



City of Falls Church, Virginia

June 16, 2018 DRAFT
**Request for Detailed Proposals
Pursuant to
The Public-Private Education Facilities
and Infrastructure Act (PPEA)**

For the

West Falls Church Economic Development Project

On Approximately 10 Acres of Land

**Adjacent to
A New George Mason High School**

Issue Date: June 15, 2018

RFP No.: [0615-18-GMHS-WFC (George Mason High School-West Falls Church)]



REQUEST FOR PROPOSAL (RFP)

Date: **June 15, 2018**

RFP NUMBER: RFDP No. 0615-18-GMHS-WFC

RFP SUBJECT: George Mason High School - West Falls Church PPEA

SEALED PROPOSALS Purchasing Office / City of Falls Church
TO BE SUBMITTED ONLY TO: 300 Park Ave., Suite 300 East
Falls Church, Virginia 22046 / Phone (703) 248-5007

PROPOSAL DUE DATE AND TIME: by no later than [redacted], 2018 at 2:00 p.m.
Prevailing Local time (Purchasing Office Clock)

Proposals are to be presented for time and date validation **ONLY to the City of Falls Church Purchasing Office.**

All inquiries and questions should be made in writing and forwarded to Jim Wise, Purchasing Agent, via email to jwise@fallschurchva.gov by no later than **five (5) business days prior to the RFP due date** ([redacted]).

NON-MANDATORY PRE-PROPOSAL MEETING MARCH 14, 2018 (See Paragraph 3.6)

+++++

THIS PAGE MUST BE COMPLETED, SIGNED AND RETURNED WITH PROPOSAL

In compliance with this Request For Proposal and to all the conditions imposed herein, the undersigned offers and agrees to furnish the services in accordance with the attached signed proposal.

Please type or legibly print all information.

LEGAL NAME & ADDRESS OF FIRM: _____

By: _____
Company's Legal Name Authorized Representative - Signature in Ink

Address _____ Name: _____

Title: _____

Zip: _____ Date: _____

Phone: _____ Email: _____

FAX: _____ VA SCC Business Registration # _____
See Section 8.5 "Proof of Authority To Transact Business In VA"

This Proposal contains appropriately marked proprietary and/or confidential Information.
No Yes

The City of Falls Church and its Public Schools are committed to the letter and spirit of the Americans with Disabilities Act. To request a reasonable accommodation for any type of disability or that this document be made available in an alternate format, call 703 248-5007 (TTY 711).

The City of Falls Church and its Public Schools do not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against any Proposer or Proposer because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

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1. PROJECT GOALS AND OBJECTIVES

Please see the Project Goals and Objectives, as described in the March 1, 2018 Request for Conceptual Proposals.

1.1 Project Vision

Please see the Project Background, as described in the March 1, 2018 Request for Conceptual Proposals.

1.2 Project Background

Please see the Project Background, as described in the March 1, 2018 Request for Conceptual Proposals.

1.3 Planning and Zoning

Please see the description of Planning and Zoning, as described in the March 1, 2018 Request for Conceptual Proposals.

1.4 Transportation and Access

Please see the description of Transportation and Access, as described in the March 1, 2018 Request for Conceptual Proposals.

1.5 Preferred Transaction Process

Upon completion of the ~~RFP process and~~ RFDP process, the City ~~will~~expects to execute an ~~Exclusive Rights~~Interim Agreement (“ERAIA”) with the selected development team (“Selected Developer”). The ERAIA will commit the parties to the exclusive negotiation and will require the ~~selected team~~Selected Developer to post an escrow of \$500,000 to guarantee the terms of the proposal, provide terms for access to the site, post a second deposit at the conclusion of the due diligence period, govern certain aspects of the time between award and financial closing (the “Interim Period”), and set conditions in the unlikely event of a failure of the negotiations. The ERAIA will be in substantially the form attached hereto as Appendix XX-While A, subject to final negotiations. During the ERA is in effect (“ERA Interim Period”), the Selected Developer will coordinate with the City to perform due diligence and planning; obtain land use entitlements based on B-2 zoning that the City anticipates having previously approved; (For information, a draft of the proposed zoning changes is Appendix B hereto), and negotiate a Comprehensive Agreement (“CA”).

The City intends for the Selected Developer to fund due diligence and planning work during the ~~ERA period.~~Interim Period. Some of these activities may be funded out of the aforementioned escrow deposit, as detailed in the IA. Subsequently, the Selected Developer and the City will execute the CA, which will detail: the transaction structure, the development program, financial commitments to the City and the timing of those commitments, construction milestone schedule

and rights and responsibilities of each party. At CA execution, currently estimated to occur in the 2nd quarter of 2019, the Selected Developer will make a significant non-refundable payment to the City. The non-refundable nature of this payment will be subject to City performance in certain key areas, to be defined in the CA. CA execution is anticipated to occur prior to the commencement of construction of the new high school facility. The CA will provide for the timing and amount of the balance of land value payments.

The CA will state that, during construction of the new high school, the Selected Developer will prepare design documents, obtain final project plan approvals, and secure financing to construct the Project. Some site work may be completed during this period, provided that the work does not interfere with ~~the active high school and middle~~operations or school-related activities.

Upon completion and occupancy of the new high school facility, the ~~City will convey the Site to the~~ Selected Developer will gain full access to the Site and ~~the Selected Developer~~ will begin making additional payments, including either an upfront payment equal to the remaining purchase price/land value, or periodic ground rent payments, or such other payment structure as is provided for in the CA.

The City strongly prefers to maintain fee simple ownership of the Site, but may consider a sale of the Site, in part or ~~as a~~ whole, if a fee simple sale demonstrates significant financial and qualitative advantages for the City. The City's request for information regarding options for payment should not be ~~seen~~interpreted as a reduced level of interest in ~~keeping~~maintaining fee simple ownership.

Anticipated Schedule:

Milestone	Transaction Phase	Financial Exchange	Entitlement Action
Request for Conceptual Proposals (RFP) (Mar 2018)	The RFP will identify qualified development teams and gather projects concepts to design, build, finance, operate, and maintain the Project.		The City has approved comprehensive plan amendments and initiated a B-2 zoning designation for the Site.
Request for Detailed Proposals (RFDP) (Jun 2018)	The RFDP will seek detailed development programs, firm financial commitments, and project timelines from a short-listed group of RFP respondents.		B-2 zoning is anticipated to be in place prior to or during the RFDP stage.
Exclusive Rights Agreement (ERA) (Oct 2018)	The ERA will outline key business terms, site access, and exclusive negotiation between the City and Selected Developer. While in effect, the Selected Developer will perform due diligence and planning; conduct budgeting and scheduling activities, and negotiate a CA.	Selected Developer funds due diligence, planning, and initial design activities.	Following ERA execution, Selected Developer will pursue and receive approvals for land entitlement.
Comprehensive Agreement (CA) (May 2019)	The CA will detail the transaction structure, refine business terms outlined in the ERA and detail the development program, financial commitments and their timing, project schedule, Site conveyance, and rights and responsibilities of each party.	Selected Developer provides significant initial payment to the City at Comprehensive Agreement execution.	Following CA execution the Selected Developer may seek a special exception for additional height, density, etc. The City will also offer preliminary design review to expedite permit issuance after conveyance.
Conveyance of the Site and Final Entitlement (Q3 2021)	Following occupancy of the new high school, the City will convey the Site to the Selected Developer.	Selected Developer provides remaining land value to the City as defined in the CA (eg. Upfront lease payment, periodic ground lease payments, or purchase)	Following conveyance, the Selected developer will apply for permits.

2. PROJECT REQUIREMENTS AND DESIRED FEATURES

The Project requirements and Desired Features set forth below remain generally the same as in the initial Request for Proposals RFP because the City’s requirements have not changed. **New or revised items are shown in bold**, but the remaining language is set forth below for reference and convenience.

The Selected Developer shall design, build, finance, operate and maintain a vibrant mixed-use development project that meets the requirements below.

2.1 Financial and Structural Requirements [A1]

After the ERA Periods the Selected Developer will be required to:

- A. Execute a CA with the City prior to commencement of construction of the new high school, and take possession of the Site from the City following completion and occupancy of the new high school.

- B. Provide ~~a payment to the City in a significant amount as is provided for in the selected developer's proposal as it may be modified through negotiations and agreed to in the Comprehensive Agreement.~~payments to the City. The overall structure of the payments is expected to include an initial significant non-refundable payment as mentioned above, and payment of remaining land value upon conveyance of the Site for redevelopment as provided for in the CA.
- C. Provide capital to plan, design, and build the Project as described in Section 1.5.
- D. Finance and construct utilities, private roads, stormwater management, environmental amenities and infrastructure on the Site that ~~are sufficient to meet~~include the desired features below.
- E. Maximize long-term positive net fiscal impact to the City through high quality commercial uses. For these purposes, the net fiscal impact is the projected tax yield, including all types of taxes to be generated from the site, plus ground rent derived from the ground-leasing of the Site for the Project minus the projected costs for the City services once the redevelopment is completed. The City may also use its own fiscal impact model to measure the impact of a proposal.

2.2 Financial Capability Requirements

~~A. As The Financial Capability Requirements shall be as~~ stated in the original RFP, ~~the Selected Developer must have the following financial capability:~~

- ~~A. The ability to provide payment and performance bonding capacity sufficient to ensure project delivery.~~
- ~~B. Experience financing large, mixed use, master planned communities with development costs in excess of \$100 million. Transit oriented developments, projects greater than 5 acres, and projects located in urban areas will be considered most favorably by the City.~~
- ~~C. Possess either (1) a minimum of \$100 million in liquid assets not committed to other projects; (2) control over assets with a liquidated value of \$100 million; or (3) an in-place fund or credit facility with a minimum of \$100 million available, as evidenced by audited financial statements, confirmation of credit facilities from lenders, or other documentation acceptable to the City at its sole discretion.~~

[A2]

2.3 Team Requirements

~~As stated in the original RFP, the~~The Selected Developer's team or teams will meet ~~the following:~~

- ~~A. The Standards for the Development Team as described in the Request for Conceptual Proposals apply to the Request for Detailed Proposals.~~
- ~~B. The Standards for the Design Team as described in the Request for Conceptual Proposals apply to the Request for Detailed Proposals.~~
- ~~C. The Standards for the Development as described in the Request for Conceptual Proposals apply to the Request for Detailed Proposals.~~

[A3]

2.4 Development Requirements

As stated in the original RFP, the Selected Developer shall prepare a development plan that will accomplish the following:

- A. Delivery of significant and compelling commercial uses, including retail, as part of a detailed plan.
- B. Coordination with the City, School Board, and School Administration and selected school design-build team on the utilities, roads, and infrastructure that will serve both the School Parcel and the Site, and coordination of the design aesthetic of the Site as it interfaces with the School Parcel.
- C. ~~Demolition~~Remediation and demolition of the existing high school.
- D. Outstanding planning, urban design, and architecture and creation of a sense of place.
- E. A prominent public civic space or spaces, including landscaped areas that have both form and function and that can help shape the Project's identity.
- F. Pedestrian and bike friendly streets with effective transportation improvements.
- G. Environmentally sustainable designs at the neighborhood ~~and individual building~~ level that ~~meet LEED~~will be LEED ND (version 4) certified. Environmentally sustainable building plans to achieve LEEDv4 Gold, ~~LEED ND~~, or other similar industry ~~equivalent~~equivalent. The development plan including strategies for minimizing ~~energy use~~Energy Use Intensity ("EUI") and facilitating on-site renewable energy.
- H. A process for land use applications with the City with strong community engagement.
- I. ~~Affordable housing at a minimum of~~ 6% of residential ~~units at gross floor area~~ reserved for households making up to 60% of AMI, to be affordable for the length of the Comprehensive Agreement. The subset of affordable units shall mirror the ratio of all unit types and be distributed evenly through all residential buildings.
- J. A plan to operate and maintain infrastructure, including private roads and sidewalks.
- K. Streetscape that reflects the City's Streetscape Design Standards for sidewalk width, outdoor dining, street trees, and street furniture:
<http://www.fallschurchva.gov/1725/Streetscape-Standards>
- L. **Metro-accessible Class A office space[A4].**
- M. **Incorporation of a hotel with conference space.**
- N. **Walkable retail environment that is, in gross square footage, at least ten (10) percent of the GLA for the proposal.**
- O. **Manage Stormwater for the site in a way that integrates stormwater facilities into site amenities.**
- ~~O-P.~~ **Incorporate sustainable landscape designs that integrate open space with canopy cover to assist the City in meeting its greenhouse gas goals, including potential greenspace connection with nearby sites.**

2.5 Desired Features

The City hopes to receive Proposals that include all of the desired features listed below. Offerors should, however, clearly describe important tradeoffs necessary to deliver multiple

requirements and desired features. For example, Offerors should describe impacts to upfront or long-term value as a result of providing multiple desired features.

- A. Retention of fee simple ownership of the Site through a structure such as a long-term ground lease, though the City will consider other land transaction structures, provided that they demonstrate significant financial and qualitative advantages over leasing options;
- B. Innovative flex or shared space for use by the academic and commercial users, such as greenspace and/or subgrade uses near the proposed practice fields.
- C. ~~A future-oriented~~ development program incorporating environmentally sustainable, energy efficient and resilient design that takes advantage of innovations in technology, transportation and the built environment, with a specific focus on the lowest Energy Usage Intensity achievable.
- D. Stormwater management designed to maximize the reduction in Chesapeake Bay TMDL nutrients.
- ~~D.E.~~ Athletic amenities that could be shared with schools, such as possible indoor swimming facility, ice rink facility, or the like.
- ~~E.F.~~ Shared parking arrangements with the Schools.
- ~~F.G.~~ Other enhancements to the Site that will benefit the City and surrounding community.

3. PROCUREMENT INFORMATION

3.1 Procurement Overview

As noted in Section 1, this procurement is being conducted pursuant to the PPEA with (i) the City serving as a responsible public entity and (ii) all references to the Guidelines in this ~~RFP~~ RFDP deemed to meet the City's PPEA Implementation Guidelines. The procurement ~~will proceed~~ is proceeding in two phases ~~with this RFP initiating. This RFP initiates~~ the ~~first~~ second Phase. Pursuant to subdivision 2 of Section 56-575.16 of the *Code of Virginia*, the City has determined that it will proceed using competitive negotiation to pursue a ~~comprehensive agreement~~ CA for the Project.

Phase 1:

The City received Conceptual Proposals on May 1st, 2018.

Phase 2:

This ~~Request for Detailed Proposals ("Detailed Proposals")~~ RFDP asks for detailed ~~Offerors only~~ proposals from ~~those offerors~~ selected after Phase 1. Short-~~Listed Offerors~~ listed offerors will participate in a public hearing ~~to answer questions regarding~~ their vision and concept. Offerors will not be required to publicly disclose proprietary information. Interviews and/or presentations by ~~Short-Listed~~ short-listed proposers may be requested

3.2 Schedule

The City anticipates conducting this procurement in accordance with the schedule set forth below. The schedule is subject to revision and the City reserves the right to modify the schedule at any time as it deems necessary, in its sole discretion.

	Milestone	Date
RFP (COMPLETE)	Issue RFP	March 1, 2018
	Non-mandatory Industry Forum (pre-proposal conference)	March 14, 2018
	Deadline to submit questions on RFP	March 27, 2018
	Issue responses to questions	April 6, 2018
	Conceptual Proposal submission deadline	May 1, 2018
	Announcement of Shortlist	June 2018
RFDP	Issue RFDP	June 2018
	Deadline to submit questions on RFP	August 10, 2018
	Issue responses to questions	August 17, 2018
	Detailed Proposal submission deadline	August 22, 2018
	Public hearing on Proposals	September 2018
	Selection of preferred Offeror and Exclusive Rights Agreement execution	October 2018
Transaction & Negotiation & Entitlements	Negotiate Comprehensive Agreement key	Nov 2018 – Apr 2019
	Review Land Entitlements Application	Nov 2018 – Apr 2019
	Finalize Comprehensive Agreement	May 2019
	Land Entitlements Approval	May 2019
	Transfer of Property and Demolition of Current High School	Summer 2021

3.3 Point of Contact

The sole point of contact (“POC”) for matters related to the RFDP, and the designated addressee ~~offer~~ for any responses, questions, or comments regarding this RFDP, is the person designated below. In the interests of competition, transparency and openness in this procurement, the POC is the only individual authorized to communicate in relation to this RFDP with any Offerors. All communications with the POC about the Project or this RFDP shall be in writing, as required by applicable provisions of this RFDP. The City will not be bound by any oral communications. Any Offeror who violates the limits on communication described in this section will be disqualified and will not be considered for the Project.

Name: Jim Wise, Purchasing Agent

Mailing Address: The City of Falls Church
300 Park Avenue
Falls Church, Virginia 22046

Physical Address: 400 North Washington Street
Suite 300-09

Falls Church, Virginia 22046
Phone: 703-248-5007
E-mail: jwise@fallschurchva.gov

3.4 Detailed Proposal Delivery Requirements

Detailed Proposals must be delivered to the physical Address at 400 N. Washington Street, 3rd Floor, Room Number 300-09 **before 2:00 p.m. (Eastern Time) on August 22, 2018.** The City Purchasing Office is open for the receipt of submittals from 8:30 AM until 4:30 PM, Monday through Friday (excluding City holidays). The City is not responsible for deliveries attempted outside of these time periods or misdirected to other offices.

Detailed Proposals must be physically delivered to the POC. Fax, e-mail, or electronic submissions will not be accepted.

Offerors are responsible for effecting delivery by the deadline set forth above. Late submissions will be rejected without consideration or evaluation and will be returned unopened to the sender. The City accepts no responsibility for misdirected or lost Detailed Proposals.

Detailed Proposals are to be sealed in mailing envelopes or packages bearing the Offeror's name, address, and the words "PPEA Detailed Proposal for **RFDP #0615-18-GMHS-WFC** (George Mason High School-West Falls Church)" clearly written on the outside. Detailed Proposals are to comply with the format requirements set forth in Section 4.9.

A Detailed Proposal may be modified or withdrawn by a written document bearing an original signature (in ink) of an authorized representative of the Offeror, delivered to the POC prior to the date and time by which Detailed Proposals must be delivered (as noted above).

3.5 Questions and Clarifications

To promote transparency and consistency as well as full and open competition, all questions and requests for clarification regarding this RFDP shall be submitted to the POC in writing. No requests for additional information, clarifications, or any other communication should be directed to any other individual.

All questions or requests for clarification must be **submitted [before 12:00 p.m. noon (Eastern Time) on August 10, 2018.]** Questions or clarifications that are not submitted in writing or requested after the date and time set forth herein will not be answered, unless the City, in its sole discretion, elects to do so.

Responses to questions or requests for clarification shall be in writing, and any revisions to the RDFP in response to questions or requests for clarification shall be accomplished via an addendum to the RDFP. Responses, and any addenda to the RDFP, will be posted on the City website at www.fallschurchva.gov/CampusRedevelopment.

3.6 Certain Eligibility Requirements

No person or firm that is: suspended or debarred from participation in City procurement, 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 Detailed Proposal pursuant to this RFDP. If an Offerors has experienced a material change in its debarment status prior to the award of an interim or comprehensive agreement for the Project, the Offeror shall notify the POC of the change in writing at the time the change occurs or as soon thereafter as is reasonably practicable.

3.7 Offeror Costs

The Offeror shall be responsible for all costs associated with its participation in this procurement.

3.8 Detailed Proposal Overview

For purposes of this RDFP only, this Section 3.8 shall supersede the provisions of Section 7.1 of the Guidelines with respect to the content and format of Detailed Proposals.

Offerors with concerns about confidential information to be included in a Detailed Proposal are directed to Section 8.4.

~~The Detailed Proposal shall be organized as shown in the following table, with maximum page lengths as noted therein.~~

<p><u>The Detailed Proposal shall be organized as shown in the following table, with maximum page lengths as noted therein.</u> Tab</p>	<p>Title</p>	<p>Maximum Page Length*</p>
	<p>Cover Sheet (see Section 4.? [A5] <u>Included as second page of this RFDP</u>)</p>	<p>N/A</p>
	<p>Table of Contents</p>	<p>N/A</p>
	<p>Executive Summary (see Section 4.1)</p>	<p>5</p>
<p>1</p>	<p>Development Plan (see Section 4.2)</p>	<p>10</p>
<p>2</p>	<p>Development Process and Methods (see Section 4.3)</p>	<p>7</p>
<p>3</p>	<p>Operating Plan (see Section 4.4)</p>	<p>3</p>
<p>4</p>	<p>Financial Plan (see Section 4.5)</p>	<p>10</p>
<p>5</p>	<p>Exceptions to the Exclusive Rights (see Section 4.6)</p>	<p>2</p>

***NOTE: Several response requirements will not count toward page limitation if included in a tabbed appendix, as referenced in Section 4**

A single Offeror shall not submit more than one Detailed Proposal for the Project. This limitation shall not be construed to prohibit an Offeror from including in its Detailed Proposal reasonable alternatives or options relevant to the primary elements of its Detailed Proposal.

3.9 Detailed Proposal Format

If the City determines that a Detailed Proposal does not comply or satisfy the formatting requirements described herein, the City may find such Detailed Proposal to be non-responsive and it may be rejected without consideration or evaluation.

A Detailed Proposal shall be prepared on 8.5” x 11” white paper, with all text typed except as otherwise provided in this RFP. All printing should be in a font size of no less than 12 point. Detailed design drawings may be prepared on 11” x 17” paper, folded to fit within the bound proposal (design drawings will not count against page limitation if included in a tabbed appendix)

A Detailed Proposal cannot exceed the maximum page requirements described in Section 3.8. The Detailed Proposal shall be separated by numbered tabs with sections corresponding to the topics described in Section 3.8. The numbered tabs shall not count against the page count limit, provided that no proposal-specific information is included on the tabs.

Each Offeror shall submit one original paper version of the Detailed Proposal, which must bear an original signature (in ink) of an authorized representative of the Offeror. The original Detailed Proposal shall be securely bound, with the identifier “Original” on its front cover. Information considered by the Offeror to be confidential and exempt from disclosure shall be securely bound and contained in a separate volume clearly marked “Confidential,” with each page thereof clearly designated as such. Offerors are referred to Section 8.4 relating to the Virginia Freedom of Information Act.

Each Offeror shall also submit ~~ten (10)~~ twelve (12) paper copies of the Detailed Proposal. Each copy of the Detailed Proposal shall be securely bound, in one or two volumes consistent with the preceding paragraph. Each copy shall include an identifier “Copy __ of ~~10~~12 Copies” on the front cover.

Each Offeror shall also submit two electronic copies: one complete electronic copy (a .pdf file, on a digital storage flash drive), of the Detailed Proposal and one additional electronic copy that excludes any portions considered by the Offeror to be confidential and exempt from disclosure.

4. SUBMISSION REQUIREMENTS

All offerors shall submit a fully executed coversheet in the form that is immediately inside the Title Page of this RFDP with their proposal.

~~4.~~

4.1 Executive Summary

An Offeror shall include in its Detailed Proposal an executive summary (“Executive Summary”), which is expected to be available for public disclosure. Please see Section ~~X.X8.d~~ regarding posting and disclosure of an Offeror’s Executive Summary. The Executive Summary shall include, at a minimum, the following:

- A description of the Offeror’s vision for the site that identifies of the main elements that will fulfill that vision ; and
- A statement of the proposed uses, and the relative amounts of each to be included; and
- A concept plan for the location of the uses, and a description of the overall massing of the project; and
- A description of how the Offeror’s vision will fit into and benefit the City of Falls Church.

4.2 Development Plan[A6]

The development plan should provide drawings, renderings, and a narrative describing all relevant aspects of the Project and plans for any phasing of the development. The description should include:

- Detailed description of the proposed Project development including, but not limited to, uses to be developed and the location and number of square feet dedicated to each use, on a gross leasable area basis, and all other amenities proposed for the Project;
- Use-specific details such as hotel key counts ~~or~~ and the number, mix, and proposed square footage of residential units and types and square footage of retail uses;
- Number and configuration of parking spaces and their allocation to the individual uses, as well as any plans for shared parking among uses;
- Description of civic space, including size, configuration, accessibility, and interaction with commercial uses;
- Utility and infrastructure plan with sufficient phasing information to demonstrate that the utility plan can be accomplished
- A transportation plan demonstrating efficient circulation and transportation demand management measures; and
- Renderings showing elevations for major project features, such as retail corridors, civic spaces, and typical apartment building face, massing, section drawings where appropriate, and designs for streetscape, landscape, and circulation, and the like.
- A description of the environmental standards to be met including any LEED ND standard, LEEDv4 building ratings, and Energy Usage Intensity (EUI) reductions to be achieved and a description of strategies to be used in achieving those standards.
- A plan for Stormwater management on the site, including levels of Chesapeake Bay TMDInutrient reduction to be achieved and strategies to be used in achieving those levels.

4.3 Development Process and Methods[A7]

- Changes or additions to team since RFP submission. If new team members have been added, include corporate overviews for each new firm within the Development Team section of your proposals and provide resumes in an appendix. Resumes will not count against page limits.
- Expected due diligence activities, land use planning activities, and other items to be accomplished by Offeror during ERAInterim Period, and including a schedule for the timing of such items with a narrative explaining how each such item will be accomplished during the time allotted for ~~that ERA~~ the Interim Period. [A8] (approximately August 2018 to May 2019.
- Acknowledgement of a 90-day due diligence period, to run from execution of the IA.
- Timeline and milestones for planning and community engagement, entitlement (including a list of anticipated approvals required), construction, lease-up/sales, and stabilization of the development, and including a phasing plan for construction of various buildings and the infrastructure that will need to be constructed with such use. Such timelines and milestones shall be calculated to achieve the negotiation and execution of the Comprehensive Agreement, initial payment and initial land entitlement approvals by the

May 2019 milestone. The proposed timelines and milestones are expected to become an attachment to the IA, subject to negotiated changes that the City deems necessary to meet the project goals and schedule

- Acknowledgement of the desired May 2019 financial closing date. If respondents believe this goal to be unachievable or otherwise have concerns, please provide a reasoned explanation as to why.
- A description of sustainable building practices that will be incorporated into the Project, including the development, construction and operation of the Project.

4.4 Operating Plan

- Programming plan for the activation of civic spaces.
- Plan for maintenance of infrastructure, including [A9] private streets and sidewalks.
- Plan for monitoring and maintaining Energy Usage Intensity levels and stormwater flow.

4.5 Financial Plan

The financial plan should include: [A10](1) a narrative describing the Offeror's approach to obtaining financing for the Project; (2) completed value allocation tables in the form set forth below and included in the appendix; (3) a narrative describing the Offeror's approach to allocating value to the City; (4) a fully functional operating pro forma in ~~excel~~Excel; and (5) a completed fiscal impact table in the form set forth below and included in the appendix.

Financing Approach Narrative

- Detailed description of sources and uses of funds [assuming an initial payment to the City at execution of the CA (in May 2019)].
- Description of the cost of capital for the initial payment to the City and any impact this payment will have on the total land value offered.
- A statement disclosing whether the Respondent intends to utilize any public finance programs, such as Community Development associations or similar (and if so, a statement describing how and the extent to which the Respondent intends to utilize such programs). Offerors are advised that the City does not favor such programs to the extent they reduce tax revenues that the City would otherwise have for general fund use.
- A statement explaining any mechanisms that the Offeror offers to the City as additional revenue-generating opportunities, such as profit sharing, participation rent, and capital event payments. The City is also interested in any mechanisms that would offset the decreasing amount of revenues in later years of a lease, as required in Va. Code section 58.1-3202.
- Description of key financial assumptions, including, but not limited to, rental rates, construction costs, cap rates, etc.
- Proposed fee structures, including development, construction management and other fees.
- A description of the scale of projects the proposer has "in the pipeline" with an explanation of the offeror's ability to add this project and perform at a high level.
- If not previously provided per Section 4.5.G of the RFP, please provide under separate, sealed cover the most recent, audited financial statements of the firm. If the primary respondent is a joint venture, provide financials for each firm. All financial information shall be confidential."

Value Allocation Tables

Offerors are requested to provide land value offers for three scenarios in the Total Land Value table below:

1. Fully capitalized ground lease
2. Annual ground lease with on-going payments
3. Fee simple sale

In all ground lease and fee simple scenarios, the City will seek an initial payment (estimated to be 15%-25%) of land value at CA execution; larger initial payments will be viewed more favorably. Offerors are invited to offer additional revenue generating opportunities to the City as mentioned above and these value offers will be viewed favorably. Initial, remaining, and revenue generation other payments should be reflected in the Total Land Value table. The City expects to receive fair market value for its land.

Total Land Value					
	Scenario	Initial Payment to Falls Church at CA execution (prior to conveyance)	Payment of Remaining Land Value (starting at conveyance)	Other Value to Falls Church (Revenue Participation, etc.)	Total Nominal Value to Falls Church
1.	Fully capitalized “up-front payment” ground lease				
2.	Annual ground lease (ongoing payments)		Nominal Total of Annual Payments <u>with an explanation of any increases or steps:</u>		
3.	Fee simple sale				

To add further detail to value offers, Offerors should complete the Annual Ground Lease Assumptions and Product-Driven Land Value Allocation tables below. The Annual Ground Lease Assumptions table includes key assumptions underpinning annual ground lease offers. The Product-Driven Land Value Allocation tables break down Offeror’s total land values by product types (eg. office, multifamily, etc.) to present the relative value (or cost) of each proposed used. Land value breakouts by product type are required for fee simple and fully capitalized ground lease offers, not annual ground lease offers.

Annual Ground Lease Assumptions
Annual Payment (year 1):
Ground Rent Factor:
Escalation Method and Rate:
Ground Lease Term:
Additional revenue mechanisms such as profit sharing, payments in lieu of taxes, etc.... <u>capital event fees or others</u>

DRAFT

Product-Driven Land Value Allocation [A11]

Capitalized Ground Lease Offer

Use	Gross Square Feet	Land Value per FAR square foot	Total Land Value (GSF * value per FAR SF)
Office			
Retail			
Multifamily			
Hotel			
Parking			
Other			

Fee Simple Offer

Use	Gross Square Feet	Land Value per FAR square foot	Total Land Value (GSF * value per FAR SF)
Office			
Retail			
Multifamily			
Condo			
Hotel			
Parking			
Other			

NOTE: THESE TABLES HAVE BEEN PROVIDED IN A MICROSOFT WORD FORMAT FOR EASE OF USE AT APPENDIX XC.

Value Allocation Narrative

A narrative should accompany the value allocation tables describing all payments offered to the City, including the required initial payment to the City at CA execution, ~~and scenario-specific conditions such as payments during development~~ balance of value payment at physical site transfer, ground rent for first year ~~of stabilized operations~~ after physical site transfer, ground lease term, ~~method of rent calculation (ground rent factor and escalation) for the first stabilized year and all subsequent years or step regimes.~~, and any participation in revenue or sale proceeds.

Development Budget and Operating Pro Forma

Offerors should submit a fully functional ~~excel~~ Excel model outlining the Project economics and financing for only the fully capitalized ground lease offer. The pro forma model should include:

- Detailed development budget showing ~~all source and uses of capital including acquisition cost,~~ hard and soft costs ~~(project management, overhead, planning and entitlement, design, and marketing),~~ financing costs, and developer fees;

- Sources and uses corresponding to development budget that shows sources and ratios of different sources of capital, including terms for construction and permanent debt;
- Phasing and lease-up schedules for each component;
- Development period (CA execution to stabilization) operating cash flow;
- A 10-year operating ~~pro forma~~ cash flow showing all anticipated revenue sources, vacancy and credit loss, expense line items, NOI, ~~deductions from revenue reserve~~ capitalization and debt service (including all assumptions) for each product type (multifamily, retail, etc.). The basis for all assumptions utilized in the pro forma should be stated clearly in the Proposal; and
- ~~Calculations of return on cost and internal rate of return for the overall project; and~~
- Any additional revenue generated for the City beyond the initial and ongoing land payments or future tax revenue generated by the Project.

Offerors should provide a narrative concerning the financial metric(s) they are using to evaluate the economic viability of each product type along with their respective hurdle rates. If internal rates of return are utilized, terms of future reversions should be described.

Fiscal Impact Analysis

Offerors are required to complete the Fiscal Impact Analysis table in Appendix ~~XXD~~, which the City will use to estimate the fiscal impact of each Offeror's development program using its existing fiscal impact assessment tool. The Fiscal Impact Analysis table will not count against page limits.

4.6 Exceptions to ~~Exclusive Right~~ Interim Agreement

Offerors should include a statement acknowledging and accepting the City's ERAIA terms set forth in Appendix ~~XXA~~. Offerors should identify any terms or conditions to which it takes exception. Offerors should provide language to address their specific concerns. Proposals with limited deviations or exceptions to the City's form ERAIA will be evaluated more favorably. **Note: Respondents shall not submit their standard terms and conditions as exceptions to the City's ERAIA.**

5. EVALUATION PROCESS AND CRITERIA

For purposes of this RFDP only, this Section 5 shall supersede the provisions of Section 8 of the Guidelines with respect to the evaluation of Detailed Proposals. Evaluative factors, and sub-factors within each factor:

5.1 Value to the City

1. Land compensation (initial payment and subsequent payments)
2. Fiscal impact of future tax revenue
3. Reasonableness of development assumptions (eg. rental rates, density, absorption, etc.)
4. City retains land ownership (value of lease structure compared to value of sale structure)

5. Infrastructure financing plan

5.2 Development Program

1. Quality and quantity of commercial uses (nonresidential commercial uses)
2. Place-making, including civic space
3. Urban design and architecture
4. Hotel and meeting space
5. Affordable housing component
6. Physical interconnections between project and school site
7. Sustainability and resilience features
8. Transportation plan and walkability
9. Innovation in the development plan.
10. Stormwater management.

5.3 Project Execution and Risk

1. Reasonableness of development timeline
2. Alignment of timing for phasing with City goals
3. Commitment of capital including pre-development funding
4. Financing plan
5. Extent of exceptions to the Exclusive Rights Agreement (ERA)

6. PARTICIPATION BY SMALL, WOMEN-OWNED, AND MINORITY-OWNED BUSINESSES

The City encourages small, women-owned, and minority-owned businesses to participate in business opportunities with the City. Offerors are directed to the Virginia Department of Minority Business Enterprise for information regarding certification and certified businesses (www.dmbv.virginia.gov).

7. RESERVATION OF RIGHTS

In addition to all rights reserved as specified by applicable law, the City further reserves to itself, without limitation or with or without cause and with or without notice, the following:

- A. The right to cancel, withdraw, postpone, or extend this RFDP in whole or in part at any time prior to the execution by the City of an interim agreement and/or comprehensive agreement, without incurring any obligations or liabilities;
- B. The right to reject any and all submittals, responses, and proposals received at any time;
- C. The right to modify all dates set out in this RFDP and to revise the schedule.

- D. The right to suspend and/or terminate the procurement process for the Project at any time;
- E. The right to revise and modify, at any time prior to the proposal submittal date, facts or matters they will consider in evaluating Detailed Proposals and to otherwise revise their evaluation methodology;
- F. The right to issue addenda, supplements, and modifications to this RFDP, including the right to seek clarification from Offerors;
- G. The right to hold meetings and conduct discussions and correspondence with the Offerors responding to this RFDP to seek an improved understanding and evaluation of the Detailed Proposals;
- H. The right to seek or obtain data from any source that has the potential to improve the understanding and evaluation of Detailed Proposals, including the right to seek clarifications from Offerors;
- I. The right to permit Offerors to add or delete firms and/or key personnel;
- J. The right to use the assistance of outside technical, financial, and legal experts and consultants in the evaluation process;
- K. The right to waive deficiencies, informalities, and irregularities in a Detailed Proposal, accept and review a non-conforming Detailed Proposal, or seek clarifications or supplements to a Detailed Proposal;
- L. The right to disqualify any Offeror that changes its submittal without prior approval or submits a Detailed Proposal that does not comply with the requirements of this RFP;
- M. The right to respond to all, some, or none of the inquires, questions, and/or requests for clarifications received relative to this RFDP;
- N. The right to use all or part of any unsuccessful Detailed Proposal, whether or not the Offeror withdraws the Detailed Proposal;
- O. The right to make determinations relative to potential conflicts of interest;
- P. The right to enter into one or more interim and/or comprehensive agreements with one or more Offerors as permitted by the PPEA, in furtherance of the development of the Project or any of its components, or to modify or abandon procurement, or a portion of procurement, of the Project; and
- Q. The right to short-list from among the highest-rated Offerors.

8. MISCELLANEOUS

a. Changes in Offeror Team

Any addition, removal, or other change in the identity or make-up of any Offeror or any other member of the Offeror's team in relation to that set out in the Offeror's submitted Detailed Proposal shall be subject to the prior written consent of the City, which consent may be withheld or granted in its sole discretion.

b. Conflicts of Interest

In an effort to make this procurement as transparent and open as possible, the City will follow the procedures below if a potential conflict of interest is identified:

The City, in its sole discretion, will make a determination on potential organizational conflicts of interest and the Offeror's ability to eliminate or mitigate such conflict. An organization found by the City to have a conflict of interest relative to this procurement that cannot be eliminated or mitigated shall not be allowed to participate on an Offeror's team for the Project. Failure to abide by the City's determination may result in a Detailed Proposal being declared non-responsive and not reviewed or evaluated.

The following entities either provided or are providing services to the City with regard to the Project and therefore will not be available to participate with any Offerors team:

1. Alvarez and Marsal
2. Davenport & Company
3. Arent Fox
4. Bolan Smart

c. Ethics in Public Contracting

The City may, in its sole discretion, disqualify any Offeror from further consideration for the award of an interim agreement or comprehensive agreement if it is found by the City that there is a violation of the Ethics in Public Contracting Act (Section 2.2-4367 of the *Code of Virginia*), or any similar statute, involving the Offeror in this procurement.

d. Virginia Freedom of Information Act

All Detailed Proposals and other records submitted to the City are subject to the disclosure requirements of the Virginia Freedom of Information Act (“VFOIA”) (Section 2.2-3700 *et seq.* of the *Code of Virginia*), the PPEA, and other applicable law. The information set forth below is intended to complement the information about VFOIA included in the Guidelines. Offerors are advised to familiarize themselves with the provisions of such laws to seek to prevent materials properly identified as confidential from being subject to disclosure.

Offerors are hereby notified that the City will post on its webpages ~~all accepted Detailed Proposals, in accordance with applicable law, including but not limited to Section 56-575.17 of the Code of Virginia~~ the Executive Summary called for in Section 4.1.

Offerors are advised that portions of their Detailed Proposal may be exempt from public disclosure under one or more provisions of VFOIA. However, Offeror information may be lawfully excluded from public disclosure only upon the Offeror’s written request pursuant to applicable law, including but not limited to Section 2.2-3705.6 of the *Code of Virginia*.

If an Offeror has concerns about information it desires to include in its Proposal but it believes is exempted by law from disclosure, such Offeror shall, in its Letter of Submittal or in a prior written communication to the POC:

1. Invoke such exemption upon the submission of the data or other materials for which protection from disclosure is sought;
2. Identify with specificity the data or other materials for which protection is sought; and
3. State the reasons why protection is necessary.

Failure to take such precautions prior to or at the time of submission of a Proposal may subject confidential information to disclosure under the VFOIA.

Blanket designations that do not identify the specific information to be treated as exempt from disclosure shall not be acceptable and may be cause for the City to treat the entire Proposal as public information.

Offerors are hereby notified that in no event shall an Offeror’s Executive Summary be considered exempt from posting or disclosure. In the event the City receives a request for disclosure of a portion of a Proposal, the City will determine whether the requested materials are exempt from disclosure. In the event the City determines to disclose the requested materials, it will endeavor to provide notice to the Offerors of its intent to disclose.

Nothing contained in this provision shall modify or amend requirements and obligations imposed by applicable law, and applicable law shall control in the event of a conflict between the procedures described above and any applicable law.

In no event shall the City be liable to an Offeror for the disclosure of all or a portion of a Detailed Proposal submitted pursuant to this RFDP.

e. Compliance with Law

All Offerors must at the time of their Detailed Proposal submittal comply with all applicable laws and nothing herein is intended to contradict or supersede any applicable state or federal law or regulation. Each Offeror must be eligible at the time of its Detailed Proposal submittal to offer and provide all services proposed and related to the Project.

f. RFP Takes Precedence

In the event that any provision of this RFDP conflicts with the Guidelines, the terms of this RFDP shall control.

g. List of Appendices and Background Information

Appendix A [Site Map](#)[Interim Agreement](#)

Appendix B [Draft B-2 Zoning Text Amendment](#)

[Appendix C Value Allocation Tables \(word format\)](#)[Financial Requirements Form of Detailed Proposal Cover Sheet](#)

[Appendix D Fiscal Impact Analysis Table](#)

ADDITIONAL BACKGROUND INFORMATION:

- Choosefallschurch.org/wfc
- [Approved Comprehensive Plan Amendment and Staff Report](#)
- [West Falls Church Future Land Use Map](#)
- [George Mason High School Design Build Detailed Proposals](#)
- [West Falls Church Economic Development Project Marketing Brochure](#)
- [ULI Technical Assistance Panel Report](#)
- [West Falls Church Transportation Study](#)
- [West Falls Church Urban Design Guidelines](#)
- [Schools Geothermal Feasibility Study](#)