



Mountain Line

3773 N. Kaspar Drive · Flagstaff, AZ 86004 · 928-679-8900 · FAX 928-779-6868 · www.mountainline.az.gov

RFP 2025-200, Workforce Housing Developer Initial Proposal Questions and Answers (Part 2) As of: 4/11/2025

5. **Question:** Could you provide more information around the request from the City of Flagstaff to have the road extended?

Answer: The road extension is part of the City of Flagstaff's 5-year capital improvement plan and it is the City's expectation that this road be completed as part of this development project. ML is seeking a developer who will construct the roadway as part of the development project, with details regarding exact responsibilities to be finalized post-selection. Additionally, the City is committed to this project moving forward and potential partnership opportunities may exist between ML, the City, and the chosen developer to develop the roadway, which would include the identification of funding sources.

6. **Question:** In reference to the request for surface parking only for the project, want to 1) understand the thinking behind that and 2) confirm if any kind of tuck under parking or similar configuration would be permitted given the project is on a hill?

Answer: The original intent of specifying surface parking is that it would likely be the most efficient cost option and that the site should have sufficient space to meet this need. However, Mountain Line is open to exploring parking alternatives as long as it meets parking requirements.

7. **Question:** Can you expand upon ML's goals for the unit mix and target AMI? There is a significant difference between projects that target 60% AMI vs. workforce vs. market - can you elaborate on how that will be judged and the considerations of the project?

Answer: Mountain Line established AMI targets for two reasons, 1) providing housing that is widely available to Flagstaff's workforce community, including teachers / firefighters / ML employees (note: housing is not specifically intended for or restricted to ML employees, but the AMI of ML employees was considered when refining the target AMIs), and 2) to ensure the density bonus can be maximized. ML is open to proposals that explore alternative AMI mixes which yield a financially feasible project and continue prioritizing ML's objective to deliver a minimum of 20% of units targeting 60-80% AMI. When evaluating proposals, ML is focused on the workforce population and preference will be given to submissions that maximize 60-80% AMI units.

8. **Question:** The Initial Response portion of the RFP requested identification of some team members that we traditionally do not confirm until later in the process (e.g., general contractor, management firm, funding partners), is ML flexible on this?

Answer: This project is intended to be a developer-led design-build process in which all parties will be identified at the onset of the process. ML is open to identifying specialty

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consultants (e.g., engineers) in collaboration with the selected developer later in the process.

- 9. Question:** Have there been any commitments from the Flagstaff Housing Authority (e.g., Housing Assistance Payments or Project-Based Vouchers), available capital resources locally, and/or partnerships to pursue other HUD or AHDA funding opportunities?

Answer: Opportunities regarding Housing Assistance payments and HUD incentives have not been explored.

- 10. Question:** Are market rate/non-income restricted units required to be provided?

Answer: There is no minimum requirement for market rate / non-income restricted units.

- 11. Question:** Is ML open to a 100% affordable project (i.e., averaging of all AMIs to be at 60% or all units at 60% AMI)?

Answer: See responses to other questions regarding ML's stance regarding unit mix and AMI.

- 12. Question:** Are there any concrete plans for the land (open space) directly southwest of E. Linda drive?

Answer: The land (open space) directly Southwest of East Linda Vista Drive (directly above the current ML facilities) should not be considered a developable portion of land for this project. The resources (e.g., tree count) on this portion of land have already been pledged and cannot be re-pledged for this project.

- 13. Question:** We understand the open space directly south of the site has been pledged elsewhere, but has the density pledge been maximized?

Answer: The portion of land directly southwest of East Linda Vista Drive (directly above the current ML facilities) is involved in broader conversations outside of this project, so for the purposes of this RFP, please do not consider that portion of land for any calculations (e.g., resource preservation requirements, density). Upon selection ML is open to having further conversations with the City regarding this topic.

- 14. Question:** Please see following questions:

- a. How do you anticipate structuring a ground lease? Is there a recent appraisal for the land that you can share?

Answer: ML is looking for the developer to propose terms for the prospective ground lease. There is not a recent land appraisal available.

- b. Can you please share your Phase 1 and Geotech?

Answer: All available studies have been shared on the purchasing website as Exhibits (A-D).

- 15. Question:** Please see following questions:

- a. Is a site plan or initial design required for the initial proposal?

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Answer: *No, those items would be submitted with the Final Proposal. Please reference section VI of the RFP for Initial Proposal requirements.*

- b. Is there flexibility to change the initial program from the initial proposal to the final proposal?

Answer: *Yes, the programming in the Final Proposal can contain refinements / adjustments from the Initial Proposal programming.*

- c. Could you please confirm or deny whether there's a possibility to bid out the general contracting work, post initial submission?

Answer: *ML is seeking for the developer to propose their team and not bid out the general contractor post-selection.*

- d. What does it mean for the City of Flagstaff to be the Authority-Having Jurisdiction? What role will the City of Flagstaff have outside of the standard relationship with the municipality for Flagstaff projects?

Answer: *The City of Flagstaff will be serving in their typical capacity for this project.*

- e. How is the ground lease expected to be structured? Is there a payment upfront expected? Buyback year? Ground rent payments? And how will they be determined?

Answer: *Please see previous question / response regarding this item.*

- f. Through the partnership with Mountain Line, will there be a real estate tax exemption? If not, will Mountain Line allow for partnership with a nonprofit entity to qualify for a tax exemption?

Answer: *Under AZ law, the improvements constructed by Ground Lessee will be subject to property taxation, unless there is another property tax exemption available. At this time ML's assumption is that the project modeling will need to account for property tax liability; however, ML is open to working with the developer on seeking any tax abatements or other development incentives that may be available for the project. ML is also open to partnering with a non-profit organization pending financial viability and clearer understanding of roles, responsibilities, and risk transfer to the non-profit owner. ML can give no assurance that a property tax exemption would be available for the project.*

- g. Does Mountain Line expect to be a part of the organizational structure? If so, in what capacity?

Answer: *ML is not seeking to be part of the organizational structure other than to serve as Ground Lessor.*

- h. Is there a preference or expectation that the Developer develop the road within its project costs?

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Answer: *Developers should assume that the roadway costs are to be funded by the project budget; however, ML and the City look forward to engaging in conversations regarding the funding of this line item.*

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