

# Foundry

101 Rogers Street, Cambridge, MA

## REQUEST FOR PROPOSALS EXCERPT

Submission Requirements and Evaluation Criteria

**FOR DISCUSSION PURPOSES ONLY**

Issued:

Due:



255 Main Street | 4<sup>th</sup> floor | Cambridge, MA 02142 | 617-492-6800  
[cambridgeredevelopment.org](http://cambridgeredevelopment.org)

## 5.0 SUBMISSION REQUIREMENTS

All submissions shall provide information related to the elements listed below in sufficient detail to allow an informed and fair selection process. Incomplete submissions will be rejected. A checklist is provided in Appendix 8.2 (Form B).

Submissions will be in two separate, clearly marked envelopes:

- Foundry Proposal: ten (10) bound copies in 8 1/2 x 11-inch format plus one compact disk or flash drive with a digital version as a single PDF with a maximum file size of 10 MB.
- Foundry Financial Plan: ten (10) copies in 8 1/2 x 11-inch format of narrative material, plus one compact disk or flash drive of the pro forma spreadsheets, in the format of the Financial Plan Template.

All materials submitted to the CRA in response to the RFQ will become the property of the CRA and, unless specifically exempted, will be considered to be public records under Massachusetts law.

### 5.1 Letter of Interest

Responders must submit a letter of interest signed by the principal(s) of the Responder.

### 5.2 Responder Team Composition

Responders must submit a summary chart of the team composition that identifies the firms and key personnel and their respective roles and responsibilities for real estate development and operational management. Other key roles and responsibilities can also be included.

For the RFP, the Responders must submit proposals as a complete team including both real estate development and operational management proposals for the building and its programs. Based on the review of the RFQ submittals, this RFP is tailored wherever possible to clarify specific requirements and expectations of the CRA consistent with the Foundry Demonstration Project Plan, which are also evident in the evaluation criteria (Section 6). As long as one of the Responders remains a lead member of the project team, it is possible to combine differently and/or reform a team for the RFP, adding capacity as needed. Additional qualifications may be submitted as an appendix to the response to the RFP.

### 5.3 Developer/Operator Relationship

Responders must describe how the developer and operator will work together and with the CRA on an ongoing basis to ensure the Foundry is operated in accordance with the community vision and the Sublease. Revitalizing the Foundry to meet the community's vision for a collaborative environment with mix of uses will require careful coordination between the real estate and operational management team members of the Development Entity.

### 5.4 Developer/Operator Workload

In order to demonstrate their capacity to undertake the Foundry redevelopment, Responders must list known project commitments of all key project principals through 2017, along with a statement indicating how the development entity and key principals plan to manage the Foundry redevelopment process including the amount of time that would be available to dedicate to the process.

### 5.5 Project Concept

Responders must submit three types of information to convey their overall concept for the building:

- 1) **Narrative:** Description of the design and programming vision and approach, including the strategy for community partnerships over time to achieve an inclusive space that involves a cross-section of Cambridge residents in the life of the building and program description that demonstrates how the uses and projected tenants will contribute to the building (refer to Appendix 8.1, Vision and Objectives).
- 2) **Program:** Matrix detailing the gross floor area (gsf) and rentable floor area (RSF) of specific uses and/or shared use areas in the Foundry, including any new floor area, reference to community-based or shared uses, and proposed parking strategy (template provided in financial pro forma);
- 3) **Design:** Conceptual architectural and site design plans with sufficient detail to characterize the project content and substantiate the financial pro forma, with its projections of uses, costs, and revenues.

Alternative scenarios and financial models can be presented and will be considered, such as a base proposal that does not expand the building envelope and an alternative that does. These alternatives should be modeled using the Appendix 8.5 Financial Plan Template as a framework.

## **5.6 Project Timeline**

Responders must submit a detailed time line for project execution including the permitting strategy (zoning approval and other approvals), design phases, base building construction, tenant fit out, and building and occupancy permits. In particular, the timeline must indicate when the approvals process would begin, expected conclusion of the approvals process, and projected opening date.

## **5.7 Previous Experience**

Responders must demonstrate their capacity to work with the CRA to carry out a financially feasible redevelopment of the Foundry Building by submitting tailored descriptions of comparable projects developed and/or managed.

To supplement materials submitted in the RFQ, the submission should include a brief description of the relevant projects and how they relate to the Foundry project, along with data regarding the location, size, the specific principal personnel involved, and completion date. Projects should illustrate Responder's experience with the criteria below, noting that each individual project does not need to meet all of the specifications:

- Creation of mixed-use redevelopment projects with uses and characteristics similar to the Responder's proposal for the Foundry;
- Creation of redevelopment projects with innovative operating models and tenancing strategies, including the incorporation of uses providing a public benefit and/or a mix of market and non-market rate tenants
- Role of design in adaptive reuse and innovative programs.
- Negotiation of successful partnerships, including partnerships with property managers and operators, and public entities;
- Negotiation of subleases with tenants and users similar to those proposed for the Foundry Building; and
- Development in the Boston and Cambridge areas.

## **5.8 Forms**

Responders must submit Form A, Release of Documents and Form B, Submission Checklist.

## **5.9 Sublease Response**

Responders may submit a mark-up or other response to the terms of the Foundry Sublease, found in Appendix 8.4.

## **5.10 Financial Plan**

*Note: All material must be submitted in a separate envelope, clearly marked "Foundry Financial Plan."*

Responders must specify their proposed structure and financial terms for partnership with the CRA. All responses must be based on the detailed pro forma information including (1) projected rents based on the range of uses, including all private and community uses, (2) projected costs and funding of improvements, including the addition of new space, if any, (3) projected tenants types, and (4) proposed payment structure to the CRA. The ground rent payment structure must be expressed in a fixed dollar amount with appropriate escalations over the entire 50-year sublease term.

### ***Business Plan***

Responders must provide a brief description of how their proposed business model and income projections for the Foundry relate to the type of tenant subleases, including duration, and what part of the fit-out costs, tenant improvements, and operating expenses are expected to be paid by tenant and Responder respectively. The business model must also address the approach to curating the community uses and overall management of and integration of the proposed uses, as well as any other characteristic of the business model with implications in the financial plan.

### ***Evidence of Ability to Finance***

Responders must demonstrate their ability to finance all the proposed improvements to the Foundry, as well as the ability to secure tenants and meet financial obligations to the CRA. This should be done by providing evidence of successful past projects, letters of interest from tenants (if any), letters demonstrating a good business relationship with financial institutions and equity sources, and a description of proposed strategies to make use of incentives and financial support from the public and non-profit sectors, including available funding sources from the CRA.

*Additional material regarding the financial condition of the Responder may be requested by the CRA at any time during the negotiations, including but not limited to corporate financial statements, a description of other real estate owned (including information about any history of delinquency, default, litigation, or outstanding liens or judgments on property listed), a credit release, and/or any additional documentation or information evidencing the strength of the respondent and the respondent's ability to support the project. For the RFP, the Responders may attach any relevant information as an appendix on a voluntary basis.*

### ***Pro Forma***

All pro forma and financial information must use the Financial Plan Template (Appendix 8.5) and following the instructions found in *Tab 0. Cover Page*, which is summarized below:

**1) Program Assumptions:**

Detailed program matrix, including GSF and RSF for existing and any additional space (information carried from 5.5, Project Concept)

**2) Source & Use Assumptions:**

- Uses of funds, including hard costs, soft costs, and financing costs
- Sources of equity, debt financing, and any public funds beyond the funds committed by the City and CRA
- Debt assumptions (construction and permanent)

**3) Operating Assumptions:**

- Revenue assumptions, including annual rent for each use as well as any other revenues
- Vacancy contingencies
- Reimbursed and non-reimbursed operating costs
- Projected growth rates for revenues and expenses

**4) Pro Forma (50 years):**

- Timing and magnitude of construction spending
- Revenues and reimbursed and non-reimbursed operating expenses over time by tenant/user type
- Revenues to the CRA by year

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## 6.0 EVALUATION AND DEVELOPER SELECTION PROCESS

### 6.1 Selection Process

Evaluation of the proposal will be based on the information provided in the Responders' submission, in accordance with the requirements of this RFP, and any interviews, public presentations, references, and additional information requested by the CRA. The Selection Committee will be comprised of CRA and City staff or their designees.

The selection process for the RFP will proceed in a multi-stage process. The submissions will be reviewed by the Project Manager to determine if each proposal has fulfilled all the submission requirements; only complete submissions will be evaluated. The Foundry Advisory Committee and the CRA's consultant team (including but not limited to Foley Hoag and HR&A) will review and advise on the submissions, reviewing first the Foundry Proposal (non-financial) and then the Foundry Financial Plan.

The Selection Committee will open and evaluate the Foundry Proposal (non-financial) first. After this evaluation is complete, the Selection Committee will open and evaluate the respective Foundry Financial Plan submissions. The Selection Team will then consider the two evaluations together, along with the advise of the Foundry Advisory Committee and the consultant team, to select the best proposal(s).

Based on the Selection Committee's evaluation, some or all of the Responders may be further asked to present their concept publicly and be invited for an interview. The CRA may also request additional information as part of the interview.

The Selection Committee will then evaluate all additional information, including any further advice from the Foundry Advisory Committee and the consultant team, and will make a recommendation for a Development Entity to the CRA Board and the City Manager for their approval, respectively. The CRA will notify all bidders in writing of the final decision.

### 6.2 Minimum Threshold Requirements

In order to meet the minimum threshold requirements, Responders must have fulfilled all of the submission requirements.

### 6.3 Evaluation Criteria

The redevelopment and operation of the Foundry will involve tradeoffs so not every proposal is expected to meet the *Highly Advantageous* criteria in every category. In general, proposals should strive to meet the *Advantageous* criteria as a minimum, and will be receive a higher ranking wherever the proposal also meets *Highly Advantageous* criteria.

**PROJECT UNDERSTANDING AND CONCEPT (40% of Evaluation)**

	<i>Highly Advantageous</i>	<i>Advantageous</i>	<i>Not Advantageous</i>	<i>Unacceptable</i>
<b>Project Understanding</b>	<b>Proposal</b> integrates creative design and an inclusive, collaborative program to create a citywide resource that is financially sustainable for years to come, promoting the building vision and objectives.	<b>Proposal</b> integrates design with real estate development strategy and a method for curating building programs, reflecting building vision and objectives.	<b>Proposal</b> only addresses renovation and property management <i>OR</i> the proposal only addresses programmed uses without a real estate strategy.	<b>Proposal</b> is incomplete.
<b>Exceptional Design for Creativity &amp; Flexibility</b>	<b>Design</b> highlights the building's architectural features, allows creative flexibility, and integrates significant green building features to promote innovation and economic activity in collaborative spaces.	<b>Design</b> creates a physical asset that fosters creativity and innovation and will support viable economic activity in a manner that can be sustained for years to come.	<b>Design</b> is minimal, providing just enough improvements to occupy the space and meet codes.	<b>Design</b> does not meet the zoning ordinance, universal accessibility, or building code requirements.
<b>Maximizes Public Benefit</b>	<b>Program</b> will have more than half its utilization dedicated to uses that are mixed, synergistic, and/or operating in shared spaces promoting the arts and sciences (STEAM) and addressing economic development and training opportunities, especially for under-represented and low income residents.	<b>Program</b> will have between 10,000 and 20,000 square feet of space dedicated to community oriented uses that promote arts and sciences and directly benefit and engage surrounding community and Cambridge residents.	<b>Program</b> will have a minimum of 10,000 square feet designated for community-oriented uses, as required by zoning, with some community programming.	<b>Program</b> will have less than 10,000 square feet designated for community-oriented uses, with no community programming.
<b>Degree of Inclusivity</b>	<b>Building</b> will be accessible, inclusive, and welcoming to the public in a variety of ways and targeting the full diversity of Cambridge.	<b>Building</b> will remain reasonably open and accessible to the general public, especially on the ground floor,	<b>Building</b> will offer few reasons for the community to enter.	<b>Building</b> will not be open to the community unless they have a stated purpose or occupy a studio or office.



**EXPERIENCE AND CAPACITY (30% of Evaluation)**

	<i>Highly Advantageous</i>	<i>Advantageous</i>	<i>Not Advantageous</i>	<i>Unacceptable</i>
<b>Ability to Successfully Execute the Project</b>	<b>Real estate team</b> has extensive experience in adaptive reuse and public private partnerships, and has worked with community-based non-profit organizations.	<b>Real estate team</b> has experience in adaptive reuse and public private partnerships.	<b>Real estate team</b> has limited experience in either adaptive reuse project or public private partnerships.	<b>Real estate team</b> has no examples of either adaptive reuse or public private partnerships.
<b>Contribution of Operator / Management Program to Successful Project</b>	<b>Management team</b> demonstrates extensive experience and presents ideas for hosting cross-disciplinary programs and collaboration with strategies to maintain community involvement in the building and its programs over time.	<b>Management team</b> has experience and presents a viable management and operational plan that supports the Foundry vision and objectives	<b>Management team</b> will provide conventional property management and has no experience with ongoing community programming; opportunities for collaboration between building uses are not demonstrated.	<b>Management team</b> not included; no team members have experience in building and program operation.
<b>Development Capacity and Current Workload</b>	<b>Overall team</b> has dedicated, qualified principals and committed staff resources that will focus on the Foundry project.	<b>Overall team</b> has assigned qualified principals and adequate staff resources to handle the Foundry project while balancing other project workloads	<b>Overall team</b> has overcommitted principals and not enough resources to manage the Foundry project.	<b>Overall team</b> does not show the capacity to complete the project as proposed in the submission.
<b>Strategy and Timeline</b>	<b>Strategy</b> demonstrates a creative approach, a clear understanding of approvals, and ability to start the approvals process within 3 months of Sublease execution, with realistic milestones for approvals, design, and construction within a 3-year window.	<b>Strategy</b> demonstrates an understanding of approvals and the ability to start the approvals process within 6 months of Sublease execution, with realistic milestones for approvals, design, and construction within a 3-½ year window.	<b>Strategy</b> indicates a start date for approvals process after six months of Sublease execution and does not demonstrate realistic milestones for approvals, design, and construction.	<b>Strategy</b> is unrealistic and does not demonstrate project completion within a 4 year window.

<b>FINANCIAL PLAN (30% of Evaluation)</b>				
	<b>Highly Advantageous</b>	<b>Advantageous</b>	<b>Not Advantageous</b>	<b>Unacceptable</b>
<b>Feasibility of Plan</b>	<b>Financial Plan</b> demonstrates a solid understanding of local market conditions, development financing, business plan, and redevelopment and operational costs for the Foundry and offers creative approaches or solutions where necessary.	<b>Financial Plan</b> demonstrates a solid understanding of local market conditions, development financing, business plan, and redevelopment and operational costs for the Foundry.	<b>Financial Plan</b> demonstrates a lack of understanding in any one of the following areas: local market conditions, development financing, business plan, and redevelopment and operational costs for the Foundry.	<b>Financial Plan</b> is unclear and incomplete.
<b>Ability to Secure Financing</b>	<b>Evidence</b> includes strong letters of interest from both construction and permanent lenders demonstrating significant capital backing from committed sources.	<b>Evidence</b> includes at least two letters of interest in providing either construction or permanent financing demonstrating likely capital backing.	<b>Evidence</b> includes at least one letter of interest in providing either construction or permanent financing.	<b>Evidence</b> does not include any letters of interest in providing either construction or permanent financing.
<b>Price</b>	Adequate ground lease payment for property			Inadequate ground lease payment for property