

EMPIRE STATE DEVELOPMENT
REQUEST FOR INFORMATION
REDEVELOPMENT OF THE ARTHUR KILL CORRECTIONAL FACILITY
STATEN ISLAND, NEW YORK



Aerial view of Arthur Kill Correctional Facility looking south.

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I. INTRODUCTION

Empire State Development (ESD) is seeking responses to this Request for Information (RFI) for the redevelopment of the former Arthur Kill Correctional Facility (the Site), located at 2911 Arthur Kill Road, in the Rossville section of Staten Island, New York.

The Site is approximately 69 acres of waterfront land along Staten Island's West Shore and is surrounded by a variety of uses including commercial, recreational, open space and industrial. The Arthur Kill Correction Facility was closed in 2011 and will be available for disposition in 2012.

This RFI invites interested parties to envision the future for this closed State facility as a community asset and/or an economic development opportunity. The key objectives are to:

- Leverage the expertise of the real estate industry to identify economically-viable reuse and redevelopment options for the Site.
- Maximize financial return to the government and taxpayers through reuse and redevelopment of the Site that is compatible with the surrounding current and planned uses. Contribute to the resurgence of the Rossville community of Staten Island.

Empire State Development (ESD) seeks to redevelop and repurpose the Site and solicit development teams and other interested parties ("Respondents") to submit conceptual proposals to maximize the potential of the Site with a financially viable project that meets the State objectives above. The Site is a unique opportunity for ESD, in partnership with the private sector, to leverage underutilized State assets with the support of the local community.

Respondents shall present a conceptual plan as well as a financing program for the Site. For additional information on the submission process, see Sections IV and V.

II. BACKGROUND

STATEN ISLAND WATERFRONT

Independent of the closure of the Arthur Kill Correctional Facility, the New York City Department of City Planning and NYC Economic Development Corporation (NYCEDC) released “*Working West Shore 2030 – Creating Jobs, Improving Infrastructure and Managing Growth*”, in June 2011. This land use and transportation report and the accompanying “West Shore 2030 Work Plan” are guiding documents, providing a framework for future public and private investment and land use decisions. They are the product of a collaborative effort among City and State agencies, local civic groups and Staten Island’s elected officials.

The report provides recommendations for areas where targeted infrastructure improvements can support future job creation. The Arthur Kill Correctional Facility is located within the area identified as the Rossville Waterfront, an area which supports a mix of maritime, light industrial, commercial and destination retail uses. The Site is an integral part of this effort to spur economic development and potentially forge strong connections to the waterfront.

In support of “*Working West Shore 2030*,” NYCEDC also released a Request for Expression of Interest for an adjacent 33 acre site, the Rossville Municipal site, in November 2011. Because of the Rossville Municipal site’s 2,000 linear feet of shoreline and New York City’s initiatives to strengthen the industrial and maritime sectors, responses for this request were to include the activation of at least a portion of the Rossville Municipal site for port uses.

Additionally, NYC Department of Transportation, in conjunction with NYC Department of Design and Construction, are completing a traffic study and preliminary schematic design for the recommended widening of Arthur Kill Road, from Richmond Avenue to the Outerbridge Crossing. The study area includes the street frontage of the Arthur Kill Correctional Facility.

OVERVIEW OF THE ARTHUR KILL CORRECTIONAL FACILITY

The Arthur Kill Correctional Facility was recently closed by the New York State Department of Corrections and Community Supervision (DOCCS). The property was appropriated by the State of New York in 1967 for mental hygiene purposes but has been used since 1976 as a correctional facility. There are 43 buildings situated on approximately 69 acres of land. In addition to the 69 acres, there are approximately 12.5 acres of predominantly wetlands or lands underwater along the Arthur Kill, which will not be available for lease or sale, but access to the Arthur Kill from the Site may be preserved through license or agreement.

Please note that the Arthur Kill Correctional Facility is one of 7 recently closed correctional facilities included within the State’s Economic Transformation Program and that grants for capital purposes and tax credits may be available to projects that create jobs on the Site. For more information on the Economic Transformation Program, please go to: <http://www.esd.ny.gov/BusinessPrograms/EconomicTransformation.html>.

Location and Transportation

The Site is located along the Arthur Kill on the southwesterly side of Staten Island at 2911 Arthur Kill Road. It is bounded on the north by the Arthur Kill, on the south by Arthur Kill Road, on the east by commercial, recreational, and open space uses and on the west by Industrial Loop, a private road with a mix of light and heavy industrial uses. This property is identified as Lot 1, Block 7178 on the New York City Tax Maps and is located in Staten Island Community District #3. On the south side of Arthur Kill Road is the Clay Pit Ponds State Park. The Site is within a ½ mile from Exit 3 of the West Shore Expressway and within 3 ½ miles of the Outerbridge Crossing providing access to New Jersey. Bus service is accessible via Arthur Kill Road.

Zoning

The Arthur Kill Correctional Facility is located in an M3 District, which accommodates heavy industrial uses, but also permits light industrial and many commercial uses. The Site is also located within the Special South Richmond Development District (ZR 107-00), a NYC zoning designation, that provides additional rules to guide future development and infrastructure planning on the south shore of Staten Island. Proposed redevelopment scenarios need not be compliant under existing zoning.

Building and Site Data

The 43 buildings on the Site, most built since 1976, include 8 barracks-style housing units, kitchen/mess hall, administration building, maintenance garage, guard towers, storage warehouse, infirmary, sewage pumping station and a gymnasium. The primary buildings on the site comprise approximately 341,330 square feet. A large parking lot for 600+ vehicles is located near the entrance to the facility. Outdoor recreational facilities are located in the rear (northerly) end of the grounds. All buildings and mechanical equipment are in good condition and were in use until December 1, 2011. For additional information, please refer to the Arthur Kill Correctional Facility Key Plot Plan in the Appendix of this RFI.

Water Distribution System

The Arthur Kill Correctional Facility is served by a buried cast iron water main that enters the facility and is distributed to the other buildings in the main compound. The system includes all fire hydrants in the compound which provides fire protection to all buildings.

Sanitary Sewer System

The Arthur Kill Correctional Facility is served by underground sanitary sewer piping and manholes located throughout the compound. Also included are several grease traps. Sewage is collected in an equalization tank located on facility grounds, and is pumped to a NYSDEC permitted wastewater treatment facility via a 2 ½ inch forced main. After adequate treatment, the effluent from the wastewater treatment plant is discharged to drying/filter beds.

Sanitary Sewer Discharge

Arthur Kill Correctional Facility discharges its sanitary sewage to the city of New York Publically Owned Treatment Works (POTW) for treatment.

Storm Water System

The Arthur Kill Correctional Facility is served by underground storm sewer piping, manholes and area drainage catch basins located throughout the compound. Arthur Kill Correctional Facility falls under the regulatory requirements of the DEC Municipal Separate Storm Sewer System (MS4,) for storm water management (General Permit #GP02-10-002, MS4 ID #NYR-20A-502). A storm water construction permit remains open for the recent firing range construction project at the Facility (DEC Permit #NYR-10M260.)

Electrical Distribution

Electric service for the Arthur Kill Correctional facility is provided by Con Edison. Power is distributed throughout the site through underground conduits and duct banks. The power is distributed at 4160 volts, three phase. The main disconnect switchgear is located outside the secured perimeter and is located at the south west corner of the facility parking area. The secondary voltage of the majority of the main buildings is 208 volts, which is converted by a pad mount transformer and distributed to the various areas.

Petroleum Bulk Storage

The facility has ten petroleum bulk storage tanks that are registered with the Department of Environmental Conservation. Four of these tanks are above ground tanks. The underground tanks consist of two 25,000 gallon #2 fuel oil tanks, a 1,000 and 2,000 gallon gasoline and diesel vehicle fueling tank, and an 1,000 and 8,000 gallon generator diesel tank.

Air Permitting

Arthur Kill Correctional Facility operates under a DEC Air State Facility Permit (#2-6405-00235/02001.) An ongoing project at the facility is underway to install three new replacement powerhouse boilers. The facility also operates one 1500kw emergency generator. In addition to these large emissions points, the facility operates exempt and trivial activity sources of emissions include small combustion sources, storage tanks, exempt generators and maintenance and vocational activities. This emission source is registered with the DEC and certain regulatory requirements are mandated.

Range Remediation

Arthur Kill Correctional Facility has a decommissioned firing range and a recently active firing range with a state of the art lead trap system. The decommissioned firing range had been slated for lead remediation.

III. REDEVELOPMENT PARAMETERS

Empire State Development invites Respondents to offer conceptual proposals consistent with the key objectives articulated within this RFI.

Possible re-use scenarios that can be considered include (but not limited to):

- Destination retail;
- Maritime and light-industrial development; and
- Other redevelopment projects that maximize the creation of jobs.

“Working West Shore 2030” does not consider residential use in the Rossville Waterfront section of Staten Island.

Proposed redevelopment scenarios need not be compliant under existing zoning.

Transaction Structure/ESD Statutory Authority

ESD has specific statutory authority under various State laws to create and utilize alternative transactional structures which might facilitate the application of other benefits. Respondents may submit an alternate transactional structure for review, but every submission must include a proposal for acquisition of fee simple title to the Site. No assurance can be provided that any other transaction structure will be offered or considered by ESD under this RFI.

ESD does not anticipate providing project financing or Government guarantees of third-party financing. However, other Government incentives may be considered, including through the Economic Transformation Program.

Ownership and Taxes

The property is currently owned by the State of New York and is exempt from property taxes. Assuming a private reuse of the property, property taxes would be assessed by the NYC Department of Finance. More information on NYC property taxes and the NYC Department of Finance can be found at www.nyc.gov/dof.

“As-Is” Condition

Respondents should assume that the Arthur Kill Correctional Facility, including supporting building infrastructure, will be leased/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.

Respondents should rely on their own independent research and conclusions for all development, financing, construction and renovation costs.

IV. SUBMISSION REQUIREMENTS

ESD is seeking information relating to general redevelopment concepts and preliminary project financials demonstrating a financially-viable redevelopment of the Arthur Kill Correctional Facility in accordance with ESD's objectives as articulated on page 1 of this RFI. Interested Respondents shall provide the following:

1. Company Information and Relevant Experience: Respondents must submit a brief summary of the business entity(ies) comprising the development team including history and description of any previous experience with relevant redevelopment projects. Each entity submitting a response should provide contact information including name, address, email address, and telephone number.
2. Project Description: Outline of the Respondent's proposed Arthur Kill Correctional Facility redevelopment concept shall include:
 - A. *Project Summary*: Project summary including Respondent name, project name, total development square footage, total development cost, financing structure, land transaction/ownership structure and date of completion.
 - B. *Vision*: The vision for the Site should take into consideration:
 1. ESD's objectives for the Site
 - Leverage the expertise of the real estate industry to identify economically-viable reuse and redevelopment options for the Site
 - Maximize financial return to the government and taxpayers through reuse and redevelopment of the Site that is compatible with the surrounding current and planned uses.
 - Contribute to the resurgence of the Rossville community of Staten Island.
 2. Market analysis and demand
 - Provide overall trends and forecasts in the regional real estate market that support the proposed development and use of the Site.
 - C. *Site Plan*: Detailed description of the proposed use(s) and the general allocation of their size and location. Describe any known potential obstacles to implementing your proposed use, along with known potential obstacles to other potential uses. Additionally, the proposed use(s) should consider:
 - Compatibility with surrounding uses
 - Estimated employment figures created by jobs, if applicable

Respondents are encouraged to submit preliminary sketches, renderings or concept drawings of the proposed project.

- D. *Implementation Plan*: Brief overview of how the principal spaces, systems and building elements would be modified, reused or demolished. Proposal should outline all

necessary development or modifications needed for the purchase of the property in its “as-is” condition and include an estimated schedule, budget and funding sources.

- E. *Development Timeframe*: An overview of the development timeframe (subdivided into phases, if necessary), identifying the estimated length of time to reach key milestones including commencement and completion of design; financing; commencement and completion of construction; potential tenants; and operational stabilization.

3. **Financial Information**: Financial information based on the material in this RFI shall include:

- A. *Plan of Finance*: Respondent's experience with the proposed concept and current and reasonably foreseeable market conditions.
- B. *Preliminary Pro Forma*: Preliminary *pro forma* with return analyses, expected rental rates, anticipated ground rent, purchase price to the State and projected financing. Cost estimates and financing are necessarily preliminary and should be based on industry standards and reasonable future expectations. Include timetable of major project financing milestones.
- C. *Transaction Structure*: Respondents shall propose their desired transaction structures and basic financial terms.
- D. *Government Participation*: Describe any Government incentives (with the exception of project financing or Government guarantees) necessary to achieve success and what guarantees you would provide in order to receive those incentives.

Summary of Submission Requirements

As outlined above, Respondents are encouraged to provide the following information:

- | | |
|--|---------------------|
| 1. Company Information and Relevant Experience | 5 pages (suggested) |
| 2. Project Description | 5 pages (suggested) |
| 3. Graphics (optional) | 5 pages (suggested) |
| 4. Financial Information (including <i>pro forma</i> spreadsheets) | 5 pages (suggested) |

Responses to the RFI should be no more than twenty-five (25) pages, not including resumes of team members.

Respondents are requested to provide five (5) bound copies and one (1) cd-rom of the submittal to ESD.

V. SUBMISSION PERIOD

Responses to the RFI can be submitted during the period beginning February 22, 2012 and ending April 18, 2012. Please submit responses to ESD at the following address:

Empire State Development
633 Third Avenue, 37th Floor
New York, NY 10017
Attn: Gretchen Minneman

Submissions must be received by **12:00 p.m. (noon) EST on April 18, 2012.**

VI. STATEMENT OF LIMITATIONS

1. ESD represents that this RFI, submissions from Respondents to this RFI, and any relationship between ESD and Respondents arising from or connected or related to this RFI, are subject to the specific limitations and representations expressed below, as well as the terms contained elsewhere in this RFI. By responding to this RFI, Respondents are deemed to accept and agree to this Statement of Limitations. By submitting a response to this RFI, the entity acknowledges and accepts ESD's rights as set forth in the RFI, including this Statement of Limitations.
2. This RFI is issued solely for information and planning purposes and does not constitute a solicitation. Responses to this notice are not an offer and cannot be accepted by ESD to form a binding contract.
3. All information submitted in response to this RFI is subject to the Freedom of Information Law (FOIL), which generally mandates the disclosure of documents in the possession of OGS upon the request of any person unless the content of the document falls under a specific exemption to disclosure.
4. ESD reserves the right, in its sole discretion, without liability, to utilize any or all of the RFI responses, including late responses, in its planning efforts. ESD reserves the right to retain and use all the materials and information, and the ideas, suggestions therein, submitted in response to this RFI.
5. This RFI shall not be construed in any manner to implement any of the actions contemplated herein, nor to serve as the basis for any claim whatsoever for reimbursement of costs for efforts expended in preparing a response to the RFI. ESD will not be responsible for any costs incurred by Respondents related to preparing and submitting a response to this RFI, attending oral presentations, or for any other associated costs.
6. The submission of an RFI response is not required to participate in any potential future development process nor does submitting an RFI response ensure favorable consideration in any future development process.

7. To the best of ESD's knowledge, the information provided herein is accurate. Respondents should undertake appropriate investigation in preparation of responses. A site inspection will be coordinated to give all Respondents the opportunity to examine existing conditions.

VII. ADDITIONAL INFORMATION

Project Inquiries

ESD will accept written questions via email from prospective Respondents regarding the RFI. Please submit questions to:

ArthurKillRFI@esd.ny.gov

Written questions must include the requestor's name, e-mail address, and the Respondent represented. All written questions must be received by March 30, 2012. A response to all appropriate questions will be posted on the ESD website:

<http://www.esd.ny.gov/CorporateInformation/RFPs.html>

Site Visits

Potential Respondents may attend a site tour with ESD staff on the following dates:

- Monday, March 12, 2012 at 10:00 am
- Thursday, March 15, 2012 at 2:00 pm

Please email ArthurKillRFI@esd.ny.gov by March 5, 2012, if you plan on participating in the site tour.

Interested Parties List

Contact information for any Respondents will be placed on the interested parties list compiled for this project. Any party that chooses not to respond to this RFI may be added to the interested parties list by submitting the following information via email to ArthurKillRFI@esd.ny.gov.

- Name
- Organization
- Mailing Address
- Email Address
- Phone Number
- Fax Number

Upon receipt of submissions, ESD or the State of New York may move forward to a Request for Qualifications, a Request for Proposals, a public auction, or choose not to continue this process in any manner or fashion. No contractual obligations to any party will result or arise from this request for expressions of interest. ESD will make a good faith effort to contact all interested parties regarding the release of any additional information regarding the redevelopment of the Arthur Kill Correctional Facility.

VIII. APPENDIX

Photos are available at: <http://flic.kr/s/aHsjxchEwX>

A brief video tour of the site is available at: <http://youtu.be/DfLElii5FJY>

Arthur Kill Correctional Facility Key Plot Plan



