

City of Watertown, WI 111 S. Water Street **REQUEST FOR PROPOSAL**



CONTACT:

Mason Becker, Strategic Initiatives and
Development Coordinator
106 Jones Street
Watertown, WI 53094

ISSUED: December 15th, 2023

DUE: January 18th, 2024 - 4:00 p.m.



THE CITY OF
WATERTOWN

Opportunity runs through it.

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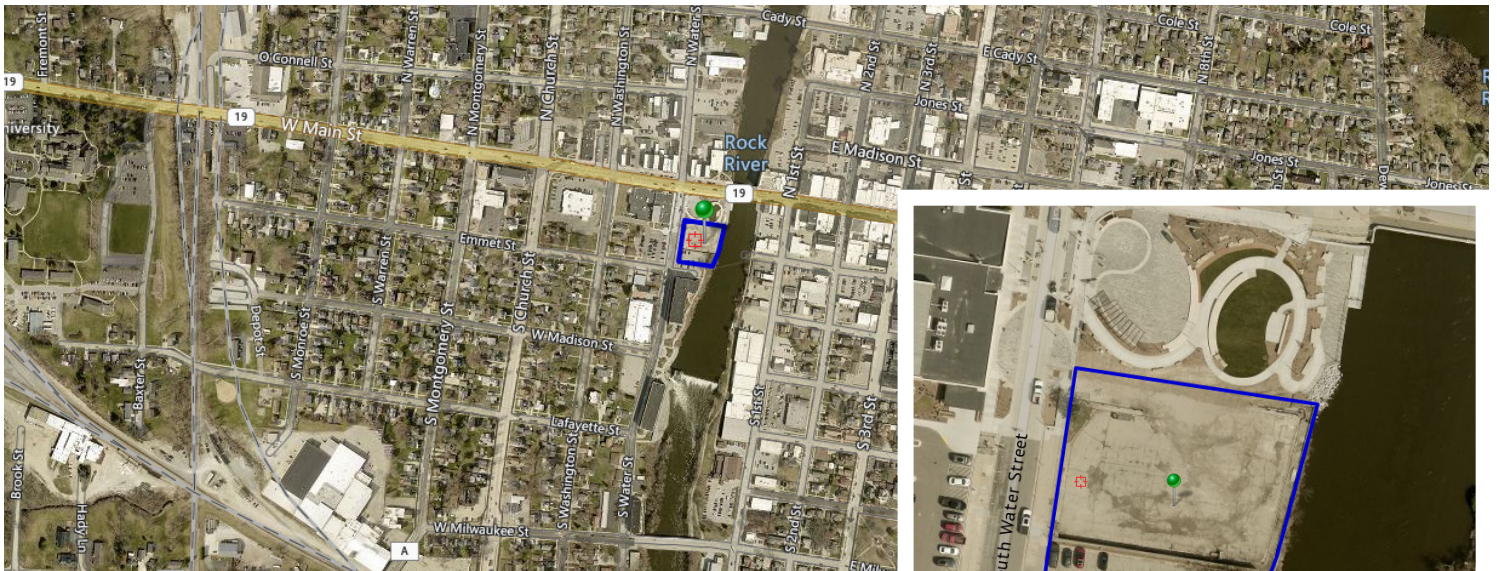
THE OPPORTUNITY

The City of Watertown, WI (“The City”) is pleased to announce a development opportunity within the very center of a vibrant central business district. The City is seeking statements of interest, evidence of capacity, and proposals through this RFP from qualified development teams with the vision, resources, and expertise to develop a significant contribution to an already thriving downtown.

This parcel presents a prime opportunity for a potential multi-family, mixed-use, or commercial development. The City will consider all potential proposed uses for this City-owned piece of real estate.

The parcel at 111 S. Water Street sits on the Rock River, and is immediately adjacent to two major, recently completed projects: In 2022, the renovation and expansion of the Watertown Public Library, a historic Carnegie library building, was completed. In 2023, the Bentzin Family Town Square, funded by a mix of public, grant, and privately donated funds, was completed. These significant public investments now leave this parcel situated for the next phase of revitalization in our historic downtown.

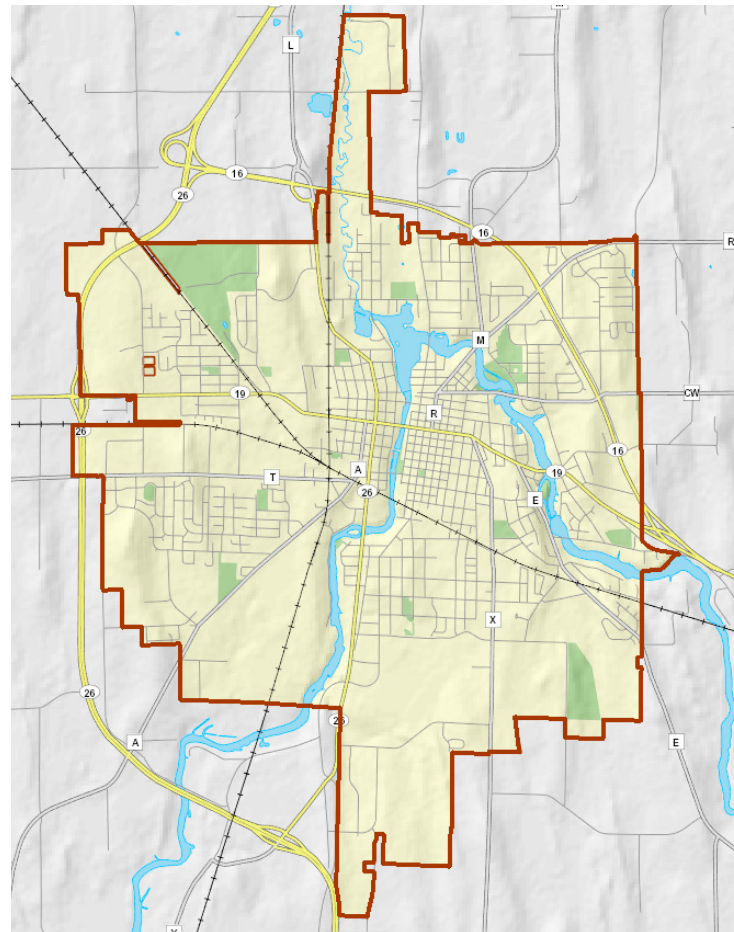
This project will tie into further planned revitalization efforts. Upcoming developments include reconstruction of the nearby Main Street (Cole) Bridge (anticipated in 2024), strategic planning of the surrounding Downtown River Corridor in 2024, and complete reconstruction of Main Street in 2028. This property is well situated to capitalize on these upcoming downtown enhancements.



CITY SNAPSHOT

The City of Watertown, Wisconsin, pop. 24,000, is located in beautiful southeastern Wisconsin, midway between Milwaukee and Madison. We are a friendly, hard-working city surrounded by lush forests and beautiful farmland. Distinct and self-sufficient, Watertown is big enough to have all the amenities you'll need, but small enough to access them in 10 minutes or less. Watertown is truly a wonderful place to live, work, dine, shop, play and do business! It's a genuine American hometown.

- Major industries — Manufacturing, healthcare and education.
- Population trend — Current approx. population: 24,000 - increased 10.6% from 2000 to 2014 and continuing to increase. Continued growth pressures from nearby Dane County and Waukesha County.
- Government — Strong mayor, City Council form of government with geographically based aldermanic districts.
- The Rock River winds through the City, including the downtown, and includes two dams within the City boundaries.
- Watertown to Milwaukee: 48 miles, to Madison: 40 miles, to Chicago: 135 miles.



Watertown is home to:

- A strong manufacturing and industrial base, including Fisher Barton, Glory Global, Clausen Quality Chocolates, Wis-Pak, and more.
- A quality public school district, Madison College - Watertown, and major private schools including Luther Preparatory School and Maranatha Baptist University.
- A heritage of many public parks and amenities, as well as the recently opened Interurban Bike Trail.
- A thriving downtown with an extremely low first-floor vacancy rate - less than 5% on Main Street.
- An identified need for housing. Studies very recently conducted by Tracy Cross show the City of Watertown approximately 2,000 units short of its needed housing today. The current rental vacancy rate is under two-percent.
- The connecting point for two counties: Dodge County and Jefferson County, and sits along the Hwy 26 corridor, just north of I-94.
- An established municipal airport.



RFP DETAILS

TIMELINE (TENTATIVE)

Activity	Deadline
RFP Release Date	December 15, 2023
Questions must be submitted via email	December 29, 2023
Questions and answers will be posted on www.watertownredevelopment.org	January 5, 2023
Responses to the RFP	January 18, 2024, 4:00 p.m.

A public announcement of Preferred Developer, following a thorough review, interviews, and discussions, will follow.

The City may amend this schedule at any time. Written notice of any changes to the schedule will be provided to all respondents to the RFP.

Send responses to:
The City of Watertown
Attn: Mason Becker
Strategic Initiatives and Development Coordinator
106 Jones Street
Watertown, WI 53094

A successful bid will demonstrate a proposed project that maximizes future property tax revenue generation for the City, shows ability to secure funding for the project, and presents an aggressive timeline for construction. The City will also look for the project developer to complete a riverwalk extension along the length of the parcel.

The site's central location in downtown Watertown makes it convenient for traveling the short distance to and from the municipal airport and interstate, commuting to work, or even taking a quick trip to Madison, Milwaukee, or Chicago.

The response format being requested by the City is detailed in the following sections of this RFP. The submission of a concise, professional, and complete response to the RFP will help the City identify the most qualified development teams and will be indicative of the level of the respondent's commitment to the desired project. Any questions that arise during preparation of a submittal should be addressed to Mason Becker (mbecker@watertownwi.gov).

Respondents must demonstrate the experience, resources, and expertise needed to design, develop, and operate a successful project. Past design and development experience, especially with similar projects, will be critical in evaluating the RFP responses. Current financial capacity, access to funding sources and the ability to complete the project in a timely manner will also be important factors in determining the most qualified RFP responses.

Responses to this RFP shall not exceed a total of 15 pages, including any appendices, and should use a minimum font size of 11. Respondents must submit one unbound original hard copy, five bound hard copies, and one digital PDF file to be posted on a cloud drive that will be provided by the City. The firm's proposal fee should be submitted in a separate sealed envelope labeled "111 S. Water Street Proposal Fee".

Submittals must be received by the City no later than January 18, 2024 at 4:00 PM. Submittals received after this due date and time will not be accepted. Delivery of the RFP response to the specified location by the prescribed time and date is the sole responsibility of the respondent.



EVALUATION AND SELECTION

TRANSMITTAL LETTER

The submission must include a transmittal letter on official letterhead that provides contact information for the person with authority to negotiate on behalf of the development team. The letter must also include an affirmative statement that the respondent agrees to the minimum business terms identified in the RFP. The respondent must certify that the RFP response and exhibits are true and correct. Unsigned and/or undated submissions will not be accepted.

DEVELOPMENT TEAM

The respondent must identify the developer and other key members of the development team, including the project leader for day-to-day management and the key consultants that will be responsible for implementing said project. Also, provide a succinct narrative describing the role and relevant expertise of each of the firms and key individuals that would be involved in the project's implementation.

PROPOSED CONCEPTUAL DEVELOPMENT SCOPE

Provide a one-page narrative that describes the development concept that is envisioned for the Site. As part of this description, identify any responsibilities proposed to be imposed on the City. At the respondent's discretion, up to three graphics, such as a conceptual site plan, may also be provided.

EXPERIENCE

Provide descriptions of at least three, but no more than five, projects that the respondent has undertaken within the past five years that are directly analogous to the project being proposed for the Site. Each description should include the following information:

1. The project's name and location.
2. Development Scope:
 - a. If a commercial project, the name of the operator.
 - b. A project description that identifies the square footage and the number of units or spaces, and/or development size and configuration.
 - c. A description of the quality level, market mix and amenities provided at the project.
 - d. Photographs of the project.
3. Financial Characteristics:
 - a. The total development costs.
 - b. Detailed explanation of how the project was funded.
4. A description of the role the respondent and other team members played in the development and operation of the project.

5. Public Sector Contact:

- a. Provide contact information for a representative of the jurisdiction in which the project is located, including telephone number and email address.
- b. Indicate if the project was undertaken as a public/private partnership. If so, describe the responsibilities accepted by the public sector partner.

FINANCIAL CAPACITY

Provide evidence of the development team's financial ability to undertake and successfully complete the proposed project including the following:

1. Financial Statements:

- a. If available, submit audited financial statements for the past two years for each development entity that is part of the developing team.
- b. If audited financial statements are not available, provide documented evidence of prior development transactions in which substantially all of the funding was obtained by the respondent. This information should include letters from the project lenders that identify the size of the loans and the repayment terms, as well as letters from the equity investors that identify the investment amounts and summaries of the transaction terms.

2. Provide a statement identifying the threshold rate of return requirement anticipated to be imposed on the proposed project. The threshold can be presented as a stabilized return on total investment or an Internal Rate of Return (IRR) on total investment.
3. List and explain any litigation or disputes any member of the development team is involved in that could result in a financial settlement that has a materially adverse effect on the ability of the development team to complete the proposed project.
4. Provide a statement detailing if any member of the development team has ever filed for bankruptcy or had projects that have been declared in default or foreclosed upon. If the answer is 'yes' to any of these questions, list the dates and describe the circumstances.
5. Include an explanation of how the project will be funded, including mix of sources.

EVALUATION AND SELECTION

The City of Watertown recognizes the sensitive nature of the financial capacity information that is requested in this RFP. Therefore, respondents are only required to submit one copy of the requested financial capacity information, and it should be submitted in a separate envelope that is marked "CONFIDENTIAL," and is addressed to:

The City of Watertown
Attn: Mason Becker, Strategic Initiatives and
Development Coordinator
106 Jones Street, Watertown WI, 53094



RFP SELECTION PROCESS

The selection process will be divided into the following three phases:

1. The City will evaluate the responses to the RFP, and will select a short list of development teams to move on to the Developer Review stage of the selection process.
2. The short-listed development teams will be asked to respond to the City in a format that requires the teams to provide more detailed information about the proposed project. This will include: Identifying an operator (if a commercial project), creation of preliminary design drawings, preparation of a pro forma analysis, and a description of any proposed lease terms.
3. At the completion of the evaluation process, the City intends to enter into a negotiation period with the selected development team for the purpose of negotiating the terms of a development agreement.

RFP EVALUATION CRITERIA

The following RFP evaluation criteria will be used to select the short list of development teams that will be invited to respond to the RFP for the Site:

1. The respondent's agreement to abide by the minimum business terms identified in this RFP.
2. Development of projects of a similar scope and scale.
3. Financial capacity to undertake a project of the proposed magnitude.
4. Overall quality of the development team.
5. Experience with similar public/private development agreements with public sector entities
6. Quality and completeness of the RFP response.

DECLARATION AND ADDITIONAL INFO.

DECLARATION AND ADDITIONAL INFORMATION

The City's Rights Pertinent to this Solicitation

1. The City reserves the right to reject all submittals for any legally permissible reason without indicating the reasons for rejection.
2. The City reserves the right to amend this RFP by addendum. The City is bound only by what is expressly stated in this RFP and any authorized written addenda to be posted on the City website.
3. The City accepts no financial responsibility for any costs incurred by the respondent during any phase of the selection process. All submittals shall become the property of the City (except for items marked CONFIDENTIAL) and may be used in any way deemed appropriate.

WITHDRAWAL OF SOLICITATION

The City reserves the right to withdraw this RFP at any time without prior notice and makes no representation that any agreement will be awarded to any respondent. Additionally, the City expressly reserves the right to postpone opening responses to this solicitation for its own convenience, and/or to waive any informality or irregularity in the responses received.

CONFIDENTIALITY

All submittals in response to this RFP are considered confidential until the City makes a selection, at which time the submittals will become public information and available to the public for review. However, the financial capacity information portion of each submittal will be treated as confidential and will not be available for public review at any time.

EXAMINATION OF SOLICITATION

The respondent understands that the information provided in this RFP is intended solely to assist the respondent in preparing a submittal. To the best of the City's knowledge, the information provided is accurate. However, the City does not warrant such accuracy, and any errors or omissions subsequently will not invalidate this RFP.

CONFLICT OF INTEREST

Respondents must comply with the requirements imposed by all applicable federal, state and local laws, including those pertaining to conflict of interest. All members of responding development teams must disclose any and all circumstances that could give rise to any potential conflict of interest or appearance thereof with its participation in the project with the City, and its agents, representatives and consultants.

