



CENTER CITY COMMISSION

Lee House Development Opportunity Request for Proposals (RFP)

Prime development of historic property in the Victorian Village Neighborhood in Downtown Memphis, Tennessee

Introduction:

The Center City Development Corporation (CCDC) on behalf of the City of Memphis is seeking a qualified developer to restore and adaptively reuse a circa 1848 Victorian structure. This Memphis landmark is the Goyer-Lee House, listed on the National Register of Historic Places and located at 690 Adams Avenue, in the heart of the Victorian Village neighborhood in downtown, Memphis, TN. The neighborhood is currently undergoing major redevelopment to restore it to a single and multi-family residential area. One can view the master plan at www.victorianvillageinc.org/. The successful developer will propose a plan that:

1. Maintains the architectural and cultural historic elements of the mansion
2. Strengthens the synergy of the collection of historic structures in the neighborhood
3. Encourages heritage tourism for the City of Memphis
4. Aids in bringing additional residential and business opportunities to the neighborhood.

A meeting of interest will be held at 2 p.m. CDT on Thursday, April 21, 2011, at the Lee House at 690 Adams Avenue, Memphis, TN 38105, where representatives will field questions and open the property for inspection.

A mandatory pre-proposal conference will be held at 2 p.m. CDT on Tuesday, June 21, 2011, in the meeting room at the adjacent Woodruff-Fontaine House and Museum at 680 Adams Avenue, Memphis, TN 38105. This meeting will include a final inspection of the Lee House. Questions should be submitted in writing at least 24 hours prior to this pre-proposal meeting to kitsinger@downtownmemphis.com or via fax (901) 575-0541 attn: Andy Kitsinger.

Proposal Submissions:

All proposals must be received no later than **Thursday, July 21, 2011 at 2:00 p.m. CDT.** Proposals received after that time shall not be considered.

Submissions must include twelve (12) printed and bound copies as well as a digital copy on a CD of the proposals indicating on the outside the Company Name and Project Name – Lee House Development Opportunity to:

Center City Development Corporation
114 N Main Street
Memphis, TN 38103
(901) 575-0540
Attn: Andy Kitsinger, Sr. VP of Planning & Development
kitsinger@downtownmemphis.com

Awardees are required to give minority-owned business an equal and fair opportunity to receive notice, to bid on, and be considered for selection of all contracting opportunities associated with the design, renovation, and construction of the project. Awardees are required to take affirmative steps to ensure an open and fair contracting process. Awardees shall make a best-faith effort to allot, as a goal, no less than 20% of said opportunities to minority-owned businesses. Please indicate how your company will meet these requirements.

The CCDC is not obligated to select any of the submitted proposals and may choose to reject all proposals and issue another RFP for the project. The submittal of proposals for this project does not bind the CCDC to any firm. The CCDC reserves the right to delay the award of this contract.

The proposal shall include examples of relevant project experience including project description, cost, and implementation schedule.

The proposal must describe the proposed scope of work. Concept drawings must be included. Base plans, elevations and section drawings can be found on the Library of Congress Historic American Buildings Survey web site at: http://memory.loc.gov/ammem/collections/habs_haer/ and search "Lee House Memphis."

The proposal must include the total estimated project cost and the allocation of the cost for the construction for the restoration work.

The proposal must include a business plan and a 5-year financial pro-forma.

The proposal must include a proposed detailed project schedule for design and restoration of the mansion.

Include a list of the restoration team members and their qualifications. This list may include the architect, general contractor, historian, artisan, interior designer, etc.

Commencement, Completion, and Penalties:

Following the award of the contract, work shall proceed according to the schedule as outlined in the selected proposal. Any penalties for delay of completion will be specified in the negotiated Development Agreement.

The firm selected must comply with all applicable licensing and permitting requirements.

Evaluation of Proposals:

An RFP selection committee will review the submitted proposals for compliance with project evaluation criteria and rank them accordingly. The selection committee will interview several firms and recommend the most appropriate proposal for the project based on a range of evaluation criteria. The committee will then recommend the selected proposal to the Memphis City Council in September, 2011 for approval and the beginning of contract negotiations. The Council decision will be final with the approval of the reading of the meeting minutes in October, 2011.

Property Description

The Goyer-Lee House is a c. 1848 Victorian structure located at 690 Adams on the north-west corner of Adams and Orleans in Memphis Tennessee. The structure is sited on an approximately .37 acre parcel within the historic Victorian village neighborhood. (See attached Lee House Parcel Outline)

Property Background and Description

The James Lee House started as a simple two-story farmhouse, built by William Harsson in 1848. Over the next 40 years, the house changed families a few times. It passed in 1852 to Harsson's son-in-law, Charles Wesley Goyer, a sugar and molasses dealer who expanded the house to accommodate his growing family. After Goyer's death in 1890, the home was sold to riverboat tycoon, James Lee. One of Lee's daughters, Rosa, started an art school in the Lee House that would eventually become the Memphis College of Art. The house has been preserved in its original state by the Association for Preservation of Tennessee Antiquities (APTA). Line drawings of the home are on file in the Library of Congress as part of the Historic American Building Survey conducted by the National Park Service to provide a lasting record of unique architecture.

Development Guidelines

Due to the important historic nature of this project, the developer is required to follow the Standards for Rehabilitation by the Secretary of the Department of the Interior, <http://www.nps.gov/history/hps/tps/tax/rhb/guide.htm> even if the developer does not intend to seek the 20% tax credit for historic structures as outlined below. The State Historic Preservation Officer (SHPO) is tasked with certifying the adherence to this Standard. Note also that the house is within the Victorian Village Historic Preservation District, and that all exterior renovation plans must be approved by the Memphis Landmarks Commission. Similarly, the property is within the jurisdiction of the Center City Commission (CCC) and must have design approvals from the CCC Design Review Board.

Development Terms & Conditions

The successful bidder will be required to post a construction bond for the full amount of the renovation costs, so that in the event the developer defaults on the project, it may be completed in a timely manner.

Potential Development Incentives

Several potential incentive programs are available for similar qualifying projects. Most of these apply solely to income-producing uses. The description and links to some of these are as follows:

- 20% tax credit for the Rehabilitation of Historic Structures on the National Register. Visit the IRS site. <http://www.irs.gov/businesses/small/industries/article/0,,id=97599,00.html>
- 30% New Market Tax Credit for commercial projects in a federally designated Urban Renewal Area. Visit National Congress on Community Economic Development. <http://www.ncced.org/policy/NMlegisanalysis.htm>
- Conservation Easement tax deductions for historic structures http://www.nps.gov/history/hps/tps/tax/download/easements_2010.pdf
- PILOT (payment-in-lieu-of-taxes) Program, a financial incentive that is designed to encourage commercial real estate development in and around the Central Business Improvement District by "freezing" property taxes at the predevelopment level for a predetermined period of time. <http://www.downtownmemphis.com/incentives.asp?pg=pd>
- Development loan Program, a financial incentive designed to encourage commercial real estate improvements within the Central Business Improvement District administered by the Center City Development Corporation. <http://www.downtownmemphis.com/incentives.asp?pg=pd>

There will be a development fee of \$300,000 due at the closing date.

The fee will cover:

1. \$250,000 property purchase to clear property deed use restriction
2. \$10,000 in legal transaction fees to the City of Memphis and CCDC
3. \$25,000 to APTA for their 50 year custodianship and improvements
4. \$15,000 to VVI for project supervision and site inspections.

The Center City Development Corporation has established the following terms and conditions for this project:

- 1) The developer will be responsible for all costs associated with the improvements of the property.
- 2) The CCDC staff shall have design approval of the construction documents for the project.

3.) As stated, the property is in the Victorian Village Historic Preservation District and the project design must meet all local codes & ordinances and be approved by the Memphis Landmarks Commission and the CCC Design Review Board.

4.) The CCDC strives for a **goal of at least twenty percent (20%) participation in all projects by Women/Minority Business Enterprises**. The developer will commit to meet this goal in developing this project or, if unable to do so, will document what best faith efforts will be made toward achieving the goal.

5.) Right to purchase the property, at closing of the financing for the project, is subject to closing conditions that will be established in the development agreement.

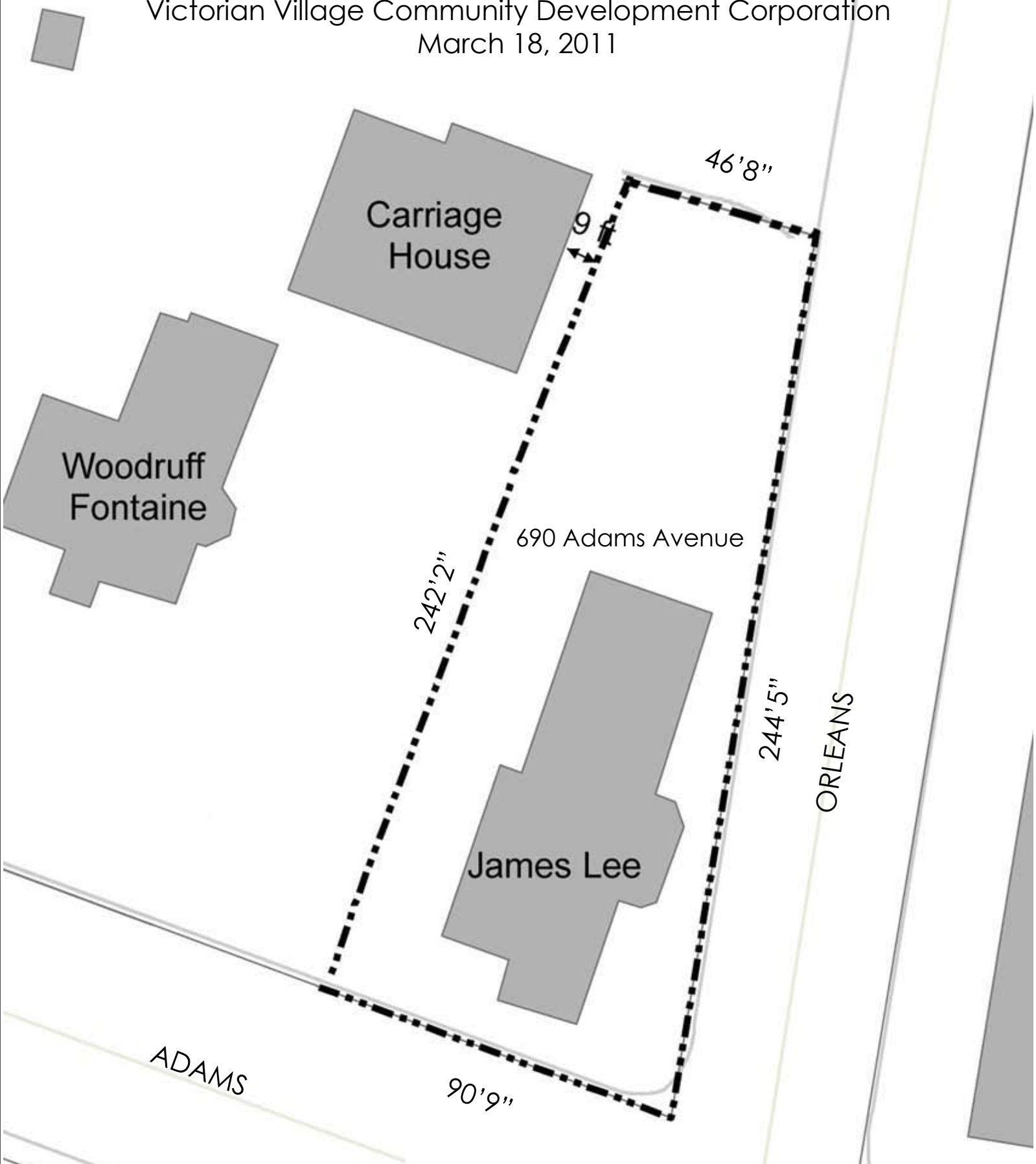
Submission Proposal Requirements:

1. State the name, address, and telephone number of the applying entity.
State the name(s) of the applying entity's representatives and any other financial guarantors of the Project and their addresses and telephone numbers if different from above.
2. Provide background information about the applicant and guarantors, including development experience, if any, and all other relevant information this organization may need to consider while reviewing the application. Describe the corporate or partnership structure as applicable.
3. Briefly describe the proposed Project. Include in this section:
 - a) Intended usage
 - b) Economic and environmental impact
 - c) The square footage of the building/land area to be renovated
 - d) All other information needed to fully explain the project
 - e) Attach architectural plans and renderings and any available history on the subject
 - f) A letter from a certified engineer, licensed in the State of Tennessee, as to the structural integrity of the building for its intended usage
4. State the marketing plans for the project identifying the intended market. What types of lessees are anticipated? If the project is speculative, how long is full occupancy expected to take and who will manage the project?
5. State the estimated Project costs broken down by component (i.e., land, buildings, equipment, soft costs, etc.). Attach bid estimates and show amounts to be paid from loans and equity amounts.
6. Are changes needed to the public space around the Project? If so, then explain and provide an estimate of costs. (for example; public sidewalks, lighting and planting)
7. State the proposed time schedule for the Project including the dates anticipated for the following:

- a) Closing of the loan or contributing financing availability.
 - b) First expenditure of funds with regard to the project.
 - c) Anticipated date for property transaction.
 - d) Anticipated date construction will begin.
 - e) Anticipated completion date.
8. Financial Background
- a) Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements.
 - b) State the relationship any applicant or grantor has had with any accounting firm over the last five years and reason for change, if any.
 - c) Attach three years tax returns if Applicant is an individual.
9. Name any of the following that will be involved with the Project (with address and phone numbers):
- a) Counsel for the Applicant
 - b) Architects and engineers
 - c) Contractor for project
 - d) Other professionals
 - e) Does the Applicant or any guarantor have any previous or ongoing relationship with any Board member or legal counsel of the Board? If so please describe in detail
10. Give three credit references for you personally, and three for your business.
11. Please disclose whether any applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please supply detailed information.
12. Provide the following information about the loan or proposed loan for the Project.
- a) Name, address, and phone number of lender and contact person with lender
 - b) Amount of loan
 - c) Attach a lender's commitment letter
13. Attach a cash flow pro-forma at least five (5) years along with a statement of Sources and Uses of Funds for the project.
14. A performance bond in the name of the project for the amount of 5% of the project cost.
15. Acknowledgment of all terms & requirements of the request for proposal. Note any exceptions

NEW LEE HOUSE PARCEL OUTLINE

Center City Development Corporation
Victorian Village Community Development Corporation
March 18, 2011



Note: Distances are approximate and will be confirmed by certified survey.

