

Council Agenda Report

Date: September 12, 2016

Prepared and Submitted by: Sandra Tripp-Jones, City Manager *STJ*

SUBJECT: Governor's Hall

Recommendation: That Council:

- A. Authorize the City Manager and City Attorney to negotiate a lease and management agreement with the American Legion Post 91 for a period up to three (3) years in consideration of \$20,000 in rents for the first two (2) year period, extendable up to 12 months at a rental rate of \$10,000/year or \$833/month, beginning December 1, 2016, to be brought back to Council for approval.
- B. Authorize the City Attorney to send a letter to Sailwinds of Cambridge, Inc. extending the termination date of the Governor's Hall current management agreement with Sailwinds of Cambridge, Inc. from Sept. 30, 2016 until Nov. 30, 2016.

Discussion:

On August 8, 2016, City Council authorized termination of the Governor's Hall management agreement effective Sept. 30, 2016 and authorized staff to release an RFP for a lease and management services for minimum rents of \$20,000 for the first two (2) years.

Response to RFP:

Staff released an RFP (copy attached) and received one proposal from the American Legion Post 91 (copy attached). Their proposal is responsive to the bid requirements, including:

- payment of \$20,000 for the first two (2) year period plus rent for a third year if requested at the rate of \$10,000 year;
- agreement to honor any event requests currently under contract with the Sailwinds of Cambridge, Inc.; and
- agreement to the make the venue available to the public for events, at rental rates no higher than those charged by Sailwinds of Cambridge, Inc. over the lease period.

It is the intent of the American Legion to relocate their Post 91 lounge, bar and slot machine operations in Governor's Hall, in an area that they will separate physically from the rest of Governor's Hall. They intend to harmonize their lounge operation with events that take place there. They will be responsible for all permits and licenses. The American Legion has relied on its bar and slot machines for its income; in turn ½ of its slot machine revenues are given to the Cambridge community in grants. That amounts to about \$200,000/year. The longer the

American Legion has no place to relocate, the longer it will be until revenues are generated and grants will be again available to the Cambridge community.

The proposal however, specifies that the American Legion Post 91 make the lease effective no earlier than December 1, 2016 due to the need for approval from their national organization prior to leasing a new site. They also require that the building be equipped (kitchen, tables and chairs). In discussion with representatives of the American Legion, they will not have enough tables and chairs for more than 300 people so they will have to be supplemented. And they are not sure how much kitchen equipment they will be able to provide. There are possible solutions.

Extension of Current Management Agreement:

Mr. Bruce Reed, representing Sailwinds of Cambridge, Inc. has made the offer to continue the management of Governor's Hall through October, November or December. Given that the American Legion Post 91 cannot move to Governor's Hall until December 1st, and given the burden on the City of honoring the 5-6 event commitments made by Sailwinds of Cambridge for October and November, staff recommends extending the termination agreement until November 30, 2016.

Furniture and Equipment:

The recommendation to authorize the City Manager and City Attorney to negotiate with staff, is intended to provide the opportunity to work the American Legion Post 91 and Sailwinds of Cambridge, Inc. on the possible sale or loan of current furniture and equipment for use by American Legion Post 91. Sailwinds of Cambridge, Inc. has expressed a willingness to talk with City staff about the furniture and equipment.

Fiscal Impact:

If the City proceeds with leasing Governor's Hall to the American Legion Post 91, the City will receive a minimum of \$20,000 and up to \$30,000 in rents. However, the cost to the City of keeping Governor's Hall open and available to the public during the wharf repair will be a minimum of \$50,000 to a maximum of \$80,000:

\$100,000 (maximum cost)	\$ 80,000 (minimum cost)
- 20,000 (minimum rent)	- 30,000 (maximum rent)
\$ 80,000 (maximum net cost to the City)	\$ 50,000 (minimum net cost to the City)

The recommendation to issue an RFP for continued operations of Governor's Hall with partial payment of the cost to the City, was in the interest of maintaining the Governor's Hall venue until there is/are suitable substitutes. Staff is of the opinion that it is very unlikely that the City would attract a lease/management organization that would pay the City \$80,000 to \$100,000 for Governor's Hall with an availability of not more than three (3) years.

City of Cambridge, Maryland

REQUEST FOR PROPOSALS (RFP): Sailwinds Governor's Hall Lease

The City of Cambridge seeks a not-for-profit organization or firm with experience in operating a community event venue to lease the Sailwinds Governors Hall for 2 years with a potential extension of one additional year. During that time, the City will be contracting with a construction firm to perform repairs to the adjacent Wharf at Sailwinds. The lessee will operate and maintain Governor's Hall as a public venue and may use a portion of the building for the lessee's own activities. It is the intent of this RFP to have the successful not-for-profit or firm enter into a lease and management agreement with the City as outlined herein. The property for lease includes Governor's Hall (approximately 19,000 square feet), plus immediately adjoining outdoor space, plus an approximately 2,000 square foot office building.

The firm is expected to:

1. Offer Governor's Hall as an event venue for rent to the public with fees and charges at rates not higher than those listed in attached schedule.
2. Advertise availability of the venue and schedule events of all kinds.
3. Carry general liability insurance at \$1 million naming the City as additional insured.
4. Honor event reservations that have contracted with Sailwinds of Cambridge, Inc. after September 30, 2016, if requested.
5. To make the venue available at no charge to events traditionally held at Governor's Hall with no charge (see attached).
6. Supervise any staff required to coordinate, monitor, provide security.
7. Maintain the facility clean and compliant with building and health codes.
8. Coordinate with Cambridge City Public Works, Police Department and Fire Department for safety and security. When required, include in rental fees charges for security, including Police Officer presence.
9. Leave the building clean and code compliant at the end of the contract period, unless authorized to do otherwise by the City in writing.
10. Fully cooperate with the City and its contractors to minimize disruption and assure safety during the repair of Sailwinds wharf.
11. Comply with all applicable Federal, State, and local laws.
12. Provide quarterly statements of revenues received and expenditures incurred during the period; a list of events, numbers of attendees, and maintenance projects during that same period.

Sealed proposals (3 copies) should be submitted to City Hall, 410 Academy Street, Cambridge, Maryland 21613, by 2:00pm Sept. 2, 2016; clearly marked on the outside "**Proposal – Governor's Hall Lease**" and to the attention of the City Manager. At that time, they will be opened and read aloud. Selection will be made by staff on Sept. 7, 2016 (tentative), with a recommendation to Council on Sept. 12, 2016.

The City Council reserves the right to reject any and all proposals, or parts of proposals, when it is judged to be in the best interest of the City.

All questions should be sent to Oden Wheeler, Public Works Director, 1025 Washington Street, Cambridge, MD 21613 or e-mail at <mailto:owheeler@choosecambridge.com>. Question deadline will be Friday August 26, 2016.

- A. SCOPE OF SERVICES:** The successful not-for-profit or firm shall agree to contract with the City to provide the following:
Operations and maintenance of Governor's Hall as a public event venue;
Cooperation with the City during construction activity connected with the repair of the Sailwinds wharf.
- B. TERMS:**
1. Two-year minimum lease with an extension up to one year if mutually agreed upon. The City intends to sell or lease the property to a developer and will likely want control of the property in two to three years.
 2. Only proposals of a minimum payment of \$20,000 for two years with \$10,000/year prorated after the first two years, will be considered. A greater rental amount may be proposed.
- C. LESSEE'S QUALIFICATIONS:** Respondents to this RFP shall have the following qualifications:
1. Have experience operating and maintaining large meeting or event facilities;
 2. Have experience working with community groups in scheduling and supporting community events;
 3. Experience of named individuals who will be directly responsible for managing Governor's Hall and complying with the contract.
 4. Demonstrated financial ability to meet the obligations under the contract;
 5. Have or have the ability to obtain necessary approvals and licenses (e.g. liquor, health department);
 6. Should be knowledgeable about the community;
 7. The applicant must have excellent communication and public relations skills.
- D. INSURANCE REQUIREMENTS:** For proposal purposes, proposers must submit copies of certificates of insurance for general liability and workers' compensation. The successful contractor must provide original certificates prior to commencing services, naming the City as additionally insured.
- E. EVALUATION AND AWARD PROCESS:** Issuance of this RFP and receipt of proposals does not commit the City of Cambridge to award a contract. The City reserves the right to postpone receipt date, accepting or rejecting any or all proposals received in response to this RFP, or to negotiate with any of the not-for-profit organizations or firms submitting proposal, or to cancel all or part of this RFP.

F. INTERVIEWS/PRESENTATION: Not-for-profit organizations or firms submitting a proposal in response to this RFP may be required to give a presentation of their proposal. Additional technical and/or cost information may be requested for clarification purposes, but in no way will change the original proposal submitted. Interviews are optional and may or may not be conducted.

G. SELECTION CRITERIA

1. Completeness of response to RFP as outlined in this solicitation.
2. Experience as described above
3. Ability of the not-for-profit organization or firm to meet or exceed the requirements defined in the RFP.
4. Regional reputation.
5. Proposed lease compensation'

H. RFP SUBMITTAL REQUIREMENTS: By submitting a proposal, you represent that you have (1) thoroughly examined and become familiar with the scope of services outlined in this RFP and (2) are capable of achieving a positive outcome attaining all of the City's objectives.

The following information must accompany your proposal:

1. Firms: List years in business, previous names of the firm, if any.
2. Not-for-profit organizations: Name of organization, tax ID, last IRS form 990
3. Description of your organization including size, location, number and nature of the professional staff to be assigned to City of Cambridge - Governor' Hall; staff experience and training, including a brief resume for each key person listed.
4. Experience in managing and maintaining public venues.
5. List of at least three references where and when your organization rented a venue for a large event (at least 200 people). Please describe the event and provide names and telephone numbers of contact persons for each reference.
6. Additional services offered through your organization.
7. Listing of current litigation, outstanding judgments and liens.
8. Proposed annual rent to be paid to the City (note Terms above).
9. Any requirements you may have to perform the operating and management services.

To be issued: Aug. 19, 2016



The American Legion

Dorchester Post No. 91 – Cambridge, MD

REQUEST FOR PROPOSAL RESPONSE: Sailwinds Governor's Hall Lease

The American Legion Post 91 (Legion), a non-profit organization is hereby submitting a response to the City of Cambridge Request For Proposal – Sailwinds Governor's Hall to enter into a lease and management agreement for the operation of Sailwinds Governor's Hall property as a public venue. The Legion will also be able to use a portion of the building to coordinate and sponsor their events as well. In this proposal the Legion understands the lease agreement will include Governor's Hall, the immediate adjoining outdoor space and an approximate 2,000 square foot office building. In order to continue the policy of operating as a public venue The American Legion requires the Kitchen Equipment and Tables and Chairs remain for the term of the lease.

The Legion agrees to:

1. Review and offer those prior events requesting use of the facilities similar accommodations and pricing for use of the facilities.
2. Advertise the availability of the venue and schedule events accordingly.
3. Carry general liability insurance at \$1 million naming the City of Cambridge as additional insured.
4. Make the venue available at no charge to events traditionally held at Governor's Hall.
5. Supervise and arrange for their staff to coordinate, monitor and provide security.
6. Maintain the facility as clean and compliant with building and health codes.
7. Coordinate with the Cambridge Public Works, Fire Dept., and Police Dept. for safety and security. When required, charges for security (including Police) will be included in rental fees.
8. Leave the building clean and code compliant at end of contract period unless advised otherwise by the City in writing.
9. Fully cooperate with the City and its contractors to minimize disruption and assure safety during the repair of the Sailwinds wharf.
10. Comply with all applicable Federal, State, and local laws.
11. Provide quarterly Sailwinds operations report to include: Revenues, Expenses, Events held, number of attendees and maintenance projects during the contract period.
12. Honor those event reservations that have contracted with Sailwinds of Cambridge, Inc. but only after the American Legion Department of Maryland and the American Legion Post 91 membership has approved the transaction. This action is scheduled for disposition/approval in November 2016.

SCOPE OF SERVICES:

The Legion agrees to:

Contract with the City of Cambridge to provide the following:

1. Operations and maintenance of Governor's Hall as a public event venue.
2. Cooperation with the City of Cambridge during construction activity connected with the repair of the Sailwinds Wharf.

Terms:

The Legion agrees to understand the following terms:

1. Two year minimum lease with an extension of up to one year if mutually agreed upon.
2. That only proposals of \$20,000 for two years with a \$10,000/year prorated after the first two years will be considered.

LESSEE'S QUALIFICATIONS:

The Legion has provided countless successful public events in the Cambridge and Dorchester County community for many years. This has allowed the Legion and its leadership a golden opportunity to operate Sailwinds Governor's Hall. Among the current leadership are individuals who have worked with permitting and obtaining successful approval of all required permits and/or licenses. The Legion's sub-committees are very active in the community serving our veterans and other community residents. The Legion's volunteers have already provided many citizens in our Community a great venue for many years. The leadership and principals involved in the successful operation of the Legion currently are Tom Anderson, Commander; Jim Wilcox, Adjutant; and Ward Slacum, Finance Officer. These men have all been successful in their own right. In addition, the current leadership of the Sons of the American Legion and the Legion Auxiliary are extremely valuable to our Community.

INSURANCE REQUIREMENTS:

The Legion understands and acknowledges the required copies of insurance for general liability and worker's compensation. If the Legion is the successful contractor, we will promptly provide the original certificates as required.

EVALUATION AND AWARD PROCESS:

The Legion understands the conditions and restrictions of the City of Cambridge in awarding the contract as so stated in the RFP.

INTERVIEWS/PRESENTATIONS:

The Legion, as a non-profit organization understands the conditions of having to conduct an interview or make a presentation as part of the RFP process as so stated in the RFP.

SELECTION CRITERIA:

The Legion understands the selection criteria as so stated in the RFP.

RFP SUBMITTAL REQUIREMENTS:

The Legion understands the RFP submittal requirements as so stated in the RFP.

OTHER INFORMATION REQUIRED TO BE SUBMITTED

1. Name of Organization: The American Legion - Dorchester Post 91, P O Box 70, Cambridge, MD 21613; Tax ID 52-0553774, Included is 2014
- * 2. IRS Form 990
3. Description of our organization and other info. The mission and significant activities include uniting its members in the bonds of fraternity, benevolence and charity. This is accomplished through a year round schedule of social and recreational activities for members and others.
4. American Legion Post 91 was organized in 1937. The Post is a microcosm of Dorchester County Our members are farmers, doctors, lawyers, accountants, welders, state workers etc. all contributing to the success of Dorchester County
5. List three references who we rented the Legion hall to for at least 200 people.

Cambridge Fire Dept President Various

Grand National Waterfowl Jim Benjamin President

Cambridge Police Department President Various
6. List additional services we offer through our organization.
Veteran Medical Services referrals
7. List of any litigation or o/s judgements and liens if any. NONE
8. We agree to pay \$10,000.00 rent per year for two years per Request for Proposal as so stated
9. List any requirements The Legion has. This has to go before the State Legion and Local post for approval

*On file at City Hall.

**CITY OF CAMBRIDGE
REQUEST FOR PROPOSALS
FOR LEASE AND MANAGEMENT
OF GOVERNORS HALL**

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The City Council reserves the right to reject any and all proposals, or parts of proposals, when it is judged to be in the best interest of the City.

A complete copy of the RFP can be obtained on the City's website: www.choosecambridge.com or from the Department of Public Works.

All questions should be sent to Oden Wheeler, Public Works Director, 1025 Washington Street, Cambridge, MD 21613 or e-mail at owheeler@choosecambridge.com. Question deadline will be Friday August 26, 2016.

Sealed proposals (3 copies) should be submitted to City Hall, 410 Academy Street, Cambridge, Maryland 21613, by 2:00 pm Sept. 2, 2016; clearly marked on the outside **"Proposal – Governor's Hall Lease"** and to the attention of the City Manager.
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