

REQUEST FOR PROPOSALS

PURCHASE AND RENOVATION OF XL CENTER

RFP #18-007

Issue Date: Monday, April 30, 2018

## **A. PURPOSE**

The Capital Region Development Authority (“CRDA”), on behalf of the City of Hartford (“Hartford” or the “City”), seeks responses (“Submissions” or “Proposals”) from qualified entities (“Respondents” or “Bidders”) authorized to do business in the State of Connecticut for the Purchase and Renovation of the existing XL Center (the “XL Center”).

CRDA is issuing this Request for Proposals (“RFP”) whereby the Authority seeks entities that are interested in the purchase of the XL Center with the intent of continuing operations as an Arena.

CRDA and the City are considering options for owning and managing the XL Center. This includes possible operation and management by a private business enterprise that either purchases or leases on a long-term basis the property from the City/State. Respondents are advised that the current building management agreement with Spectra Venue Management extends five more years through 2023. Importantly, use of the arena will be limited to the performance of the duties and functions exclusively for public purposes.

The final legal structure and funding model may require legislative action/approval.

Respondents should assume that the XL Center will be sold “AS IS” and “WHERE IS” without representation, warranty, or guaranty as to quantity, quality, title, character, condition, size, or kind, or that the same is in condition or fit to be used for the Respondent’s purpose.

The purpose of this RFP is to select a qualified Respondent with the proven experience, financial resources, and professional expertise to present a competitive price for the facility and maintain its ongoing operation as the Arena in Hartford.

The RFP is published for the benefit of CRDA and the City, and for the benefit of no other person.

A selection committee will review Proposals submitted under this RFP. The committee will select the Proposal that best meets the goals and criteria outlined in this RFP. The selection committee will report its findings and provide a recommendation to CRDA’s Board of Directors. Once a Preferred Respondent is selected, the City and CRDA, subject to approval of the City of Hartford Court of Common Council, will then enter into a negotiation for a contract.

The selection committee will evaluate the Proposals according, but not limited to, the following general criteria:

Financial strength and resources of the Respondent;

Respondent's relevant or comparable experience in financing, developing and operating multi-use spectator facilities similar to the size and scope of XL Center;

Quality of the proposal and presentation;

Experience and qualifications of the individuals who will work on the project;

Responsiveness and thoroughness of the proposal;

Price will be considered but will not be the dispositive factor.

## **B. INTRODUCTION**

The Capital Region Development Authority (CRDA) is the quasi-public State agency responsible for operation and maintenance of the XL Center in downtown Hartford. The Connecticut General Assembly enacted Public Act 17-2 directing the City and CRDA to issue an RFP for the sale of XL Center to an interested entity that will continue to operate the facility as a multipurpose public assembly facility.

The XL Center (originally the Hartford Civic Center) opened in 1975 and consists of two facilities: a multi-use spectator arena and an exhibition hall. The Center is located in downtown Hartford at 1 Civic Center Plaza, Hartford, CT 06103. It is adjacent to Hartford 21 (a residential and commercial development), parking structures and office/retail complexes.

The facility was formerly the home of the Hartford Whalers of the National Hockey League. Its current capacity is approximately 13,850 for hockey, 14,500 for basketball and 15,700 for center-stage concerts. The primary premium space is the Coliseum Club, which is located above the upper seating bowl.

The XL Center currently hosts the AHL Hartford Wolf Pack and University of Connecticut Men's and Women's basketball games and Men's ice hockey games. In addition, the facility hosts concerts, family shows, motor sports and other sporting events. The Exhibition Hall at XL Center is currently used for tradeshow, conventions, banquets, meetings and other similar events.

The number of events at XL Center has been impacted by the addition of entertainment venues by the gaming industry. Entertainment venues at Mohegan Sun and Foxwoods in Connecticut have negatively impacted concert activity at XL Center and the under-construction MGM Casino in nearby Springfield, Massachusetts may also negatively impact the XL Center. The facility management firm Spectra Venue Management is the current manager of XL Center and the management agreement extends to 2023.

It was generally recognized that the XL Center's functionality and ability to generate revenue were severely limited by its age, obsolete design, mechanical systems, limited current building footprint, narrow concourses, limited fan amenities, shortage of restrooms and ADA deficiencies.

Based on the need for improvements, CRDA assumed control of the building in 2012 through a lease agreement with the City of Hartford. CRDA has continued to invest in facility improvements over the last four years to keep the operation of XL Center viable for the near term. In 2014, approximately \$33 million in improvements to the XL Center were completed for repairs and upgrades to the facility's mechanical systems, public spaces and locker rooms to improve the fan experience, enhance revenues and reduce operating costs. The improvements were implemented to extend the facility's life for another eight to ten years. While some important improvements have been made by CRDA, most of the overall mechanical, electrical and plumbing infrastructure is inadequate to support the long-term sustainability of the facility. A full mechanical report on the facility is available in the RFP Data Site.

Recognizing the need for a significant renovation and upgrade of the facility, CRDA previously issued an RFP to study future options for the XL Center. A 2015 study conducted by SCI Architects and its subconsultants concluded that at least 100,000 square feet of additional space would be necessary to bring the XL Center up to modern venue standards, improve circulation, meet certain ADA and building code requirements and enhance the overall fan experience.

SCI concluded that sufficient space to meet these needs is available by repurposing the adjacent retail building and a small section of the parking garage, both owned by Northland Investment Corporation. The retail building is a three story, 192,000 GSF building that abuts the east side of the arena on Trumbull Street. The arena's east exhibit hall is located directly below this building at elevation 31. The arena's box office, the AHL Wolfpack sales office, a bank and vacant retail are located on the first floor at elevation 61 (street level). This level includes a large atrium that serves as the arena's main entrance. The second level at elevation 80 was formally occupied by the YMCA but is now vacant. A pharmaceutical college is located on the third level at elevation 95. A 15,000 SF bridge on the second and third levels crosses Church Street to the north providing a pedestrian connection to the Church Street Garage. The Hilton Hotel occupies a portion of level two and all of level three on this bridge. The garage is located on Asylum Street and abuts the south side of the arena.

It is the intention of CRDA to acquire the retail building on Trumbull Street and approximately 24,000

SF of the garage on Asylum Street.

SCI's report and original design drawings of the facility are available in the RFP Data Site.

In the 2015 study, SCI Architects and its subconsultants recommended the following Facility Program for the XL Center:

1. Seating capacities:

- 9,000 to 10,000 in lower bowl
- 8,000 in upper bowl
- Total seating capacity:
  - 17,000 for hockey
  - 18,000 for basketball
  - 19,000 for center stage concerts, boxing, wrestling

2. Premium Seating:

- 6 bunker suites with 20 person capacity each
- 30 mid-level suites
- 1 large corporate party suite
- 1,500 Lower Level Club seats
- 1,000 Terrace seats
- 30 four-person loge boxes
- 2 Lower Level Clubs/Lounges and Restaurant/Sports Bar

SCI Architects, in conjunction with Robert Saint, CRDA's Director of Construction Services, has also conducted a facility assessment of the XL Center. This assessment is available in the RFP Data Site.

### **C. RFP OBJECTIVES**

1. Identify a Preferred Respondent who desires to purchase the XL Center in its current condition
2. Identify a Preferred Respondent who will continue to operate the XL Center as an arena in Hartford
3. Identify a Preferred Respondent who will continue to operate the XL Center to professional industry standards in order to host University of Connecticut Men's and Women's Basketball, the University of Connecticut Men's Ice Hockey games, the AHL Wolfpack games as well as family entertainment, concerts, sporting and other events
4. Identify a Preferred Respondent who will continue to operate the XL Center while eliminating any future obligation by CRDA or the City to maintain, operate or improve the existing facility/site
5. Make future improvements to the XL Center to complement and enhance the overall guest experience
6. It is understood that the XL Center may need to close on a temporary basis if it is necessary to complete a renovation and upgrade of the facility
7. Through maintenance, operation and improvement of the XL Center, the Preferred Respondent will support existing business and community activities in the area
8. Through maintenance, operation and improvement of the XL Center, the Preferred Respondent will support and encourage broader redevelopment efforts throughout Hartford's Downtown Business District

**D. RESPONSE – TIMETABLE**

<b>ACTIVITY</b>	<b>DATE</b>
1. RFP Issued	Monday, April 30, 2018 at 8:00 AM (EST)
2. Deadline for Questions	Friday, May 18, 2018 at 3:00 PM (EST)
3. Responses Provided to Questions	Friday, June 1, 2018 at 3:00 PM (EST)
4. RFP Responses Due	Friday, June 29, 2018 at 3:00 PM (EST)

The listed dates in the Timetable are tentative. CRDA reserves the right to change or extend any and all dates including the due date for proposals for any reason and at any time including after the due date for proposals.

Respondents may request an individual information session and walkthrough of the XL Center in order to become more fully acquainted with the Project. Respondents should contact Robert Saint, CRDA's Director of Construction Services at 860.493.2917 to schedule such appointment.

**E. INQUIRIES REGARDING RFP**

Questions regarding this RFP prior to the date of May 18, 2018 should be addressed via email to:

Kimberly C. Hart, Venue Director, Capital Region Development Authority  
and to,  
Carl S. Hirsh, Managing Partner at Stafford Sports

The email addresses for both contacts is:

Kimberly C. Hart Capital Region Development Authority kheart@crdact.net	Carl S. Hirsh Stafford Sports carlhirsh@staffordsports.com
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CRDA will answer all inquiries in writing. Answers to all questions posed by Respondents will be posted on the CRDA’s website at [www.crdact.net](http://www.crdact.net).

If any inquiry results in a change in the RFP, CRDA will issue an Addendum to this RFP and the Addendum will be posted on CRDA’s website at [www.crdact.net](http://www.crdact.net). It is the responsibility of Respondents to check the CRDA website for any addenda.

Respondents are required to execute and submit to CRDA a Non-Disclosure Agreement ("NDA"). Respondents should contact Kimberly Hart at [kheart@crdact.net](mailto:kheart@crdact.net) to obtain a copy of the NDA. A Respondent’s completed NDA should be emailed to Kimberly Hart at [kheart@crdact.net](mailto:kheart@crdact.net).

Following CRDA’s receipt of a signed NDA from the Respondent, such Respondent will be provided with instructions on how to access the Data Site. The Data Site will contain all documents related to this RFP and the operation of the XL Center.

## **F. RFP RESPONSE – GENERAL**

1. This Request for Proposals ("RFP" or "solicitation") is an invitation by CRDA for Respondents to submit a competitive offer, which may be subject to subsequent discussions and negotiations by CRDA, the City of Hartford ("Hartford"), and the Respondent.
2. A Respondent's Submission ("Proposal" or "Submission") must be received no later than Friday, June 29, 2018 at 3:00 PM (EST) in order to be considered. Any Submission received after the time and date specified shall not be considered. The qualifications and other information contained within the Submission should be submitted in strict compliance with the directives provided in this RFP. All sealed Submissions will be opened and acknowledged by receipt at the established deadline. It is the Respondent's responsibility to make certain CRDA receives the Submission at the specified location by the established deadline.
3. All Proposals, inquiries or correspondence relating to this RFP and all reports, displays, schedules, attachments, exhibits and other documentation submitted by any Respondent will become the property of CRDA upon receipt and may become public records pursuant to the State of Connecticut Freedom of Information Act.
4. All proprietary information disclosed to CRDA shall, to the extent permitted by law, be held in confidence, except as CRDA may otherwise be permitted by written instructions from the Respondent.
5. A Respondent's Submission should clearly identify any information that is considered to be confidential or proprietary.
6. CRDA shall have the right to request additional information from and review additional records of any or all Respondents and failure or refusal to comply with such requests may result in elimination from further consideration.
7. CRDA, in its sole discretion, may interview none, one, some, or all of the Respondents who submit responses to this RFP. CRDA may also require a Respondent to submit additional information.
8. CRDA may, in its sole and absolute discretion, reject any and all, or parts of any or all Proposals; may re-advertise this RFP, may postpone or cancel it at any time; or change, adjust or modify the terms of the RFP.

9. Issuance of this RFP does not obligate CRDA to undertake any action. This RFP does not commit CRDA to select a Preferred Respondent. CRDA reserves the right to use the Submissions as a basis for negotiation with one or more Respondents and/or with parties other than those responding to this RFP and/or terms other than those set forth herein. CRDA reserves the right to waive compliance with and/or change any terms of this RFP.
10. If CRDA shall amend the RFP after the proposal due date, CRDA may, in its sole discretion, solicit new proposals in an amended RFP from anyone or everyone regardless whether a firm has submitted a proposal in response to the original RFP.
11. "Proposal" or "Submission" means any document, submittal, interview, presentation, discussion, negotiation, and everything and anything provided in response to this RFP regardless whether the Proposal or Submission and subsequent discussion is an oral or written proposal.
12. Respondent agrees that its Submission shall constitute a firm irrevocable offer to CRDA that Respondent shall not withdraw or modify without CRDA's approval for one hundred eighty (180) days after the proposal due date. Respondent agrees that even if CRDA negotiates or makes a counter offer to Respondent on Respondent's original Proposal or any subsequent Proposal submitted by Respondent to CRDA, Respondent hereby grants to CRDA, in CRDA's sole discretion, the unconditional right for CRDA to accept Respondent's original Proposal and CRDA's negotiation or counter offer shall not be deemed to be a rejection of the Respondent's original offer, or a waiver of the Respondent's obligation to honor its original offer for such period of 180 days.
13. CRDA may accept any Proposal or subsequent Proposals from any person without the consent of the Respondent at any time and regardless of the length of time that has passed from the RFP due date.
14. This RFP may be reissued, amended, or withdrawn if it is deemed in the best interest of CRDA to do so, or if, in the sole and absolute judgment of CRDA (in consultation with its advisors), all responses are unacceptable or undesirable. CRDA retains the right to reject any and all Submissions at CRDA's sole discretion and retains the right to re-solicit for Submissions if deemed by it to be in its best interest.
15. CRDA reserves, holds without limitation, and may exercise, at its sole discretion, all rights and conditions with regard to the RFP. CRDA makes no representations or warranties to the accuracy of the information or assumptions contained in this RFP or otherwise furnished to Respondents. A Respondent is expected to become familiar with the requirements of the RFP.

16. Facsimile or e-mailed Submissions will not be accepted in response to this RFP. It is the sole responsibility of the Respondent to ensure that its Submission and any other documentation required under this RFP are received by Michael W. Freimuth, Executive Director of CRDA on or before the deadline.
17. CRDA is not liable or responsible for inhibited or interrupted courier, mail or other service, regardless of the postmark, weigh bill or other details. Respondents shall be solely responsible for the delivery of their Proposals in the manner and time prescribed. Late Proposals may be accepted at the discretion of CRDA. CRDA will not accept responsibility for documents delivered to other State of Connecticut facilities and, at the discretion of CRDA, such deliveries may be declared disqualified.
18. Submissions that are unsealed, conditional, illegible, obscured and/or contain arithmetical errors, erasures, alterations, or irregularities of any kind may, at the discretion of CRDA, be disqualified.
19. All Submissions must be delivered according to the instructions herein. Each Submission must comply with the requirements set forth in this RFP, any amendments and any written responses from CRDA to Respondent inquiries.
20. The Respondent's Submission shall identify a single contact person for receipt of responses and information from CRDA. The preferred method of receipt and distribution of information will be by e-mail. Therefore, include a contact name, phone number, mailing address and e-mail address with your Proposal.
21. Each Respondent shall be responsible for making all investigations and examinations that are necessary to ascertain any and all conditions and requirements of this RFP prior to submission. Failure to make such investigations and examinations shall not relieve the Respondent from any such conditions or requirements of the RFP.
22. The Respondent through its Submission certifies that Respondent has provided CRDA with written notice of all ambiguities, conflicts, mistakes, errors or discrepancies that Respondent has discovered in the RFP and any other related document.
23. Amendment(s) to the RFP, if any, will be issued at the discretion of CRDA and will be located on CRDA's website at [www.crdact.net](http://www.crdact.net). In the event that it becomes necessary to revise any part of this RFP or if additional information is necessary to enable the Respondents to make adequate interpretation of the provisions of this RFP, an amendment to the RFP will be issued. All Respondents are strongly urged to periodically check the website.

24. Respondents are solely responsible for any and all costs incurred in relation to this RFP. Respondents are solely responsible and without recourse to CRDA or the City for their own time, costs, and expenses of preparing and submitting an RFP response, providing any clarifications or additional information that may be requested by CRDA, any negotiation, presentation costs, or work performed in anticipation of executing a contract.
25. A Submission found to be non-responsive will not be considered. A Submission may be rejected if it does not conform with the requirements and instructions of the RFP.
26. If CRDA and Hartford execute a contract with the Preferred Respondent, CRDA and Hartford may, in their sole discretion, amend the contract to change anything or everything associated with the contract as long as such change is in the interest of CRDA and Hartford and as long as the Preferred Respondent agrees to the change.
27. CRDA and Hartford are Equal Opportunity and Affirmative Action employers and do not discriminate in their hiring, employment, or business practices. CRDA and Hartford are committed to complying with the Americans with Disabilities Act of 1990 (ADA) and do not discriminate on the basis of disability in admission to, access to, or operation of its programs, services or activities.
28. Respondents and their principals and related entities must be current on any taxes, loans, rents, fines or other funds owed to CRDA and the City of Hartford in order to submit a proposal, otherwise they will not be considered responsible and their proposals will be rejected.
29. This RFP is not a contract, and is not intended to form a contract, either by itself or in combination with any other document or action of CRDA or the City.
30. Any Proposed Contract or any other document attached to or connected with this RFP is not a contract, and is not intended to form a contract, either by itself or in combination with any other document or action of CRDA or the City.
31. Respondents, by submitting proposals, waive any claim for damages or equitable relief, based on contract, breach of contract, implied contract, estoppel, quantum meruit, unjust enrichment, or any other claim at law or in equity, arising out of the RFP, any proposal in response to the RFP, or any action, decision, or inaction of either CRDA or the City in connection with the RFP, any resulting contract, or the XL Center.

## **G. RESPONDENT SUBMISSION - FORMAT REQUIREMENTS**

Respondents are required to submit:

- One (1) complete original paper copy
- Two (2) separate copies on USB flash drives
- Three (3) additional paper copies

A Respondent's Submission shall be drafted in an organized manner, allowing for submission of complete electronic copies (PDF Format) as well as hard copies, bound or presented in a three-ring binder, with sections appropriately tabbed and identified in both formats. Preferred formatting is 8.5" x 11", with hard copies printed back to back to reduce paper use.

Greater detail regarding supporting information and documentation will assist CRDA in the evaluation of responses. Elaborate format and binders are neither necessary nor desired. Legibility, clarity, and coherence are more important. Information regarding marketing materials, corporate brochures, personnel policies and fiscal policies and procedures should be included as exhibits.

The Submission must be submitted in a sealed package with the name and address of the Respondent. The Submission should be clearly marked on the packaging envelope as:

### **REQUEST FOR PROPOSALS PURCHASE AND RENOVATION OF XL CENTER**

Attn: Michael W. Freimuth  
Executive Director  
Capital Region Development Authority  
100 Columbus Blvd #500  
Hartford, CT 06103

## H. SUBMISSION MATERIALS

The Respondent shall include the information below in their Submission in the following order:

- **Introduction/Cover Letter:** Provide a letter of introduction. The letter should highlight or summarize whatever information the firm/entity deems appropriate. This section shall include the contact name, name of firm, address, telephone number, fax number and e-mail address of the designated person to whom all correspondence should be directed.
- **History of the Company/Legal Structure:** Respondent should include a description of the organization, its history, the company's ownership structure, officers and directors and number of employees. Respondent should provide a Certificate of Legal Existence, Certificate of Good Standing, or document of similar import, evidencing its existence in the state of its incorporation. Respondent should provide a corporate resolution of authority granting the signatory binding authority to act on behalf of the Respondent and all partners and/or subordinate entities.
- **Comparable Experience/Representative Projects:** Provide a detailed statement of the Respondent's relevant or comparable experience in representative projects or in financing, developing and operating multipurpose public assembly facilities.
- **Staff and Roles:** Provide a description of key staff that would be involved during a transition period and in the subsequent operation of the XL Center along with their roles, experience and qualifications.
- **Financial Strength:** Provide proof of the company's current financial status and its financial capacity to purchase the XL Center and continue operations as an Arena. Include financial information of any other corporate affiliate or parent company upon whose resources Respondent may rely for completion of the sale and continued operation of the XL Center. Such documentation may include, without limitation, credit information, credit references, annual reports and audited financial statements for the last 3 years.
- **Purchase price:** Provide a Proposal for financial compensation to the City/State in consideration for the purchase of the XL Center. The Price Proposal should be clearly marked "Confidential". There should be no reference to or discussion of the price in any other part of the Submission.

- References: Identify at least three (3) references that are relevant to this RFP. If the Respondent has fewer than three references, indicate that the response includes Respondent's total list of references. For each reference, include a contact name, telephone number and email address of the client.
  
- Legal Issues History:
  - a) Has the Respondent (or any of its principals currently, or in the last five (5) years, been the subject of any bankruptcy, insolvency, reorganization or liquidation or receivership proceedings? If so, please explain.
  
  - b) Has the Respondent (or any of its principals) currently, or in the last five (5) years, been the subject of any litigation, investigation or proceeding before or by an arbitrator or governmental authority involving: (1) Respondent default or claims of breach by a governmental authority or failure to perform services in accordance with the terms of one or more agreements with governmental authorities; (2) Conviction of a criminal offense, including, but not limited to fraud, embezzlement or dishonest acts with respect to obtaining, attempting to obtain or performing a transaction or contract for a governmental authority or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, tax evasion, violating federal criminal tax laws, or receiving stolen property; (3) Violation of federal or state antitrust statutes relating to the submission of offers or proposals or the commission of any unfair trade practices; (4) Tax and securities law violations, including fraud and delinquency; (5) Ethics, conflict of interest, corrupt practice and campaign contributions violations; (6) Breach of duty of good faith and fair dealing; or, (7) Violation of the U.S.A. Patriot Act provisions pertaining to business practices. If so, please explain.
  
  - c) Is there any litigation or governmental or regulatory action pending or threatened against the Respondent or its principals that might have a bearing on the ability of the Respondent to provide the services necessary to meet the requirements as set forth in this RFP? If so, please explain.
  
  - d) Provide information regarding any contractual litigation, arbitration and mediation cases for the last five (5) years that are material or relevant to this RFP.
  
- Other Information: Provide any other information that would be appropriate and helpful in determining the Respondent's capacity and reliability to purchase and operate the XL Center. Information should include marketing materials, background information or descriptive examples of the company's work.