

NOTICE OF INTENT TO ENTER INTO NEGOTIATIONS**Date: January 31, 2018****Re: Pre-Development Services for Affordable Real Estate for Artists (AREA) Workspace Initiative
Negotiated Acquisition – EPIN #12618N0001001**

This is notification of the New York City Department of Cultural Affairs' (DCLA) intent to enter into negotiations for services related to advancing the City's affordable artist workspace goals, as part of the Affordable Real Estate for Artists (AREA) initiative. Negotiations are expected to begin after February 21, 2018.

Non-profit organizations who wish to respond must send proposals by 5:00 pm on February 21, 2018 to the attention of: Sei Young Kim, Acting Agency Chief Contracting Officer, 31 Chambers St. 2nd Floor, New York, NY 10007; or by email to area@culture.nyc.gov; or by fax at 212-341-3813. Only proposals from non-profit organizations will be reviewed and considered. This intent to enter into negotiations is not an order, nor is DCLA obligated to issue an order as a result of this notice of intent to enter into negotiations.

ABOUT CULTURAL AFFAIRS

DCLA is dedicated to supporting and strengthening New York City's vibrant cultural life. The agency provides financial support and technical assistance to more than 1,100 cultural non-profit organizations annually, including through grants programs, cultural capital projects, donated materials for arts programs, and commissions of public art for City-funded construction projects.

ABOUT THE AREA INITIATIVE

To ensure that artists continue to thrive and work in New York City, Mayor Bill de Blasio announced in his 2015 State of the City Address a commitment to create 1,500 units of affordable housing for artists and 500 units of artist workspace Citywide over a period of ten years.

An inter-agency taskforce, including the Mayor's Office, DCLA, Housing Preservation and Development (HPD), and NYCEDC has begun to implement strategies for the development of these spaces. This initiative, now known as AREA, will work with residents, real estate developers, cultural partners, housing agencies, and the philanthropic community to implement these goals.

DCLA, in partnership with NYCEDC and the Mayor's Office, leads the workspace component of the AREA initiative. The goal is to ensure the creation of long-term affordable workspaces across the city that are accessible to artists of all backgrounds and are beneficial for neighborhood needs and development. City support for this mandate includes \$30 million from DCLA in capital funding for the fit-out of artist

workspaces over a period of ten years and the conversion of underutilized City-owned assets for select projects.

DEFINITIONS

For the purpose of this Notice, the terms “artist workspace” and “affordable” will hereafter have the meanings described below.

“Artist workspace” is defined as a physical space that is made available to artists for the creation and/or presentation of cultural works and uses directly related thereto. The myriad types of workspaces that are anticipated to be part of the AREA initiative are diverse, including but not limited to rehearsal spaces, shared-use or individual-use visual art studios, ancillary performance or exhibition spaces, production spaces, and related administrative or office spaces.

“Affordable” is below-market rate rent defined by DCLA and NYCEDC. As of 2017, affordable AREA workspace is defined by a gross rental rate of \$1.50 per square foot per month.

SCOPE OF SERVICES

In furtherance of the City’s affordable workspace goals, DCLA seeks to engage one (1) or more non-profit organization(s) to enter into a contract for the completion of certain scope items essential to the pre-development of prospective artist workspace sites and relevant projects, which may include without limitation:

- **Neighborhood Analysis**
 - o Market Analysis
 - Provide research and assessment of the local unmet demand for affordable artist workspace, types of workspace needed, the availability of workspace in the neighborhood and current rental rates, as well as other relevant information.
 - o Field and Existing Conditions Research
 - Provide research and assessment of the potential site and arts and cultural assets and resources in the neighborhood. Include existing or previous history of arts and cultural use of the site, existing arts and cultural organizations in the area, existing neighborhood infrastructures, as well as other relevant information.
- **Site Program Development**
 - o Program Design and Planning
 - Synthesize market analysis and field and existing conditions research to develop a program design and plan for the potential site. Include a written description of proposed uses of the site including types of artist workspace(s) anticipated, the amount of space allotted for each use and basic information about potential anchor tenants and other users.
 - o Planning for Proposed Financial Structure
 - Meetings with City agencies and/or other stakeholders and developers to determine the project structure: financial structure (sources of funding and

financing, business and revenue model, etc.), legal structure (license terms, lease terms, ownership, etc.). Include an estimate for the overall capital budget, including all soft and hard costs.

- Negotiations resulting in a project structure and legal framework and resultant documents including, but not limited to, license agreement, lease, or term sheet for ownership.

- **Site Technical Analysis**

- Site Analysis
 - Provide research and analysis on the site conditions of the potential project to determine suitability for artist workspace use, including explanation of the physical and legal characteristics of the site.
- Zoning Analysis
 - Provide research and analysis of zoning texts that cover the potential site, including determining the intended use and as-of-right development, zoning restrictions, as well as the need for public review processes, if any.
- Pre-Scoping Design
 - Identify any subcontractors that may be necessary in the ultimate design and construction of the space.
 - Identify potential issues at the site, structurally and otherwise, and suggest methods of resolving those issues in the development stage.
 - Meetings with potential general contractors, architects and other design subcontractors.
 - Work results in the following documents:
 - An architectural plan and renderings by a subcontractor architect
 - A construction bid (complete with value-engineering as needed) by a subcontractor general contractor
- Pre-Scoping Engineering
 - Identify potential issues at the site, structurally and otherwise, and suggest methods of resolving those issues in the development stage.
 - Meetings with the project architect, the GC (as needed), and potential engineering consultants including, but not limited to, civil engineers, structural engineers, and mechanical engineers specifically focused on HVAC and other mechanical systems needed for the site to be safely activated based on the program plan.
 - Analysis will inform the pre-scoping design and its deliverables.

- **Outreach**

- Community Engagement
 - Conduct outreach to local stakeholders and potential cultural tenants regarding vision, use, programming and community support for the potential site. Identify a diverse array of community leaders, artists, cultural organizations and other local stakeholders to potentially advise and/or lead community process, asset mapping, or visioning related to the potential site.
 - Community outreach efforts are to be documented in a tracker with individual/organizational contact information and summary of engagement for future reference and use.

- Marketing
 - Create a marketing plan and documents detailing the opening of the project site through direct outreach, media, print and digital communication channels.

DCLA anticipates that the work scope may also include the following:

1. Development (fundraising, financing, design and construction) of workspace facilities;
2. Acquisition, lease, license, sublease, or sublicense of spaces, as appropriate; and
3. Operation and management of workspace facilities.

ANTICIPATED PAYMENT STRUCTURE

It is anticipated that the payment structure of the contract awarded from this negotiated acquisition will be based on performance-outcome measures. With this structure, the contracted organization(s) would be paid on a reimbursement basis upon presentation of evidence of their having achieved certain scope items to DCLA's satisfaction at set times throughout the year and DCLA's discretion.

PROPOSAL FORMAT

Proposing non-profit organizations should provide all information required in the format below. The proposal will be evaluated on the basis of its content, not length.

a) Respondent Description

- Respondent Name: full legal name of the Respondent, description of all of its subsidiaries and affiliates, and the name and location(s) of businesses of the Respondent
- Contact Information: name, telephone number, fax number, and email address of the Respondent's principal(s) who should be contacted on all matters involving this proposal
- Organizational Overview: mission, history, leadership, organization chart, organization size, summary of current programs and activities, resumes of proposed key staff, and any other relevant organizational information.

b) Respondent Experience

- Describe Respondent's successful relevant experience in providing the program described in the Scope of Services. Specifically address the following:
 - Preparation of comprehensive assessments and planning documents for the pre-development of affordable artist workspace, to date; include details of the clients and projects the Respondent has worked on, relevance of that experience to the AREA initiative, and provide examples of relevant documents for each previous project (up to three).
 - The level of public and community engagement the Respondent has had for each of projects noted above – i.e., what stakeholders were involved in the planning of the project and details of the engagement between the Respondent and these entities.

- Relevant experience in the development and operation of affordable artist workspaces; provide detailed information about each previous, relevant project (up to three) including address, space programming, cost of construction and operation & management, financing and funding sources, and related community engagement efforts.
- Other relevant experience working with artists, arts and cultural organizations, and the cultural sector. Provide a brief summary of previous engagements.
- Experience working with the City and on City-owned property, including:
 - Familiarity with required public approvals (ULURP, Landmark Preservation Commission, Public Design Commission, Community Board)
 - Experience with City requirements such as PASSPort, procurement, insurance
 - Experience securing City expense and capital funding

c) Financial and Organizational Capacity

- Describe the Respondent's financial and organizational capability to perform the program described in the Scope of Services. Specifically address and provide the following documents:
 - A description of the Respondent's ability to manage resources and to finance the cash requirements of all aspects of the project pre-City reimbursement;
 - A statement of the Respondent's ability to assign staff and proposed project schedule in light of the Respondent's current and anticipated workload.
 - Operating budget for current fiscal year and most recently completed fiscal year;
 - Cash flow statement from most recently completed fiscal year;
 - Audited financial statement from most recently completed fiscal year;
 - Sources of funding (government and non-government) from most recently completed fiscal year
 - IRS Form 990 from most recently completed fiscal year;

d) Proposed Approach

- Describe in detail how the Respondent will provide the scope of services and demonstrate that the proposed approach will fulfill the AREA initiative's goals and objectives.
 - Overall approach to pre-development of affordable artist workspaces; please specify main methods anticipated in preparing research and assessment, as well as community engagement for each scope of work (i.e. desk research, interviews, surveys, focus groups, community meetings, site appraisal, etc.)
 - If Respondent is missing certain skills and capability necessary for the completion of scope items, specify how the gap might be addressed. Please include potential sub-contractors for hire, if needed.
 - An existing strategic or business plan with realistic goals that align with the AREA initiative, if available.

EVALUATION CRITERIA & PROCEDURES

A committee of DCLA staff will review and evaluate each submitted proposals on the following criteria:

- 1) Demonstrated quality and quantity of successful relevant experience: 40%
- 2) Demonstrated level of organizational capability: 20%
- 3) Quality of proposed approach: 40%

DCLA shall rank non-profit organizations by technical merit, and then consider price by negotiating a fair and reasonable price with the highest technically ranked vendors. DCLA may consult with other city representatives as technical advisors in the review of proposals.

All responses are to be submitted in PDF format to DCLA via email to: proposals@culture.nyc.gov by 5:00 pm on February 21, 2018. Proposals received after the deadline are considered late and shall not be accepted or considered by DCLA.

Include in the subject line "AREA Notice of Intent Submission."

All questions and clarifications regarding this Notice can be submitted via email to: proposals@culture.nyc.gov

ADDITIONAL INFORMATION

Also please be advised of the following:

- The City is exempt from payment of sales tax.
- Anyone submitting a proposal must fill out and return a "Doing Business Data Form." The form and "Questions and Answers..." about LL34 are attached.

Pursuant to Local Law 34 of 2007, amending the City's Campaign Finance Law, the City is required to establish a computerized database containing the names of any "person" that has "business dealings with the city" as such terms are defined in the Local Law. In order for the City to obtain necessary information to establish the required database, vendors responding to this notice are required to complete the attached Doing Business Data Form and return it with their proposal, and should do so in a separate envelope. (If the responding vendor is a proposed joint venture, the entities that comprise the proposed joint venture must each complete a Data Form.) If the City determines that a vendor has failed to submit a Data Form or has submitted a Data Form that is not complete, the vendor will be notified by the agency and will be given four (4) calendar days from receipt of notification to cure the specified deficiencies and return a complete Data Form to the agency. Failure to do so will result in a determination that the proposal is non-responsive. Receipt of notification is defined as the day notice is e-mailed or faxed (if the vendor has provided an e-mail address or fax number), or no later than five (5) days from the date of mailing or upon delivery, if delivered.

- Vendors with City contracts over \$25,000 per year are required to enroll in the Vendor Payment Direct Deposit/ Electronic Funds Transfer program (EFT). EFT enables a vendor's payments to go directly into its account. The EFT enrollment form is available at http://www1.nyc.gov/assets/finance/downloads/pdf/treasury/eft-direct_depost_appl.pdf, but please note that the completed form should be returned to the NYC Department of Finance. (Do not submit the EFT enrollment form to DCLA.)

In accordance with Section 6-107.1 of the New York City Administrative Code, the Contractor agrees to accept payments under this Agreement from the City by electronic funds transfer. An electronic funds transfer is any transfer

of funds, other than a transaction originated by check, draft or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument or computer or magnetic tape so as to order, instruct or authorize a financial institution to debit or credit an account. Prior to the first payment made under this Agreement, Contractor shall designate one financial institution or other authorized payment agent and shall complete the attached "EFT Vendor Payment Enrollment Form" in order to provide the Commissioner of Finance with information necessary for Contractor to receive electronic funds transfer payments through the designated financial institution or authorized payment agent. The crediting of the amount of a payment to the appropriate account on the books of a financial institution or other authorized payment agent designated by the Contractor shall constitute full satisfaction by the City for the amount of the payment under this agreement. The account information supplied by the Contractor to facilitate the electronic funds transfer shall remain confidential to the fullest extent provided by law. The agency head may waive the application of the requirements herein to payments on contracts entered into pursuant to §315 of the City Charter. In addition, the Commissioner of the Department of Finance and the Comptroller may jointly issue standards pursuant to which the contracting agency may waive the requirements hereunder for payments in the following circumstances: (i) for individuals or classes of individuals for whom compliance imposes a hardship; (ii) for classifications or types of checks; or (iii) in other circumstances as may be necessary in the interest of the City.

- Contract award is contingent upon the vendor creating an online account in the City's new Procurement and Sourcing Solutions Portal (PASSPort) and completing the online disclosure process (See <http://www.nyc.gov/passport>). This disclosure process was formerly completed using VENDEX paper-based forms. Paper submissions, including certifications of no change to existing VENDEX packages, will not be accepted in lieu of complete online filings. A vendor name check (VNC) will need to be performed. Please be aware that the vendor awarded the contract will be charged a fee of \$175 (for contracts <or equal to \$1M) or \$350 (for contracts > \$1M) for processing the VNC. This will be deducted from the first payment, per the Procurement Policy Board Rule 2-08.

Contract award is contingent upon the completion and submission of a Division of Labor Services' Supply and Services Employment Report. The vendor will be required to submit a copy of the report, which can be downloaded from <http://www1.nyc.gov/site/sbs/businesses/contract-compliance.page>

- This is not a request for services, nor is DCLA obligated to issue a contract as a result of this intent to negotiate.