



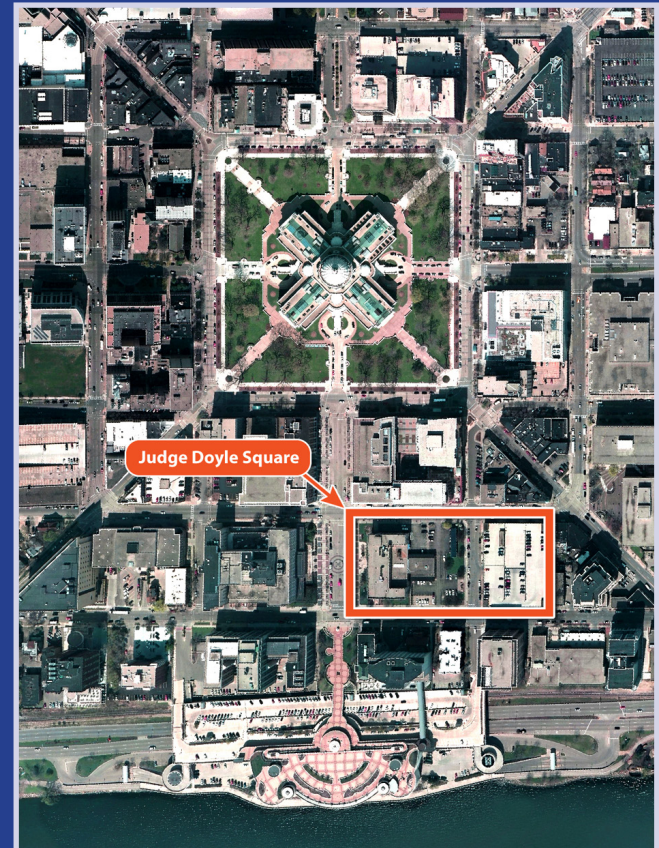
Photo: Skot Weidemann

# Request for Proposals

Judge Doyle Square  
Madison, Wisconsin



Due: September 30, 2013





# Judge Doyle Square

## Second Stage Requirements for the Request for Proposals

### *Introduction:*

The Judge Doyle Square Committee and the Common Council have invited your team to participate in the Request for Proposals (RFP) second stage process for Judge Doyle Square. The RFP stage will require that each team submit a detailed technical proposal, which should provide sufficient basis for the Committee and the Common Council to assess development feasibility, practicality of financing, requested participation by the City, the amount and risk of economic return on the City's investment. **To the extent the RFP response provides options for the City to consider, every option submitted must provide the information and level of detail required below.**

The RFP will consist of two elements:

- A set of requirements developed by the Committee (and approved by the Common Council) as part of its review and evaluations of the RFQ responses, interviews, reference checks and staff team recommendations.
- Standard City requirements to be included in the proposal including standard indemnification language. This will also include language required by the Development Agreement with Marcus Hotels Inc. under its Right of First Refusal on any hotel development in Block 88.

### *RFP Requirements:*

The requirements for each proposal are as follows:

**1. The requirements from Section 2 (Project Goals), Section 3 (Project Requirements) and Section 6 (General Conditions)** from the Request for Qualifications document are incorporated as RFP requirements. RFQ Sections 2, 3 and 6 are provided as an attachment to this RFP.

**2. Madison Municipal Building.** As stated in the RFQ, the City reiterates in this RFP its desire to maintain the Madison Municipal Building in City ownership primarily for city offices. Proposals must be consistent with this City position. We expect the loading dock area of the building will be removed. If the

developer wishes to interconnect the Madison Municipal Building with the new development in some way, the RFP must describe how such a connection would be made and whether there are any proposed shared uses between the two buildings. A connection between the two buildings is desired and the City is supportive of such a connection.

**3. A detailed project concept design and general outline specifications.** This includes a) conceptual site and landscape design plans sufficient to convey how the project will generally create an engaging pedestrian environment along all street frontages; b) preliminary architectural direction, including anticipated building massing, architectural expression, a shading study and typical building materials to convey the general style of the building and how it will relate to surrounding buildings and positively contribute to the built urban character of the immediate area; c) green building practices to be used during the construction phase and d) preliminary floor plans for all floors sufficient to understand how the building's internal program is expressed on the exterior of the building. (N.B. The US Postal Service will require a secure loading dock on Block 88.)

**4. A property management plan** including any potential anchor tenants or major users or operators within the project and the sustainable operating practices that will be utilized in managing the development with special attention to the hotel operations.

**5. A parking management plan** that incorporates the parking elements for the public parking from Section 3 of the RFQ, including demand generation information for each major component of the project. A meeting is required with the Madison Parking Utility to review its requirements and recommendations. Contact Tom Woznick, Parking Utility Operations Manager to schedule this meeting.

**6. A bicycle center management plan.**

**7. A description of the hotel room block** for Monona Terrace and the key provisions of the room set-aside, including any impact of the phasing of the

hotel(s) on the room block availability. The 250 room block is essential for the new hotel(s) to induce demand for the market and the RFP response must specifically state how the minimum 250 room block will be provided and whether there is any phasing involved. In addition to the room block, the RFP must:

- Identify the national affiliation (hotel flag) and the national sales force and reservation system for the hotel(s).
- Provide a description of the service level of the hotel(s).
- Describe the rationale for the planned meeting spaces in the hotel including an analysis of how this component will complement/compete with Monona Terrace.
- If there are two hotels proposed, specifically describe how the sales/book-ing process and operations will be coordinated.
- Describe the pedestrian connections, if any, desired to Monona Terrace.

**8. A detailed construction budget** (hard & soft costs).

**9. A development phasing plan** including a plan to maintain the public parking supply during construction

**10. Market information** and data that demonstrate the appropriateness of the assumptions made within the financial plan and operating pro forma outlined below.

**11. A description of the terms of real estate** acquisitions, phasing of such acquisitions, purchase price and planned ownership structure.

**12. A workforce utilization plan and targeted business goals** for the construction and operations periods.

**13. A community engagement plan** for the project.

**14. (Sealed Submission) A detailed public private financial plan** showing how the project is to be financed, including letters of interest or commitment from potential lenders/partners. The financing strategy should describe each block separately as follows:

- Estimated uses of capital (separately for each block) providing at least this level of detail:
  - Land acquisition price to be paid
  - Estimated demolition/site prep

- Hard costs for construction
- Developer fee
- Architecture and engineering expenses
- Other soft costs
- Other costs

- Estimated sources of capital (separately for each block) including:
  - Debt (private borrowing)
  - Debt (City or CDA borrowing)
  - Equity (cash or cash equivalents)
  - Equity (deferred or forgiven developer/professional/ construction fees)
  - Parking Utility contributions for publicly owned parking component
  - City TIF contribution (or other subsidy)
    - Estimate of Value Calculations , including cap rate assumptions
    - Estimate of Annual Property Tax Payments
    - Details of potential City TIF investments
    - Payback of City TIF Investments
  - Specify other special sources such as New Market Tax Credits, Section 42 Tax Credits, conduit bonding, etc.
- Sources and uses should be further broken down by component (parking, hotel, apartment, etc.) to the extent practicable.
- Please review the City's TIF Policy and note any exceptions from policy the development team anticipates requesting (see [cityofmadison.com/planning/tidmaps/tifpolicy.pdf](http://cityofmadison.com/planning/tidmaps/tifpolicy.pdf))
- Describe project components (such as parking) to be owned or financed by the City or the Community Development Authority of the City of Madison (CDA). Describe the long-term ownership structure (i.e. what rights to purchase will the developer or City have?). Describe the proposed structure for handling maintenance and operating costs.
- Provide any available letters of interest, credit, or commitment from investors or lenders that demonstrate the financial strength of the team and financial feasibility of the project.
- If utilizing New Market Tax Credits or other financial assistance programs, indicate team's experience with these financing methods.
- Annual cash flows and pro-forma for term of project financing for a minimum of 10 years, by block and major component.
- Net cash on cash returns.



## General Conditions

### *Point of Contact for all Inquiries and Clarification of Specifications*

The RFP contact identified below is the sole point of contact regarding the RFP from the date of release of the RFP until selection of the successful proposer. All communications relating to this RFP must be directed to the person named below. Any contacts of other City staff will be referred to the Point of Contact.

Mr. Steven A. Cover, Director  
Department of Planning & Community & Economic Development  
Room LL-100 Madison Municipal Building  
215 Martin Luther King Jr. Boulevard  
Madison, Wisconsin 53703-3346  
Telephone: (608) 266-4807  
FAX: (608) 266-8739  
E-Mail: [nprusaitis@cityofmadison.com](mailto:nprusaitis@cityofmadison.com)

## Pre-Submittal Meeting

A pre-submittal meeting will be scheduled in early September 2013 with the Judge Doyle Square City Staff Team to answer any questions you may have as you complete your RFP submittal.

## RFP Submittal Date

The RFP is due on **Monday, September 30, 2013 at 2:00 p.m. CDT**, addressed to:

City of Madison  
Department of Planning & Community & Economic Development  
Office of the Director  
Room LL-100, Madison Municipal Building  
215 Martin Luther King Jr. Blvd.  
Madison, WI 53703-3346

All submissions must be packaged, sealed and clearly labeled with the proposer's name and address and titled, Judge Doyle Square. The Section 14 Financial Plan should be separately sealed from the balance of the proposal.

## Format Requirements of Submittals

Proposals must be packaged, sealed and clearly labeled.

Submit one (1) signed Original (with a signed RFP Form A) and fifteen (15) hardcopy submissions typed and securely bound on 8.5 by 11 inch paper, otherwise identical to the electronic version.

Submit one (1) electronic proposal in PDF format stored on a common media (CD, DVD, or flash drive), identical in content and sequence to hardcopy proposals submitted. Email is not an acceptable method of submission. The Section 14 Financial Plan should be submitted on a separate media from the balance of the proposal.

## Standard City Requirements:

### **Exhibit A:**

The following City requirements do not include all City-required clauses but are a selection of mandatory clauses. The insurance provisions, once the structure of the transaction is known may be revised at the discretion of the City Risk Manager and City Attorney.

### **Exhibit B:**

Marcus Hotel Inc.'s Grant of Right of First Refusal on Block 88

## EXHIBIT A

**1. Workforce Utilization.** Developer agrees that, within thirty (30) days after the effective date of this Agreement, Developer will provide to the City of Madison Affirmative Action Division certain workforce utilization statistics, using a form to be furnished by the City.

If the Agreement is still in effect, or if the City enters into a new agreement with Developer within one year after the date on which the form was required to be provided, Developer will provide updated workforce information using a second form, also to be furnished by the City. The second form will be submitted to the City Affirmative Action Division no later than one year after the date on which the first form was required to be provided.

Developer further agrees that, for at least twelve (12) months after the effective date of the Agreement, it will notify the City of Madison Affirmative Action Division of each of its job openings at facilities in Dane County for which applicants not already employees of Developer are to be considered. The notice will include a job description, classification, qualifications, and application procedures and deadlines. Developer agrees to interview and consider candidates referred by the Affirmative Action Division if the candidate meets the minimum qualification standards established by Developer, and if the referral is timely. A referral is timely if it is received by Developer on or before the date stated in the notice.

**2. Affirmative Action.** Developer shall comply with the following Affirmative Action Articles of Agreement. For purposes of this Section 2, the word “Developer” shall mean Developer, its contractors and subcontractors.

## ARTICLES OF AGREEMENT

### ARTICLE I

Developer shall take affirmative action in accordance with the provisions of this Agreement to insure that applicants are employed, and that employees are treated during employment without regard to race, religion, color, age, marital status, disability, sex, sexual orientation, gender identity or national origin and that the employer shall provide harassment-free work environment for the realization of the potential of each employee. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training

including apprenticeship insofar as it is within the control of the contractor. Developer agrees to post in conspicuous places available to employees and applicants notices to be provided by the City setting out the provisions of the nondiscrimination clauses in this contract.

### ARTICLE II

Developer shall in all solicitations or advertisements for employees placed by or on behalf of the Developer state that all qualified or qualifiable applicants will be employed without regard to race, religion, color, age, marital status, disability, sex, sexual orientation, gender identity or national origin.

### ARTICLE III

Developer shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by the City advising the labor union or workers representative of the Developer’s equal employment opportunity and affirmative action commitments. Such notices shall be posted in conspicuous places available to employees and applicants for employment.

### ARTICLE IV

Developer agrees that it will comply with all provisions of the Affirmative Action Ordinance of the City of Madison including the contract compliance requirements. Developer warrants and certifies that, of the following two paragraphs, paragraph A or B is true (check one):

A. It has prepared and has on file an affirmative action plan that meets the format requirements of Federal Revised Order No, 4, 41 CFR part 60-2, as established by 43 CFR 51400 November 3, 1978, including appendices required by City of Madison ordinances or it has prepared and has on file a model affirmative action plan approved by the Madison Common Council \_\_\_\_\_.

B. Within thirty (30) days after the effective date of this Agreement, it will complete an affirmative action plan that meets the format requirements of Federal Revised Order No. 4, 41 CFR Part 60-2, as established by 43 CFR 51400, November 3, 1978, including appendices required by City of Madison ordinance or within thirty (30) days after the effective date of this Agreement, it will complete a model affirmative action plan approved by the Madison Common Council \_\_\_\_\_.



## ARTICLE V

(Not applicable.)

## ARTICLE VI

Developer will maintain records as required by Section 39.05(9)(f) of the Madison General Ordinances and will provide the City's Affirmative Action Division with access to such records and to persons who have relevant and necessary information, as provided in Section 39.05(9)(f). The City shall keep all such records confidential, except to the extent that public inspection is required by law.

## ARTICLE VII

In the event of Developer's or its contractor's failure to comply with the Equal Employment Opportunity and Affirmative Action provisions of this Agreement or Sections 39.02 and 39.05 of the Madison General Ordinances, it is agreed that the City at its option may do any or all of the following:

- A. Cancel, terminate or suspend the Agreement in whole or in part.
- B. Declare the Developer ineligible for further City contracts until the Affirmative Action requirements are met.
- C. Recover on behalf of the City from the prime contractor 0.5 percent of the contract award price for each week that such party fails or refuses to comply, in the nature of liquidated damages, but not to exceed a total of five percent (5%) of the contract price, or five thousand dollars (\$5,000), whichever is less. Under public works contracts, if a subcontractor is in noncompliance, the City may recover liquidated damages from the prime contractor in the manner described above. The preceding sentence shall not be construed to prohibit a prime contractor from recovering the amount of such damage from the noncomplying subcontractor.

## ARTICLE VIII

(Not applicable.)

## ARTICLE IX

Developer shall allow the maximum feasible opportunity to small business enterprises to compete for any subcontracts entered into pursuant to this Agreement. (In federally funded contracts the terms "DBE, MBE, and WBE" shall be substituted for the term "small business" in this Article.)

**3. Nondiscrimination.** In the performance of its obligations under the Agreement, Developer agrees not to discriminate against any employee or applicant because of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs, or student status. Developer further agrees not to discriminate against any subcontractor or person who offers to subcontract on the Agreement because of race, religion, color, age, disability, sex, sexual orientation, gender identity or national origin.

**4. Living Wage.** Developer agrees to pay all employees employed by Developer in the performance of this Agreement or in performance of any work at the Project site, whether on a full-time or a part-time basis, a base wage of not less than the City minimum hourly wage as required by Sec. 4.20, Madison General Ordinances. Developer also agrees to ensure all employees of contractors employed by Developer who expend at least twenty hours a week at the project site shall receive a base wage of not less than the City minimum hourly wage.

**5. Equal Benefits.** For the duration of this Agreement, Developer agrees to offer and provide benefits to employees with domestic partners that are equal to the benefits offered and provided to married employees with spouses, and to comply with all provisions of Sec. 39.07, Madison General Ordinances. If a benefit would be available to the spouse of a married employee, or to the employee based on his or her status as a spouse, the benefit shall also be made available to a domestic partner of an employee, or to the employee based on his or her status as a domestic partner. "Benefits" include any plan, program or policy provided or offered to employees as part of the employer's total compensation package, including but not limited to, bereavement leave, family medical leave, sick leave, health insurance or other health benefits, dental insurance or other dental benefits, disability insurance, life insurance, membership or membership discounts, moving expenses, pension and retirement benefits, and travel benefits.

Cash Equivalent. If after making a reasonable effort to provide an equal benefit for a domestic partner of an employee, Developer is unable to provide the benefit, Developer shall provide the employee with the cash equivalent of the benefit.

Proof of Domestic Partner Status. Developer may require an employee to provide proof of domestic partnership status as a prerequisite to providing

the equal benefits. Any such requirement of proof shall comply with Sec. 39.07(4), MGO.

Notice Posting, Compliance. Developer shall post a notice informing all employees of the equal benefit requirements of this Agreement, the complaint procedure, and agrees to produce records upon request of the City, as required by Sec. 39.07, MGO.

Subcontractors. This provision also applies to all employees of contractors hired by Developer who expend at least twenty (20) hours a week at the Project site.

#### **6. Indemnification.**

a. Developer shall indemnify, save harmless and defend the City, its officers, officials, agents and employees against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit or of liability imposed by law upon the City, its officials, officers, agents or employees for damages because of bodily injury or death, sustained by any person, persons or property, arising from, in connection with, caused by or resulting from Developer's or its agents' or employees' acts or omissions in the performance of this Agreement, whether caused by or contributed to by the negligent acts of the City, its officials, officers, agents or employees.

b. Developer agrees to indemnify and hold the City harmless from and against, and shall reimburse the City for, any and all loss, claim, liability, damages (to person, property, or natural resources), cost, expense, action or cause of action, arising in connection with the release or presence on the Property of any Hazardous Substance, whether foreseeable or unforeseeable, including, without limitation, all costs of removal and disposal of such Hazardous Substances, all costs of determining whether the Property is in compliance and causing the Property to be in compliance with all applicable Environmental Laws, all costs associated with claims for damages to persons or property, and the City's reasonable attorneys' and consultants' fees and court costs.

c. Developer also agrees to indemnify, save harmless and defend the City, its officers, agents and employees from any and all liabilities, losses or damages (including attorneys' fees and costs) the City, its officers, agents and employees may suffer as a result of Developer's not completing the Project pursuant to this Agreement or which may result from an event of default under the terms and conditions of this Agreement.

d. The provisions of this Section 6 shall survive termination of this Agreement and shall be in addition to any other rights and remedies of the City.

**7. Insurance.** Developer shall provide and will continuously maintain or cause to be maintained the following types of insurance in the following amounts:

a. Commercial General Liability. Commercial General Liability insurance, including but not limited to, bodily injury, property damage, personal injury, and products and completed operations (unless determined to be inapplicable by the City's Risk Manager) in an amount not less than \$1,000,000 per occurrence. This policy shall provide contractual liability in the same amount. Developer's coverage shall be primary and list the City of Madison, its officers, officials, agents and employees as additional insureds;

b. Worker's Compensation. Statutory Worker's Compensation insurance as required by the State of Wisconsin. Developer shall also carry Employers Liability limits of at least \$100,000 Each Accident, \$100,000 Disease – Each Employee, and \$500,000 Disease – Policy Limit; and

c. Umbrella Policy. Umbrella Liability coverage at least as broad as the underlying Commercial General Liability and Employers Liability with minimum limits of \$10,000,000 per occurrence.

d. Professional Liability. Developer shall procure and maintain professional liability insurance with coverage of not less than \$5,000,000. If such policy is a "claims made" policy, all renewals thereof during the life of this Agreement shall include "prior acts coverage" covering at all times all claims made with respect to Developer's work performed under the Agreement. This Professional Liability coverage shall remain in force for a period of six (6) years after the final certificate of occupancy for the project has been issued.

The above-required insurance is to be placed with insurers who have an A.M. Best rating of no less than A- (A minus) and a Financial Category rating of no less than VII.

Developer shall provide the City with certificate(s) of insurance showing the type, amount, effective dates, and expiration dates of required policies to the City prior to execution of the Agreement, for approval by the City's Risk Manager. Developer shall provide copies of additional insured endorsements or insurance policies, if requested by the Risk Manager.

Developer and/or its insurer(s) shall give the City thirty (30) days advance written notice of cancellation, non-renewal or material changes to any of the above-required policies during the term of the Agreement.

**8. Nondiscrimination Based on Disability.** Developer assures and certifies that it will comply with section 39.05 of the Madison General Ordinances, “Nondiscrimination Based on Disability in City Facilities and City-Assisted Programs and Activities,” and agrees to ensure that any subcontractor who performs any part of this Agreement complies with sec. 39.05, where applicable. This includes but is not limited to assuring compliance by Developer and any subcontractor, with section 39.05(4) of the Madison General Ordinances, “Discriminatory Actions Prohibited.”

Developer may not, in providing any aid, benefit or service, directly or through contractual, licensing or other arrangements, violate the prohibitions in Section 39.05(4), listed below:

Discriminatory Actions Prohibited: Developer assures that, in providing any aid, benefit, or service, it shall not, directly or through contractual, licensing, or other arrangements, on the basis of disability:

1. Deny a qualified person with a disability the opportunity to participate in or benefit from the aid, benefit, or service;
2. Afford a qualified person with a disability an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;
3. Provide a qualified person with a disability with an aid, benefit, or service that is not as effective as that provided to others;
4. Provide different or separate facilities, or aid, benefits, or services to persons with a disability or to any class of persons with disabilities unless such action is necessary to provide qualified persons with a disability with facilities, aid, benefits, or services that are as effective as those provided to others;
5. Aid or perpetuate discrimination against a qualified person with a disability by providing significant assistance to any agency, organization, or person that discriminates on the basis of disability in providing any aid, benefit, or service to beneficiaries of the Developer’s program;
6. Deny a qualified person with a disability the opportunity to participate as a member of planning or advisory boards; or
7. Otherwise limit a qualified person with a disability in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service from Developer.

Developer shall post notices in an accessible format to applicants, beneficiaries, and other persons, describing the applicable provisions of Sec. 39.05 of the Madison General Ordinances, in the manner prescribed by section 711 of the Civil Rights Act of 1964 (42 USCA Sec 2000e-10).



Blocks 88/105: Judge Doyle Square



## **EXHIBIT B**

In 1999, the City of Madison, the Community Development Authority of the City of Madison, and Marcus Hotels, Inc. (“Marcus”) entered into a Grant of Right of First Refusal that provides to Marcus certain rights in any proposed redevelopment of Block 88 that will include a hotel, motel or other lodging subject to the City’s room tax. The terms of the Grant do not affect Block 105. A summary of the Grant provisions applicable to this Request for Proposals is set forth below. The complete Grant of Right of First Refusal can be found at the City’s Judge Doyle Square website.

The Grant provides that if the City issues a Request for Proposals for redevelopment of Block 88 that includes a hotel/motel component, and if the City selects a developer (the “RFP Developer”) other than Marcus, then the RFP Developer shall negotiate exclusively and in good faith with Marcus regarding the terms of Marcus’ operation and management of the hotel/motel component of the accepted development proposal. The RFP Developer is to negotiate with Marcus for a period of not less than 120 days, and during such period RFP Developer is prohibited from encouraging or soliciting proposals from any third party with respect to the operation and management of the hotel/motel component.

If the RFP Developer and Marcus are unable to successfully negotiate the terms of Marcus’ operation and management of the hotel/motel component during the 120 day period, then the RFP Developer shall be allowed for a period of 18 months to negotiate with and enter into an agreement regarding the operation and management of the hotel/motel component with any third party; provided, however, that any such agreement shall contain terms that are substantially the same as and no more favorable than the terms proposed to Marcus. Any disputes, claims or differences between the RFP Developer and Marcus as to whether the terms of any agreement between the RFP Developer and a third party are “substantially similar and no more favorable” than the terms proposed to Marcus shall be resolved by arbitration.

If, at the end of the 18 month period, RFP Developer fails to enter into an agreement with a third party, then RFP Developer’s obligation to negotiate with Marcus in good faith is renewed for a period of 120 days, except the negotiation period shall be reduced to 60 days if the hotel/motel component is substantially the same as the one previously negotiated with Marcus.

RFP FORM A

## SIGNATURE AFFIDAVIT

Note: This form must be returned with your proposal response.

In signing this proposal, we certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a proposal; that this proposal has been independently arrived at without collusion with any other proposer competitor or potential competitor; that this proposal has not been knowingly disclosed prior to the opening of proposals to any other proposer or competitor; that the above statement is accurate under penalty of perjury.

The undersigned, submitting this proposal, hereby agrees with all the terms, conditions, and specifications required by the City in this Request for Proposals, and declares that the attached proposal is in conformity therewith, and attests to the truthfulness of all submissions in response to this solicitation.

Proposer shall provide the complete information requested below. Include the legal name of the Proposer and signature of the person(s) legally authorized to bind the Proposer.

<b>Proposal Invalid Without Signature</b>	
SIGNATURE OF PROPOSER:	DATE:
NAME AND TITLE OF PROPOSER:	COMPANY NAME:
TELEPHONE:	ADDRESS:
E-mail Address:	
<b>Person to Be Contacted If There Are Questions about Your Proposal (if different from above)</b>	
NAME:	TITLE:
TELEPHONE:	E-mail Address: