

Requests for Proposals for the Programming and Operations of Memorial Auditorium

CITY OF BURLINGTON, VT

10/7/2019

Contents

1.	INTRODUCTION	2
2.	SCOPE OF SERVICES	3
3.	PROPOSAL GUIDELINES	3
4.	REQUIRED INFORMATION	4
5.	FINANCIAL PROPOSAL	6
6.	DEADLINE FOR RECEIPT OF PROPOSALS	6
7.	ANSWERS TO QUESTIONS AND REVISIONS TO REQUEST FOR PROPOSAL	6
8.	SITE VISIT	7
9.	PARTNERSHIPS	7
10.	PROPOSAL EVALUATION	7
11.	INTERVIEWS AND NEGOTIATIONS	7
12.	EVALUATION CRITERIA	7
13.	EVALUATION CRITERIA ASSIGNED WEIGHT	8
14.	REJECTION OF PROPOSALS	8
15.	TENTATIVE SELECTION SCHEDULE	9
16.	CONTRACT REQUIREMENTS	9
17.	INDEMNIFICATION	9
18.	LIMITATIONS OF LIABILITY	9
19.	OWNERSHIP OF DOCUMENTS	9
20.	PUBLIC RECORDS	9
21.	ATTACHMENTS	10

REQUESTS FOR PROPOSALS (RFP) FOR THE PROGRAMMING AND OPERATION OF MEMORIAL AUDITORIUM, BURLINGTON, VERMONT

Date of Issuance: October 7, 2019

Issued by: City of Burlington, Community and Economic Development Office

Mandatory site visit: October 17, 2019 at 2 p.m.

Due Date for Questions: October 25, 2019 by 5 p.m.
Submit via email to jfreedman@burlingtonvt.gov
Responses will be posted on October 28, 2019 by 5 p.m.

Due Date for Proposals: December 2, 2019 by 4 p.m.

Issuing Point of Contact:

Jesse Freedman, Projects and Policy Specialist
149 Church Street, Room 32, Burlington, VT 05401
jfreedman@burlingtonvt.gov

1. INTRODUCTION

Memorial Auditorium (“the Auditorium”) is a public auditorium and civic center in the heart of downtown Burlington, built in 1927 to honor World War I veterans. The centerpiece of the Auditorium is a 2,500-seat hall with a proscenium stage that has supported a wide range of performances and community events. The building was closed in 2016 due to structural safety concerns and is currently being considered for renovation. More information about the history of the building and past project updates is available on the [City’s website](#).

During the summer and fall of 2018, the City of Burlington (“the City”) undertook an extensive community engagement process with stakeholder and community input collected through community workshops, public tours, interviews, and a city-wide survey to understand the community’s interests and goals in the future of Memorial Auditorium (see Attachment C). Top uses identified by the public were musical events programming; arts and crafts programs; and youth-led programs.

The result of this process was an adaptive reuse plan for the Auditorium to remain a publicly owned, public assembly space. Incorporating the public’s feedback, the City engaged various architectural design and rehabilitation professionals in the creation of conceptual designs, construction pricing, and financing options (see Attachments A and B). The City’s consultants created a conceptual plan for a venue with an approximate capacity of up to 2,000 seats to host a variety of events, including concerts, trade shows, and banquets. The ground level (the “Annex”) was envisioned as a hub for community events, arts education, and a possible winter home for the farmer’s market and the conceptual design reflects this flexible approach.

The City is committed to continued public ownership of the building and, subject to state and voter approval, hopes to bring public financial resources totaling up to \$18 million to undertake a substantial

renovation of the building. The City hopes to make available opportunities for other private equity investment thereby yielding a total for project financing of between \$25-30 million (Attachment A). The City, via lease to a City-controlled single-purpose entity (SPE) to be formed, intends to leverage private investment via syndication of Federal Historic Tax Credits and is open to the use of New Market Tax Credits. The Auditorium is also located in an Opportunity Zone and the City is open to the use of this program for both the renovation and the operations of the facility.

The primary source of funding for the project will be a mix of general obligation and tax increment financing bonds. General obligation bonds require approval by 2/3's of the voters, and thus a proposal aligning with the public's expressed preferences may have the best chance to meet or exceed this threshold. The City expects to seek Council approval in the first half of 2020 for ballot questions which would hopefully receive voter approval in November 2020 for authorizations to bond for the project. The anticipated construction start date is spring of 2021, subject to the voter and council approvals stated above.

The City now wishes to solicit proposals from firms and organizations with the skills, relevant experience and financial capacity necessary to program and operate the entire Auditorium, including the annex level, as a community-serving arts and entertainment venue, and who will be financially responsible for any additional cost of building fit-up specific to the proposed programming of events. The City intends to sign a memorandum of understanding with the selected firm governing the period between selection and execution of a formal sublease agreement with the SPE.

2. SCOPE OF SERVICES

The City is soliciting qualified, interested firms to submit sealed proposals for the programming and operation of the Auditorium as a publicly-owned, public assembly arts and entertainment venue as follows:

- Professionally programming and operating the entire building for a minimum of 125 days per year, including the booking, marketing, and management of touring shows coming to the venue, plus the rental of space to local and regional nonprofit and commercial organizations.
- Renting various spaces to community organizations, with some level of rental subsidy to local nonprofit arts organizations.
- Maintaining the entire building's physical space and ongoing operations, including the management of staff and volunteers needed to program and operate the venue, the maintenance and operation of all systems and services, the administration of the building, the pursuit of sponsorship and advertising opportunities to support the financial performance of the venue, the development and funding of a capital replacement plan to ensure that the Auditorium remains in excellent condition, and the security personnel and systems required to maintain a safe and secure environment for audiences, staff, and artists.
- If a firm wishes to propose an alternate concept that differs from the one detailed in the introduction, it should include a thorough explanation of the impacts on the Auditorium's programming, design, community access, and commercial uses. The City is willing to accept such proposals as long as they are consistent with the interests expressed in the public process.

3. PROPOSAL GUIDELINES

Proposals should include and/or adhere to the following:

- Letter of Transmittal and two (2) hard copies of the proposal if sent through the mail. If sent electronically, all documents shall be in .pdf format.
- Required information as described in section 4 below.
- Responses should be prepared simply and economically, providing a straightforward and concise description of the respondent's capabilities and plans to satisfy the requirements of this request.
- Nothing herein is intended to exclude any responsible firm or in any way restrain or restrict competition. On the contrary, all responsible firms are encouraged to submit proposals.
- The City will assume no responsibility for oral instruction or interpretation.
- Location of the office from which the management of the project will take place
- Questions concerning this Request for Proposal should be directed to:
Jesse Freedman, Projects and Policy Specialist, jfreedman@burlingtonvt.gov

4. REQUIRED INFORMATION

Responses should include the following information:

Firm Qualifications

- A statement in a cover or transmittal letter that your proposal shall be valid for a period of time not to exceed 180 days after the date of issuance of the Proposal.
- Firm profile that includes number of employees, age of company, annual revenues, etc.
- A summary of your firm's experience and expertise with the renovation, operation, programming, and/or promotion of similar arts and entertainment facilities. If your firm intends to enter into partnership or joint venture with another company, also provide pertinent information on the other company.
- A statement of capacity indicating your firm's ability to complete the work, including resumes of key individuals that will be assigned to the Auditorium and their expected role in the project.
- At least three (3) references for projects of similar scope, including current contact names, address, email and phone numbers along with a brief project description that states whether the project was deemed a successful arts/entertainment venue.
- Indicate if your company has been a party in any legal suit in the past five years that may have a material impact on your company's ability to perform its duties with respect to your proposed services. If so, please explain.

Operating Approach

- Provide a statement of intent as to your approach and services related to the active programming and efficient operation of the entire building. Describe how your firm is uniquely qualified and better than your competition.
- Include a plan for how your firm will approach front-of-house operations, backstage operations, event ticketing, ticketing fees, other surcharges, food and beverage operations, maintenance safety procedures and security for tenants and visitors.
- If you plan on sub-leasing any space in the building, describe how your firm would select and manage tenants.
- Explain how your firm's experience and network will ensure maximum patron satisfaction and convenience.

Community Benefits and Access

- Describe how your firm will incorporate and take care of nonprofit and/or community users of the building, including any resident local arts groups. How will you work closely with such nonprofit groups to meet their operational and financial needs? Provide examples, if any, of how you have done this in other facilities/communities.
- Identify the number of days annually you are prepared to guarantee the Auditorium and ancillary spaces for community and non-profit use.
- If the City chooses not to exercise its option to lease space for Club 242, the Farmers Market and the Community Kitchen, describe how you might alternatively program the space.
- Describe how your firm will incorporate community-focused New Year’s Eve programming as a regular, recurring event.
- Describe how your firm’s approach aligns with the community needs and interests as described in the Introduction above and in Attachments A and C. See the tables below for uses and programming types:

Potential Use	Potential Cost
Shows and entertainment	\$-\$\$\$
Civic and community meetings	Free-\$
Farmers Market	Free
Arts and craft shows	Free-\$
Youth music space	Free-\$
Youth-led programs	Free-\$
Musical rehearsal	Free-\$
Dance programs	Free-\$
Conferences	Free-\$\$
Trade shows	Free-\$\$

- Describe any other benefits you envision for the City of Burlington, such as employment and training opportunities and community ticket access programs.

Programming and Marketing

- Explain how your firm’s network (and/or relationships with promoters with venue networks) will maximize programming and routing, and therefore revenue, opportunities. If you operate venues or promote entertainment for any other venues, address how you will handle any conflicts that may arise between promoting this venue for such entertainment versus your other venue(s).
- Describe how your firm will actively market, promote and activate the building and engage the public. Provide examples, if any, of how you have successfully driven activity to other projects operated by your firm that have had similar challenges/opportunities.

Activity and Financials

- Provide an operating pro forma for the first five (5) years of operation at the level of activity your firm anticipates, accounting for all revenues and expenses associated with the operation of the Auditorium. Identify the sources and amounts of the revenue you propose as a result of this activity. Revenues should include, but not necessarily be limited to, rent, box office participation, ticket surcharges such as “restoration fees” or “facility fees” (which should be included in the pro forma at the amount proposed by operator), food and beverage revenues, merchandise/novelties, naming rights, sponsorships, and advertising. Address baseline

- assumptions pertaining to sponsorships and advertising opportunities at the Auditorium.
- Include the number of performances and events by type (e.g. concerts, Broadway, family shows, community events, comedy, lecture series, corporate rentals, banquets, receptions, etc.) expected to be accommodated by the facility during the first five years of operation.
- Include number of days of active use annually your firm is prepared to guarantee from this activity.
- Include recent, actual, detailed operating results from at least one (1) other comparable venue operated in a similar market that supports the assumptions you used in its operating pro forma for the Auditorium.

Other Terms

- Detail the nature and extent of the renovations and upgrades you request for the Auditorium and over what timeframe, and how you would propose to participate in that renovation effort.
- Provide a proposed end-date for the Agreement and the terms for any renewals or extensions.
- Suggest any proposed sharing of risk of operating deficits and operating surpluses in connection with Auditorium operations, and any other special conditions or considerations.

5. FINANCIAL PROPOSAL

The SPE will sub-lease the Auditorium to the selected Respondent for a minimum term of ten years, with renewal options.

The selected Respondent is expected to:

- Pay a triple net rent as detailed in Attachment A hereto (Operating Budget and Cash Flow Pro Forma). The aggregate of net rent + CAM is projected to be approximately \$450,000 in year 1 of operations.

In order to ensure that the opportunity to accommodate the active programming of a youth-led music and arts space, the Farmers Market and Community Kitchen are retained as a first priority for programming, the City will retain, for a period of time subsequent to selection of a preferred proposal, the option to direct the Selected Operator to sub-lease those spaces at a rental rate equal to the pro-rated share of CAM for those spaces, as indicated in the Operating Budget attached as Attachment A (approximately \$80K of the \$450k referenced in the bullet above).

- Invest not less than \$1.5M in the renovation of the Auditorium, as detailed in Attachment A hereto (Sources and Uses of Funds).

Additionally, the Respondent may propose other forms of operating and capital support consistent with its operating plan.

6. DEADLINE FOR RECEIPT OF PROPOSALS

All replies and proposals in response to the Invitation for Bids must be received and clearly marked **Memorial Auditorium Programming and Operation** to the point of contact no later than **4:00 p.m.** on the above due date, at which time all submitted proposals will be publicly opened and recorded. Late proposals will not be accepted. Electronic proposals are preferred as long as they are received by the point of contact by the required deadline.

7. ANSWERS TO QUESTIONS AND REVISIONS TO REQUEST

FOR PROPOSAL

Any revisions, addendums and answers to questions received by the due date for questions will be sent to consultants via email. In addition, revisions will be posted on the City's RFP web page <http://burlingtonvt.gov/RFP/>. It is advised that consultants sign up for the GovDelivery notification so that they will be notified of any changes to the RFP page.

8. SITE VISIT

Mandatory site visit for this project on October 17 at 2 p.m. Please meet at Memorial Auditorium, 250 Main Street, Burlington VT 05401. Closed-toe shoes and hard hats (provided) are required. If you are unable to make the visit, alternative arrangements may be made by contacting Jesse Freedman, jfreedman@burlingtonvt.gov.

9. PARTNERSHIPS

Proposers may team up with other firms, local or otherwise, in order to provide whatever skills and resources are deemed necessary for the successful renovation and operation of the venue.

10. PROPOSAL EVALUATION

Proposals will be reviewed and evaluated by City staff based on the information provided in the proposal. Additional information may be requested prior to final selection. It is anticipated that a decision will be made within 30 days of the due date. The selected consultant shall be willing to enter into an agreement similar to the Draft Agreement in Attachment D.

11. INTERVIEWS AND NEGOTIATIONS

The review committee may engage in individual discussions with two or more respondents deemed fully qualified, responsible, and suitable on the basis of initial responses and with emphasis on professional competence and experience to provide the required services for this project.

At the conclusion of discussions and on the basis of evaluation factors as stated in the Request for Proposals and information developed in the selection process, the review committee shall develop a final ranking of the proposals/offerors. Negotiations shall be conducted beginning with the respondent ranked first for the project. If a contract satisfactory and advantageous to the City can be negotiated at a price considered fair and reasonable, the award shall be made to the offeror. Otherwise, negotiations conducted with the respondent deemed first shall be formally terminated and negotiations conducted with the offeror deemed second, and so on until such a contract can be negotiated at a fair and reasonable price.

12. EVALUATION CRITERIA

Proposals shall be evaluated based on the criteria listed below. Each proposal shall contain responses to evaluation criteria items one through six in a concise and easily identifiable manner. Information and/or factors gathered during interviews, discussions and/or negotiations also shall be utilized in the final selection decision.

- 1) Financial feasibility of the proposal, including Respondent's capacity to ensure payment of net rent capable of supporting all operating expenses, capital reserves and debt service costs as

- depicted in Attachment A hereto (the pro forma operating budget)
- 2) Priority Assigned to the Project
 - Statement of the priority assigned to the project by the Respondent, the Respondent’s current workload, and specific references to the personnel who and the other resources that will be dedicated to the project.
 - 3) Qualifications of Staff
 - Resumes of key individuals who would be involved in the project. Resumes should adequately describe individual’s educational background and specific area(s) of experience and expertise, especially with regard to the project at hand.
 - Areas of expertise shall include:
 - a. Programming and Marketing
 - b. Facility Management
 - c. Building Operations
 - d. Performance Equipment Systems
 - 4) Past performance record and relevant experience
 - 5) Financial responsibility of the firm
 - The firm must agree to carry professional liability insurance, including for errors and omissions, in an amount not less than \$3,000,000. See additional insurance requirements in Attachment D.
 - 6) Approach to the project
 - What services are offered, how they are to be delivered and how the firm is to be compensated for the delivery of these services.

13. EVALUATION CRITERIA ASSIGNED WEIGHT

1) Financial Feasibility	20%
2) Priority Assigned to Project	10%
3) Qualifications of Staff	15%
4) Past Performance	20%
5) Financial Responsibility	10%
6) Approach	25%
TOTAL WEIGHT	100%

14. REJECTION OF PROPOSALS

Notwithstanding the above selection process, the City of Burlington reserves the right to reject any or all proposals, to negotiate with one or more parties, or to award the contract in the City’s best interests, including proposed Respondent’s schedule. The City reserves the right to re-advertise for additional proposals and to extend the deadline for submission of the proposals.

Any costs incurred by the respondent in preparing or submitting a proposal are the Respondent’s sole responsibility; the City will not reimburse any offeror for any costs incurred as a result of the preparation of this RFP.

All work must be performed in accordance with applicable rules, regulations, codes, and ordinances of local, state, and federal authorities, and in accordance with the requirements of public utility corporations having jurisdiction over the work.

15. TENTATIVE SELECTION SCHEDULE

Date of Issuance:	October 7, 2019
Mandatory Site Visit:	October 17, 2019
Deadline for Questions:	October 25, 2019
Receipt of proposals:	December 2, 2019
Evaluation of proposals:	December 9, 2019
Interview of firms selected:	week of December 16, 2019
Selection of firm:	January 2, 2019

16. CONTRACT REQUIREMENTS

Respondents are advised to review the Livable Wage and Union Deterrence Ordinances in advance of submitting a proposal (<https://www.codepublishing.com/VT/Burlington/>). The City of Burlington reserves the right to alter or amend any or all of these provisions in the project contract.

17. INDEMNIFICATION

The selected Respondent will act in an independent capacity and not as officers or employees of the City. The selected respondent shall indemnify, defend and hold harmless the City and its officers and employees from liability and any claims, suits, expenses, losses, judgments, and damages arising as a result of the selected respondent's acts and/or omissions in the performance of this contract.

The City is responsible for its own actions. The selected respondent is not obligated to indemnify the City or its officers, agents and employees for any liability of the City, its officers, agents and employees attributable to its, or their own, negligent acts, errors or omissions.

18. LIMITATIONS OF LIABILITY

The City of Burlington, Vermont assumes no responsibility and liability for costs incurred by parties responding to this Invitation to Bid or responding to any further requests for interviews, additional data, etc., prior to the issuance of the contract.

19. OWNERSHIP OF DOCUMENTS

Proposals, plans, specifications, basis of designs, electronic data, designs and reports prepared under any agreement between the selected contractor or consultant and the city shall become the property of the City. Records shall be furnished to the City by the selected Respondent upon request at any time, however the selected Respondent may retain copies of the original documents.

20. PUBLIC RECORDS

Any and all records submitted to the City, whether electronic, paper, or otherwise recorded, are subject to the Vermont Public Records Act. The determination of how those records must be handled is solely within the purview of the City. All records considered to be trade secrets, as that term is defined by subsection 317(c)(9) of the Vermont Public Records Act, shall be identified, as shall all other records considered to be exempt under the Act. It is not sufficient to merely state generally that the proposal is

proprietary or a trade secret or is otherwise exempt. Particular records, pages or sections which are believed to be exempt must be specifically identified as such and must be separated from other records with a convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 317 of Title 1 of the Vermont Statutes Annotated.

21. ATTACHMENTS

The following documents will be available on the City's website (burlingtonvt.gov/RFP) as an attachment to this RFP:

- A. Sources and Uses, Construction Cost Estimate, and Operating Pro Forma
- B. Bargmann Hendrie + Archetype Report
- C. CRPP Community Survey Results
- D. Legal Attachments: Burlington Standard Contract Conditions, Ordinance Requirements, Certification of Compliance with City's Livable Wage Ordinance, and Certification of Compliance with the City's Union Deterrence Ordinance