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## **REQUEST FOR PROPOSALS**

***DEVELOPMENT PARTNER TO DEVELOP  
ONE OR MORE TARGETED PROPERTIES***

**Date of Issuance: April 6, 2022**

**Pre-Proposal Conference: May Be Requested**

**Date Responses Due: June 30, 2022**

### **OVERVIEW**

The Development Authority of Powder Springs is seeking a development partner for the development of properties that may attract higher wage business and industry, as well as redeveloping key corridors/areas of the City. Certain properties that have been targeted for annexation and/or redevelopment by the Development Authority of Powder Springs, Powder Springs Planning Commission and the Powder Springs Mayor and Council are eligible candidates; however, the Authority would also consider partnerships for properties strategically located along an arterial or major collector roadway.

### **BACKGROUND**

The Development Authority of Powder Springs (DAPS) is a public body with the statutory mission of acquiring, financing, remodeling, redeveloping or constructing projects that the Authority deems beneficial to the City of Powder Springs.

DAPS has recently partnered with a private entity to develop senior housing units and is interested in establishing a partnership to develop a property or properties to attract higher wage business and industry; with a focus on e-commerce and logistics uses as well as redeveloping key corridors/areas of the City.

The sites that may be submitted as part of this RFP should be located such that the redevelopment could yield a range of uses and square footages. The Authority desires to do this by establishing a partnership with Development Entities to capitalize on DAPS's statutory advantages for entitlement, permitting and taxation. A separate nonprofit entity can be established to carry out the transaction on behalf of the Authority<sup>1</sup>.

DAPS, or its subsidiary, desires to partner with an experienced and capable developer to provide sufficient resources and guarantees to assure a high-quality development in Cobb County and the City of Powder Springs. DAPS desires to establish a site for e-commerce and logistics uses as a model project, attractive to the growing regional population and benefits from proximity to C.H. James Parkway and the Norfolk Southern Intermodal Facility. To that end, DAPS has engaged in preliminary studies and meetings with local government officials and has concluded that development of strategically sized and located properties is feasible.

## **PROJECT VISION**

As noted above, DAPS perceives construction of higher wage business type uses (focusing on e-commerce and logistics) as well as strategic redevelopments on certain properties. DAPS is looking to legal and financial models that have been used in the past for these types of projects, including provisions from the Rural Development Grant Program or other publicly funded infrastructure programs.

It is expected that the agreements resulting from this RFP will incorporate provisions that will assure excellent design and quality construction and management and assure compliance with all applicable statutory and regulatory requirements.

### **Legal Model**

This section describes aspects of a legal structure that has been used in other transactions to accomplish these objectives. The legal structure must be considered in conjunction with the financial model outlined below. Nonetheless, DAPS will consider other structures that achieve the same goals.

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<sup>1</sup> Hereinafter, references to DAPS should be deemed to refer also to the subsidiary that will be created as the participating entity in the transaction.

*Ownership Structure.* The Ownership and Development Entities should include, at a minimum, the Respondent, or its affiliate, and DAPS, or its affiliate. The Development Entity shall be responsible for the acquisition, planning, designing, financing, constructing, leasing, managing and all other aspects of operating the development. By conveying ownership to DAPS, entitlement will be controlled and expedited in coordination with the Development Entities thereby removing uncertainties and establishing reliable base conditions for Pro forma preparation and execution. The nature of ownership may include either conveyance of fee simple or a ground lease.

*Development Agreement.* The successful Respondent will be required to execute a Development Agreement between the Respondent or affiliates and DAPS or affiliates thereof that will reflect the obligations of the parties and their relationship to the Development.

*Guarantees.* DAPS's Development Partner shall be solely responsible for all guarantees for completion, working capital, and operating deficits required by tax credit investors or lenders. Neither DAPS nor its affiliates will not make any guarantees in those respects.

### **Financial Model**

*Objectives.* DAPS is most interested in a financial structure that accomplishes several key objectives. They are:

- Leveraging DAPS's assets to attract private and conventional sources of capital.
- Obtaining a return on, and a return of, the capital invested by DAPS.
- Participating in the development fees, stream of income and other financial compensation from the undertaking of the development program.
- Financing the project and supportive services necessary to create higher wage jobs at the facility.
- Utilizing a structure that can facilitate timely implementation.

*Sources of Funds.* The potential sources of funds include:

- Conventional or Tax-Exempt Debt to be arranged by the developer.
- Equity raised from the syndication of Applicable Tax Credits.
- Developer Equity.
- Federal Rural Development Program funds.
- DAPS funds.
- Other sources, as the Respondent may propose.

### **SCOPE OF SERVICES**

Services provided by the Developer and/or its team members will include the following:

- Master site plan.
- Permits, approvals and environmental clearances, if applicable.
- Architecture and engineering.
- Arrange financing and provide all required guarantees.

- Site preparation.
- Infrastructure.
- Construction.
- Marketing, renting and managing tenant(s) within the proposed development.

All services shall be provided in full compliance with HUD, DCA, and other applicable requirements, including section 3, disadvantaged business utilization, and other similar requirements.

## **SUBMISSION REQUIREMENTS**

### **Cover Letter**

Please provide a cover letter that identifies the primary contact person for the Respondent, lists all firms that are a part of the Respondent's proposed development team (which should include, at a minimum, architect, general contractor and property management firm), and briefly summarizes the proposed development concept that includes one or more of the strategically sized and located properties identified. The letter must be signed by an authorized principal of the Respondent and include a statement that the submittal will remain valid for not less than 90 days.

### **Qualifications and Financial Capacity**

The submission should provide a firm overview of the Respondent and describe its experience with similar projects. Please identify the individual that would serve as project manager and describe his or her specific qualifications and experience with projects of similar scope and size. The project manager is integral to the proposal and may not be replaced without prior written approval of DAPS or its participating subsidiary. In the event of a joint venture between multiple developers, provide information on each firm, indicate past experience working together, if any, and describe the respective role each firm would play in this project.

In your response, please address the following:

- Indicate the location of the Respondent's principal office and the office from which services will be provided, if different than the principal office.
- Provide a brief history of the firm, including the year it was founded.
- Describe the size of the firm in number of offices and employees providing development services.
- Summarize the number of similar projects developed by the firm, that includes the name of each development, square footage, the city, and the year of completion.
- Indicate the geographic range of the firm's work, and highlight any experience in Georgia.
- Identify any experience working with public development authorities.

- Describe the team members' experience with Infrastructure Tax Credits, tax-exempt bonds, federal and state financing sources, etc. Be sure to include experience related to all subsidies anticipated in your preliminary financing plan.
- Provide resumes for key staff.
- Describe the financial strength of the firm, and provide the most recent audited financial statement if you are willing to disclose them. Financial information will remain confidential.
- Identify at least three applicable references from lenders, tax credit investors, clients, etc.
- Indicate whether the firm has ever been terminated from a contract or filed suit against a client, and if so, describe the circumstances and outcome.

### **Development Concept and Financing Plan**

Please provide a brief narrative that describes the Respondent's preliminary development concept and financing plan for one or more of the strategically sized and located properties identified. The presentation should endeavor to follow the legal and financing models outlined above, but Respondents should feel free to include alternate scenarios in addition to a base case. The narrative may include the following, recognizing that the response is conceptual for the most part:

- Indicate the proposed building type, including type of construction and number of stories.
- Describe other proposed components of the development, including management and maintenance facilities, and parking.
- Provide a rough schedule for the proposed development, including the timing of funding application, site preparation, and start and end dates for construction
- The development budget and sources and uses of funds.
- The Respondent should propose methods to fill any financing gap(s).
- An income and expense statement and 15-year cash flow should be provided, specifying assumptions used for rent levels and operating costs.

### **Business Terms**

Respondents must address each of the following issues in their submittal:

- The Respondent's expectations for fees, sales profits, or other compensation on business park development, property management, and any other services. Describe both the calculation basis of any fees and the expectations for timing of payments.

- The Respondent will describe how DAPS (or its participating subsidiary) may participate in the fee structure and gain development and management experience and capacity to develop their own entrepreneurial activities and asset-based property management activity.
- The Respondent will describe how DAPS (or its participating subsidiary) will convey ownership of the property(ies) back to the Development Entities over time, including development fee structure or other method as may be proposed.

Respondents shall submit a cover letter, an original and three [3] copies of its written proposal. The cover letter shall indicate the Respondent's capability to proceed in a timely manner and its ability to comply with all the requirements of this request for proposals. The proposal shall indicate the ability of the Respondent to provide the necessary services and shall clearly define how the Respondent achieves the five evaluation criteria.

### **Certifications/Acknowledgements**

Respondents shall provide a certification of commitment to equal employment opportunity, section 3 requirements, and utilization of disadvantaged businesses to the extent required by law or applicable regulation.

Respondents shall provide a certification that they are not on any debarred or ineligible list maintained by the state or federal government.

Respondents shall provide a certification that they have contacted the property owners included in its proposal and have consent of said owners to proceed with necessary contractual arrangements.

If applicable, Respondents shall provide acknowledgement of the City's process for annexation (including timeframes) as well as Intergovernmental Agreement with Cobb County for Land Use Dispute Resolution.

### **PROPOSAL REVIEW PROCESS**

DAPS will rate and rank all proposals received by the deadline set forth in this RFP according to the evaluation criteria established herein. The rating and ranking will be carried out by a designated Selection Committee, with final decision by the DAPS and Powder Springs Mayor and Council. Respondents may be asked to participate in a telephone or personal interview if they are among the top-rated Respondents. If the DAPS cannot successfully negotiate a contract with the top-rated entity, the next ranked entity shall be selected.

DAPS reserves the right to reject any and all submissions, to waive informalities and minor irregularities in submissions received, and to accept any submission deemed to be in its best interest.

### **Evaluation Criteria**

1. *INFRASTRUCTURE FINANCING/ TAX CREDIT DEVELOPMENT EXPERIENCE - 30 POINTS*

The proposal must indicate the Respondent's experience and track record applying for, developing, owning and managing developments that have successfully obtained tax exempt or publicly administered financing instruments. The experience of the developer in developing such projects in Georgia will be considered.

2. *DESIGN EXPERIENCE - 20 POINTS*

The Respondent shall indicate its ability to produce an attractive business product, including, to that end, the ability to provide the necessary architectural and engineering services in both the application and development phases. The experience of the architectural and engineering firms in such projects in Georgia will be considered.

3. *PROPERTY MANAGEMENT EXPERTISE - 10 POINTS*

The Respondent shall state its ability to provide property management services. The management company's experience with tax exempt or publicly funded infrastructure projects will be considered.

4. *FINANCING EXPERTISE - 20 POINTS*

The Respondent shall indicate its ability to provide financing expertise and guarantees. The experience of the developer in tax exempt or publicly funded infrastructure projects in Georgia will be considered.

5. *FEE PROPOSAL - 20 POINTS*

The Respondent shall indicate their proposed developer fee, contractor's profit and management fee and describe how DAPS will participate in the fee structure and gain experience and capacity to develop their own entrepreneurial activities and asset-based property management activity. The Respondent will describe how DAPS (or its participating subsidiary) will convey ownership of the property(ies) back to the development entities over time, including development fee structure or other method as may be proposed.

No fee or cost shall be reimbursed for Respondent's preparation of a response to this RFP.

### **PRE-PROPOSAL CONFERENCE**

There will be a Pre-Proposal Conference at Powder Springs City Hall, 4484 Marietta Street, Powder Springs, Georgia 30127 on April 27, 2021 at 2:00 p.m. This will be an occasion to pose questions, seek clarification, and otherwise ensure that the process is carried out in a manner that is

fair and helpful to DAPS and the respondents. Attendance is not mandatory, but is strongly encouraged.

### **SUBMISSION OF RESPONSE**

An original and two copies of Responses must be delivered **by 3:00 p.m. on June 30, 2022**  
**to:**

Marsellus Williams, Director of Economic Development  
Powder Springs City Hall  
4426 Marietta Street  
Powder Springs, Georgia 30127

Any questions may be addressed (via email) to:

Marsellus Williams – [mwilliams@cityofpowdersprings.org](mailto:mwilliams@cityofpowdersprings.org)  
Rob Hosack – [rhosack@tedecisions.com](mailto:rhosack@tedecisions.com)