Grimke Redevelopment Request for Proposals Questions by Interested Parties and Answers by the Office of the Deputy Mayor for Planning and Economic Development August 22, 2014

1. I see that developers are required to deliver 10,000 SF for the African American Civil War Museum (AACWM); are they required to do a full build out or merely obligated to deliver a warm shell?

Per Page 2 of the RFP, the selected respondent will be required to finance and deliver a "warm, lit shell" for the AACWM.

2. What is DMPED's view of responses that include build out beyond the current envelope of the building? Is that a non-starter?

DMPED is not precluding development plans that include building outside the current building envelope.

3. Is DMPED willing to limit the backside uses for the building (E.G. Dumpsters) that fronts on the residential 9 1/2 Street? Are you seeking any expansion of 9 1/2 Street access?

This item is not discussed in the RFP and DMPED will review each proposal on a case by case basis.

4. What's the plan for the alley and narrow alley access?

Please refer to Page 5 of the RFP for the District's "Transportation Planning Framework."

5. Was the ANC statement distributed with the RFP?

The ANC's statement is incorporated into the "Community and Stakeholder Outreach" section on Page 5 of the RFP.

6. What is the current zoning and matter of right for the site?

Zoning information is found on Page 4 of the RFP.

7. Is it required that the Certified Business Enterprise (CBE) development partner be certified by the Department of Small and Local Business Development (DSLDB) at the time of award or at the time of submission of proposals?

Please refer to Page 6 of the RFP. The requirement is that the selected team must enter into a CBE Agreement prior to entering into a land disposition agreement with the District.

8. For the RFP responses, Tab 10 states:

"Respondent shall provide a detailed, line-item, fully functional Microsoft Excel development and operating pro forma for all income-producing uses proposed to be operated out of the building from pre-development through stabilization and for at least 10 years beyond the projected stabilization year.

The pro forma shall be inclusive of the following calculations: return on cost, return on equity (levered and unlevered); a detailed waterfall of profits to all capital accounts; internal rates of return; and any other project-specific return metrics. All assumptions used in the financial model should be clearly stated."

Is this analysis required for the two parcels that would be sold fee simple? If the respondents can demonstrate their ability to close on these parcels, and if their proposed uses meet all necessary criteria, why would it be necessary for the developer to have to share this with others? I don't think many developers are willing to share all of their financial modeling/formulas on the fee simple parcels (U Street and the gym area); these financial models/formulas can take years to develop and perfect.

The financial analysis is required for the two parcels. Per the RFP, the proposals will be reviewed and evaluated by a Selection Recommendation Panel. The financial models submitted as part of the respondent teams' proposals are kept in strict confidence and are not shared with any other respondent team.

9. We are aware of a City law that exists to give schools (charters and DCPS) a first right of refusal on surplus District property. Perhaps this law is just for excess DCPS property and not for District property that had been used for other purposes (offices in the case of Grimke). I don't believe this was discussed at meetings held regarding this project, but has the City approached any school operators? It's been mentioned in the RFP that some may consider a hotel use for the site which would likely be very difficult to do with both a school and museum operating from the site. Can the intent of this law be clarified as for how it would pertain to Grimke?

Yes, in 2008 the District issued a Request for Offers (RFO) to public charter schools for the reuse of DCPS excess space. This RFO included the Grimke School.

10. We are preparing a response to the Grimke Redevelopment RFP and have a question regarding the submission requirements. The RFP states that the packet is to be prepared using 8 ½" x 11" letter size paper. We would like to know if it would be acceptable for the drawing appendixes under tab 6 if folded 11" x 17" paper would be acceptable in lieu of the letter size paper. The letter size can be very hard to format properly with regards to architectural drawings and diagrams.

Yes, you may fold the pages of the drawings so that they fit with the rest of the proposal.

11. Can the AACWM be moved from the school building as prescribed in the RFP to a new facility to be built along U Street on the vacant parcel, provided we allow for the same amount of space and ability to program? There is some question around the legislation passed by DC Council and what it means.

The legislation that outlines the requirement to accommodate the AACWM was written and introduced by the DC Council. DMPED's interpretation of the intent of the legislation is that the museum is to be located in the school building. However, prospective respondent teams may propose an alternative location for the AACWM; but, please keep in mind that the "Form of Acknowledgement of Mutual Agreement with the African American Civil War Museum" which is Appendix F to the RFP is a proposal submission requirement.

12. What is the max term allowable of the Grimke School? Is it 20 years or can we stretch it to something longer like 50+ years especially if we are planning affordable housing.

Please refer to the Statement of Minimum Business Terms in the RFP, Appendix E.

13. Is the gymnasium portion of the school also part of the ground lease or will that parcel be sold along with the U Street lot?

Please refer to Appendix E of the RFP. Only the Grimke School building, not including the gymnasium, is subject to a ground lease.

14. There was water issue in the lower level toward the NE corner nearest the gymnasium. Do you know the source of that?

The cause is currently being investigated.

15. Can you clarify the lease rate for the museum?

The AACWM intends to pay nominal annual rent.

16. We wanted to make sure you are aware of the recent "Final Core and Shell Requirements" that was emailed to prospective respondent teams by the African-American Civil War Museum (AACWM). Per the District's requirement that respondents execute an agreement with the AACWM and include it in the RFP response submission, should we assume that the District agrees that the costs to meet these requirements are fixed and should be deducted from the land value offer to the District? In particular, can you provide guidance on the assumptions respondents should use for the AACWM's request for a commitment to ongoing financial contributions to cover operating costs of the museum? Should we also deduct this contribution from the land value to the District?

DMPED is prepared to offset only those costs associated with delivering a "warm, lit shell" for the AACWM.

17. I just found my notes from the Pre-Response Information Session where I wrote that the lease rate for the AACWM will be \$12/SF/Year. Can you point me to the place in the RFP or handouts where the lease rate is stated?

This information is not in the RFP. DMPED is not dictating the AACWM's rent. However, it is DMPED's understanding that the museum expects to pay a nominal rent. Currently they are paying \$12/year.

18. I'm hearing claims that no PUD is required to use the main Grimke site for office & non-profits. I thought it was R-4 for only residential & schools. Can you clarify any need for a PUD to address uses?

For any zoning-related questions, you may get information directly from the Office of Planning. You may contact Matt Jesick at 202-442-7600 or <u>matthew.jesick@dc.gov</u>.