

THE CITY OF MINOT

REQUEST FOR PROPOSALS

**THIRD PARTY DEVELOPMENT OF AN
AERONAUTICAL FACILITY**

AT THE

MINOT INTERNATIONAL AIRPORT

May 2020

SECTION I: NOTICE TO POTENTIAL PROPOSERS

The City of Minot (herein after referred to as “City”) is issuing this Request for Proposals (“RFP”) for qualified third parties interested in developing facilities that would serve as or support aeronautical facilities on the designated site at the Minot International Airport (“MOT”). Desired aeronautical facilities include, but are not limited to, aircraft storage hangars, aircraft maintenance facilities, aeronautical manufacturing facilities, or other related facilities that are compliant with all Federal Aviation Administration (FAA) and Minot International Airport policies, and support the aviation industry. Proposers must be capable of funding, designing, and constructing the proposed facility within the timeframe identified in the RFP. Sealed qualification statements shall be submitted to the following:

Mr. Rick Feltner
Airport Director
Minot International Airport
305 Airport Rd.
Minot, ND 58703

Qualification statements must be received on or before **June 23, 2020 at 4:00 PM CST**. There will be no public opening of the statements received. All submissions must be submitted electronically to:

Rick Feltner: rick.feltner@minotnd.org

Any submissions received after the time and date stated above will be returned considered as non-responsive. The recommendation for award will be taken to the City Council in **July 2020**.

All addendums to this RFP will be posted on the Airport website and transmitted electronically to all interested parties who have requested a copy of the RFP in accordance with the timeline identified in this RFP. It is the responsibility of the submitting entity to check for addendums posted and to acknowledge any and all addendums issued in the cover letter of the RFP.

The City reserves the right to refuse or reject any or all proposals and to waive minor irregularities and formalities and to accept the submission determined to be the best and most advantageous to the City.

Once the RFP is distributed, all communication, with the exception of the qualification statements, regarding the RFP shall be directed to:

John DeCoster
(763) 234-1725
E-mail: jdecoster@landrum-brown.com

Proposers shall not contact any member of the City staff or any City Council members between the issuance date and the date of award by the City Council. Direct contact will result in a Proposer’s submission being rejected due to non-compliance with this non-solicitation provision. All questions or requests for clarification will be responded to electronically and distributed to all potential proposers that have requested a copy of the

RFP. Only communication distributed in writing will be considered as an official communication by the City. Any verbal communications will not be binding on the City.

SECTION 2: INSTRUCTIONS FOR POTENTIAL PROPOSERS

Please read the requirements thoroughly and be sure that the proposal complies with all requirements noted. Any variation from the RFP requirements and sample contract terms must be clearly indicated in writing, on a point by point basis in the proposal, attached to and made a part of the submission. The City reserves the right to accept or reject any variation requested. If no exceptions are noted and agreed to by the City, the successful submitting entity will be required to enter into the Agreement as specified under the sample contract form and presented in this RFP.

- (1) **PURPOSE:** The purpose of these specifications and sample contract document and lease and development agreement is to award an agreement for:

THIRD PARTY DEVELOPMENT OF AN AERONAUTICAL FACILITY AT THE MINOT INTERNATIONAL AIRPORT

- (2) **INTENTION:** The scope of service provided under this RFP shall meet all requirements as identified herein. There is no intention to disqualify any proposer that can competently meet these requirements.
- (3) **SUBMISSIONS:** Submissions shall include a cover letter signed by a person authorized to commit the proposer to the terms and conditions being proposed. The cover letter shall contain an acknowledgement of any addendum(s) received and shall identify the point of contact for the proposal. Submissions must be submitted on or before the time and date indicated in this RFP. Failure to meet the requirements contained in this RFP will result in the submissions being considered non-responsive.
- (4) **PREPARATION OF SUBMISSION:** The proposer's name and authorized signature must appear on each page that calls for this information. Any costs associated with development of a proposal will be at the sole expense of the proposing entity.
- (5) **ALTERATIONS/AMENDMENTS TO SUBMISSION:** No proposal may be withdrawn after the deadline without acceptable reasons submitted in writing, and only after the written consent of the City.
- (7) **SUBSTITUTIONS/CANCELLATIONS OF SUBMISSION:** No substitutions or cancellations will be permitted without the prior written approval of the City, at its sole discretion.
- (8) **EXCEPTIONS TO REQUIREMENTS AND SAMPLE CONTRACTS:** The proposers shall attach to the submission a detailed list of any exceptions to the requirements and sample contract included as Attachment A- Land Lease and Development Agreement, on a point by point basis with the recommended change. The

City reserves the right to accept or reject any or all exceptions at its sole discretion.

- (9) **TIME ALLOWED FOR ACTION TAKEN:** The City reserves the right to hold proposals received for up to sixty (60) calendar days after the proposal due date deadline without acting. Proposers are required to abide by the terms of their proposals for same period of time.

- (10) **TIME ALLOWED FOR EXECUTION OF CONTRACT:** The successful proposer will be required to finalize a contract with the City for presentation to the City Council for approval after receiving notification of a recommendation of award of the contract within ten (10) working days. If contract negotiations are not completed in that timeframe, the City will cease negotiations with that proposer and engage in negotiations with the next highest ranked submitting entity.

- (11) **RIGHT TO REJECT/REWARD/WAIVE IRREGULARITIES:** The City reserves the right to reject any or all submissions, to waive minor irregularities and informalities, to accept or reject any written exceptions noted, and to make such awards of contract as may be deemed to be the best value and most advantageous to the City.

- (12) **INDEMNITY:** The successful submitting entity ("Indemnitor") shall fully indemnify, defend, save and hold harmless the City and their officers, agents, representatives, contractors, and employees (collectively, "Indemnitees") from and against any and all liability, loss, damages, claims, demands, suits, and causes of action of any nature whatsoever asserted against or recovered from the City on account of injury or damage to person including, without limitation on the foregoing, premises defects, workers' compensation and death claims, or property loss or damage of any other kind whatsoever, to the extent any injury, damage, or loss may be incident to, arise out of, be caused by, or be in any way connected with, either proximately or remotely, wholly or in part: (i) successful proposer's performance under the Agreement; (ii) successful proposer's occupancy of the Premises and any and all activities associated with the successful proposer's use of the Premises; (iii) the violation by the successful proposer, its officers, employees, agents, contractors, subcontractors or representatives of any law, rule, regulation, ordinance, or government order of any kind pertaining, directly or indirectly, to the Agreement; (iv) the exercise of rights under this Agreement; or (v) an act or omission on the part of successful proposer, its officers, employees, agents, contractors, subcontractors or representatives pertaining to the Agreement, regardless of whether the injury, damage, loss, violation, exercise of rights, act, or omission is caused or is claimed to be caused by the contributing or concurrent negligence of Indemnitees, or any of them, but not if caused by the sole negligence of Indemnitees, or any of them, unmixed with the fault of any other person or entity, and including all expenses of litigation, court costs, and attorneys' fees, which arise, or are claimed to arise, out of or in connection with the asserted or recovered incident. The successful proposer covenants and agrees that, if any of the Indemnitees is made a party to any litigation against the successful proposer or in any litigation commenced by any party, other than the successful proposer relating to the Agreement, successful proposer shall, upon receipt of reasonable notice regarding commencement of litigation, at its own expense, investigate all claims and demands, attend to their settlement or other disposition, defend any of the Indemnitees in all actions based thereon with legal counsel satisfactory to the City, and

pay all charges of attorneys and all other costs and expenses of any kind whatsoever arising from any the liability, injury, damage, loss, demand, claim, or action.

- (13) **ADDENDA:** Submitting proposers shall carefully examine the Requirements and Instructions to submitting proposers. Should the proposer find discrepancies in, or omissions from the requirements or other documents, or should the proposer be in doubt as to their meaning, the proposer should be responsible for requesting written clarification or submitting the question electronically to John DeCoster at jdecoster@landrum-brown.com on or before the due date for questions identified in this RFP. Explanations, interpretations, and supplemental instructions shall be in the form of written Addenda posted on the City Website and transmitted electronically to all potential proposers who have requested copies of the RFP. No verbal responses shall be binding upon the City. All Addenda issued to alter the conditions or requirements contained herein shall be acknowledged in the submission cover letter.
- (14) **SYNONYM:** Where in this RFP package the term “development” is used, its meaning shall refer to the funding, design, construction, and operation of an aeronautical facility on the proposed site at the Minot International Airport.

SECTION III: INFORMATION TO PROPOSERS

1. Invitation

The City of Minot (hereinafter referred to as "City") requests submission of proposals from interested parties for the funding, development, and operation of an aeronautical facility on the designated site at MOT. The City's specific goals for the RFP include, but are not limited to, the following:

i. Identifying a proposer that will enter into a Land Lease and Development Agreement with the City whereby the successful proposer will fund, design, develop, and operate an aeronautical facility. Exhibit A attached identifies the available parcel that is available for development. Proposers will be responsible for complying with all City development and building code requirements and all applicable FAA policies.

ii. Proposers are to identify the intended use for the facility. If the facility is to be used for revenue producing activities (i.e. maintenance, manufacturing, charters aircraft storage, etc.), proposers shall provide an estimate of anticipated annual sales and/or fuel purchase requirements. If the facility is to be used for aircraft storage, proposers shall provide an estimate of the annual fuel purchases. The ancillary revenue to the City for fuel flowage fees and/or revenue commissions will be included in the evaluation of proposals received to determine the best economic alternative for the City.

iii. Proposers must describe in their proposal in narrative detail the design concept, exterior finish materials, and a timeline for construction following the notice to proceed at a level sufficient that the City may make a valid comparison among the proposals. Proposers must follow all City building code requirements for the final design and shall be solely responsible for submission of the final permit documents and any resulting changes resulting from review and approval.

iv. The successful proposer must commence construction within six (6) months from the date of execution of the contract. Commencement for the purposes of this Paragraph shall include the submission of complete, final construction plans and drawings to the City, and City Building Official for review, permitting, and receive necessary City approvals, escrows, and permitting, including but not limited to the issuance of the appropriate building permits by the City and the execution of a contract with the Lessee's construction contractor. Construction must be completed within twelve (12) months from the date the lease is signed.

v. Failure to commence construction in the timeline identified above will result in the termination of the Agreement with the City and the successful proposer shall have no further rights to the property and the City will be free and clear to pursue other opportunities. The successful proposer waives all rights to the property and will not be reimbursed for any expenses incurred if the development is not commenced as called for in this RFP.

vi. Currently, there is a hangar facility on the site. If the hangar is not removed prior to the commencement of construction, the successful proposer shall be responsible for disposing of the existing facility which may include sale and removal by the successful proposer with proposer retaining all proceeds, sale and removal by someone selected by the third party developer with the third party developer retaining any proceeds from the transaction, or demolition at the successful proposer's sole expense.

vii. The successful proposer shall maintain the premises over the lease term with the City in accordance with the terms and conditions of the Agreement such that the facility is in good condition, normal wear and tear excepted, upon expiration of the Base Term or Option Term, if exercised.

viii. The City will provide water, sewer, and gas to the perimeter of the site. The successful proposer shall be responsible for all utility connects from the source point.

ix. The successful proposer shall be solely responsible for all utilities, taxes, permits, and assessments for the premises.

x. The lease shall be for a Base Term of twenty (20) years from the date of occupancy of the facility. In addition to the Base Term, provided the lessee is in compliance with all the terms and conditions of the Agreement, lessee may request an additional twenty (20) year Option Term. In order to exercise the Option Term, lessee must request in writing to exercise the Option Term a minimum of twelve months but no more than eighteen (18) months prior to the expiration of the Base Term. The City has sole discretion on whether to exercise the Option Term if lessee is in compliance, and will make every attempt to do so within sixty (60) calendar days.

xi. Rent shall be established at a rate of thirty cents (\$0.30) per square foot for the square footage of the site of 3,500 SF. Total annual rent shall be \$1,050.00 for the first five (5) years of the Agreement. Rent shall be assessed at fifty percent (50%) from the date of execution of the Agreement until the date of the issuance of occupancy. Rent payment shall be due monthly and payable in advance on the date of issuance of occupancy and on each anniversary date of occupancy.

xii. The rental rate will be subject to adjustment commencing on the anniversary date of occupancy every five (5) years with the adjustment being the total of the Consumer Price Index for the Minot region for the previous five-year period aggregated, or an increase of seven percent (7%) whichever is greater.

The City reserves the right to reject any proposal which, in the City's sole opinion, does not meet the qualifications. The City reserves the right to waive minor irregularities and informalities from any submitting entity relative to provisions included in its RFP.

2. Site Location

The City will be responsible for providing roadway access to the location identified in Exhibit A.

The site will be transferred to the successful proposer "as/where is".

3. Land Lease and Development Agreement and Performance Bond

The successful proposer will enter into a Ground Lease and Hangar Development Agreement (Exhibit B). Proposers are to submit any exceptions to the sample agreement in their proposals. The City reserves the right to accept or reject the proposed exceptions at its sole discretion. The level of exceptions noted in the proposal will be factored into the evaluation process.

The successful proposer must enter into a Performance Bond in the amount of ten thousand dollars (\$10,000) upon execution of the Agreement which shall remain in full force and effect through the time period until the occupancy certificate is issued. If the development is not commenced or completed within the timeframes identified in the RFP, the Performance Bond will be drawn by the City as liquidated damages.

4. Development

The successful proposer shall be required to fund, design, construct, and operate the facility according to City codes and standards and any other terms agreed to with the City. The City goal is to have the facility complete or substantially complete within ninety (90) following issuance of permits. Plan review and submission must be coordinated with the Airport Director to ensure coordination and to ensure no other Airport tenants are adversely affected by the development. A detailed schedule must be provided in the submission. It is the intent of the City for the facility to have an attractive exterior (ex. cut face block or painted metal panels). Proposers shall include in their submission a summary of their general design that is being contemplated. Areas to be addressed will include the following:

- a) the building exterior proposed
- b) the interior finish proposed
- c) electrical service included
- d) the hangar door system and controls
- e) the level of insulation (if applicable)
- f) other interior improvements contemplated
- g) ceiling height and lighting
- h) roofing system
- j) drainage
- k) exterior landscaping
- l) mechanical system proposed (if applicable)
- m) vehicle parking areas on site (location and number of stalls)

6. Operations

The successful submitting entity shall be responsible for providing normal maintenance on the facility. City will be responsible for all snow removal on the road to the facility and will be coordinated with the Operator. Operator shall be responsible for all snow and ice removal for all paved surfaces on the site.

7. Funding and Concession Revenue

Proposers must provide a projected budget for the construction of the project to include all hard and soft costs. In addition, the submitting entities must provide a projection of fuel purchases and any projected sales that would be eligible for concession revenue. The City will assess a two percent (2%) concession fee on all gross sales for any revenues generated from the use of the facility. Proposers shall provide in their proposal a letter from a bank or other lending institution that the entity has pre-approved the funding for the project. If the project is being paid for by the proposer without a loan, proposer must provide a letter from the proposer's financial institution confirming that the proposer has sufficient liquid capital available to fund the project as proposed, including removal of the existing building on the property should it be abandoned by the present

tenant.

8. Submission Evaluation

A selection committee will be established by the City to evaluate and score, according to weighted schedule listed below, all submissions received. Criteria for scoring includes:

- A) Understanding of the project, the financial capacity of the proposing entity, the scope of the design for the construction, and the materiality of the exceptions noted to the sample contract. - 40 points
- B). The revenue to be generated in addition to rental payments - 25 points
- C). The proposed schedule for completion - 35 points

Total- 100 points

9. Question, Requests for Clarification, and Lobbying

Any questions or clarifications for this RFP must be submitted electronically to:

John DeCoster
jdecoster@landrum-brown.com

All questions and requests for clarification MUST be submitted electronically to the e-mail identified above on or before June 3, 2020, at 4:00 pm CDT. On or before June 8, 2020 at 4:00pm CDT, written responses to all questions and clarification requests will be forwarded electronically to all entities requesting copies of the RFP.

Once the RFP is posted on the website, no further direct communication may occur with any City Council members and/or the City staff other than the designated contact contained in this RFP until the contract has been awarded by the City. Direct communication with anyone other than John DeCoster will be considered a violation of the RFP qualifications and the submission will be rejected and considered non-responsive. Proposers will be allowed to testify as public testimony at the City Council meeting related to the consideration and award of the contract.

11. RFP Submission

- A) Cover letter signed by a person authorized to bind the proposing entity to the terms and conditions contained in the submission. The cover letter shall include a statement of understanding of the project, the proposed project point of contract, and a statement of receipt of any addendums.
- B) An outline of the proposed construction to include a general description of the design of the facility.
- C) Statements as called for by the lending or funding institution.
- D) A detailed complete project timeline.

E) A detailed listing of all exceptions noted to the sample agreements.

12. Expenses

All expenses incurred by the submitting entity in preparing its response to this RFP shall be borne solely by the submitting entity.

13. Conflict in Language

In the event of any discrepancy between the information in the RFP and the Agreement, the terms of the Agreement shall prevail. The City reserves the right to modify and/or amend the attached Agreement prior to final execution. The RFP will be an exhibit to the final Agreement.

QUALIFICATION AND BUSINESS INFORMATION QUESTIONNAIRE

I. Name of Submitting Entity

Name of firm (exactly as it is to appear on the Agreement):

Principal office address: _____

Telephone & Fax number: _____

Form of business entity: (check one)

_____ Corporation

_____ Partnership

_____ Individual

_____ Joint Venture

II. Corporation Statement

If a corporation, complete the following:

Date of incorporated: _____ Place incorporated: _____

Is the corporation authorized to do business in North Dakota? (Check one)

_____ Yes, _____ No If so, as of what date? _____

**QUALIFICATION AND BUSINESS INFORMATION QUESTIONNAIR
CONTINUED:**

II. Corporation Statement Continued:

The corporation is held: (check one): _____ Publicly _____ Privately

Furnish the name and title of each officer of the corporation:

OFFICERS:

III. PARTNERSHIP STATEMENT

If a partnership, complete the following:

Date of organization: _____ General partnership _____ or

Limited Partnership _____

Partnership Agreement recorded? _____ Yes _____ No

_____ Date _____ Book _____ Page _____ County _____

Is the partnership authorized to do business in North Dakota? Yes No

Name, address, and partnership share of each general partner:

NAME	ADDRESS	% SHARE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

IV. Joint Venture Statement

If a joint venture, answer the following:

Date of organization: _____ Joint venture recorded? _____ Yes _____ No

_____ Date _____ Book _____ Page _____ County _____

Has the Joint Venture done business in North Dakota? Yes _____ No _____

Name and address of each Joint Venture member and percent of ownership of each:

NAME	ADDRESS	% SHARE
_____	_____	_____
_____	_____	_____
_____	_____	_____

V. Financial Information

A. Surety Information

Have you ever had a bond or surety canceled or forfeited?

_____ Yes, _____ No If yes, state name of bonding company, date, amount of bond, and reason for such cancellation or forfeiture.

B. Bankruptcy Information

Have any persons listed under the corporation, partnership, and joint venture statements ever been declared bankrupt or entered into a Creditor's Composition Agreement?

_____ Yes, _____ No If yes, state date, court jurisdiction, amount of liabilities, and amount of assets as applicable.

VI. References

List at least three (3) persons or firms with which the proposer has conducted business with within the last five (5) years.

Reference No. 1

Name: _____

Firm: _____

Title: _____

Address: _____

Phone: _____

Relationship: _____

VI. Financial References Continued:

Reference No. 2

Name: _____

Firm: _____

Title: _____

Address: _____

Phone: _____

Relationship:

Reference No. 3

Name: _____

Firm: _____

Title: _____

Address: _____

Phone: _____

Relationship:

ATTACHMENT A INSURANCE REQUIREMENTS

Insurance Requirements.

Operator shall, at its expense, maintain insurance in full force and effect during the term of this Agreement in such amounts as to meet the minimum limits of liability specified below.

1. Commercial General Liability with limits no less than one million dollars (\$1,000,000) combined single limit per occurrence, including but not limited to, bodily injury and property damage, airport premises and products/completed operations liability, contractual liability, and independent contractors liability.
 2. Business Automobile Liability with limits no less than one million five hundred thousand dollars (\$1,500,000) each occurrence including owned and/or leased automobile liability and non-owned and hired automobile liability.
 3. Fire Legal Liability with limits no less than \$300,000 each occurrence.
 4. Workers' Compensation Coverage in statutory amounts with "all states" endorsement including Employees Liability Insurance in limits of \$1,000,000 per employee.
 5. Aviation Liability Insurance in the amount of at least \$100,000 per occurrence that covers property damage, personal injury, or death on the ground resulting from the use of aircraft or aircraft components.
- B. Requirements for All Insurance. All insurance required in this Section shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of North Dakota and having a rating of at least A-, VII from A.M. Best Company or other rating agency.
- C. Additional Insureds. City shall be named as additional insureds on each of the policies above except the Workers' Compensation policy.
- D. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by City.
- E. Insurance Certificate. Certificates showing that Operator is carrying the above-described insurance in the specified amounts shall be furnished to City prior to the execution of this Agreement, and a certificate showing continued maintenance of such insurance shall be filed annually with City during the term of this Agreement. Failure of Operator to provide the required certificates of insurance does not invalidate or eliminate any of the insurance requirements contained herein or relieve Operator from any responsibility to carry the required types and amounts of insurance.
- F. Notice of Change or Cancellation. The certificates shall provide that the policies shall not be materially changed or canceled during the life of this Agreement without at least thirty (30) days' advanced notice, except cancellation for non-payment of premium shall be at least ten (10) days, being given to City.
- G. ACORD Form. The use of an "ACORD" form as a certificate of insurance shall be accompanied by two forms - 1) ISO Additional Insured Endorsement (CG-2010 pre-2004) and 2) Notice of Cancellation Endorsement.
- H. Disclaimer. City does not represent or guarantee that these types or limits of coverage are adequate to protect the Operator's interests and liabilities. It shall be the obligation and responsibility of Operator to

insure, as it deems prudent, its own personal property, against damage. City does not have insurance coverage for Operator's property and City expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Operator.