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# RFP Event #1234

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Solicitation for Proposals from Prospective Partners to form a Public-Private Partnership for the Rehabilitation, Restoration, and Operation of the Historic Water Works Building into a Public Market and Local Business / Labor-Force Incubator; said Property Located at the Northeast Corner of Gwinnett Street and Stiles Avenue, Savannah, Georgia.

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Purchasing Division  
August 2020

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**PUBLIC PRIVATE PARTNERSHIP  
WATER WORKS BUILDING REUSE  
LOCATED AT 1204 WEST GWINNETT STREET—  
NORTHEAST CORNER OF  
GWINNETT STREET AND STILES AVENUE,  
CITY OF SAVANNAH, GEORGIA**

**EVENT # 1234**

- 2.0 Broad Description of Project:** The City of Savannah is soliciting an experienced and well-capitalized partner to form a public-private partnership (“P3”) to facilitate the rehabilitation, restoration, and operation of the historic Water Works Building and associated site (this real estate collectively referenced as the “Property”) into a flexible public venue that includes a community market and local business and labor-force incubator (the “Proposed Project”). The City will contribute the long-term use of the Property as its portion of capitalization of the P3. The City expects to receive an annual payment from project revenues (fees to be derived from users of the Proposed Project) as part of the consideration for its contribution of the long-term use of the Property. Other consideration to the City will be the public benefits generated by the Proposed Project. Specifics on sealed bids and the conditions associated with proposals to be submitted by prospective partners will be detailed in later sections of this solicitation.

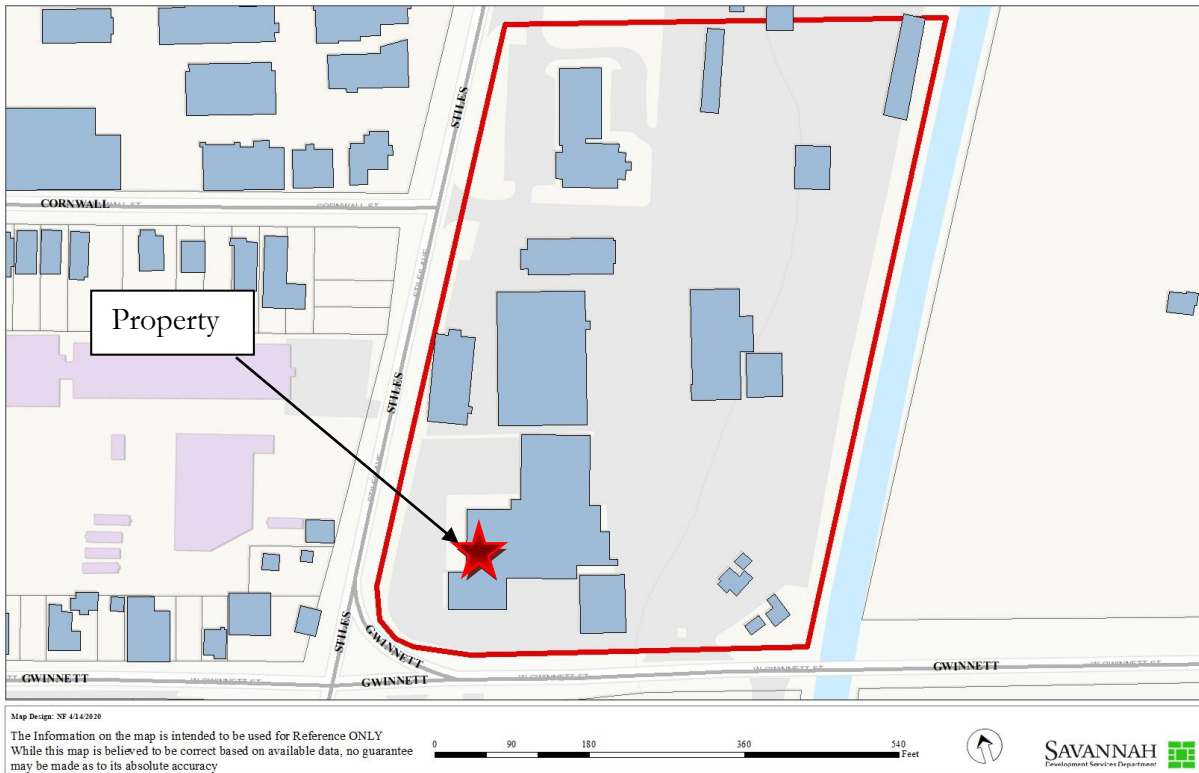
The Water Works Building is located in the heart of an emerging mixed-use redevelopment area that will feature institutional, commercial, and multi-family residential uses. The district is known as the Canal District. This district will be anchored by a new 9,500 seat +/- \$165 Million public arena that is currently under construction and being developed by the City of Savannah. The new arena is scheduled to open in early 2022.

The Property is located less than a mile from Savannah’s Landmark Historic District and historic Forsyth Park, and sits at the northeast corner of Stiles Avenue and Gwinnett Street; both of which will be widened and improved with sidewalks, bike lanes, lighting and more within the next two years. The Property is currently part of a larger overall parent tract improved with a complex of old buildings that are planned to be demolished in 2021 to make ready for planned redevelopment of the parent tract with a new mixed-use, walkable commercial and entertainment project. The Property will be delineated and further described based on the awarded proposal. The Property is sited at a signalized intersection and all public utilities are available.

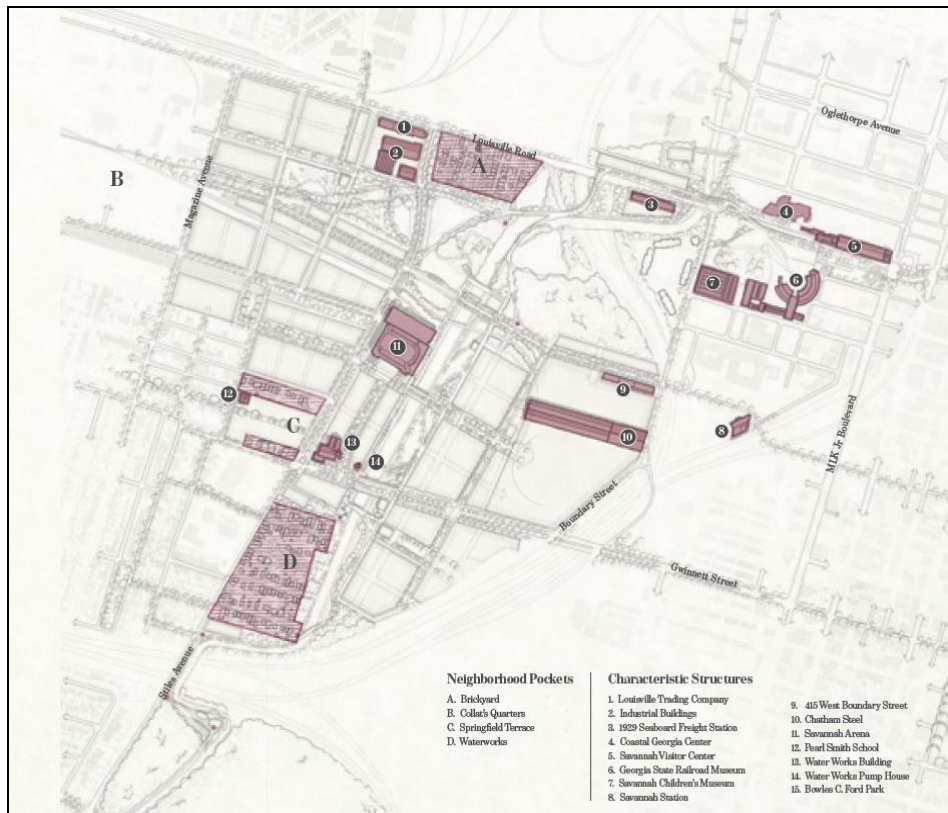
The historic Water Works Pump House was constructed between 1891 and 1893. The facility contains approximately 15,500 square feet. It is located within a newly designated Federal Opportunity Zone and is a good candidate for both New Market and Historic Tax Credits. The building is currently used by the City as a satellite repair garage for the Fleet Maintenance Department and to house street sweeping operations for the Sanitation Department. It is anticipated these departments will vacate the facility

prior to commencement of the P3.

All proposals should be submitted ELECTRONICALLY on or before the date specified. Paper/hard copies of proposals will not be accepted.



General Location Map



(source: Canal District Master Plan)

As depicted on the preceding map, the structure is located in the heart of the Canal District which is west of the National Landmark Historic District and central business district of the City of Savannah. The building is part of a larger parent tract parcel (PIN 20046 02001) located on the northeast corner of Gwinnett Street and Stiles Avenue. The parcel is currently zoned D-X (Downtown Expansion). A summary description of the zoning is provided in later sections of this request.

### **Past: History of the Significance of the City of Savannah Water Works Pump House**

The City of Savannah Water Works Pump House, located at 1204 Gwinnett Street, was constructed between 1891 and 1893. The main building referred to as the Pump House is a two-story structure with approximately 15,500 square feet. The parcel and its associated buildings served an important purpose for the Savannah community; delivering the infrastructure necessary to provide an artesian water supply and garbage incinerator during a time when “muddy” water and illness were of deep concern for the citizens of Savannah.

The parcel was improved from the 1890s through 1910 to include the construction of additional wells that supported the delivery of up to 17 million gallons of water daily. By 1921, the City decommissioned the facility as the primary source of potable water; preferring to use it as a backup facility and favoring electric powered pumping stations brought on by advancements in technology. By the 1940s, the facility was abandoned altogether for the supply of water. The City uses the site for staging of public works and other infrastructure items.

Since the parcel and others in the immediate vicinity have served intense uses including auto-oriented facilities, the City determined an investigation was needed into possible environmental contamination.

Mobilizing resources from the Environmental Protection Agency Community-Wide Assessment Grant the City received, a Phase I Environmental Site Assessment of the subject parcel and surrounding parcels was completed in 2020. Additionally, asbestos and lead-based paint survey were conducted.

In 2014, Felder & Associates completed The Historic Structures Report of Savannah's Water Works Pump Station. The document focused on stabilization recommendations for structural deficiencies, water infiltration, and unsafe or life hazardous conditions. A cost estimate of \$1.24M was provided for these items. The report was based on the assumption that the building would remain vacant, and it did not account for future uses or any rehabilitation plans.

In 2020, the City engaged Harris + Smith to provide preliminary design concepts for the adaptive reuse of the Savannah Waterworks Facility with the goal of complementing the history of the facility, promoting the health, well-being and economic vibrancy of the surrounding neighborhoods, and serving as a civic engagement hub for Savannah. Design options will include spaces for events, start-up businesses, and a community market. Some renderings resulting follow. These renderings illustrate potential ideas and concepts. Proposers may draw upon these concepts and renderings, or develop their own.

To support the preservation and rehabilitation of the Water Works building, the City is pursuing nomination to the National Register of Historic Places. The Preliminary Eligibility Application for the Water Works Pump House National Register Nomination was submitted to the State Historic Preservation Office in April 2020. The Federal approval of the nomination is estimated to occur in early 2023.

In 2020, the City completed an extensive community-based process to develop the Canal District Master Plan and Action Playbook which identified the repurposing of the Water Works Building as a catalytic project to help spur development of the area. By establishing a community market in the structure, long-absent goods and services will be available to the west Savannah neighborhoods and the community. The market will also become a natural center for local-business and career-skills education and development.

To facilitate the repurposing of the Water Works Building, the City is seeking an experienced professional partner to redevelop the structure with uses consistent with community feedback as provided in the Master Plan and Action Playbook. Specific tasks identified in the Canal District Master Plan—which the City expects the partner to perform, includes:

- Conduct a market study to assess the viability of a community market, business incubator, and other community assets in the Water Works Building;
- Undertake interior and exterior rehabilitation of the building and demolition of non-historic structures;
- Create a marketing plan that focuses on local employment, entrepreneurship training, small business incubation and nutritional food programs;
- Provide a forum to communicate and engage with Canal District neighborhoods;
- Explore opportunities for nonprofit partnerships in workforce development;
- Increase access to healthy and affordable food options through business incentives and low-interest loans for grocers and other healthy-food retailers;
- Build a mutually beneficial relationship with the Arena economy and activities;

- Treat the entire Canal District as a market district, complete with a spectrum of wholesale and specialty businesses that sustain the Community Market;
- Explore tax credit and other financial and debt structures to optimize the financial performance of the proposed operation; and
- Agree to participate in programs that promote local employment in construction and operation of the facility.

### **Reference Materials**

The following reference material is available for review:

- City of Savannah Water Works Pump House, 2005
- Historic Structures Report of Savannah's Water Works Pump Station, 2014
- Canal District Vision Plan by Sottile & Sottile, 2013
- Savannah Arena Subcommittee Reports, 2015
- Savannah Arena Feasibility Study by Barrett Sports Group, 2016
- Canal District Master Plan and Action Playbook, 2020
- Preliminary Eligibility Application for the Water Works Pump House National Register Nomination, 2020
- Phase I Environmental Site Assessment, 2020
- Asbestos and Lead-based Paint Survey, 2020

**2.1. PROCESS:**

The City of Savannah is seeking a partner via solicitation of public bids and proposals in accordance with the provisions of O.C.G.A. Title 36, Chapter 91 pertaining to public facilities and infrastructure. This Request for Proposals and associated public notifications satisfy the requirements of this statutory disposition process.

**2.2 Special Conditions**

- a) Preliminary Discussions:  
Prior to submission of proposal, proposers are encouraged to review conceptual plans of development with City and the Chatham County-Savannah Metropolitan Planning Commission staff.

**2.2 Property Description**

- a) General  
The site will be delineated and further described once a final proposal is selected and awarded. The site is currently part of a larger parent tract located at the signalized northeast corner of Gwinnett Street and Stiles Avenue. A current survey of the property is not available.
- b) Flood Zone  
According to Flood Emergency Management Agency maps, the parcel is primarily located in flood zone X- 500. Small portions are within the AE zone. An excerpt of the flood map as provided by the Savannah Area Geographic Information System (SAGIS) follows:



## Waterworks Building

c) Zoning

Located in zone D-X (Downtown Expansion) zoning district, the property will be subject to the Canal District Overlay District intended to protect and promote community and culture; enhance natural systems and mitigate flooding; and preserve and create celebrated places and spaces within the Canal District. Its regulatory framework is designed to ensure that private development reflects the intent and goals of the Canal District Master Plan. The Overlay District will also provide specific design standards, development guidelines, and land-use regulations that encourage dense, sustainable, mixed-use development with appropriate architecture and human-scaled public spaces that preserve some of Savannah's most well-established communities while protecting historic structures and carefully transitioning between uses. It will also support essential improvements to mobility and stormwater infrastructure. When a conflict exists between the overlay district and the base zoning district, the requirements of the overlay district will apply.

A nomination to the National Register of Historic Places is currently underway. Any restoration and rehabilitation will have to comply with the U.S. Secretary of the Interior's Standards for Rehabilitation and Illustrated Guidelines on Sustainability for Rehabilitating Historic Buildings.

A complete description of allowable uses, setbacks, lot coverage, and other zoning information can be found at the City Website via the following link:

<http://online.encodeplus.com/regs/savannah-ga/doc-viewer.aspx?h=1#catid-14>





c) Utilities

The site is served by all public utilities, including the following providers:

Water: City of Savannah

Sewer: City of Savannah

Electric: Georgia Power

## 2.3 Contract and Deposit

Upon notice of award, the successful bidder will be provided 30 calendar days to finalize negotiations and execute a P3 Agreement and any other related agreements with the City. If the parties cannot finalize mutually agreeable documents and execute them within this timeframe, then the City retains the right to terminate negotiations with the proposer.

As part of the P3 Agreement, the successful bidder will be asked to provide an earnest money/deposit of \$50,000. The deposit shall be submitted by wire transfer or cashier's check to the designated escrow agent. The deposit will be refundable during a designated due diligence contract period. The deposit will become non-refundable after the due diligence period, but would be credited toward renovation/rehabilitation costs in accordance with the P3 Agreement once the agreement commences.

During Due Diligence, the City will procure an appraisal of the fair market value of the Property to establish the value of its capitalization of the partnership.

## 2.4 Criteria and Basis of Award

Proposals are to include the following information:

### 2.4.1 Qualifications of Proposer (15 points)

Factors to be considered to determine whether the Proposer possesses the requisite qualifications and experience include:

- a) A resume of experience developing similar projects involving historic preservation and subsequent operational management as the proposed project.
- b) Examples of similar projects actually developed, not just planned.
- c) Demonstration of ability to perform work.
- d) Leadership structure.
- e) Project manager's experience.
- f) Management approach.
- g) Financial condition of proposing entity - Include financing commitment letter or financial statements supporting ability to perform.

### 2.4.2 Quality of Design (15 points)

Factors to be considered in determining project characteristics include:

- a) Application of conceptual site and building plans and color renderings to illustrate the

proposed use.

- b) A design that will facilitate the restoration and rehabilitation of the Water Works Building which complies with the U.S. Secretary of the Interior's Standards for Rehabilitation and Illustrated Guidelines on Sustainability for Rehabilitating Historic Buildings.
- c) Creation of a destination that will serve as part of the gateway to the Canal District and new Arena.

#### 2.4.3 **Programming and Operations (20 points)**

- a) Proposed uses, to include:
  - i. Details on how the project will serve as an economic catalyst for the Canal District and west Savannah community by providing access to goods and services while also serving as a center for local business incubation and career skills education and development.
  - ii. Identification of any additional community and other non-monetary benefits the development will generate for visitors and residents of the City.
- b) Engagement plan to solicit input from the surrounding community.
- c) Local hiring and workforce training plan.

#### 2.4.4 **Financial Structure of Partnership (25 points)**

- a) Provide a detailed proposed financial structure for the partnership, to include:
  - i. The amount of capital the Partner will provide to complete and operate the Project;
  - ii. The programming and process by which revenues would be generated by the Project and shared amongst the partners;
  - iii. The financial return (and proposed cap rate on Property value) to the City for the use of the Property;
  - iv. Any tax benefits to be generated by Project; such as sales tax, personal property tax, etc.; and
  - v. A discounted cash flow present value analysis of these financial benefits to the City over the proposed term of the partnership agreement.

#### 2.4.5 **Schedule of Performance (10 points)**

The proposal shall include a detailed schedule for implementing the project, including expected timeline for the following:

- Contract due diligence period
- Projected construction commencement date
- Projected construction completion date
- Projected outreach to West Savannah communities
- Projected commencement of operations
- Projected termination date of partnership

#### 2.4.6 **Local Proposer (5 points)**

A proposer or business shall be considered a local proposer if it meets all of the following

requirements:

- a) The proposer or business must operate and maintain a regular place of business with a physical address within the corporate limits of the city, and
- b) The proposer or business must at the time of proposal or quotation submission, have a current city business tax certificate issued by the City for at least one (1) year prior to the issuance of the requested competitive quote, bid, or proposal by the City (a post office box or temporary office shall not be considered a place of business), and
- c) The proposal or business performs quantifiable services in the ordinary course and scope of its business with the skills, qualifications, and expertise necessary to execute its contractual obligations to the City.

**2.4.7 Local Disadvantaged Business Enterprise (LDBE) Participation (10 points)**

- a) Refer to Attachment E – Local Disadvantaged Business Enterprise (LDBE) Goals for how points are awarded.
- b) Participation of Local Disadvantaged Business Enterprises (LDBE’s) is of importance to the City and should be addressed accordingly.
- c) No proposals will be deemed non-responsive due to this factor.

**2.5 Proposal Format:** Proposals shall be submitted in the following format and include the following information.

- a) Cover letter stating the intent of the Proposer for this event. Cover letter must include acknowledgement of all addenda issued for this proposal. If addenda are not acknowledged in the cover letter, proposals will not be considered further.
- b) Detailed description of proposed design as requested
- c) Fee Proposals per instructions in Section III signed by responsible party

**2.6 Basis of Award:** Proposals will be evaluated by a selection committee upon all information submitted in response to this RFP. The City reserves the right to request clarification of information submitted and to request additional information from one or more respondents. The City may, at its option, request oral presentations.

**Scoring Criteria Table-**

Scoring Criteria 1 – Qualifications of Development Team	15 points
Scoring Criteria 2 – Quality of Design	15 points
Scoring Criteria 3 – Programming and Operations	20 points
Scoring Criteria 4 – Financial Structure of Partnership	25 points
Scoring Criteria 5 – Schedule of Performance	10 points
Scoring Criteria 6 – Local Proposer	5 points
Scoring Criteria 7- Local Disadvantaged Business Enterprise Participation	10 points
Total Score	100 points

A short list may be developed and interviews conducted with those proposers deemed to be most qualified. The City reserves the right to conduct interviews of any or all proposers at the City's discretion. The City also reserves the right to request a best and final offer (BFO) and to re-score evaluations based on the best and final offer. Proposers may be required to provide clarification of their proposal as part of the BFO response.

The City will award the P3 opportunity to the highest rated proposer, or will reject all proposals. The City reserves the right to negotiate with the highest scoring proposer.

**2.7 Authority and Discretion**

The City of Savannah reserves the right and authority to reject any and all proposals in its sole discretion, or to negotiate with the highest and most responsive bidder. All proposals are subject to review by the City of Savannah Purchasing Department and/or designated bid evaluation committee. The City reserves the right to enter into negotiations with the selected proposer to finalize a mutually agreeable P3 Agreement, Development Agreement, and any other related documentation. No multiple offers will be considered. Proposers shall submit one proposal. Any recommendation of award and subsequent contract is subject to the review and approval of the Mayor and Aldermen of the City of Savannah and is non-binding until such review and approval has been completed.

**2.8 Delivery**

Proposals, including all required documentation must be submitted ELECTRONICALLY to the Purchasing Department on or before 1:30 P.M. on the date specified in the web page listing for this event. No paper/hard-copies will be accepted. Only one offer will be accepted per group or individual.

**2.9 Contacts:** Proposers must submit proposals in accordance with the instructions contained in this RFP. All requested information must be submitted with the proposal. Instructions for preparation and submission of proposals are contained in this package. All questions regarding this request for proposal should be submitted in writing and emailed to the person listed on the summary event page.

**2.10 Inspections:** Interested proposers may contact the City Real Estate Services Department, Property Acquisition Disposition and Management Unit (912-651-6524) to schedule an inspection of the premises if desired.

**2.11 Qualifications:** Each proposer shall submit a summary of their qualifications and experience. Additional information, such as agency brochures, resumes, etc., may be submitted as appropriate.

**2.12 Schedule:** Each proposer shall submit a proposed time schedule for the project.

**2.13 Acknowledgement of Addenda:** Vendor is responsible for determining and acknowledging any addenda issued in connection with this RFP. Addenda must be acknowledged in order for proposals to be considered.