

## REQUEST FOR PROPOSALS

### REDEVELOPMENT OF CITY-OWNED BUILDING

Reid & Hughes Building  
193-201 Main Street  
Norwich, Connecticut

ISSUE DATE: 9.23.2013

SUBMITTAL DATE: 1.10.2014 4:00 PM

[askncdc.com/ReidandHughes](http://askncdc.com/ReidandHughes)

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### NOTE:

**This is not a construction project.** Neither NCDC, nor the City of Norwich is not seeking contractors to bid on construction documents. This RFP is a process to select a development team that is interested in developing a mixed use development project. The selected development team would be responsible for any construction project documents.

### In Partnership



City of Norwich



Norwich Historical Society



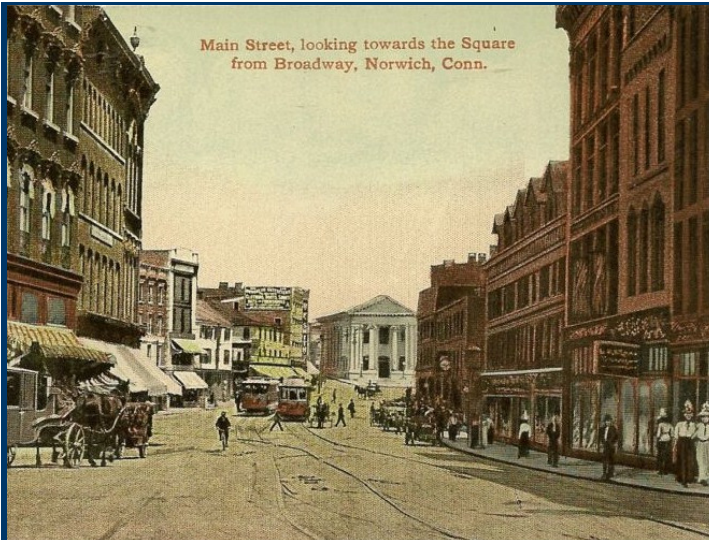
Norwich Community Development Corporation



# Opportunity

The City of Norwich (“City”) is seeking proposals from qualified development entities for purposes of re-developing a 24,390 square foot building on a 0.21 acre site in historic Downtown Norwich. The property, owned by the City of Norwich, is located at 193-201 Main Street (the “Reid & Hughes Building”).

Built in 1869 with an addition in 1898, historically a renowned local department store, the Reid & Hughes Building is listed on the National Register of Historic Places as a contributing building to the Downtown Norwich Historical District. The Reid & Hughes Building, well-regarded for its historic cast-iron façade, is prominently located on the south side of historic Main Street abutting the scenic Shetucket River. The preservation of the historic features of this building, and how it relates to the abutting properties, is an important consideration for the City.



Reid & Hughes, circa 1916 (right-hand side)



Reid & Hughes today

The City is interested in the redevelopment of this key historic building that has been vacant for about 25 years. The intent of this Request for Proposals (RFP) is to retain an experienced and qualified development team to acquire and redevelop the Reid & Hughes Building in a manner consistent with the City’s vision for this strategic location.

While prospective development teams are requested to submit proposals that are innovative, viable and sustainable, the City is looking to achieve the highest and best use for the site, including a mix of uses and a design approach that preserves the sense of place and contextualizes the urban location. The ideal project would involve the least amount of local commitment and provide the highest possible economic return. This is the City’s third attempt to solicit development proposals for this property. City leadership has expressed an interest to see this property redeveloped and has assigned its economic development agency, Norwich Community Development Corporation (NCDC), to lead this effort. What is different today? The City is prepared to act, has a vision (see Ranking Criteria on page 8) and has incentives for this project (see City Participation on page 5).

## Background Information

The Building is actually the main structure (Reid & Hughes Building) and an addition (Williams & Chester Building). Overall, the Building consists of four floors and a basement with approximately 24,390 square feet. It is constructed of brick; has 11-foot ceiling heights and contains an elevator. Municipal water, sewer and gas are available to this parcel. There are no off-street or on-street parking facilities designated to the subject property.

This Building is located in the heart of Franklin Square in the Chelsea Central Zone District, which allows a number of different land use development options. The Building is also located in the Downtown Norwich Historic District, which was added to the National Register of Historic Places on April 4, 1985. This area is located in a State of Connecticut designated Urban Enterprise Zone; as a result, a real estate tax phase-in is available. Additional information can be found: [askncdc.com/ReidandHughes](http://askncdc.com/ReidandHughes)

## Development Context

The Reid & Hughes Building is located in historic Downtown Norwich, a neighborhood in the City of Norwich. It is a regional destination in southeastern Connecticut. At one time, it was a major shopping and entertainment destination, with several large department stores and movie theaters. Many of these activities left downtown when consumer patterns and transportation choices changed. The neighborhood, like many downtown areas across the country, was slow to react to these changes. Norwich has been working to restore the vitality of this neighborhood for the past 30 years.

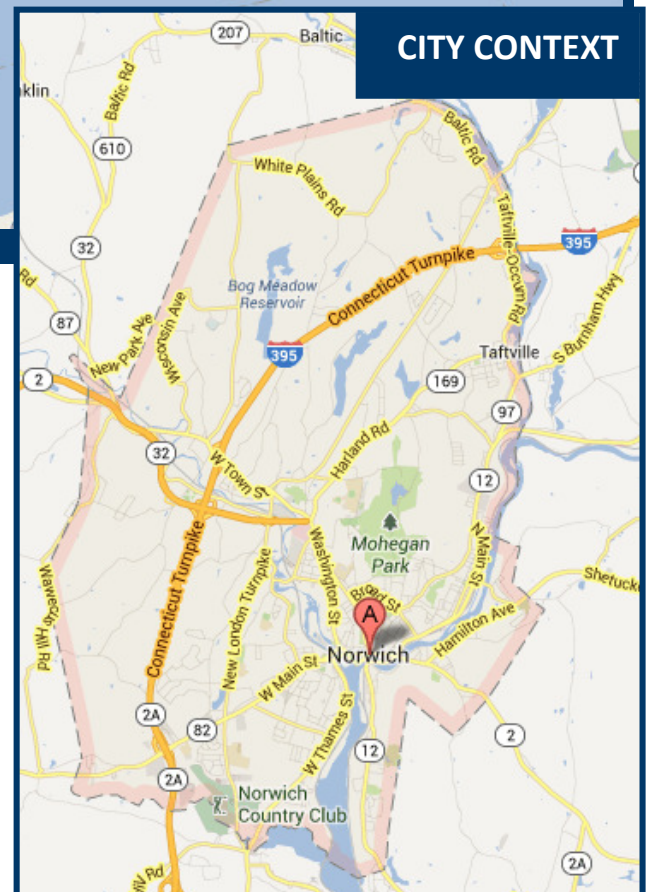
Today, 1.7 million square feet of space is available in downtown, and about 60% of that total space is occupied by a variety of uses and users (about 80% of first floor space is occupied). In addition, there are approximately 3,000 parking spaces in downtown, and 1/3<sup>rd</sup> of those spaces are owned and managed by the city. Downtown is also a mixed use neighborhood, with about 200 housing units.

To this end, numerous plans, studies and activities have been developed and worked on. This 30-year effort has resulted in many significant achievements, happening incrementally, but as part of an overall vision. They include:

PROJECT	DESCRIPTION	DOWNTOWN INVESTMENT
<b>Marina</b>	Envisioned in the early 1970s, and completed in 1989, the 200-slip marina is a world-class public-private partnership. Privately run, on land owned by the city, the site provides an incredible recreation resource in the heart of downtown. Property upgrades were started in 2012.	\$3,000,000 has recently been invested in this property since 2012
<b>Mercantile Exchange</b>	A 90,000 square foot “Class A” office space built in 2004 at a cost of \$18.9 million. The first new office building built in downtown Norwich in 30 years. An enclosed 38-space parking area, and separate 153 parking garage are part of this development.	\$18,900,000
<b>Otis Library Upgrade</b>	A \$10.5 update and expansion of the Otis Library completed in 2006. Otis Library is run by a private non-profit and draws over 250,000 visitors per year to downtown	\$10,500,000
<b>Intermodal Transportation Center</b>	A \$22 million regional transportation asset completed in 2012, the transportation center has been designed to link busses, rail, bicycles, pedestrians and motor vehicles. It includes 167 parking spaces, office space and a small retail location.	\$22,000,000
<b>Wauregan Hotel</b>	The Wauregan is a 76,000 square foot mixed-use building. It was completely restored in 2006 after having been vacant for over a decade. An \$18 million public-private partnership, this redevelopment provides 70-units of housing, 8,000 square feet of retail space and a 3-story parking garage.	\$18,000,000
<b>Other Private Investments</b>	Artspace • Spirit of Broadway Theater • Norwich Arts Center • Harp and Dragon Irish Pub • 102-110 Main Street • 50 Broadway • Chestnut Street • Thayer Building • 287 Main Street • Mi Casa Mexican Restaurant	



## Site Location



Norwich has excellent transportation access:

Interstate 395 and Connecticut Routes 2, 12, 32, 82, 97, 165 and 169 provide connections to the region and southern New England markets.

Two freight rail lines also wind through the city. City leaders are working with state and regional leaders to develop a passenger rail service linking Norwich to New London, Connecticut and Brattleboro, Vermont, and connections in between.

The head of the Thames River is a safe harbor, and its associated channel, provides navigable access to Long Island Sound and beyond.

The South East Area Transit (SEAT) service provides public bus transportation in Norwich and the region, and is served by a new Intermodal Transportation Center located in downtown Norwich.










## City Participation

Because this property has been vacant for 20 years, the City of Norwich recognizes that this project has challenges. The following financial incentives may be available for this project. No additional local incentives are anticipated to be available for this project.

### CITY PARTICIPATION

SOURCE	COMMITMENT TYPE	DETAILS	ESTIMATED AMOUNT*
<b>Sewer Connection Fee</b>	Deferred Cost As of Right	50% discount of the total sewer connection fee. The sewer connection fee is calculated based on the uses / activities that are proposed.	To Be Determined
<b>Discounted Property Acquisition</b>	Deferred Cost As of Right	This asset is currently valued at \$243,000. The city is willing to provide clear title to the property for \$1.	\$242,999
<b>Downtown Code Correction Program</b>	Cash, Reimbursement As of Right	Program administered by NCDC. Up to \$100,000 available as a grant to match private funding. 50% match required.	\$100,000
<b>Enterprise Zone Tax Abatement</b>	Deferred Cost As of Right	50% tax reduction phased in over 7 years. Total deferral amount depends on final assessment.	To Be Determined
<b>Energy Efficiency Programs</b>	<b>Optional</b>	Norwich Public Utilities, a city-owned utility, provide s a variety of energy conservation and efficiency programs.	To Be Determined
<b>Building Permit Fees</b>	Deferred Cost <b>Optional</b>	Waiver of up to 100% of Building Permit Fees. City Council Decision (vote required)	To Be Determined
<b>City Bond</b>	Cash, Reimbursement <b>Optional</b>	Grant from the City of Norwich. City Council Decision (vote required)	\$800,000
<b>Off-Street Parking Waiver</b>	Deferred Cost <b>Optional, but Anticipated</b>	\$5,000 / space savings in project construction costs (minimum). All waivers must be granted by the Commission on the City Plan.	To Be Determined
<b>Historic Preservation Tax Credits</b>	State-administered program	<a href="http://cultureandtourism.org/cct/cwp/view.asp?a=3933&amp;q=430786">cultureandtourism.org/cct/cwp/view.asp?a=3933&amp;q=430786</a>	To Be Determined
<b>TOTAL</b>			<b>\$1,142,999</b>

Estimated Amount assumes a \$6 million project value

-  Programs available “as-of-right” based on City policies, and not specific to the respondent’s proposal
-  Optional programs that the city may offer to the respondent as part of the development agreement process
-  Other potential programs

In addition, Norwich Community Development Corporation (NCDC), which serves as the City’s economic development agency, will provide technical assistance for local, state and federal permitting, financial program development (e.g., financial institutions, and grant-making agencies), and marketing aspects of the project.

## Questions

Questions about this Request for Proposals should be emailed to Jason Vincent - [jvincent@askncdc.com](mailto:jvincent@askncdc.com) Questions must be submitted by January 10, 2014 4:00 p.m. Eastern Standard Time. Responses will be posted on the RFP Website: [askncdc.com/ReidandHughes](http://askncdc.com/ReidandHughes). To be part of the email distribution list, please email Jason (address above).

# Submission Deadline

Five (5) hard copies and one electronic copy (adobe acrobat .pdf file format) on a non-returnable compact disk or thumb drive of the proposal shall be submitted by:

January 10, 2014 @ 4:00 p.m. Eastern Standard Time to:

Norwich Community Development Corporation  
77 Main Street  
Norwich, CT 06360

Responses must be submitted in a sealed envelope which must be clearly marked “RFP Reid & Hughes Project”. Financial documents may be provided under separate cover to ensure confidentiality. If that is the case, it should be clearly noted in the cover letter. Faxes or email submissions will not be accepted.

All proposals will be opened publicly and recorded as received. Proposers may be present at the opening however, there will be no public reading of Proposals. Responses must include a cover letter signed by the individual who has vested authority to represent and make legally-binding commitments on behalf of the development partner. If there will be a development partner’s representative who will be designated for communication and providing additional information to the Town, that individual must be identified in the cover letter.

Responses become the property of the NCDC and may be used as NCDC deems appropriate. Responses that do not materially conform to the requirements of this RFP will not be considered. NCDC reserves the right to review the proposals and reject all proposals or take no action or elect not to select a preferred developer.

A development partner or team member may be disqualified by NCDC if the entity or person has been convicted of a crime chargeable as a felony within the past five years, defaulted on a previous project, been the subject of a voluntary or involuntary bankruptcy or insolvency proceeding within the past five years that has not been dismissed within sixty days of filing, or has made misrepresentations of fact in its response to this RFP or committed similar acts indicating a lack of qualification for a public project of this type.

The information to be provided in the proposal shall be described in the “Submission Requirements and Proposal Format” section below. Following receipt of qualified proposals, NCDC may schedule oral interviews with each selected developer. The interview format will be presented to the developer at the time of official notification of any interview.

## Submission Requirements and Proposal Format

Proposals shall be in writing and presented in the following format; using headings presented below for the organization of the responses. Respondents shall address all questions and provide a sufficient level of detail to enable evaluation of the proposal. This RFP will utilize the Qualification Based Selection (QBS) process, rather than a bid price, where the qualifications of the team, and the project approach are the most valued aspects of the project.

### Developer / Respondent Information

Indicate the name, address, telephone numbers and email address of the developer and the proposed owner of the project. Provide the names of two (2) contact persons who can speak for the owner. Include a description of prior business and development experience. List successful projects similar to the subject property of this proposal.

Include the resumes of key personnel that the Developer will assign to this project. List any outside firms that will be part of the Developer’s project team.



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## **Project Uses and Appearance of the Building**

Provide a clear identification of the proposed interior use and exterior appearance of the building. The submittal should include conceptual plans that provide floor plans and architectural renderings of the proposed renovations. If residential use is proposed, the proposal shall indicate the total number of units, the number of below market rate units and any special conditions related to the below market rate units (e.g., deed restrictions, term of affordability, percent of area median income that the units are restricted to).

## **Financial Capabilities**

The proposal shall include a detailed project budget, including sources and uses of funds. The proposal must provide proof of financial capability to complete the project. A 10-year operating proforma shall also be submitted and should project the net operating income (NOI) stream from the proposed development. The respondent should also identify anticipated cashflow for the project and key financial milestones. The respondent's proposed development fee, if any, shall be clearly identified.

## **Plan of Action / Project Approach**

What the developer is proposing is the critical element of this process, and it is recognized that the proposal is conceptual at this time. Provide an overview of how the proposal will be implemented. Include approximate start date and time schedule for improvements / completion of each element, key project milestones and approximate cost estimates. Financing, permitting and construction timetables shall be included. The respondent shall also identify the long-term management, and ownership and how this project complements the respondent's existing portfolio.

## **Consistency with City Land Use Policy**

Provide a statement explaining the compatibility of the proposal with the City of Norwich Zoning Regulations and Plan of Conservation and Development.

## **Purchase Price and Other Compensation**

There is no minimum bid price established for the property. Any proposed acquisition price will be assessed as part of the total financial commitment of the developer and will not be a deciding factor. The successful bidder will be responsible for the payment of conveyance costs and any closing adjustments.

## **Document Format**

There are no special document format or page number limitations for this Request for Proposals.

# **Proposal Evaluation and Selection Process**

## **Evaluation of Respondents**

The City of Norwich will screen proposals to determine compliance with the required submission criteria. The City will reject proposals that do not meet the submission criteria. The City will notify respondents that have had their submission rejected. Proposals in compliance with the required submission criteria will be ranked numerically based on the criteria below, in the table entitled "Proposal Ranking Criteria". A total of 100 points are available under the conventional ranking criteria. Respondents can receive up to 25 additional bonus points for a total of 125 available points.

## Ranking Criteria

PROPOSAL RANKING CRITERIA		POINTS
<b>Development portfolio and experience</b> The City is desirous of a respondent that has extensive experience, as the principal, completing mixed-use, adaptive reuse and historic preservation projects in Connecticut.		15
> 10 projects, 10+ years experience, of principal involvement in Connecticut	Up to 100% of points	
5-10 projects / years of experience	Up to 66% of points	
1-5 projects / years of experience	Up to 33% of points	
0 projects / 0 years of experience	0% of points	
<b>Projected uses of the building</b> The City is desirous of a mixed-use building (involving market rate occupants) that contributes an equal share (based on assessments) of local property taxes. Points are additive in this section, up to 100%.		20
Retail	Up to 50% of points	
For-profit users (office, recreation, cultural)	Up to 50% of points	
100% market rate housing	Up to 50% of points	
≤20% of housing units requires state or federally controlled housing subsidies	Up to 20% of points	
>20% of housing units requires state or federally-controlled housing subsidies	0% of points	
Property tax exempt projects	0% of points	
<b>Proposed appearance of the building</b> The City is desirous of a project that involves the full historic restoration of this property to Secretary of the Interior's Standards for Rehabilitation (Department of Interior Regulations, 36 CFR 67).		10
Building restored to Department of Interior Regulations (36 CFR 67)	100% of points – this is the desired outcome	
Façade restored (new building)	Up to 25% of points	
Building demolished (new façade and building)	0% of points	
<b>Dollar value of investment (other than City funds)</b> The City is desirous of a respondent that will have sufficient private investment in the project to see it through to completion. The City is desirous of a project that has no upfront development fee.		20
<b>Amount of City funding requested</b> (see City Participation table on page 5) The City is desirous of a project whose costs can be managed by private investment. It recognizes the market reality of the situation; however, it will assign points to those projects that utilize other sources of funds. So-called "as of right" funds are not considered in the project cost percentage.		10
0% of project cost	Up to 100% of points	
Up to 5% of project cost	Up to 50% of points	
Up to 10% of project cost	Up to 25% of points	
>10 % of project costs	0% of points	
<b>Documentation of financial capabilities</b> Respondent shall be able to demonstrate financial capability to complete this project. Success in obtaining tax credits and financing can augment documentation. The City is desirous of projects that include a conventional permanent loan equal to any City grant funds requested. Preference will be given to respondents that indicate the highest and most dependable revenue stream.		15
<b>Schedule for project development</b> Respondent shall be able to demonstrate the feasibility of the schedule by highlighting other projects that have come in on time.		10



## Bonus Points

An additional **25 points** can be earned for projects that incorporate the following elements:

- Inclusion of adjacent commercial buildings into the development - this can be as simple as a shared elevator space to a full remodel of one or several buildings. Demonstration of extended project elements through an agreement with adjacent property owners(s): **+10 points**
- Development of a waterfront walking trail that connects Howard T. Brown Park to the former railroad station - this activity should involve the establishment of the rights to construct, and commitment to construct, an 8-foot wide paved surface with lighting and security features. Demonstration of trail development through an agreement to use property for this purpose: **+10 points**
- Decoupled off-street parking - projects that do not require off-street parking spaces (for residential units) to be allocated on a unit basis. Demonstration of off-street parking through an agreement to use spaces in an a nearby ( $\leq 1,000$  feet) lot or garage and past experience securing financing utilizing this technique: **+5 points**

## Selection of “Preferred Developer”

Upon completion of ranking, NCDC may choose to interview some of the respondents. The goal is to advance the top 3 respondents to the second phase of this process. **There is no minimum score threshold and the ranking criteria is solely to organize the responses into a “top 3” order.** Upon the completion of interviews, NCDC may recommend the designation of “Preferred Developer” for one of the submissions, and advance that proposal to the Norwich City Council. The City Council is the party responsible for assigning the “Preferred Developer: designation. The City Council reserves the right to reject all proposals.

Following said designation, the City Council shall authorize NCDC to enter into negotiations of a Development Contract. The City Council will set the timeframe for the negotiation of the development agreement.

## Review Schedule

	DATE	AGENCY
RFP Notice Distributed	9/23/2013	NCDC
Open Response Time	9/23/2013 -1/10/2014	N/A
Responses Submitted	1/10/2014	NCDC
Review of references and ranking	1/17/2014	NCDC
Interview schedule, week of	1/27/2014	NCDC
Selection of Preferred Developer (earliest)	2/2014	CITY COUNCIL
Begin Development Agreement negotiations	2/2014	NCDC

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## Other Conditions

NCDC and the City of Norwich expressly reserves the right to reject any and all proposals and to waive formalities. Likewise, NCDC and the City expressly reserves the right to require more definitive, alternative, or different proposal terms with one or more of the developers who submit proposals.

The City shall not pay compensation to any person, whether a broker, finder, or business Agent, relative to the submission of a proposal, award of the development rights, or execution of the legal documents with the selected party and the selected party will be required to indemnify and hold harmless the Norwich Community Development Corporation and City of Norwich from and against any claims, causes of action, or liabilities for such compensation by a written indemnification satisfactory in form and substance to the City.

### Preferred Developer Responsibilities

The selected Preferred Developer will be responsible for obtaining all necessary municipal and State approvals to complete the project. The development partner will retain all design professionals, engineers, legal professionals and consultants necessary to complete construction documents and prepare and close on all project financing, grants, tax Credits, etc.

### **NOTE: The Property is offered in an “As Is” condition.**

Norwich Community Development Corporation and the City of Norwich makes absolutely no warranty or representation regarding the environmental condition of the site and Building offered in this RFP.