6	951	79.6
Age 15 to 34	255	38.9	534	56.2
Age 35 to 54	151	23.0	246	25.9
Age 55 to 64	68	10.4	103	10.8
Age 65 and over	182	27.7	68	7.2
Vacant units	106	16.2	74	5.8

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates and 2000 Census.

Housing Affordability: The U.S. Department of Housing and Urban Development considers housing to be ‘affordable’ if no more than 30 percent of a household’s monthly income is needed for costs of rent/mortgage payments and utilities. Downtown, 72 percent of housing units with a mortgage pay less than 30 percent of monthly income on mortgage in 2010-2014. This is comparable to the 69 percent citywide. Of the housing units paying rent, 45 percent downtown pay 30 percent or more of monthly income on rent, compared to 51 percent for the city. Monthly median rent downtown is \$758, slightly higher than \$745 for the city in 2010-2014.

DOWNTOWN	2005-2009		2010-2014	
	Number	Share (%)	Number	Share (%)
Housing units w/ a mortgage	113	-	200	-
Less than 30%	85	75.2	143	71.5
30% or more	18	15.9	57	28.5
Housing units w/ out a mortgage	44	-	43	-
Less than 30%	44	100.0	43	100.0
30% or more	0	0.0	0	0.0
Housing units paying rent	801	-	951	-
Less than 30%	375	46.8	494	51.9
30% or more	346	43.2	423	44.5
Not computed	80	10.0	34	3.6
Monthly Median cost	\$469	-	\$758	-

Note: Not computed are no cash rent units and units occupied by households reporting no income.

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates.

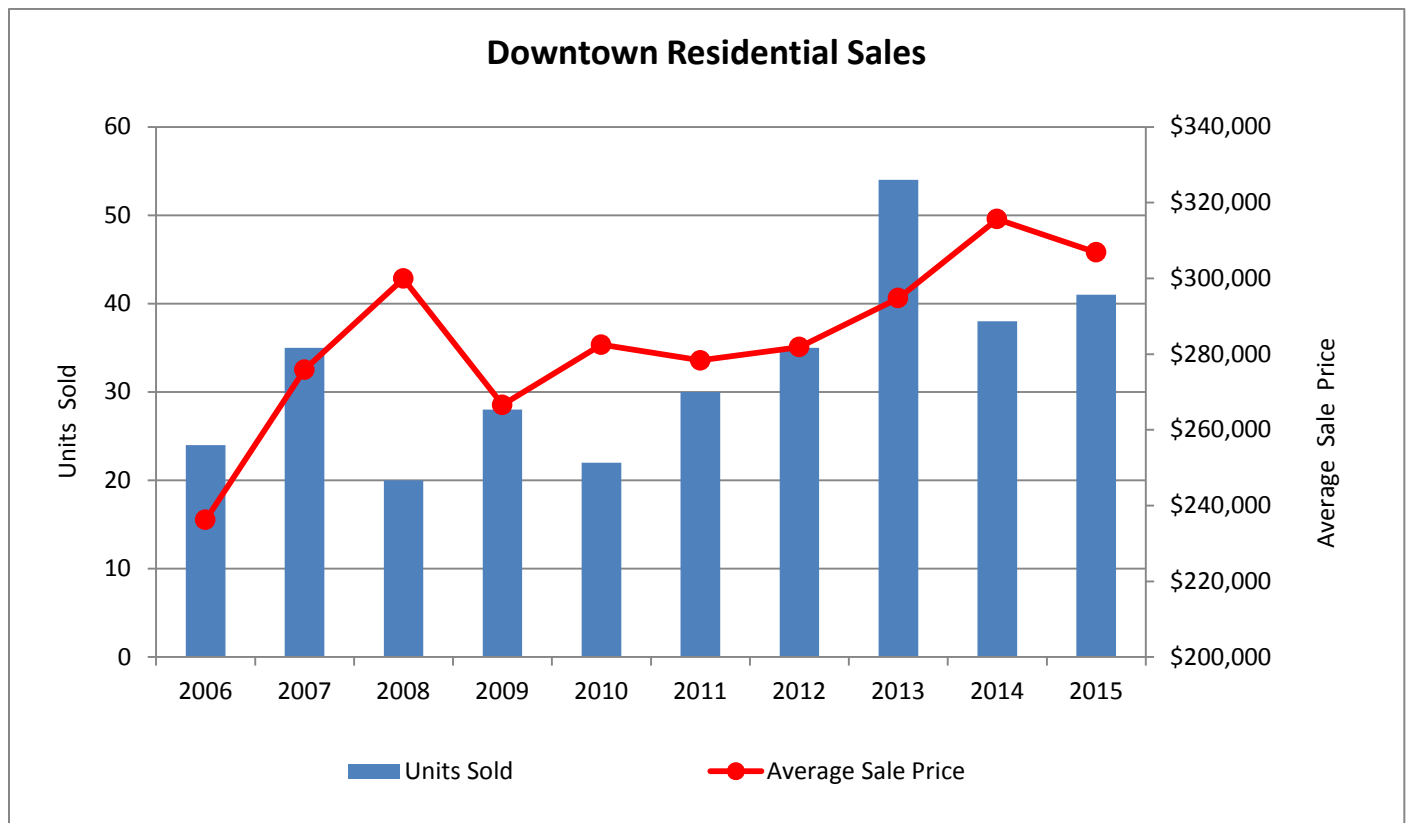
V. Housing Market

Residential development downtown accounted for approximately 12 percent of all residential construction in the city during the last ten years. From 2006 to 2010, condominiums comprised 70 percent of the residential development downtown, but as the Great Recession worked through the market bringing economic uncertainty and tighter lending practices, 2011 to 2015 witnessed a shift to apartments with the addition of 550 new units.

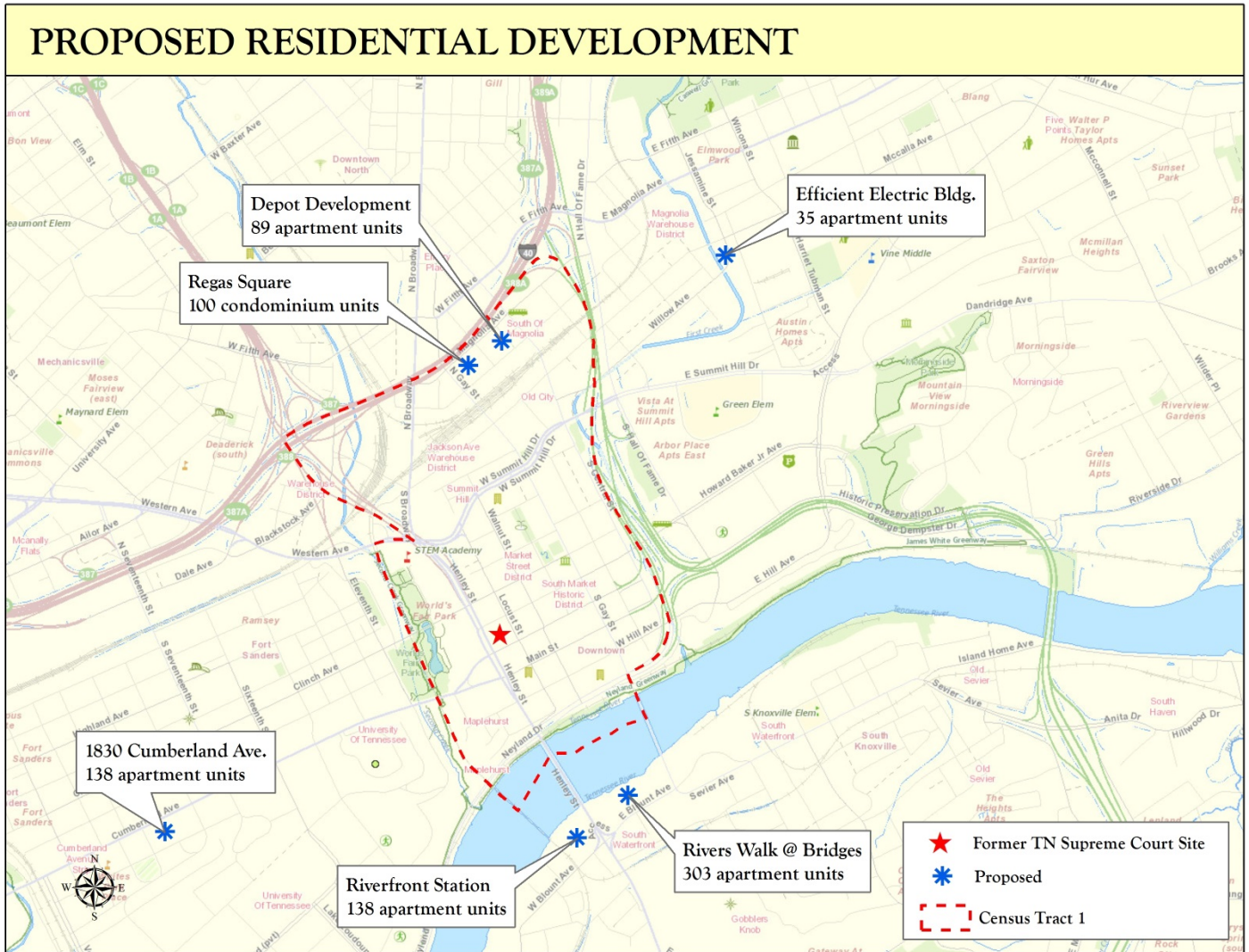
RESIDENTIAL UNITS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Downtown	92	57	97	59	6	16	76	58	331	75
Condominiums	92	53	42	25	6	2	5	0	0	0
Apartments	0	4	55	34	0	14	72	58	331	75
City of Knoxville	1,136	1,255	434	406	887	265	610	559	882	661

Source: Knoxville/Knox County Metropolitan Planning Commission, Building Permit Database.

Residential Sales: Despite condominium construction having slowed, a total of 327 units were sold downtown over the last ten years. The average number of units sold annually during this period was 33, with a low of 20 units in 2008 and a peak of 54 units in 2013. The average sale price post-recession has steadily climbed from a low of \$266,597 in 2009, to a high of \$315,673 in 2014.



Proposed Residential Development: The residential pipeline shows 803 units being potentially added to the surrounding downtown area in the near future. Apartments still comprise the bulk of units with 703, or 88 percent of the proposed total.



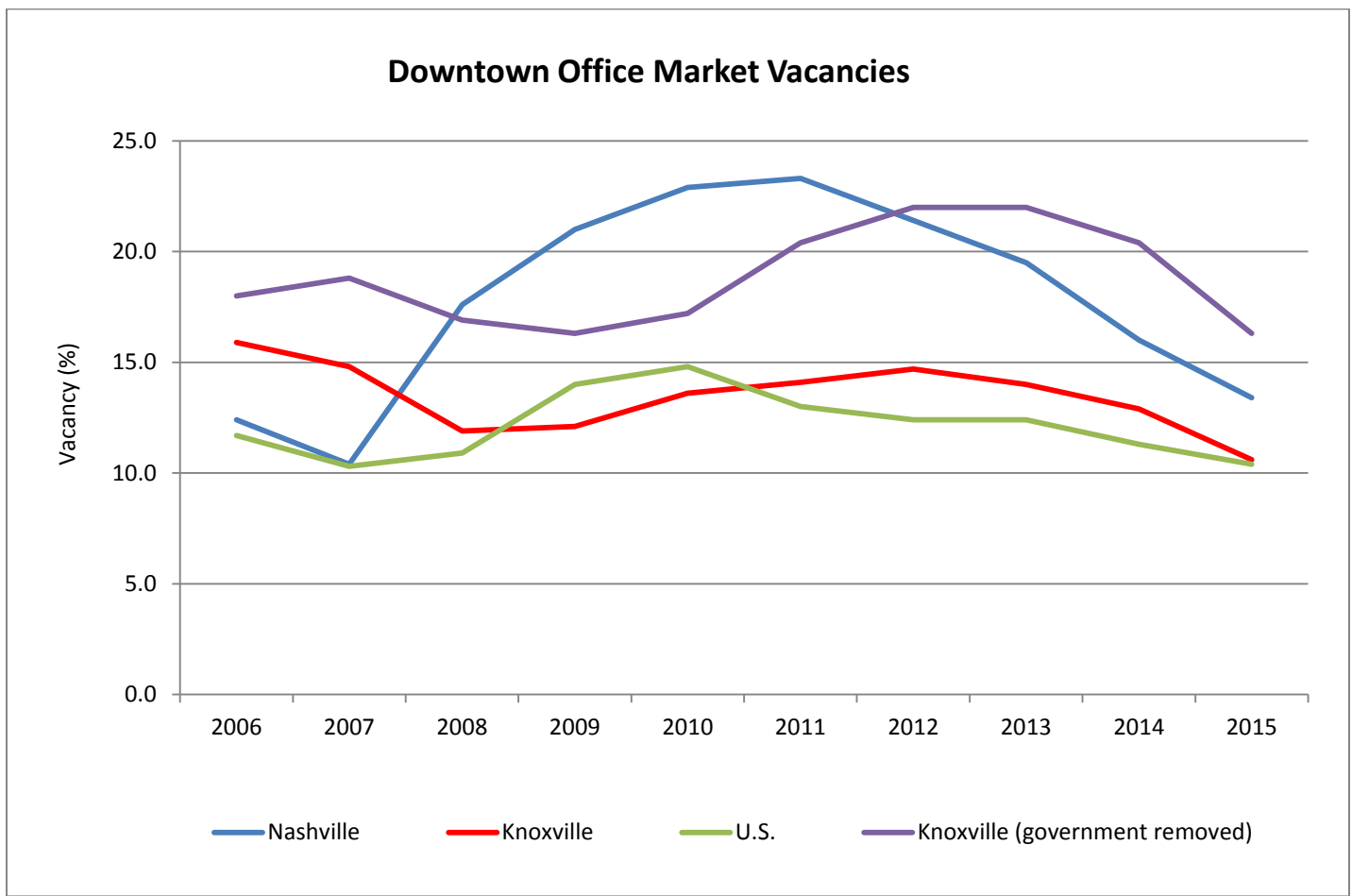
VI. Office Market

The downtown office market is comprised of 58 buildings totaling almost 4.7⁴ million square feet of rentable space. This market accounts for 23 percent of the total rentable office space countywide. In third quarter 2015, the vacancy rate downtown was 10.6 percent, the lowest in ten years.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Rentable Sq. Ft.	5,054,612	5,051,034	5,032,969	4,952,844	4,950,613	4,950,864	4,907,506	4,692,616	4,692,616	4,682,152
Vacancy Rate (%)	15.9	14.8	11.9	12.1	13.6	14.1	14.7	14.0	12.9	10.6
No. of Bldgs.	67	67	66	65	63	63	63	58	58	58

Local Market Comparison: In 2015, the local market fared well compared to the U.S. (10.4 percent) and neighboring Nashville's (13.4 percent) downtown vacancy rates. After the great recession, Knoxville's largest vacancy rate occurred in 2012, a year or two behind the peak vacancies registered in many other major markets.

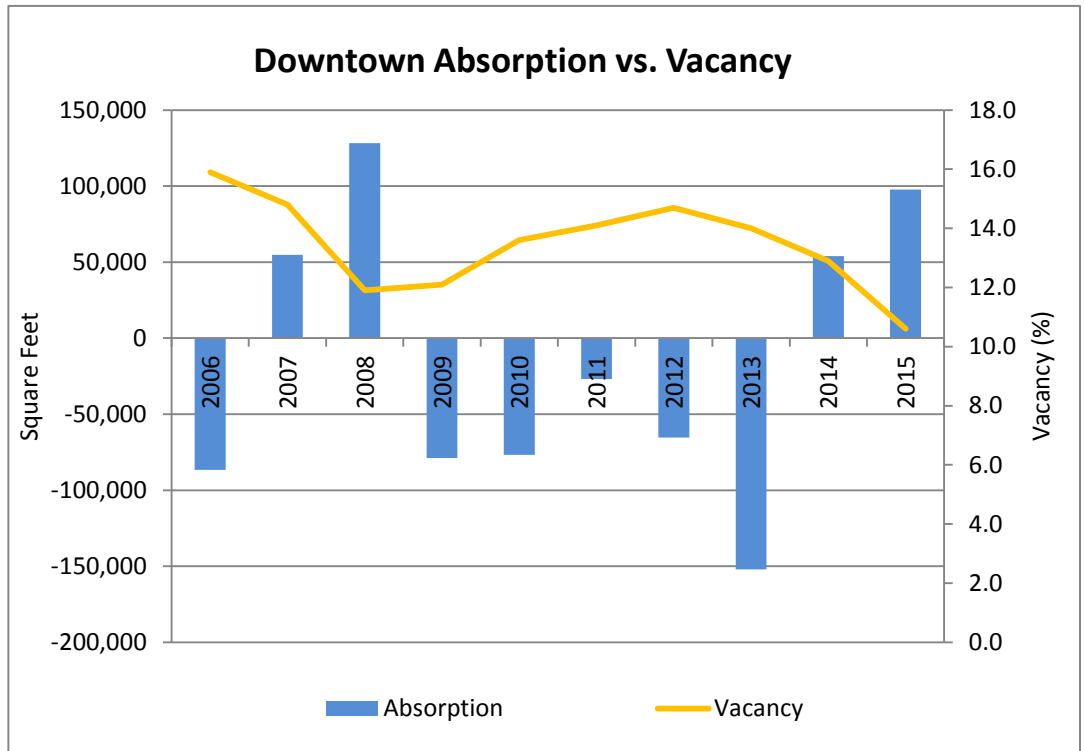
Public vs. Private: Government owned office space accounts for over 2.2 million square feet, or 47 percent of the total rentable space downtown. When removed from the inventory, privately owned office space increased to 16.3 percent vacancy rate in 2015, while government owned space recorded 4.3 percent availability.



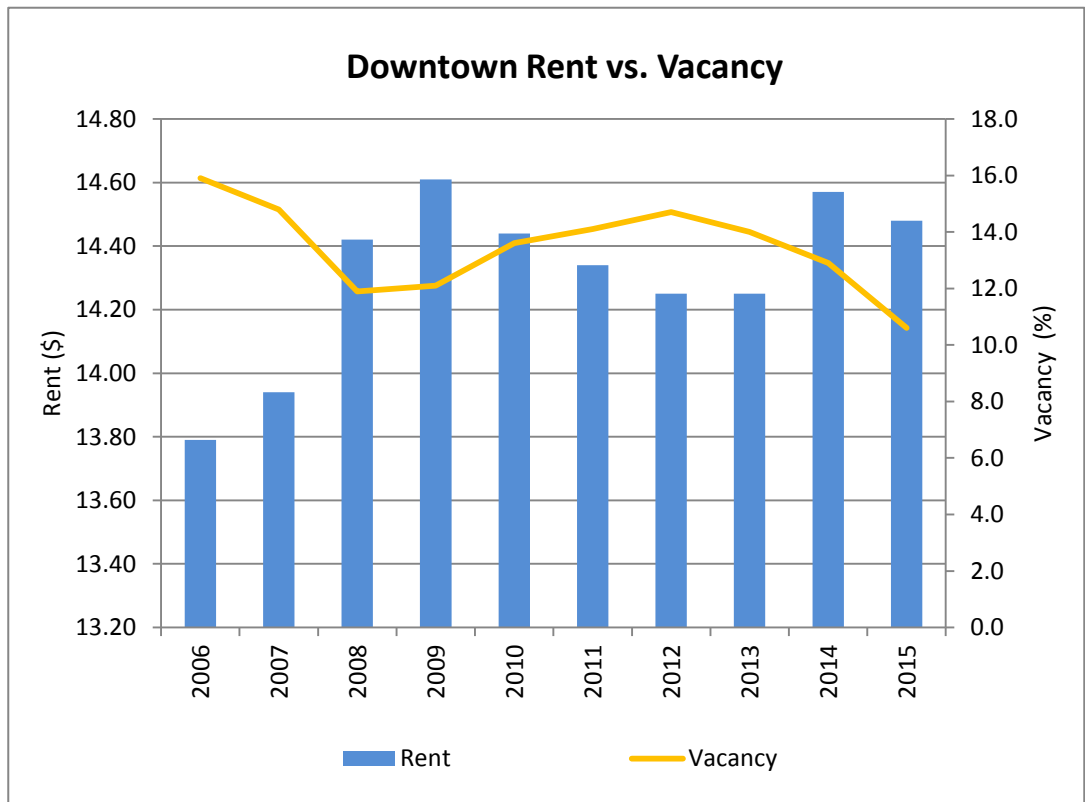
⁴ Source: Knoxville/Knox County Metropolitan Planning Commission, *2015 Office Market Analysis*.

Office Conversion: In the last ten years, downtown lost seven percent, or approximately 372,000 square feet of the rentable office space. Residential conversions accounted for the bulk of this with new condominiums or apartments such as the Medical Arts Building (51,000 square feet), Daylight Building (23,800 square feet) and former Charter Federal, which is now called The Holston (75,050 square feet).

Absorption: High vacancies have led to a surplus of available office space and primarily negative absorption over the last ten years. However, downtown has shown recent improvements as absorption⁵ remained positive for a second straight year with 97,726 square feet of additional space occupied in 2015.



Rents: Average rental rates downtown were \$14.48⁶ per square foot in 2015. Downtown has annually averaged about .75¢ less than the suburban rate over the last decade. As vacancies have declined since 2012, rental rates have improved.



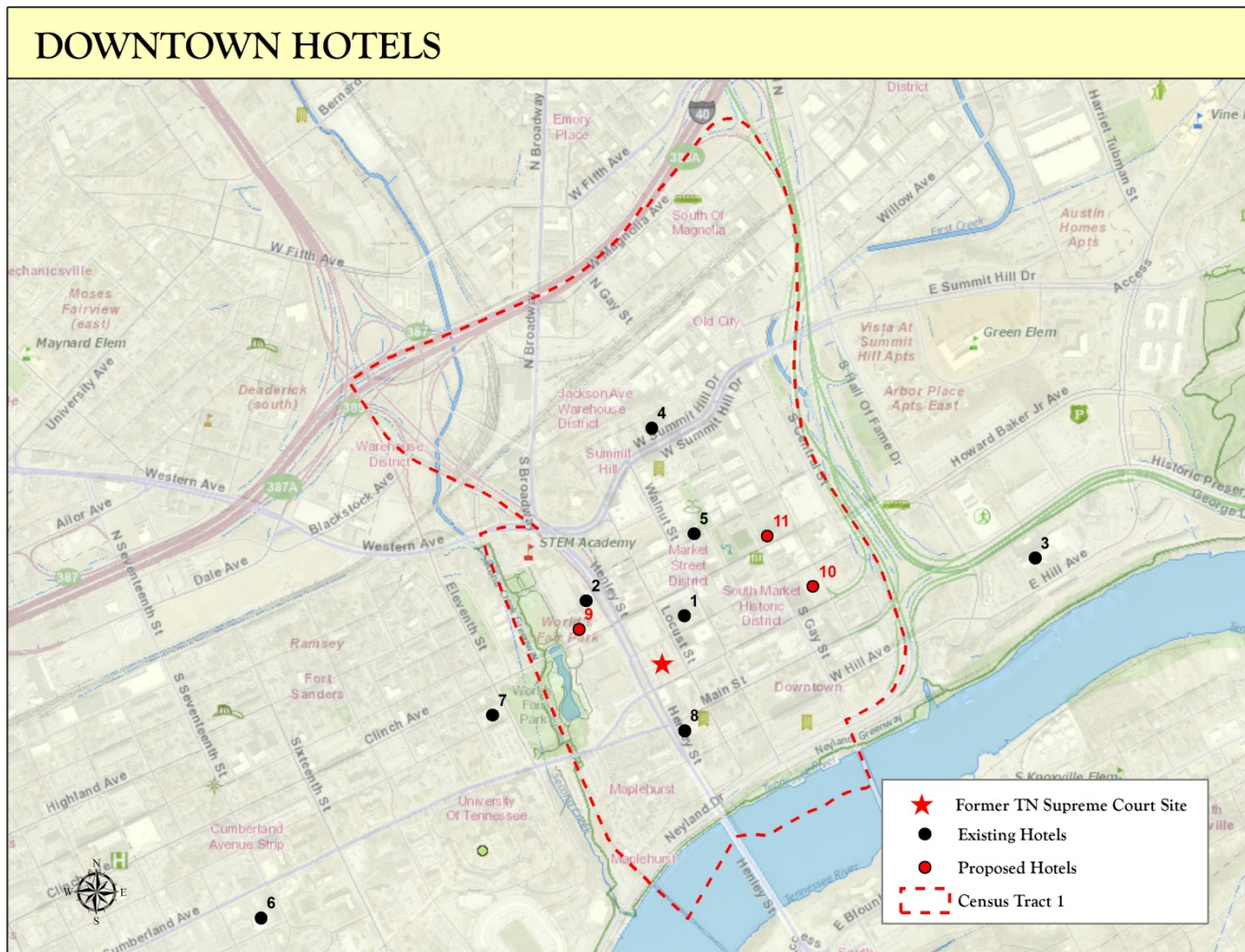
⁵ Absorption is defined as difference between current year and previous year occupancies.

⁶ Rental rate is for downtown office properties. It is an average of all lease types - triple net, full service, modified gross etc.

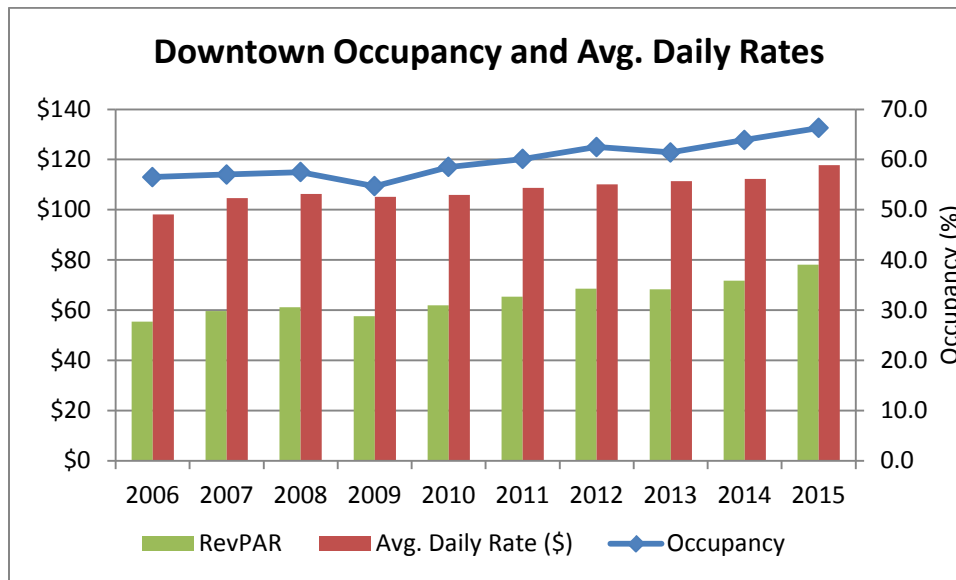
VII. Hotel Market

Downtown Knoxville has eight hotels for a combined total of 1,531 guestrooms. Five hotels are located in the downtown study area, comprising 912 guestrooms, while the remaining three are located on the periphery. There are three proposed hotels, all at different stages in the development pipeline that could add another 474 guestrooms to the current stock, bringing the total to 2,005.

Map ID	Name	Address	Guestrooms
1	Hilton	501 W. Church Ave.	320
2	Holiday Inn Downtown	525 Henley St.	286
3	Marriott	501 E. Hill Ave.	378
4	Crowne Plaza	401 W. Summit Hill Dr.	197
5	The Oliver	407 Union Ave.	24
6	Hilton Garden Inn	1719 Lake Ave.	112
7	Four Points by Sheraton	1109 White Ave.	129
8	Hampton Inn Downtown	618 Main St.	85
TOTAL (EXISTING)			1,531
9	<i>The Tennessean</i>	<i>531 Henley St.</i>	<i>82</i>
10	<i>Residence Inn & Courtyard by Marriott</i>	<i>210 W. Church Ave.</i>	<i>232</i>
11	<i>Farragut Hotel</i>	<i>530 S. Gay St.</i>	<i>160</i>
TOTAL (PROPOSED)			474



Hotel Fundamentals: In the last ten years, downtown hotel market fundamentals have performed well across the board. In 2006, occupancy and average daily rates were steadily increasing when the recession appears to have caused a decline in 2009. Hotel fundamentals improved the following year until the Hilton Garden Inn opened in 2013 resulting in a slightly lower occupancy rate. Average daily rates (ADR) have increased each year since 2009 to a high of \$117.71⁷ in 2015.



Another way to measure the success a hotel is having at filling rooms is by calculating the Revenue per Available Room (RevPAR). A simple way to calculate this is to multiply the ADR by the occupancy rate. In 2015, the RevPAR was \$78.04. Increasing RevPAR means either ADR or occupancy rates are rising, or both.

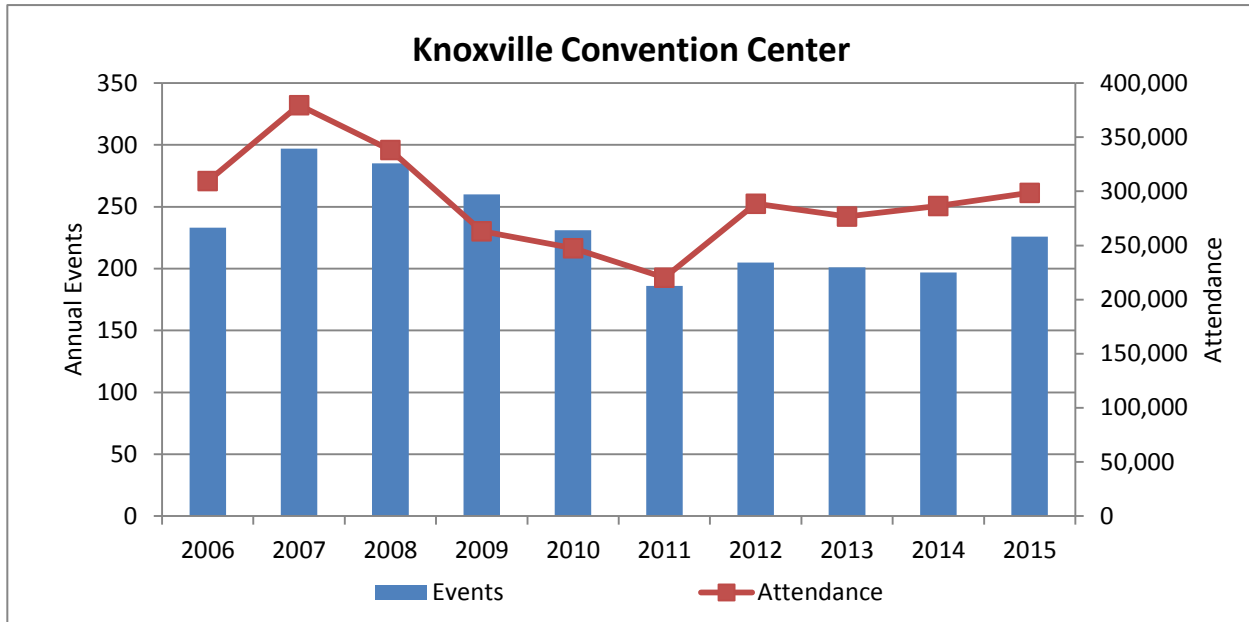
Tourism: Tourism plays a significant role in the health of the local hotel market. In 2014, expenditures in Knox County by both domestic and international travelers reached nearly \$988 million on transportation, lodging, food, entertainment and recreation and general trade. Knox County accounted for a 5.7 percent share of the total state travel expenditures, while seeing a 6.2 percent increase from 2013 to 2014 in expenditure totals.

	2010	2011	2012	2013	2014
Knox Travel Expenditures (\$ millions)	812.4	884.2	904.8	930.7	988.0
Annual Growth in Expenditures (%)	-	8.8	2.3	2.9	6.2

Source: Research Department of the U.S. Travel Association, *The Economic Impact of Travel on Tennessee Counties*.

⁷ Source: Visit Knoxville and Smith Travel Research (STR) Global.

The Knoxville Convention Center serves as a way to measure visitation trends downtown. The recession greatly affected the convention business and is reflected in the decline in events and attendance from 2008 to 2011. In 2012, the number of events and attendance began to pick up with a high last year of 298,646⁸ attending the center. The current pace for fiscal year 2016 should put attendance somewhere around 320,000 and events at slightly over 200 for the convention center.



VIII. Summary

The ubiquitous phrase “live-work-play” has increasingly become a standard by which many burgeoning downtowns strive to create. In the last fifteen years, an increasing population, growing tourism industry, and improving property market fundamentals have helped downtown Knoxville transition from primarily being a place for “work”, to establishing a strong “live and play” environment as well. The goal for redevelopment of the former State Supreme Court Site is to provide a mixture of uses that will make a significant, if not transformational contribution to the growing “live-work-play” experience downtown.

⁸ Source: Knoxville Convention Center on annual events and attendance.