



Howard County

Internal Memorandum

Subject: Recommendation by the Long Reach Village Center Disposition and Redevelopment Evaluation Committee

To: Allan H. Kittleman, County Executive

From: Amy Gowan, Deputy Director, Department of Planning and Zoning
Chairman, Long Reach Village Center Disposition and Redevelopment Evaluation Committee
Nina Basu, Committee Member, Long Reach Community Association Board Chair
Janet Evans, Committee Member, Columbia Association Board Member (Long Reach)
David Tohn, Committee Member, Business Owner
Holger Serrano, Committee Member, Department of Public Works
Kent Sheubrooks, Committee Member, Department of Planning and Zoning
Jahantab Siddiqui, Committee Member, County Administration

Date: April 21, 2017

Executive Summary:

Technical Proposal (evaluation criteria weight 70%)

The Long Reach Village Center (LRVC) Evaluation Committee unanimously recommends the development plan submitted by the Orchard Development Team as its preferred plan for the redevelopment of the LRVC. Notably, the Orchard Development Team plan was the highest rated proposal, by a substantial margin, for each of the committee members. The LRVC Evaluation Committee determined that the proposed development plan best addresses community concerns for a revitalized Village Center, meets the goals and objectives of the Reimagine Long Reach Plan, corresponds to the goals of the 2012 Long Reach Community Association Village Center Master Plan, and outlines a plan that integrates the Urban Renewal Area.

The redevelopment plan proposes a Village Green, a community space with a pavilion; approximately 75,000 SF of retail space, medical office space and food incubator space; a vertical garden; structured and surface parking for approximately 960 parking spaces; 132 units of market-rate multi-family housing; 120 units of senior multi-family housing and 52 for-sale townhomes. The development plan integrates the current deli parcel (Deli Town) and liquor store parcel (Richburn Liquors) into the redevelopment of the Village Center, creating an integrated plan for the entire area. The development plan addresses the County's objectives for the revitalization of the Urban Renewal Area as described in the proposed Reimagine Long Reach Village Center plan. The proposal describes how the redevelopment will create long-term economic sustainability, enhanced connectivity between the Village Center and the rest of the Village, provide attractive community gathering spaces, and illustrate innovative building and site design.

Orchard Development is an experienced and active commercial real estate developer with extensive experience in Howard County in general and Columbia in particular. They are headquartered in Ellicott City, Maryland. Orchard Development has assembled a team to include Design Collective (Planning,

Design and Architecture) and Williamsburg Homes (Townhome Builders), among others, which are experienced in completing successful projects in Howard County or similar projects in other locations. A table listing the partners is included at the end of this memo. The team includes experienced members with a dynamic viewpoint who are focused on delivering a redevelopment plan that implements energy sustainability and encourages innovation and entrepreneurship in the community.

The Orchard Development Team is prepared to close on the property within four weeks of the completion of a 90-day due diligence period. Their projected closing date is in Q1 of 2018 or sooner. Concurrently with the due diligence period, Orchard Development may initiate Phase I of the Major Village Center Redevelopment Process; closing shall occur prior to initiation of Phase II of the Major Village Center Redevelopment. Orchard Development will maintain the Village Center and take steps to ensure it remains an active and safe property while the development team takes its plan through the Major Village Center Redevelopment process and prior to demolition of the existing buildings. The Development Team expects to deliver its first use for the property by Q2 of 2020.

Price Proposal (evaluation criteria weight 30%)

Chartwell Enterprises and County staff evaluated the price proposal. Three members of the Evaluation Committee also reviewed the price proposal.

Orchard Development offers a purchase price of \$2.5 M to be paid prior to Phase II of the Major Village Center Redevelopment Process and will assume responsibility and risk to obtain entitlements. Notably, the purchase price proposed by the Orchard Development Team was either higher than or within 5% of all other proposed purchase prices for closing prior to entitlements. The development team will be financially and operationally responsible for the maintenance and day-to-day operations of the Village Center as the team completes the Major Village Center Redevelopment Process. The development team will also demolish the existing vertical improvements and prepare the site for redevelopment.

Background:

Howard County purchased 7.71 acres within the LRVC in 2014 and 2015 under the County's Urban Renewal Law for the purpose of revitalizing the property. Notably, the County purchase of the LRVC came after significant concern about the condition of the LRVC under prior ownership. The County began the process of determining Village Center redevelopment with the passage of CB29-2009 in 2009, outlining a process for Village Center redevelopment and creating the opportunity for Village Boards to create and file master plans. The Long Reach Village Board, aided by a panel of citizen volunteers, created a Village Center Master Plan that was approved by the Community and filed with the Department of Planning and Zoning in 2012. After completing the purchase of the property in 2015, the County conducted five community meetings in 2015 to engage the community and to obtain community feedback to assist in the completion of a proposed Reimagine Long Reach Village Center Plan. The plan documents the County's objectives for revitalization of the LRVC, potential land uses, and potential techniques the County may use to facilitate revitalization. One technique the plan contemplates is the County disposing of the property through a competitive developer solicitation process (Request for Proposals).

In accordance with the Reimagine plan, the County issued a Request for Proposals (RFP) in December, 2016. The RFP was: marketed directly to more than 150 developers and other potentially interested

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parties; listed on CoStar, a commercial real estate marketing provider with broad reach; and posted on the County website. The County held an industry day on January 10, 2017, inviting interested parties to the LRVC for a presentation regarding the property and its potential redevelopment.

The County formed a seven-member evaluation committee including three community members (a Village Board member selected by the Long Reach Village Board, a Long Reach business owner selected by the County Administration, and a Village Board member and Columbia Association representative selected by Councilman Calvin Ball). Four County representatives served on the committee, including one representative from County Administration, two representatives from the Department of Planning and Zoning, and one representative from the Department of Public Works.

Four proposals were submitted from development teams by the RFP due date. The evaluation committee reviewed and evaluated these four proposals. Three proposals were selected for interviews and one proposal was determined unresponsive, as it did not adequately address the RFP requirements.

The initial interviews with three firms focused on the technical criteria, which included proposed development plans, development experience of each team, and timelines for development. Following the interviews, the evaluation committee selected the two development teams whose proposed uses best aligned with the preferred uses outlined in the draft ReImagine Long Reach Village Center Plan. The committee determined that these two proposals were economically viable, sustainable, and compatible with the Village and its location.

Following the initial interviews, three members of the evaluation committee met with two finalist development teams to discuss each price proposal and when the property would be conveyed under each plan. Notably, each development team initially proposed that the property transfer from the County to the developer only after obtaining entitlements through the Major Village Center Redevelopment Process. However, the County preferred to convey the property following the due diligence period and prior to Phase II of the Major Village Center Redevelopment Process. The County specifically prioritized reducing its operational expense as the current owner of the property, as well as increasing tax revenue by conveying the property and placing an incentive on the development team to efficiently, and deliberately, move through the Major Village Center process and begin redevelopment. Typically, developers prefer to close when their plan has been approved to mitigate risk and to avoid operation and maintenance expenses of a property during the completion of the entitlement process, and to reduce financial risk. The timing of a closing was a main discussion point during this meeting and resulted in a decrease in purchase price from the initial offer.

A Best and Final Offer (BAFO) request was issued to the two finalist teams, including the Orchard Development Team, asking the teams to confirm their ability to close within four weeks of the end of the due diligence period and prior to Phase II of the Major Village Center Redevelopment process.

The Evaluation Committee reviewed the BAFO responses and selected the Orchard Development Team as the preferred plan.

Evaluation Committee Recommendation to the County Executive:

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The evaluation committee performed the following steps in its evaluation process:

1. Reviewed and evaluated the developer proposals
2. Met internally to discuss the proposals and the members' ratings of each of the proposal criteria
3. Provided clarification questions to the developers who were short-listed
4. Interviewed the developers to evaluate the technical proposal and selected two developers
5. Met with the two developers to discuss the price proposal and timing of the closing*
6. Requested a best and final offer (BAFO) from the developers
7. Reviewed the BAFO and selected the preferred plan

**three members of the evaluation committee met with the developers*

The Evaluation Committee unanimously recommends the redevelopment plan of the Orchard Development Team as the preferred plan. The Orchard Development Team plan meets the needs and requirements of the Reimagine Long Reach Village Center Plan created in consultation with residents through numerous community meetings. In addition, the Orchard Development Team plan strongly comports with the 2012 Village Center Master Plan. The community requested the following four elements (1) an outdoor public village green, plaza, or square, (2) stores, shops, offices, or other commercial uses, (3) space for community uses and/or institutional uses, and (4) residential use that supports and enhances other uses in the village center. The Orchard Development Team plan includes all four elements in the master plan. Further, the Orchard Development Team plan includes and addresses the community suggestions and concerns brought forth in the 2015-2016 Reimagine Long Reach meetings. Finally, the Orchard Development Team plan is LEED Platinum rated, a positive net-energy development, perhaps the first in the State of Maryland.

Table 1: Orchard Development Team

Master Developer	Orchard Development Corporation
Planning, Design & Architecture	Design Collective, Inc.
Civil Engineering & Surveying	Gutschick Little & Weber
General Contractor	Whiting-Turner Contracting Co.
Retail/Comm. Leasing & Property Mgmt.	Mackenzie Companies
Energy Sustainability & Innovation	Jason Jannati, Urban Ingenuity & BithEnergy, Inc.
Townhome Builder	Williamsburg Homes
Senior Living Enhanced Services	Vantage House Senior Living Comm.
Food Incubator & Workforce Training	The Arc of Howard County
	Howard Community College
	Power52
Vertical Garden	Vertical Harvest
Lender Partner	Howard Bank
Lender Bank	BB&T
Lender Bank	AGM Financial Services
Equity Financing	Greysteel