

5/29/2018MR

Form and Correctness Approved:

By [Signature]
Office of the City Attorney

Contents Approved:

By [Signature]
Director, Department of General Services

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE ACCEPTING THE BID SUBMITTED BY _____ FOR A LEASE WITH A TERM OF _____, FOR THE LEASE OF PORTIONS OF WATERSIDE MARINA LOCATED AT 201 WATERSIDE DRIVE IN THE CITY OF NORFOLK, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE LEASE ON BEHALF OF THE CITY OF NORFOLK.

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WHEREAS, pursuant to the provisions of Section 15.2-2100, et seq., of the Code of Virginia, 1950, as amended, the City of Norfolk has invited bids for the long-term lease of portions of Waterside Marina located at 201 Waterside Drive in the City of Norfolk, subject to certain terms and conditions; and

WHEREAS, the requirements of Sections 15.2-2101 and 15.2-2102 of the Code of Virginia, 1950, as amended, have been met and the Council has carefully considered all bids submitted; now, therefore,

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That _____ is the highest responsible bidder for a lease with a term of _____ for portions of the Waterside Marina located at 201 Waterside Drive in the City of Norfolk, and in accordance with the terms and conditions set forth in Exhibit A attached hereto, and the bid from _____ is hereby accepted.

Section 2:- That pursuant to Section 15.2-2104 of the Code of Virginia, 1950, as amended, the Council has determined that a bond in the sum of Ten Thousand and 00/100 Dollars (\$10,000.00) shall be executed in favor of the City of Norfolk.

Section 3:- That the City Manager is authorized to correct, amend, or revise the attached terms and conditions as he may deem necessary in order to carry out the intent of the Council and to execute the Lease, as corrected, amended, or revised in accordance herewith, for and on behalf of the City.

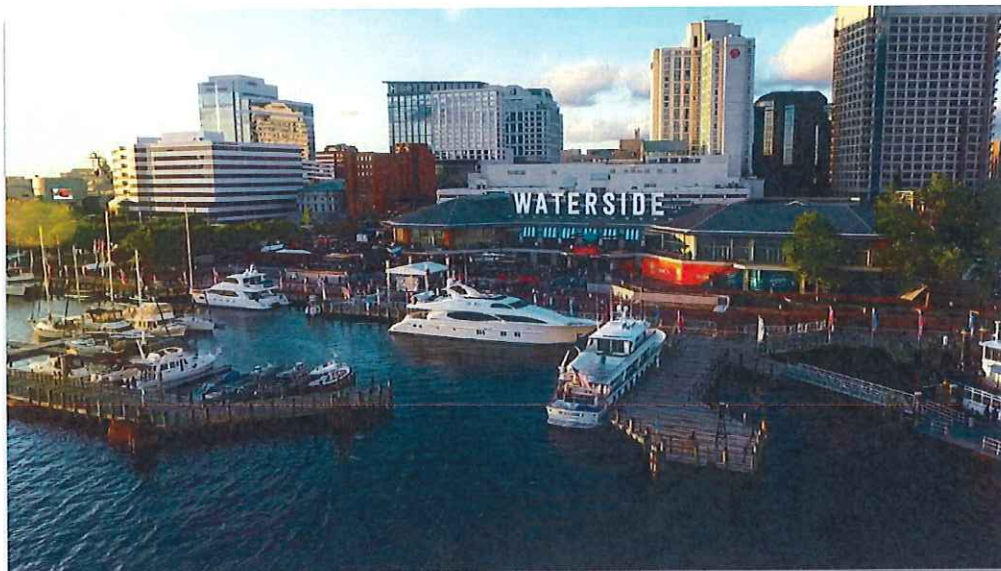
Section 4:- That this ordinance shall be in effect thirty (30) days after the date of its adoption.

REQUEST FOR PROPOSALS
TO LEASE
WATERSIDE MARINA

201 Waterside Drive
City of Norfolk, Virginia

June 5, 2018

Offered By
City of Norfolk, Virginia



REQUEST

Pursuant to Section 15.2-2101 of the Code of Virginia, 1950, as amended, the City of Norfolk invites proposals for the long-term lease of portions of the City's Waterside Marina, located on the Elizabeth River in Downtown Norfolk.

Waterside Marina is located at the heart of Norfolk's downtown waterfront, adjacent to Waterside District, Town Point Park, and Nauticus, and only steps from hotels, restaurants, shopping, night-life, and music and entertainment venues.

PREMISES

The portions of the Waterside Marina being offered for lease include the the areas known as the Waterside Marina, the Wisky Dock, the Charter Dock/Liverpool Berth, and the Otter Berth East Bulkhead, each as shown on the aerial attached hereto as **Exhibit A** (together, the "Marina").

Waterside Marina consists of the 32-slip facility known as the Waterside Marina plus four docking spaces. This basin has 500 feet of linear bulkhead space. It has 90' of space on the west side of a charter/ferry dock. The floating docks can accommodate vessels no larger than 40' in length, and the bulkhead and charter dock can accommodate vessels up to 120'.

Charter Dock/Liverpool Berth is a floating dock that can supply 30 amp/110 volt power and water by long hose or cord. This berth is primarily used for charter vessels and historically has not been preferred by larger, motor yachts. Water depth is approximately 17 feet.

Otter Berth (East Bulkhead) is the 130-feet by 200 feet basin at the northwest corner of the wave screen that fronts the Waterside Marina on Waterside Drive. This berth is sometimes used by the City to host charter and naval vessels. The Otter Berth has water and sewer hook-ups on the east side and a power box with multiple services, as shown on the attached **Exhibit B**. Heavy cleats are installed in the berth and the water depth is approximately 22 feet. The West Bulkhead can be used as coordinated and subordinate to the Spirit of Norfolk lease agreement.

Wisky Dock is adjacent to the USS Wisconsin at Nauticus and is primarily used, as needed, for larger motor yachts and sailboats. Water depth is approximately 17 feet.

This RFP does not include the Face of Pier, the western portion of the Outer Wave Screen, the western bulkhead of the Otter Berth, Freemason Harbor, or the South Basin of Nauticus. This RFP also does not include the HRT Ferry Dock located to the east of the Marina.

Face of Pier is the pier area just outside and west of the Otter Berth. Spirit Cruises, LLC leases this space for the operation of a year round harbor cruise business including meal cruises, excursions and charters.

Otter Berth (west bulkhead) is currently leased by Spirit Cruises, LLC for the operation of a year round harbor cruise business to include meals, excursions and charters. Pursuant to its lease with Spirit Cruises, the City is prohibited from leasing downtown waterfront berthing to any vessels used for meal cruises or excursions with the exception of agreements in place prior to the Spirit Cruises lease and vessels that are berthed on a temporary basis.

Outer Wave Screen (western portion) is leased by Rover Marine, Inc., for the docking and berthing of the American Rover, a tall ship vessel offering public harbor cruises.

Mercury Dock is located between Waterside Marina and Nauticus and is leased by Rover Marine, Inc., for the Victory Rover, a tour boat offering a regular schedule of public naval base cruises. Pursuant to its lease with Rover Marine, Inc., the City is prohibited from leasing berthing space in the Nauticus area to any vessels used to offer naval base cruises.

HRT Ferry Dock is located to the east of the Marina and serves as the departure and arrival point for commuters on Hampton Roads Transit's ferry system.

CURRENT SERVICES PROVIDED BY CITY TO THE PREMISES

Electrical facilities existing at the Marina are shown in the attached **Exhibit B**. Other facilities available at the Waterside Promenade and Fixed Dock Area are as follows:

- Potable water connections at each slip;
- Sewage pump out station;
- Ice;
- Hand carts;
- Restrooms and shower facilities; and
- Satellite TV connections.

The Marina also includes the Marina Support Space, an approximately 700 square foot space located inside the Waterside District, which space includes shower and laundry facilities for boating patrons of the Waterside Marina. Entry is by code provided by the Marina. The facility is accessed from the east side of Waterside District.

GENERAL EXPECTATIONS

Respondent's proposal to lease the Marina shall include the Respondent's overall vision for the Marina, including capital improvements the Respondent proposes to make to the Marina, the timeline for such capital improvements, and Respondent's business and marketing plans for the Marina, along with basic lease terms, including, without limitation, the proposed term, rental rate, and rates for use of the Marina.

The goal of the City is to continue to transform its downtown waterfront into Virginia's premier urban waterfront. The successful proposal will focus on ways to activate not only the Marina but also the entire waterfront and will provide a detailed plan for the

capital improvements to be completed by Respondent to achieve a vibrant world class marina.

Historically, revenue from the Marina has been seasonal in nature. The City's goal is to increase the utilization rate at the Marina during the off-peak seasons. Further, the City aims to improve attendance at the surrounding Waterside District and Town Point Park, to enhance the City's destination market appeal, to strengthen the connection between the land and the Elizabeth River, to strengthen the connection between the City of Norfolk and the City of Portsmouth, to increase the financial return to the City, and to enhance the overall public experience at the Marina.

DOCKING FEES

Proposals should include a proposed and detailed docking fee schedule. Permitted docking fees are governed by Section 24.1-7 of the Norfolk City Code, a copy of which is attached hereto as **Exhibit C**. However, if City Council accepts a proposal with proposed fees in excess of those currently permitted by City Code, an amendment to the City Code will be introduced for consideration along with the lease.

CITY USE

The City and Norfolk Festevents Ltd. may dock or allow docking of vessels as "Guest of the City" at the Marina, including but not limited to military vessels, tall ships and/or other unique promotional vessels. Such vessels may reserve docking areas in the Marina at the City's or Norfolk Festevents' discretion during the term of the lease. Such use shall be at no cost to the City or Norfolk Festevents.

Special events occur along the downtown waterfront throughout the year that will impact the Marina and its operation. Vessels participating in such special events, whether sponsored by the City or by Norfolk Festevents Ltd., must be able to utilize the Marina at no cost. These events include, but are not limited to, the In-Water Boat Show, Harborfest, and Op-Sail. The successful proposal will include a plan for how the Respondent will work with the City and Norfolk Festevents Ltd. to make such events successful and beneficial to all parties.

A slip at the Marina shall be permanently assigned to the Norfolk Police Department at no cost to the City.

LIMITATIONS

The sale of food, beverages, and merchandise from any vessel docked at the Marina is prohibited. The Marina shall primarily be a transient marina but longer term and other users are not prohibited. Any proposed fuel station will only be considered if located in the outermost eastern area of the Marina. No portion of the Marina may be used for boat repair. The Marina is subject to an existing right of the Waterside District operator to use an undetermined portion of the Marina to construct a pier for outdoor seating, bar, cooking and restaurant uses. It is highly recommended that interested parties contact the Manager of Waterside District to discuss.

TENANT'S RESPONSIBILITIES

The tenant's responsibilities under the Lease shall include, without limitation:

- a. Completion of the agreed upon capital improvements within the time frame permitted under the terms of the lease;
- b. Management of Marina traffic and docking reservations;
- c. Collection and accounting for all docking fees;
- d. Provision of routine and preventative maintenance of the Marina including removal of floating debris, painting stanchions, repairing dock decking, staffing and maintenance of the dock master's office location on the pier, replacement of safety devices, electrical system maintenance, marina power post, water system repairs, maintenance of sewage pump-out, raising and lowering of flags at Otter Berth, and trash removal;
- e. Payment of all user fees out of the Marina's account including utilities.
- f. Advertisement and promotion of the Marina in trade journals and magazines that support the transient yacht community;
- g. Preparation and provision of monthly reports to the City, which detail all marketing promotions, maintenance, revenue, expense, occupancy/utilization and traffic volume. Reports will include a financial variance report against budget on a monthly and year-to-date basis as well as general ledger and bank statement reconciliation report;
- h. Preparation and provision of a monthly report which details the status of any outstanding litigation or insurance claims and details the rationale for any variance(s) from the project budget of greater than 5%. The report will also detail any non-routine expenses and all capital improvements completed or underway;
- i. Maintenance of a book of accounts and records of all operations and establishment of a system of bookkeeping in a manner considered to be good accounting practice according to the American Institute of Certified Public Accountants;
- j. Procurement of an annual financial audit of operations from an independent CPA firm;

- k. Maintenance, management and provision of credit and/or charge card capabilities with two (2) major credit card companies for use by Marina patrons for payment of services, dockage fees, and charges;
- l. Causing insurance to be in effect at all times on the Marina in accordance with the terms of the lease;
- m. All staff will be employees of and the responsibility of the tenant and in no instance will the tenant, or its employees, be considered employees of the City. The tenant will be responsible for workers' compensation insurance, training, hiring and firing and uniforms of its employees;
- n. Eviction of boats as necessary;
- o. Development of an annual budget and management plan for the Marina which must be approved by the City;
- p. Payment of all leasehold taxes required of lessee under state law;
- q. Ensuring the Marina properties are safe and secure; and
- r. Tenant is responsible for payment of all leasehold taxes due and payable as a result of the lease.

INSURANCE

Insurance shall be maintained by the tenant during the entire term of the lease on the terms and conditions acceptable to the City's Risk Manager. Respondent shall provide the proposed insurance coverages as part of its proposal.

SELECTION CRITERIA

1. Marina Experience - Management team's proven ability, as a team, to successfully develop and manage a high-quality marina project of a comparable or greater size to that which is being proposed.
2. Marina Manager Qualifications - Information pertaining to previous marina development(s), project(s) descriptive information and characteristics, dollar values, evidence of close interaction with local officials, and a track record in public/private ventures will be considered within the context of the total development/management proposal.
3. Respondent's Financial Capacity – Ability of respondent to secure construction and permanent financing for the project and the financial strength of any equity investor, having the capacity to implement the project on a timely basis and see it to its completion.
4. Market Study – The credibility of the market feasibility study and its fit with the management proposal.

5. Proposed Marina Quality – Overall quality and feasibility of the proposed marina concepts and its relationship to the Waterside District, Town Point Park, and the City of Norfolk.
6. Public Benefits – Financial feasibility of a project that achieves the City of Norfolk's intention that this marina project will perpetuate the momentum in downtown Norfolk generally and to make the marina a choice destination for the boating public. It should provide a source of future revenues as a result of the quality and market desirability of the product developed on this property.
7. References – References provided will be contacted to discuss the team's qualifications and history.

RESPONSE PROCESS AND SUBMITTAL DATE

The City invites interested marina operators to submit qualifications and the terms and conditions upon which the respondent will lease and operate the Marina.

Sealed submittals are to be submitted either via mail, reputable overnight courier, or hand delivery to the Office of the Clerk of the City of Norfolk, City Hall Building, 810 Union Street, 10th Floor, Norfolk, Virginia 23510 no later than 5:00 p.m. on MONDAY AUGUST 27, 2018. Submittals will not be accepted after this time.

Each sealed proposal should include twelve (12) original and complete copies of the submission and one (1) digital copy.

All proposals will be opened at the regular meeting of Norfolk City Council on TUESDAY, AUGUST 28, 2018.

The City of Norfolk will conduct a fair and impartial process for the selection of the tenant. The Review Committee will include City staff and may include a third-party consultant. This committee will review all proposals and will short list respondents to interview. The Review Committee will then recommend to the City Manager a proposal for the Marina and the City Attorney will prepare a lease reflecting the agreed upon terms and conditions of the proposal. The City Manager will then make a recommendation to City Council, and City Council will vote whether to accept the recommended proposal upon the terms and conditions set forth in the lease.

Pursuant to Section 15.2-1800 of the Code of Virginia, 1950, as amended, City Council will hold a public hearing on the lease of the Marina prior to any vote by City Council. Such public hearing shall be advertised in accordance with the Code of Virginia and will occur at a regular meeting of the City Council. The successful respondent is required by Section 15.2-2101 of the Code of Virginia, 1950, as amended, to reimburse the City for the cost of the required advertisement of the notice of the City's intent to lease the property.

The City of Norfolk specifically reserves the right to reject any and all proposals.

Pursuant to Virginia Code Section 15.2-2104, the respondent to whom the lease is awarded shall execute a bond, with good and sufficient security, in favor of the City in such sum as the City shall determine depending on the obligations of the tenant under the lease.

COMMUNICATION AND CONFIDENTIALITY

Each respondent is hereby advised that, to the extent consistent with the Virginia Freedom of Information Act, the confidentiality and integrity of each proposal will be kept protected throughout the evaluation and selection process, provided such proposals are only submitted through the process set forth above. Throughout the selection process, all communication, questions and the provision of any additional documents, as requested, which are related in any way to this RFP, the process of evaluation and awarding of the lease, and the Marina are to be directed solely to the City of Norfolk Department of General Services, Real Estate Division, 232 E. Main Street, Suite 250, Norfolk, VA 23510.

All materials deemed proprietary should be marked “**Confidential – Proprietary Information**”, including financial statements, and these documents will be treated confidentially to the extent allowed by applicable law. Any information considered proprietary must be expressly marked as such.

Additional information beyond what is called for in this RFP that the respondent feels is relevant to the proposal may be included with the submission.

SUBMISSION REQUIREMENTS

All proposals are to be sealed and should respond to the following information in the order stated below:

1. Identification of all members of the development/management team, including marina manager and the legal entity with whom the City of Norfolk would enter into a lease, the owners, any joint venture, or other, architect/designer, lender(s), contractor(s), all as applicable, and including a written statement by each of the principals. A clear delineation and description of each person's or firm's role in and relationship to the project should be included.
2. Clear identification of sole representative of the team with authority to negotiate and contract on its behalf.
3. Detailed evidence of respondent's financial capability to carry-out the proposed commitments, including:
 - a. Identification of source, access and amount of equity to be committed to project;
 - b. Audited financial statement of principals; and
 - c. Written banking references.

Submittal of any additional evidence deemed necessary relative to the respondent's financial status.

4. A description of the team members' experience functioning as a team in the development and management of marinas, particularly projects of similar size and density.
5. A comprehensive description of the project including, but not limited to the following key elements:
 - a. detailed plan for capital improvements to the Marina;
 - b. overall design approach;
 - c. intended level of quality;
 - d. proposed class of construction and materials;
 - e. proposed number and types of boat slips, if different;
 - f. target market; and
 - g. development implementation plan and timeline.
6. Graphic illustrations of the conceptual design for the project, including layout of boat slips and features.
7. A detailed marina pro forma, including financing, marketing, construction, leasing, operating and other costs assumptions; as well as, gross and net sales and leasing revenue assumptions.
8. A total development cost budget identifying source(s) and use(s) of funds.
9. Respondent's proposed business and marketing plans and budget that describe how the Marina will be marketed and staffed.
10. Proposed basic lease terms.
11. The City reserves the right to ask for further information from the respondent at any time during the process, either in writing or orally, and any such requests will be addressed to the respondent's authorized representative.
11. To the extent possible, the City encourages respondents to consider joint ventures and/or subcontracting with minority and/or women-owned businesses that have the qualifications and resources to participate in the services requested.
12. The City reserves the sole right to judge the respondent's representations, either written or oral, as to their veracity, substance and relation to this particular project scope.

CONDITIONS OF SUBMISSIONS

1. Incurred Expenses: The City will not be responsible for any expenses that respondents may incur in preparing and submitting proposals called for in this Request for Proposals and Request for Qualifications.
2. Interviews: The City may require presentations of certain respondents prior to selection. The City will not be liable for any costs incurred by the respondents in connection with such interviews/presentations (i.e., travel, accommodations, etc.).
3. Addendum and Amendment to Request for Proposals and Request for Qualifications and Proposals: If it becomes necessary to revise or amend any part of this Request for Proposals and Request for Qualifications and Proposals, the City will furnish the revision by written Addendum to all prospective respondents who received an original Request for Proposals and Request for Qualifications and Proposals packet from the Real Estate Office, provided sufficient contact information has been made available to the City.
4. Respondent's Certifications: By submitting a proposal, the respondent certifies that it has fully read and understands the proposed method and has full knowledge of the scope, nature, and quality of work to be performed.
5. Late Proposals: Proposals received by the City after the time specified for receipt will not be considered. Respondents shall assume full responsibility for timely delivery of proposals to the location designated for receipt of proposals.

EQUAL OPPORTUNITY BUSINESS DEVELOPMENT

It is the policy of the City to facilitate the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities. Toward that end, the City encourages these firms to compete in the RFP process.

NORFOLK WORKFORCE DEVELOPMENT

It is the policy of the City to support workforce development and it encourages companies to employ Norfolk residents. Respondents are asked, as part of their submission, to detail their proposed employment of Norfolk residents.

EXHIBIT A
WATERSIDE MARINA



Portions of Waterside Marina to be included in Leased Premises:

- Charter Dock/Liverpool Berth (excluding the HRT Ferry Dock portion to the east)
- Waterside Marina (excluding western portion of Outer Wave Screen)
- East bulkhead of Otter Berth
- Whisky Dock

EXHIBIT B
ELECTRIC SERVICES

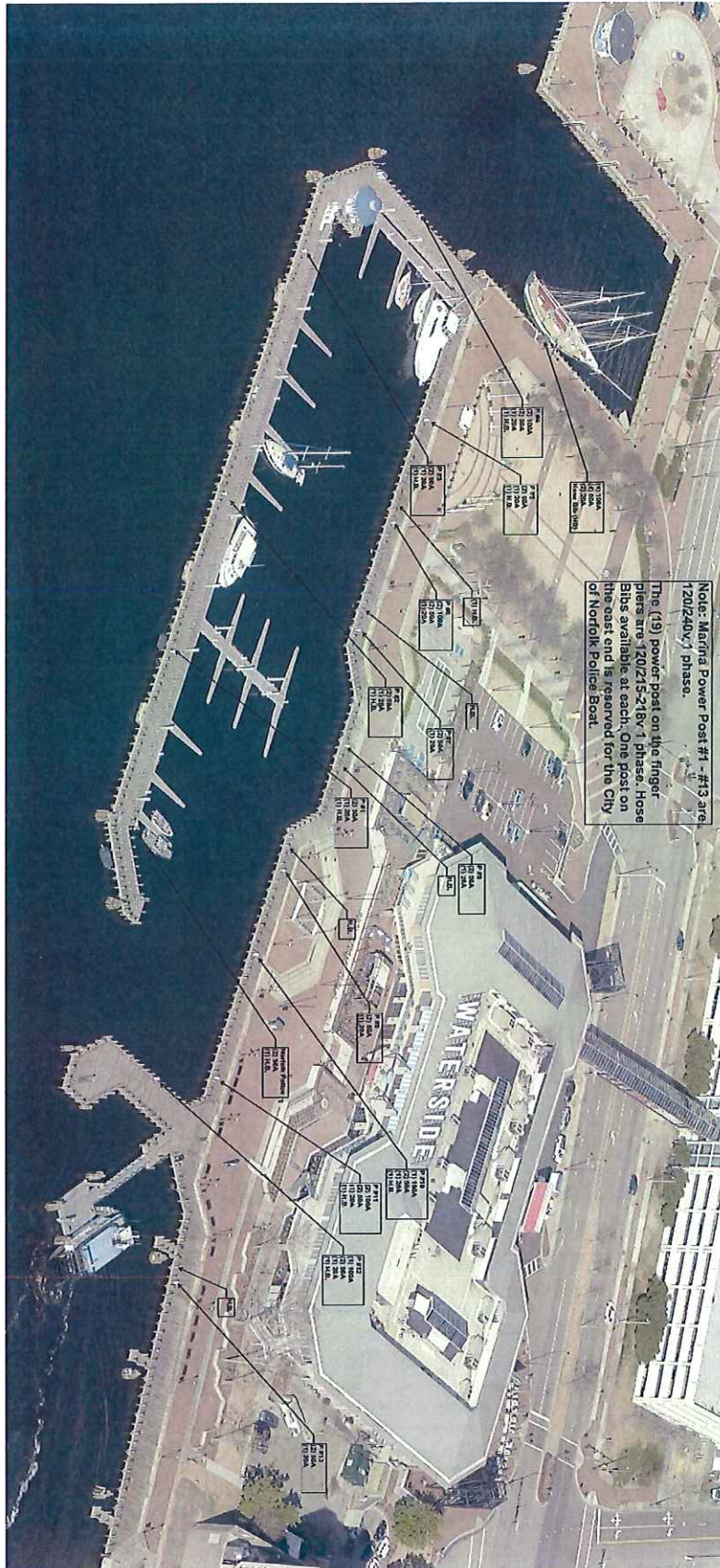


EXHIBIT C
NORFOLK CITY CODE SECTION 24.1-7

Sec. 24.1-7. - Establishment of fees for the use of city-owned waterfront facilities by pleasure vessels.

(a) Any person who moors or ties his pleasure vessel to any portion of the municipal yacht harbor, or any other property belonging to the city, or to another boat so moored or tied, shall first obtain the permission of the dockmaster or his agent for such docking privileges and shall pay the following fees:

(1) *Pleasure vessels; short-term daily rate (less than six (6) hours):*

- a. For vessels up to fifty (50) feet in length, the temporary dockage fee shall be five dollars (\$5.00) for up to three (3) hours and ten dollars (\$10.00) for three (3) to six (6) hours.
- b. For vessels greater than fifty (50) feet in length, the temporary dockage fee shall be ten dollars (\$10.00) for up to three (3) hours and twenty dollars (\$20.00) for three (3) to six (6) hours.
- c. All vessels staying six (6) or more hours will be subject to the daily (twenty-four-hour) fee.

(2) *Pleasure vessels; daily rate (over six (6) hours):*

- a. A maximum fee of one dollar fifty cents (\$1.50) per boat foot, except on holidays and special events.
- b. The dockmaster shall be authorized to establish daily rates for special events and holidays not to exceed four dollars (\$4.00) per boat foot.
- c. The dockmaster or his agent may waive any or all of the fee.

(3) *Pleasure vessels; monthly lease:*

- a. Twelve dollars fifty cents (\$12.50) per boat foot per month, plus actual power and water usage as determined by the dockmaster.
- b. During the months of November through April the monthly lease fee shall be six dollars (\$6.00) per foot plus actual power and water usage as determined by the dock master.
- c. No vessel fitted for use as a dwelling or residence and occupied as such will be permitted docking privileges for more than thirty (30) days in any calendar year without permission of the dockmaster.
- d. Exceptions to the foregoing rates may be granted by the city manager, by lease or otherwise, for charter vessels which do not coincide with any category enumerated herein.
- e. In determining boat fee for calculation of fees under this section, bow sprits and boomkins are to be excluded from the vessel's overall length.
- f. The sewage pump-out fee is five dollars (\$5.00).
(Ord. No. 42,760, § 2, 7-24-07)