

State of North Carolina

Request for Proposals

Mixed Use Development - Old Rex Hospital Site

700 Wade Avenue, Raleigh, North Carolina

www.oldrexpital.com

Issue Date: November 9, 2016

Response Due Date: March 3, 2017 2:00 PM Eastern

Contact

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Introduction and Context

Site Introduction

The Old Rex Hospital Site (“the Site”), PIN # 1704253378, is located at 700 Wade Avenue in Raleigh, North Carolina, and is shown roughly bounded in yellow below.



The 15.84-acre site served as the second home of the Rex Hospital, the city’s oldest hospital system, from 1931 to 1981 before the hospital relocated to its current facilities on Lake Boone Trail. The Site currently operates as the home of the Employment Security Commission. The site is of rolling topography, and is improved with an approximately 300,000 square foot professional office building, formerly a hospital building, and an approximately 12,000 square foot maintenance building.

Site Location and Transportation Context

The Site is situated at a major gateway into Downtown Raleigh and proximate to both Cameron Village and Hayes Barton. The property is bordered by St. Mary’s Street to the East, Williamson Drive to the North, and Wade Avenue to the South. Two State Employees Credit Union office buildings abut the parcel to the west, and several single family homes abut the northwestern corner of the site.

The site enjoys easy access to Highway 70 and Highway 401, as well as to Interstate 440. Specifically, the site is:

- 13 miles southeast of the Raleigh-Durham International Airport
- 2 miles northeast of North Carolina State University
- 3 miles north of the Raleigh Convention Center

The site is well located with regard to public transit, with three bus corridors within walking distance of the site. Bus lines run on Oberlin Rd., St. Mary's St., and Glenwood Ave. The three routes currently have a frequency of between 31 and 60 minutes.

The Recommended Wake County Transit Plan looks to create Bus Rapid Transit (BRT) corridors along with Frequent Network Corridors to better connect the county. If implemented, both Oberlin Rd. and Glenwood Ave. will be turned in Frequent Network Corridors with service every 15 minutes or better.

Local Market Economic and Demographic Context

Raleigh is a part of North Carolina's Research Triangle, one of the country's largest and most successful research parks and a major center for technology, with large presences from IBM and Cisco among others. Downtown Raleigh also boasts a strong focus on technology, with large presences from Red Hat and Citrix. The city also boasts strengths in healthcare and education, as well as biotechnology. Raleigh is home to over 500 startup companies, which raised over \$175 million in capital in 2015. In 2015, Raleigh company acquisitions totaled over \$1.1 billion.

The city continues to strengthen economically. Building permit issuance has steadily increased by an average of 5.4% each year since the recession. Raleigh's median household income is \$62,404, and the city's economy exhibited net job growth of 4.2% in 2014. It was recently ranked #2 in the Best Places for Business and Careers by Forbes. Household income within the census tract in which the property lies is in excess of \$100,000 per annum.

The Old Rex Hospital Site is ideally situated as a mixed-use infill development with easy access to the commercial corridor throughout the city. There are few, if any, other parcels within the city with similar size, central location and prominence. Traffic Counts as of 2013 are over 29,000 per day on Wade Avenue, 6,300 per day on St. Mary's.

Project Vision, Goals and Requirements

This solicitation is intended to promote responses from highly qualified development teams that propose development of the highest quality architectural and urban design.

Respondents should seek to create a cohesive and attractive environment for residents, neighbors, visitors and workers who will use this new setting.

The State's goals for the redevelopment are:

- Creation of a mixed-use development that creates a sense of place, which is well-integrated with surrounding uses and neighborhoods in Raleigh
 - Development that meets the goals of the Wade-Oberlin area plan and the 2030 Comprehensive Plan
 - High quality design and site layout
 - Delivers fair market value to the State
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Site Planning and Zoning Context

Offerors are encouraged to conduct research into the site's regulatory, planning and zoning context prior to submitting a proposal. The information below is provided as a guide to the Site's planning and zoning context but should not be considered a definitive, all-encompassing source of information on the topic. It is recommended that offerors conduct their own review of the City of Raleigh's source documents regarding the site and the Unified Development Ordinance, in order to propose a project that is feasible and likely to gain regulatory approval from the City of Raleigh.

As a part of the 2030 Comprehensive Plan and effective May 3rd, 2016, the City of Raleigh rezoned the Old Rex Hospital Site from O&I-1 to OX-5. OX-5 zoning permits mixed-use development with a height limit of 5 stories or 75 feet.

OX-5 zoning is intended to foster developments that balance employment and housing options with access to convenience retail services and goods, and serves as a transitional zone between employment and residential areas. Full details of OX-5 zoning including all setback, coverage and other requirements of the district can be found in **Chapter 3** of the City of Raleigh's Unified Development Ordinance, which is available online at:

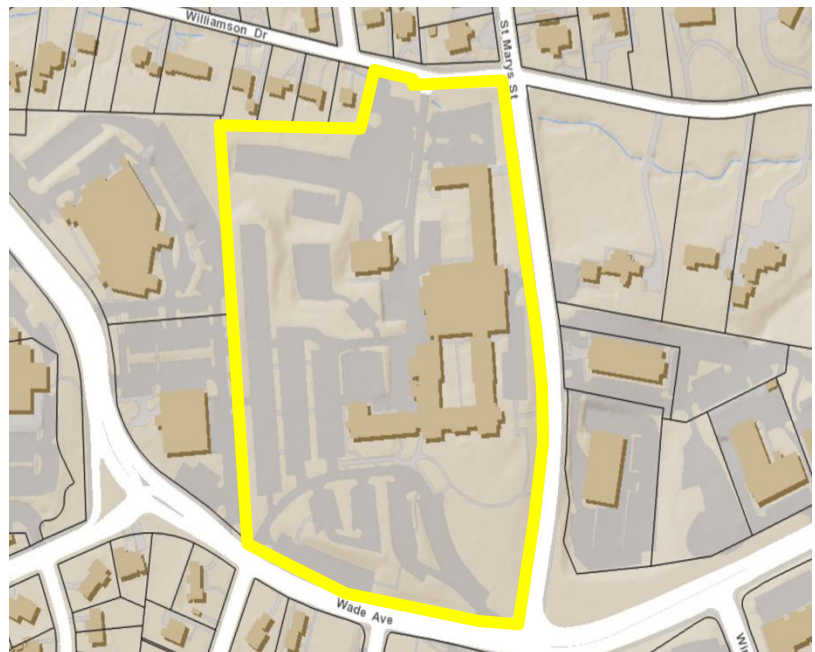
<https://www.raleighnc.gov/content/extra/Books/PlanDev/UnifiedDevelopmentOrdinance/>

The site lies within the area planned for by the Wade-Oberlin Area plan and is designated in that plan as High Intensity development. The plan can be found online at:

<https://www.raleighnc.gov/content/PlanDev/Documents/TransPlan/OberlinRoadStreetscape/WadeOberlinAreaPlan.pdf>

In this plan, the City of Raleigh provides specific guidance on the Site and its vision for future development in Policy AP-WO 14:

"No additional retail uses should be allowed on Wade Avenue with the exception of the North Carolina Department of Employment Security (the old Rex Hospital) on the northwest corner of Wade Avenue and St. Mary's Street, which may be redeveloped into mixed-use residential and office, with retail uses limited to Accessory Retail Sales not to exceed 5 percent of total built square footage. Building height should be limited to four stories or 50 feet and adjacent to single family residential should be limited to a maximum of two stories or 25 feet. Building heights in excess of 25 feet should require a one foot for one foot step back. Residential densities should be limited to 30 units per acre. On-site parking should comply with the Urban Design Policy UD 2.6 'Parking Location and Design'.



Additionally, the site lies adjacent to the area planned for in the Cameron Village and Hillsborough Street area plans. These plans are available online at:

<http://www.raleighnc.gov/business/content/PlanDev/Articles/UrbanDesign/CameronHillsborough.html>

City of Raleigh Regulatory Context

The City of Raleigh offers developers two potential avenues to confirm regulatory context for sites. Both are face-to-face meetings with City officials from a variety of disciplines that can offer insight on the site from a number of perspectives.

- Due Diligence is a free service provided by the City of Raleigh that allows developers or potential purchasers to discuss potential site plan projects with multi-departmental staff members prior to processing development plans. Design concept or general site layout of the proposed project are permitted however, full plans are not permitted.
- Sketch Plan Review is a paid service in which applicants meet with a multi-departmental team of reviewers to discuss site plan design. During the review, applicants receive regulatory-based guidance intended to reduce future review cycles, expedite project timelines, and open lines of communication with staff.

More information on the City of Raleigh's face to face meeting services can be found online at:

<http://www.raleighnc.gov/business/content/PlanDev/Articles/DevServ/Face2FaceServices.html>

Environmental Background and Transaction Structure

Environmental Conditions and Investigation

Due to the long history of the site and past use as a medical facility, a Phase 1 Environmental Site Assessment was performed by Terracon Consultants and was completed on September 22, 2016. This Phase 1 report is attached as Appendix 1.

The Phase 1 report outlines several conclusions drawn from soil and water samples at the Old Rex Hospital Site. The report identified the following Recognized Environmental Conditions (“REC”), which represent the presence or likely presence of hazardous substances at a property:

- Soils encountered in the borings were generally characterized as interbedded light brown and orangish-yellow sandy clays, clays, and micaceous clayey sands. DPT refusal was not encountered.
 - Groundwater was encountered at depths ranging from approximately 22 to 40 ft bls.
 - Laboratory analytical data indicates the presence of petroleum compounds above soil-to-groundwater and residential standards in soil adjacent to the former UST location. With the existing building in-place, it would be difficult to safely excavate the impacted soil.
 - Compounds detected are generally consistent with those expected from a release of gasoline and were detected above 2L Standards in a groundwater sample collected in the vicinity of the suspected former UST basin.
 - The open LUST incident #26194 could likely be closed with a groundwater use restriction and residential use restriction recorded on the deed if the petroleum-impacted soil remain in-place. If redevelopment plans for the site include demolition of the building, the impacted soil could be excavated and the incident could be closed without a residential use restriction, although a groundwater use restriction would still be required due to groundwater concentrations above 2L standards. Closure would be dependent upon NCDEQ’s concurrence that groundwater impacts do not pose a concern to the adjacent stream.
 - Due to depths to groundwater greater than approximately 20 feet below the building, which exceeds the EPA’s vertical screening distance of 6 feet for dissolved phase plumes (EPA,2015), and the lack of precluding factors, investigation for petroleum vapor intrusion is not warranted at this time.
 - Tetrachloroethane, the chlorinated solvent detected in groundwater on-site in 2004 and 2005, was not detected during this assessment; however, PCE, a chlorinated solvent and non-petroleum related compound, was detected in TW-02 at a
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concentration below its 2L standard and in TW-04 at an estimated concentration above its 2L standard. It is not considered a violation to the 2L standard because the concentration was estimated (i.e. contained a "J"-flag data qualifier). Terracon conducted additional investigation of the issues identified in the Phase 1 Report in August and September 2016, and their report on such further investigation is attached as Appendix 2.

The Report indicates

- The property owner should submit the 2L standard exceedances for Tetrachloroethane and PCE to NCDEQ's Inactive Hazardous Sites Branch (IHSB).
- Due to the current soil and groundwater concentrations around the former gasoline UST (Incident #26194), the site is not currently eligible for an unrestricted use closure. The site can likely be closed under its current conditions with a residential use restriction and a groundwater use restriction. If site conditions change to allow excavation of impacted soil in the vicinity of the UST (i.e. the building is demolished), the site can likely be closed to allow for future residential use following excavation activities, although a groundwater use restriction on the deed would still be required. Closure would be dependent upon NCDEQ's concurrence that groundwater impacts do not pose a concern to the adjacent stream.

LUST:

- Key points: LUST has not subsided below residential use permit levels; will need remediation (removal of soils) OR replatting of property to contain residential use restriction

Chlorinated Solvents:

- Continued presence of tetrachloroethane in the groundwater samples from one boring above the current groundwater quality standards
- Extent of chlorinated solvents on site is not known due to proximity to the building – cannot be ascertained reliably without significant intrusion into building

The State accepts no liability for the findings based on the Terracon Report. The selected purchaser will be responsible for conducting its own environmental studies in order to confirm the Terracon findings. The State and Terracon disclaim all liability for Terracon's findings.

Environmental Liability and Remediation

The State understands that the purchaser will need to undertake an environmental remediation exercise in order to develop the property. The State also believes the appropriate strategy for the remediation of the site should be at the discretion of the developer, as remediation and site work will likely be significantly linked.

As such, the State requests the proposers provide the following breakdown for their offer price: the value of the land if no environmental remediation were required less estimated cost of remediation resulting in the net offer price. The net offer will enable to the State to make an informed determination with regard to each Proposer's view on the potential remediation costs.

After the property sale, all liability for the environmental remediation will be the responsibility of the purchaser. The included Terracon Consultants report is intended solely for informational purposes and the purchaser will be responsible for all of its own due diligence during the due diligence period prior to closing.

Transaction Structure

The State of North Carolina will accept proposals for the fee simple disposition of the site.

Proposed purchase pricing should be presented as a net number, inclusive of all known environmental remediation needs with anticipated remediation costs enumerated. The State expects that the selected purchaser will undertake its own due diligence with regard to final remediation costs and that the included Terracon Consultants report is solely for informational purposes.

Proposed purchase pricing should be provided based upon the proposed density that the Offeror believes will be approved by the city, and on a \$/FAR SF and \$/unit basis.

State Occupancy

The State plans to vacate the site by November 9, 2018. In the interim, an eighteen (18) month triple net lease structure will be negotiated between the selected offeror and the State in addition to the closing documents. The State anticipates, and the offeror should take into account, that the lease arrangement will be at low-cost/no-cost to the State wherein the tenant will be responsible for all operating expenses.

In addition to the initial eighteen (18) month term, the lease will include two (2) six (6) month extension options to account for any potential delay in construction or build out of the State's new space. The State anticipates that it will pay an increased rent during any six (6) month extension period with the triple net lease structure remaining in place. The State expects that offerors will include proposed lease terms in all proposals.

Details of RFP Process

RFP Process Key Dates

The overall schedule for the acceptance and review of proposals, as well as developer selection is as follows:

RFP Issue Date	November 9, 2016
Pre-Proposal Conference and Site Tour	December 7 and December 8, 2016
Closing Date for Receipt of Written Questions	January 13, 2017
Due Date for Proposal Submission	March 3, 2017
Anticipated Date of Developer Selection	April 7, 2017

Pre-Proposal Conference and Site Tour

A Non-mandatory pre-proposal conference and group site tours will be held on December 7 and December 8, 2016. A question and answer session will be held.

Attendance is recommended, but not required, for all proposers. All questions and answers posed during the pre-proposal conference will be posted to the project website.

Submission of Written Questions

Any questions regarding this RFP shall be submitted via email to Jeremy Becker at oldrex.hospital@am.jll.com, prior to the closing date for receipt of written inquiries established in Section 2, above.

Project Oversight

The State has engaged Jones Lang LaSalle (JLL) as exclusive broker in the redevelopment of the Old Rex Hospital Site. JLL will assist the State in the evaluation of the proposals and negotiation of the disposition; however, all determinations and decisions on the selection of a Developer and the project will belong to the State.

Submission Requirements

General Requirements and Instructions

Proposals must be typewritten on 8.5 by 11 inch paper and bound in two volumes:

Volume 1 will contain the Technical Proposal, and

Volume 2 will contain the Financial Proposal.

The Offeror must also submit one copy of both volumes of the proposal in digital format, on a single USB flash drive labeled with the Developer's name.

It is the Offeror's responsibility to clearly describe the project it proposes to develop in response to the Request for Proposal. Offerors are cautioned that organization of their response, as well as thoroughness, is critical to the evaluation process.

All RFP Forms must be completed legibly and in their entirety, and all required supplemental information must be furnished and presented in an organized, comprehensive and easy to follow manner.

Unnecessarily elaborate brochures or other presentations beyond that sufficient to present a complete and effective proposal are not desired.

By submitting a proposal, the Offeror acknowledges that it has read this RFP, understands it, and agrees to be bound by its terms and conditions. Proposals may be submitted by mail or delivered in person.

Each Offeror responding to this Request for Proposal must supply all the documentation required in the RFP. Failure to provide documentation with the Offeror's response to the RFP may result in the disqualification of the Offeror's proposal.

The Offeror's response is considered a binding offer to purchase the property, provided all terms are negotiated satisfactorily in the Land Development and Disposition Agreement.

Responses may be withdrawn upon written request and resubmitted if received by the State prior to the Closing Date for Proposal Submission.

Responses will be in force for a period of one hundred eighty (180) days following the Closing Date for Proposal Submission.

Copies and Submission

One (1) original (duly marked) and ten (10) copies of the Technical Proposal binder, and one (1) original (duly marked) and ten (10) copies of the Financial Proposal binder shall be delivered to the following address.

JLL

5420 Wade Park Blvd.

#206

Raleigh, NC 27607

Offerors are reminded that changes to the Request for Proposal, in the form of addenda, are often issued between the issue date and within three (3) days before the closing of the solicitation.

All addenda MUST be signed and submitted before the time and date of the closing of the bid or must accompany the bid. Notice of addenda will be posted on the solicitation webpage at www.oldrexhospital.com

The State is not responsible for delays caused by any delivery service. Deliveries must arrive by the due date indicated above.

The State reserves the right to reject any or all responses considered not responsible or non-responsive; to re-advertise this RFP; to postpone or cancel this process; to waive irregularities in the solicitation process or in the responses received; and to change or modify the RFP schedule at any time. Examples of not responsible or non-responsive may include, without limitation, termination of a previous contract with the State, financial weakness, or multiple legal actions taken by the firm.

Late Proposals

Proposals received after the date and time prescribed shall not be considered for contract award and shall be returned to the Offeror.

Proposal Structure and Format

Proposal Structure and Format Requirements

The Offeror must submit the following information, arranged in the same order and identified with headings as presented herein.

Volume 1: Technical Proposal

This information will be considered the minimum content of the Technical Proposal.

Tab 1: Transmittal Letter

A letter signed by an authorized officer of the development team to make a binding commitment for the Developer without the consent or joiner of any other party or authority. The Transmittal Letter should state that the Proposal is valid for 180 days and that, if selected, the Developer will negotiate in good faith with the State.

Tab 2: Table of Contents

Tab 3: Executive Summary

Offerors shall provide a concise Executive Summary of the technical proposal, excluding all financial information (two pages maximum).

Tab 4: Development Team Information

Development Team Overview and Organizational Structure – Offerors shall provide a company overview for each company that is a member of the proposed Development Team. Offerors must identify:

- the lead Developer
- the role of each member of the Development Team
- The proposed person who will act as Project Manager
- The project architect.

Organizational Chart - Offerors shall provide an organizational chart and narrative description that identifies the proposed team structure clearly delineating relationships between individuals and companies.

Resumes – Please provide summary qualifications of key project staff, as well as a description of their role on this project and relevant experience.

Tab 5: Past Performance

Offeror's qualifications should demonstrate expertise, financial capacity and proven experience in mixed-use, infill development and in partnering with public entities. If a mixed-use plan is proposed, Offerors should demonstrate expertise and experience involving development of all product types proposed.

Offerors must provide illustrative materials on three (3) recent projects of similar or comparable scope with specific emphasis on mixed-use, infill development completed over the past 10 years.

Past Performance examples shall include at a minimum:

- Name / address / location of project
- Development team members including lead developer, project architect, general contractor, lender(s) and equity provider(s)
- References including names, addresses, telephone numbers and email addresses and a letter authorizing each reference to respond to inquiries regarding the design, financing and development of the project as well as prior projects
- Photographs and project renderings, if available
- Development scope
- Land area (square feet)
- Square footage of buildings (broken down by product type)
- Parking spaces and orientation (above grade structured, surface, below grade)
- Construction type (high rise, mid-rise, low rise)
- Development costs (excluding land costs)
- The sources and amounts of project funding
- Project timeline from initial planning to land acquisition to construction completion and lease up / sale as well as current project status
- Challenges associated with the project
- Any environmental remediation or environmental conditions encountered and dealt with in the project
- Statement of how the project compares to the Old Rex Hospital development

If the project was a Public-Private Partnership, Offerors must provide the following information:

- Whether the project was in response to an open solicitation
- Total consideration to the government including but not limited to:
- Land value (initial proposal and final negotiated agreement) – amount, methodology for establishing amount (if applicable), timing of payments
- Other public benefits - list and identify the cost of each (i.e. public parking, public facilities, etc.)
- If the project received public financial assistance, provide the following information:
 - Form and structure of public financial assistance (i.e. tax-exempt bonds, below market debt, guarantees and other types of credit enhancement, grants, Tax Increment Financing, Payments In Lieu Of Taxes, etc.)
 - Amount of assistance / subsidy
 - Timing of assistance – when were the funds contributed (as applicable)
 - Initial proposed amount, timing, and terms
 - Final negotiated amount, timing, and terms
- Any factual measures of success including but not limited to:
 - Initial budget vs. final cost
 - Projected Net Operating Income (NOI) for first stabilized year (and projected year) vs. actual stabilized NOI (and actual year of stabilization)

- Satisfaction of public entity partner (where applicable, demonstrate through past performance review)

Tab 6: Defaults, Bankruptcy and Criminal Background

A list of any projects on which the Developer, its parent company, or any member of the Development Team has defaulted or declared bankruptcy, and an explanation of each default or bankruptcy.

Detailed information regarding any criminal indictments or felony convictions of the Developer or any principal, officer, director, partner, member, manager or equivalent of any person or entity constituting a member of the Development Team.

Tab 7: Proposed Development Plan

The Development Plan should demonstrate an understanding of the site, market opportunities and constraints, the type and size of development best suited for the site and the market, and a realistic, market based approach to total development scope and product mix. The Development Plan must include at a minimum, the following:

- Narrative description of the Offeror's vision for the project
- A high-level conceptual site layout, indicating the positioning of various uses on the site, and the heights of various uses and buildings to be constructed on the site
- Proposed Development Program - total square footage of all uses to be constructed, number and type of residential units, number of hotel keys (if hotel is proposed)
- Parking plan – location, number, and type of parking stalls to be constructed
- Market support for proposed development program, including Proposed rental rates, sales prices and price points for all product types to be developed on site.
- A phasing plan, if the project involves multiple phases

Tab 8: Conceptual Project Schedule

Offerors must submit a theoretical project schedule, detailing the duration (in number of months) and dates for key milestones beginning at initial selection (assume 1/1/2016) through stabilized occupancy of the completed buildings.

The Project Schedule must address at a minimum, the following:

- Negotiation of development agreement
- Negotiation of final agreements with the State
- Local governmental approvals and actions (zoning, site plan, etc.)
- Project financing
- Schematic design, design development and construction drawing preparation and approval
- Permitting process
- Project construction period (per phase, as applicable)
- Initial occupancy (per phase, as applicable)
- Final/stabilized occupancy (per phase, as applicable).

Tab 9: Community and Stakeholder Outreach Strategy

Each offeror must describe their understanding and approach to soliciting feedback and obtaining support from the City, community groups and key stakeholders.

The selected developer shall be responsible for all aspects of community and stakeholder outreach including the development of presentation materials, meeting schedule and scheduling, meeting logistics.

The community and stakeholder outreach strategy should address:

- a. Sequential steps of outreach required to create a successful Development
- b. Milestones and key decision points
- c. Projected frequency of meetings/presentations between the Developer and City Staff and Community Groups
- d. Public Meetings, Public Presentations, and Public Hearings
- e. Anticipated use of outside consultants, as needed (expenses related to outside consultants will be the sole responsibility of the selected Developer)

Tab 10: Required Statements

Offerors must submit statements for the following:

Identify whether the Project's feasibility is contingent on any local, state, or federal government action or financial support (including a change in regulations; funding including guarantees, and issuance of tax exempt bonds; financing and credit enhancements; leasing of space; and the justification and process for obtaining government support).

Binder 2: Financial Proposal

The Offeror must submit the following information, arranged in the same order and identified with headings as presented herein. This information will be considered the minimum content of the Financial Proposal.

Tab 11: Table of Contents

Tab 12: Development Summary Sheet

Offerors shall complete Attachment 1, Development Program Summary Sheet.

Tab 13: Conceptual Project Budget

Provide a high-level construction and development budget for the entire project, broken down by product type, based upon the Proposed Development Plan identified in Tab 7 above.

Tab 14: Proforma

All financial models must be submitted to the State on a flash drive as well as a hard copy.

Offerors must provide a complete project pro forma model in a single Microsoft Excel file ("Proforma"). The Proforma must detail the development scope, project financing, operating projections and capital events. All Offeror Proformas must be dynamic with fully functioning linked formulas. Offerors shall limit hard coding to assumption inputs only which should be identified by blue text. The State may wish to perform sensitivity analyses on various assumptions within Offeror Proformas, therefore all formulas should be properly linked to hard coded assumptions.

The pro forma should include a cash flow statement detailing the pre-development, construction and operating period cash flows from project commencement through stabilization on a monthly basis including but not limited to:

- a. development costs
- b. Land value to the State
- c. project funding draws
- d. rental or sales revenue
- e. operating expenses
- f. NOI
- g. debt service
- h. proceeds from sale or refinancing
- i. net cash flow available for distribution
- j. return on equity

All fees and income that the Developer, its partners and affiliates receive from the Project should be clearly shown by phase of development and product type. For residential rental units, the submission must include an absorption and lease-up schedule detailing the estimated absorption time.

Tab 15: Financial Offer

Offerors should detail their proposed financial offer for the fee simple disposition of the site.

Proposed purchase pricing should be presented in two scenarios; one as if the site is clear of all environmental issues and the second inclusive of the anticipated of the proposed remediation costs. The State understands that the approved costs of any environmental remediation necessary on the site will be deducted from the sale price

Proposed purchase pricing should be provided based upon the proposed density that the Offeror believes will be approved by the city, and on a \$/FAR SF and \$/unit basis. Additionally, all proposals must include proposed lease terms for the eighteen (18) leaseback and potential six (6) month extensions.

Tab 16: Financial Plan

Offerors shall provide a description of its strategy for financing the project on a long-term basis including anticipated financing costs, long term outlook for project financial viability, and why this strategy is the most advantageous to the State. Proposals will address timing for execution of financing, and financing closure.

Tab 17: Historical Financials

Copies of Developer's audited financial statements for the past three fiscal years.

Tab 18: Financial Qualifications

Statements regarding the Developer's financial creditworthiness and past development experience which can be verified, including the names and addresses of at least three (3) commercial or institutional credit references and a letter authorizing each credit reference to respond to inquiries.

Proposal Evaluation and Selection Process

Proposal Evaluation Criteria

The following evaluation factors will be used to evaluate Offerors, and are listed in order of importance:

- Offeror Qualifications and Past Performance
- Financial Offer and Financial Stability of Offeror
- Degree to which the Conceptual Development Plan meets or exceeds the State's goals as set forth in this RFP

Proposal Evaluation and Selection Process

A Selection Committee will be established to review and evaluate all proposals submitted in response to this RFP. The committee will conduct a preliminary evaluation of the Technical Proposals based on the evaluation factors listed above and in the RFP. The selection of the Offeror will be based on the clarity and comprehensiveness of the Offeror's response. The Offerors will be evaluated as follows:

Based on the results of the preliminary evaluation, one or more Offerors may be invited to make an oral presentation to the State.

The State may request clarifications or best and final offers from any or all Offerors at which point the Committee will conduct a final evaluation and rank order the proposals deemed responsive and responsible.

The State may, at any time, request any additional information, including any omission from the original response, it deems relevant and/or necessary for the purposes of its evaluation and decision making process. The Committee may conduct discussions, interviews or require presentations to investigate the qualification of any Offeror, as it deems appropriate.

The State reserves the right to enter into competitive negotiations with one or more Offerors.

As part of the competitive negotiation process, Offerors may be requested to provide the State with more detailed designs, project specifications and cost models or other information deemed necessary by the State.

The State reserves the right, at its sole discretion, to reject any or all proposals it deems incomplete or unresponsive to the submission requirements.

The designation of a Selected Developer will be based on the quality, clarity and thoroughness of the proposal and the degree to which it meets or exceeds the State's stated vision, goals and requirements and provides the State with the best value.

The State retains the right to negotiate the final contract terms and conditions to be presented for approval with one or more of the apparent most responsive Offerors as solely determine by the State.

The State reserves the right to conduct discussions with Offerors, to request revisions of proposals and to negotiate price changes or waive minor informalities. During the discussion period, no information will be disclosed regarding either the contents of proposals or discussions.

The State reserves the right to waive any information or irregularities in any response and to reject any and/or all responses as may be deemed in the best interest of the State. The State further reserves the right to cancel the project at any time and pay the selected Offeror only for the costs incurred to that point as will be provided for the development agreement.

Attachments

Attachment 1: Phase 1 Environmental Study, Terracon

Attachment 2: Further Environmental Study, Terracon

Attachment 3: Development Program Summary Sheet
