

CITY OF GALAX, VIRGINIA

Request for Proposals for Lease of Rex Theater

Issue Date: March 31, 2022
Due Date & Time: April 11, 2022, at 2:00PM EDT
Project Name: Rex Theater
Project Location: 113 East Grayson Street, Galax, Virginia 24333
Owner Name: City of Galax, Virginia
Owner Contact Information: Matt Settlemyer, City Manager
City of Galax
111 East Grayson Street, Galax, Virginia 24333
Phone: (276) 236-5773
Email: msettlemyer@galaxva.com

All questions should be submitted in writing by e-mail, by no later than April 7, 2022, by 5:00PM EDT to: Matt Settlemyer, City Manager, e-mail: msettlemyer@galaxva.com. The subject line SHALL include: "Request for Lease Proposal."

Proposals will be received until 2:00pm EDT on April 11, 2022. Proposals must reach the address below by the due date and time stated.

Deliver Proposals To: Matt Settlemyer, City Manager
City of Galax
111 East Grayson Street
Galax, Virginia 24333

REQUEST FOR PROPOSALS FOR REX THEATER

I. OVERVIEW

The City of Galax, Virginia ("City"), through this Request for Proposals ("RFP"), hereby solicits proposals for a term lease to occupy and operate the historic Rex Theater. The successful offeror will commit to operating the theater in a manner that complements and promotes the City's rich cultural heritage in the performing arts and that will be consistent with the significant investments made by the City to promote tourism. Through successful programming, the Rex Theater should remain a vibrant hub of entertainment that will increase in its appeal to not only the immediate community, but to the surrounding communities as well. The successful Proposer will help establish downtown as the center of entertainment in the City. The successful Proposer shall do the following:

- Be an economic driver and demonstrate community leadership;

- Provide the community with a first-class arts facility with programs that showcases various types of visual, cultural and performing arts;
- Encourage cultural and intellectual activities for the benefit and enjoyment of all citizens;
- Foster the growth of community arts groups;
- Provide arts related education and programming opportunities through collaborative efforts; and
- Develop the arts center into a valuable civic resource that stimulates a culture of philanthropy, creative discourse, education and opportunities for cultural awareness and expression.

The desired outcome is a long-term lease with one or more successful Proposers. Alternatively, although not the preferred option, the City will consider proposals from management companies to operate the theater, promote cultural programming and maintain the theater.

Project Overview

The City owns the Rex Theater, a downtown historic venue known for hosting a live old-time and bluegrass radio show broadcast on Friday nights, as well as offering movies, concerts, and plays. The theater is located at 113 East Grayson Street, Galax, Virginia 24333.

Rex Theater Specifications and History

The Rex Theater

The Rex Theater opened its doors in 1940 as the prototypical small town movie theater built by Rex Sage. The upper facade of this Art Deco cinema was once covered in white structural glass panels outlined in a step design by black glass. The glass was falling into disrepair and was covered with its new stucco like foam covering in the early 2000's after it was given to the City of Galax by the Galax Downtown Association.

As an initial step in the theater's rehabilitation, Galax Downtown Association sought advice from experts from Virginia Tech. It was recommended to start with the basement and use it for a conference room/ meeting hall type of facility perhaps even to rent it out and make money to help fund the upper-level renovations. At one time the basement was operated as a separate business from the theater above. Thus, there are stairs to the left of the main entrance providing access to the basement.

There were substantial renovations that took place in the last 10 years which included:

- 2014 – The City had the plaster ceiling demolished and replaced with sheetrock and painting of new ceiling and walls. This work also included asbestos abatement. A handicapped toilet was added to the lobby during this construction downtime. The marque neon sign lighting was upgraded with some failed tube replacements with new transformers and electrical equipment.
- 2015 – New stage lighting was installed along with some new sound equipment and a mixing board station was constructed at the rear of the main floor.
- 2015 – Roofing membrane was replaced with a TPO membrane and insulation. Also at that time, the side drapes and curtains were replaced as was the carpet.
- Additionally, the concessions area was updated, the kitchen sink was installed and the downstairs handicap accessible bathroom was added.

Much of the original equipment and fixtures are still housed at Rex, including original movie poster cases and the two, 1937 Carbon-arc movie projectors which still work but are not currently used.

The Rex originally had 500 seats, in the renovation around 1998 the seats were replaced and the larger seats made it necessary to remove every other row of seats in the balcony taking us down to about 450. Then two additional rows were removed from the front of house to allow more room for dancing reducing the seating capacity further. The latest renovation of seating, installed in December 2019 reduced the number of seats once again to our current number of 320.

Performance Goals

The successful proposer will lease the theater from the City and operate the theater in a manner compatible with the City's vibrant cultural and arts scene. The City is looking for offerors with a demonstrated ability to work with local community groups, such as schools and local arts councils to continue, promote and enhance their programming historically offered through the Rex Theater. The successful proposer will demonstrate a willingness to offer events and programming compatible with the community, including the City's vibrant cultural heritage and investments made by the City to promote tourism (the City retains the right to review and disapprove events) and will show the ability, financial wherewithal and capacity to maintain the historic architecture of the theater. Longevity of lease commitment and lease revenue offered will also be important considerations.

Additionally, the City will evaluate the proposed allocation of maintenance and repair responsibilities among lessor and lessee.

Alternatively, although not the preferred option, the City will consider proposals from management companies to operate the theater, promote cultural programming and maintain the theater.

II. INSTRUCTIONS TO PROPOSERS ON PROPOSAL SUBMISSION

A. General

1. Submittal of Proposals. To be considered:
 - a. Proposals must be signed in ink by an authorized representative of the Proposer, with an original, and one electronic copy provided to the City at the location designated in this RFP.
 - b. The City reserves the right to request a list of references.
 - c. Submit proposals, to City Manager. Proposals must be received in hand **no later than 2:00 PM EDT on April 11, 2022**. Requests for extensions of this date will not be granted except by written amendment to the RFP applicable to all prospective Proposers.
 - d. Proposals are to be submitted in a sealed envelope with the words "Rex Theater Proposal Enclosed" on the face of the envelope. The lower left corner of the face of the envelope shall indicate the time and date of the RFP opening, the title of the proposal, and the Proposer's name.
 - e. Proposals or any amendments to proposals received by the City after the closing date will not be considered. Actual receipt by the City and not the mailing or sending date shall control.
2. Brevity, clarity, and responsiveness in proposals are encouraged. The inclusion of extraneous information not pertinent to the basic purpose of the RFP is discouraged.
3. Proposers are encouraged to carefully examine the RFP for discrepancies, errors, omissions or ambiguities. Any questions concerning the requirements of the RFP should be submitted by e-mail by April 11, 2022, at 2:00PM EDT and directed to:

Matt Settlemyer, City Manager
City of Galax
111 East Grayson Street
Galax, Virginia 24333
Msettlemyer@galaxva.com
(276) 236-5773

Verbal questions will not be considered.

4. The City will attempt to review the written questions and requests for clarification. To the extent the City decides to respond to such questions and requests for

clarification, any and all responses and any supplemental instructions will be in the form of written addenda to this RFP which, if issued, will be posted on www.galaxva.com. All addenda shall become part of the RFP.

5. NO CONTACT POLICY —Questions and contact prior to proposal submission shall be solely with the City Manager. No Proposers shall initiate or otherwise attempt to have or have contact related to the solicitation with any City representative, elected official, or employee, other than the City Manager. Any contact initiated by a Proposer with any City representative, other than City Manager, concerning this solicitation is prohibited and may cause the disqualification of the Proposer from this procurement process.
6. No person or firm that is suspended or debarred from participation in City procurement, or from conducting business or submitting proposals on contracts by any other local government, any agency of the Commonwealth of Virginia ("Commonwealth") or the federal government, or any other governmental entity, shall be eligible to submit a Proposal pursuant to this RFP. If a Proposer experiences a material change in its debarment status after a Proposal is submitted and prior to the award of an agreement for the project, the Proposer shall notify the City of the change in writing at the time the change occurs or as soon thereafter as is reasonably practicable.
7. Any Proposer organized or authorized to transact business in Virginia pursuant to Title 13.1 or Title 50 of the Code of Virginia shall include in its proposal the identification number issued to it by the Virginia State Corporation Commission (SCC). If a Proposer is required to be registered with the SCC and does not have the identification number at the time of proposal, the identification number must be obtained before any award can be made. Any Proposer that is not required to have authorization to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law shall include in its proposal a statement describing why the bidder or offeror is not required to be so authorized.
8. By submitting a proposal, all Proposers certify that their proposals are made without collusion or fraud and they have not offered or received any kickbacks or inducements from any other Proposer, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this RFP any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal

value, present or promised, unless consideration of substantially equal or greater value was exchanged.

B. Instructions for Proposals

1. A proposal shall contain the following information:

- a. A completed copy of Appendix A.
- b. A short executive summary.
- c. **Statement of Background and Qualifications:** Provide background and general qualifications for the arts organization and team members describing capability and credentials. Cite specific information about the organization's reputation, knowledge and working experience. Identify the type and number of arts performances and/or programs provided per year. Demonstrate organizational strength and capacity. Provide the following information about background, capabilities, qualifications and experience:
 - (i) Identify the legal structure of the Proposer, the Proposer's organizational structure for the project, and the Proposer's management approach. Identify the principal who will execute the agreement on behalf of the Proposer, and who may be contacted for more information.
 - (ii) The Proposer's qualifications and the resumes of key personnel proposed to be involved in the project.
 - (iii) Describe Proposer's length of time in business and experience, especially with respect to:
 - (i) operating and managing an arts organization and facility; and
 - (ii) conducting arts programming.
 - (iv) State the names of the key personnel that the Proposer intends to use on the project, including their years of employment with the Proposer and state their experience on comparable projects.
- (d) Provide a current or most recent financial statement for the Proposer (audited if available), and copies of the Proposer's balance sheets, income statements and sources and uses of funds statements for the past three fiscal years. Also include financial commitments to other projects in process, loss claims history and legal issues that may be pending or any negative legal decisions against the proposer. Please specify your organizations fundraising experience and your current contribution vs. earned ratio. Provide copies of Form 990 and the determination letter from the IRS qualifying the proposer as an arts non-profit related organization.

- (e) Identify any persons affiliated with or employed by the City who would be obligated to disqualify themselves from participation in any transaction with the Proposer arising from or in connection to the project pursuant to The Virginia State and Local Government Conflict of Interest Act, Chapter 31 (§ 2.2-3100, et seq.) of Title 2.2.
- (f) Unique Capabilities: Describe any unique capabilities, experience, tools, or perspective that the Proposer has related to the project. This section may expand on items presented in any of the previous sections or introduce new information related to the organization.
- (g) Part C — Financial and Value Analysis: For non-lease proposals: Please provide a 10-year pro-forma analysis for the operation of the Theater that includes the assumptions underlying the income and expense projections. The pro forma should break out line items for all revenue streams and expense categories. Clearly indicate assumptions, for rental rates, operating expenses, growth rates, taxes, debt service, and capital reserves. Show the available cash flow, cash-on-cash return, and internal rate of return. In addition, highlight current fundraising programs and revenue percentages (contributions versus earned), and present proposed fundraising programs for this project. Please provide one electronic and editable copy of the pro forma including all underlying assumptions and formulas in Excel format. Include an estimated build-out plan or capital contribution to the Theater.

IV. FACTORS TO BE USED IN EVALUATING PROPOSALS

1. Process

All proposals received on or before the proposal due date and time at the location specified in this RFP will be evaluated to determine the best overall proposal. After reviewing the proposals, the City will select two or more offerors deemed to be fully qualified and best suited based on the proposals. Negotiations shall then be conducted with each of the offerors so selected. Financial considerations will be considered but need not be the sole determining factor. After negotiations have been conducted, the City will select the offeror which, in the City's opinion, has made the best proposal and provides the best value.

2. Evaluation Criteria

Proposers responding to this RFP should be of adequate size and sufficiently staffed to perform the requirements described. The City shall evaluate and rate all proposals evaluation criteria listed below:

- **Quality and Soundness of the Approach to the Scope of Work**
The Proposer must demonstrate understanding of and ability to comply with the City's requirements in this RFP. The City is seeking groups who articulate a clear, concise and innovative approach to completing the responsibilities outlined in the RFP, including how the Proposer would work with community groups and stakeholders
- **Experience and Past Performance**
Proposers should emphasize their experience in performing similar work or providing services of essentially similar scope and magnitude. Entities with a track record of operating/programming similar venues can point to satisfied clients for references. Additionally, a track record of maintaining and preserving historic structures will be considered a positive.
- **Project and Programming Schedule**
The City will value an implementation and programming schedule that makes full use of the space in order to maximize the economic impact for the Theater. The City values reaching a diverse audience and preserving the small City feel. The City values frequency of programming for both revenue-generating acts but community use as well.
- **Community Presence and Engagement**
The City will value the offeror's commitment to engage with arts organizations serving the Southwest Virginia region, but particularly the Galax community. The City will value unique approaches to operations and outreach that seek to engage local artists and different age groups and backgrounds.
- **Technical Qualifications, Experience and Past Performance** Proposers shall prove to the satisfaction of the City that they are responsible Proposers and possess the necessary qualifications and experience. This shall include a description of the entity's qualifications and those of the individual(s) who will be working at the location.
- **Pricing Proposal**
The City will value proposals that benefit the City financially.
- **Term**
The City will value a commitment for a term of at least 2 (two) years.

V. **TERMS AND CONDITIONS OF THIS REQUEST FOR PROPOSALS**

The following terms and conditions apply to this RFP, and by submitting its proposal, the Proposer agrees to them without exception:

A. Neither this RFP nor the City's consideration of any proposal shall create any contractual obligation, expressed or implied, by the City to any Proposer, or any other obligation by the City to any Proposer. The City makes no promise, expressed or implied, regarding whether it will enter into an agreement with any Proposer or regarding the manner in which it will consider

proposals. The City will only be bound by the terms of any agreement into which it enters should it choose to enter into any such agreement.

B. The City will not be responsible for any expenses incurred by a Proposer in preparing and submitting a proposal or in engaging in oral presentations, discussions, or negotiations with the City.

C. Proposers who submit a proposal in response to this RFP may be asked to make an oral presentation or oral presentations of their proposal in the City.

D. The City reserves the right to waive any informalities with respect to any proposal submitted in response to this RFP.

E. The City reserves the right to accept or reject any and all proposals received by reason of this request, in whole or in part, and to negotiate separately in any manner necessary to serve the best interests of the City.

F. Generally, proposal documents submitted to public bodies, such as ones submitted to the City by private entities in response to this RFP, are subject to the Virginia Freedom of Information Act ("FOIA"). Such documents are releasable if requested, except to the extent that they relate to (i) confidential proprietary information submitted to the responsible public entity under a promise of confidentiality or (ii) memoranda, working papers or other records related to proposals if making public such records would adversely affect the financial interest of the public or private entity or the bargaining position of either party. In order for Proposers to exclude confidential proprietary information from public release, Proposers must make a written request to the City that (i) invokes such exclusion upon submission of the data or other materials for which protection from disclosure is sought, (ii) identifies with specificity the data or other materials for which protection is sought, and (iii) states the reasons why protection is necessary. The Proposer must also clearly mark each page of information for which protection is sought with the legend- "Confidential — Not Releasable under FOIA."

G. The City reserves the right to reject any and all proposals without explanation.

H. The provisions of Va. Code § 2.2-4310 are applicable to this RFP and any procurement done pursuant to it. The City will not discriminate against a Proposer because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

J. The City may make such reasonable investigations as deemed proper and necessary to determine the ability of the Proposer to perform in accordance with the proposal and the proposer shall furnish to the City all such information and data for this purpose as may be

reasonably requested. The City reserves the right to reject any proposal if the evidence submitted by, or investigations of such Proposer fail to satisfy the City that such Proposer is properly qualified to carry out the obligations of the contract.

K. Selection of the winning Proposer(s) shall be at the sole discretion of the City and shall be based upon the evaluation criteria herein and any additional information which the City may collect or request.

VI. LIST OF APPENDICES TO RFP

A. Appendix A — Proposal Submission Cover Sheet Form

APPENDIX A

**Rex Theater
Solicitation (Request for Proposals) No. RFP**

If the Proposer does not have a Virginia SCC Business Registration number, explain why the Proposer is not required to be so authorized under Title 13.1 or Title 50 of the Code of Virginia.

I hereby certify that I have authority to submit this proposal on behalf of the Proposer whose name appears above, that I am a principal for the Proposer, that the Proposer hereby agrees to all of the terms and conditions in the City's solicitation for this procurement, that neither the Proposer nor any member of its team or their principals is currently suspended or debarred from public contracting by any federal, state or local government entity, that I have taken reasonable steps to ascertain the accuracy of all the information contained in this proposal and this certification, and that the information in this proposal and certification is accurate to the best of my knowledge or information and belief.

Proposer's Name: _____

Proposer's Address:

Proposer's:
Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

VA SCC Business Registration #: _____

Signature: _____

Printed/Typed Name: _____

Title (Principal of Proposer): _____

Commonwealth of Virginia: to-wit,
County/City of _____

On _____, 2022, _____, (same name as above) appeared before me, and after satisfying me of his/her identity and after being placed under oath, swore to the truthfulness of the above statement.

Notary Public: _____

My commission expires: _____