

**CITY OF ALEXANDRIA
REQUEST FOR PROPOSALS
FOR
SALE OF 200 NORTH ROYAL STREET
(CITY-OWNED SURPLUS REAL ESTATE)
THURSDAY, JUNE 16, 2011**

SECTION 1 - CONTENTS AND PURPOSE

These proposal specifications set forth certain instructions, terms, and conditions that apply to the sale of surplus City land conducted pursuant to the City of Alexandria Real Estate Disposition Policy and any applicable provisions of the Constitution of Virginia, the Code of Virginia section 15.2-1800 and the Charter and Code of the City of Alexandria. A copy of the City of Alexandria Real Estate Disposition Policy is reproduced in full and is attached hereto as *Exhibit A*. Although the instructions, terms, and conditions contained herein do not constitute an ordinance, resolution, or motion binding upon the City, a Offeror submitting a proposal on a sale conducted pursuant to the City of Alexandria Real Estate Disposition Policy will certify by signing the proposal form that the Offeror has read the provisions contained herein and that the Offeror agrees that the provisions will be strictly enforced in all respects.

SECTION 2 - DESCRIPTION OF PROPERTY

The Property: “The Property” (Map/Block/Lot: 064.02-05-01) located 200 North Royal Street, Alexandria, Virginia. The property is a brick façade (2) story building with a basement. The size of the building is 10,666 square feet on a lot size of 1,677 square feet. The property is zoned CD (Commercial Downtown Zone). Former uses for the property have included City offices and retail space. An appraisal has been ordered but not yet completed for the property; however the property has an assessed value of \$1,127,916.

SECTION 3 - INSTRUCTIONS TO OFFERORS

3.01 Preparation of Proposal Form:

A. General. **Proposals are due Monday, August 15, 2011, at 3:00 p.m. Eastern Daylight Savings Time.** A proposal must be submitted on the form available on the City’s website (Exhibit B). Such proposal forms will not be accepted as a legitimate proposal unless it conforms to the requirements in Section 4.01.

The proposal form must be signed and submitted in a sealed envelope and clearly marked as follows: **“PROPOSAL FOR CITY OF ALEXANDRIA REAL ESTATE – Lot: 064.02-05-01”**

B. Amount of Proposal. Under all circumstances, in the spaces provided on the proposal form for entering the proposal amount, the proposal must be expressed in U.S. dollars and cents. **This sale is a cash sale. There will be no financing offered by the City, and the City will not accept property in exchange.**

3.02 Proposal Deposit. ***Each proposal must be accompanied by a deposit equal to five (5) percent of the proposed purchase price or \$100.00, whichever is greater.*** The proposal deposit must be in the form of a cashier's check, certified check, or money order payable to the City of Alexandria. Any other form of payment will be rejected. At the time either the City Manager determines a proposal not to be responsive and responsible, or if the Council either accepts a proposal from a higher ranked proposal, or rejects a proposal the deposit submitted for each unsuccessful proposal shall be returned to the offeror as soon as feasible. At the time the City Manager and the selected offeror enters into a contingent real estate sales contract, the deposit shall be increased to ten (10) percent of the agreed upon sales price.

3.03 Receipt and Opening of Proposals. Sealed Proposals are to be delivered to the Department of General Services located at 110 North Royal Street, Suite 300, Alexandria, Virginia 22314, on or before August 15, 2011, 3:00 p.m. local time, in accordance with the instructions contained in the City's PROPOSAL SPECIFICATIONS and advertised SEALED PROPOSAL SALE NOTICE. These Proposals will be opened privately by the General Services Department as soon thereafter as may be practical, at the discretion of the Director of the Department of General Services.

State and local laws provide that the City, in its sole discretion, may elect not to accept any and may reject all proposals.

3.04 Proposals Irrevocable. All Proposals shall be considered irrevocable. All persons submitting a proposal will be notified in writing of the acceptance or rejection of their proposal. Failure of the Offeror to receive the notice shall not constitute an acceptance of proposal.

3.05 Evaluation of Proposals, Factors. Each offeror proposal will be evaluated based on any or all of the following factors listed below. Each must be addressed in the response to the Request for Proposals.

- a) The proposed use of the real estate;
- b) The financial ability of the proposer to develop the real estate based on the proposed use;
- c) The experience of the proposer in the development and use of properties for uses similar to the proposed use;
- d) The effect of the proposed use on other properties;
- e) The compatibility of the proposed use with the City's Master Plan;
- f) The price the proposer proposals to pay for the real estate;
- g) The anticipated tax revenue based on the proposed use.

Each proposal will be evaluated and ranked based solely upon the criteria enumerated in Section 3.05 (Evaluation of Proposals, Factors). The evaluation shall be completed within a reasonable period following receipt of Proposals. The City Manager may negotiate with the highest rated responsible and responsive offeror. If such negotiations fail, the City Manager may negotiate with the next highest responsible and responsive offeror, and continue through the same process until such time an offeror has satisfactorily addressed critical items within the submitted proposal and deemed by the City Manager as in the best interest of the City. There shall be no requirement that the City Manager negotiate with any person or entity whose proposal is evaluated by the City Manager and identified as not responsible or not responsive under the evaluation factors.

3.06 Acceptance or Rejection of Proposals. Once the Proposals have been evaluated, the offeror whose proposal complies with the conditions in this policy and determined to be in the best interest of the City, and a real estate sales contract has been negotiated, the proposed sale will be contingent upon final approval in accordance with Section 9.06 of *City Code*, as well as any other contingencies that the City may deem appropriate, such as approval by the City's Planning Commission and City Council of a Development Special Use Permit.

3.07 Final Award or Rejection of Proposals by City Council. All Proposals and associated deposits may be held in escrow by the City pending award, or rejection of all Proposals, by the City Council. The City Council may officially award the proposal and authorize the City Manager to execute any and all required closing documentation, following the required 9.06 and Sale Ordinance actions.

SECTION 4 - TERMS AND CONDITIONS OF SALE OF SURPLUS CITY LAND

4.01 Rejection of Proposals. City Council reserves the right to reject any or all Proposals at any time prior to authorizing the City Manager to execute and the City Clerk to attest a deed conveying to the selected Offeror the land offered by the City for sale. A proposal will be automatically rejected when:

- A. It is not accompanied by the prescribed amount of the proposal deposit as specified in Section 3.02;
- B. It is not submitted in duplicate;
- C. Both copies of the proposal form are not signed as specified in Section 3.01 (A);
- D. It is not submitted on the City's proposal form;
- E. It is submitted after the time and date specified in the City's PROPOSAL NOTICE for receipt of Proposals;
- F. It is not accompanied by a signed Affidavit of Non-Interest.

4.02 Payment of Brokerage Fees. The City will not pay a brokerage or real estate agent's fee on the sale of this City real estate.

4.03 Offeror's Withdrawal Rights. Under no circumstances will a Offeror be entitled to withdraw the proposal once the City Attorney has received the proposal deposit.

4.04 City's Rights Upon Failure of Selected Offeror to Close the Transaction. When the deed conveying the parcel offered for sale by the City has been executed by the City Manager and is ready for delivery, the Selected Offeror will be notified by mail where to call to accept delivery of the deed. If for any reason the Selected Offeror should fail to render full payment of the consideration upon which the proposal was based within thirty (30) days after the mailing of the

aforesaid notice, such failure shall be construed as a refusal to pay the consideration due the City under the terms of the proposal and as a refusal to accept the City's deed. Should the Selected Offeror for any reason fail or refuse to close the transaction within the thirty (30) day period, the City shall have the right, at its option, to retain the offeror's deposit. In addition to the foregoing, it is understood and agreed that the City shall have the right, at its option, to pursue any and all other remedies available to it at law or in equity, including, but not limited to, the right to demand specific performance on the part of the Selected Offeror. If the City is successful in enforcing the right to specific performance, it is understood and agreed that upon the City's demand, the Selected Offeror shall pay to the City reasonable attorney's fees incident thereto.

4.05 Conveyance by the City. Subject to its right to reject proposals under Section 3.01, the City shall tender an executed deed conveying the land offered by it for sale within one-hundred-twenty (120) days after the date of passage of the ordinance determining a Selected Offeror. Failure on the part of the City to tender such deed within the one-hundred-twenty (120) day period shall entitle the Selected Offeror to refuse to close the transaction by giving written notice to the City Attorney. Upon receipt of written notice of refusal, the City will refund the Selected Offeror's deposit. Neither the City nor the Selected Offeror shall be liable to any party in any respect as a result of such refusal to close the transaction under this circumstance.

4.06 Offeror's Duty to Inquire As to Quality of Title. Each offeror shall be solely responsible to inquire as to the quality of the title of each parcel offered for sale by the City.

4.07 Rights of Person in Possession. If the land offered by the City for sale, whether improved or unimproved, is, or appears to be, in the possession of any person whomsoever, each offeror, before submitting a proposal on the parcel, shall satisfy himself as to the rights, if any, of the person in possession. A Selected Offeror shall not be entitled to refuse to close the transaction because of the rights of any person in possession on the date the proposal was submitted.

4.08 Ad Valorem Taxes. Should there be any tax payments due, it is specifically understood and agreed that the selected offeror will be purchasing the parcel subject to such tax liabilities and will be responsible for payment thereof. By acceptance of a deed from the City of Alexandria, the Selected Offeror is put on notice that the land conveyed to him will thereafter be subject to assessment for all taxes.

4.09 Conveyance Instruments. The deed conveying land offered by the City for sale will be based on the description of the land prepared by the Alexandria Office of Real Estate, or on such other legal description as may be approved by the City Attorney. The deed shall be executed and acknowledged on behalf of the City by the City Manager and attested by the City Clerk under the City Seal. The name of the grantee in the deed shall be the same as the name on the proposal form of the person, corporation, or other business firm submitting the proposal. The conveyance shall be subject to all easements, public utilities, restrictions, covenants, conditions of record, and any other special restrictions specified in these proposal specifications.

4.10 Environmental.

A. Environmental Testing

- (i) By City. City shall make available to Offeror a copy of City's environmental assessment report(s), if any (referred to as "City's Environmental Reports") for the Land. City makes no warranty or representation as to the accuracy or completeness of said report(s).
- (ii) By Offeror. Upon notice that the land is offered by the City for sale (the "Notice Date"), Offeror shall notify City if Offeror intends to enter the Land to inspect, survey or conduct such environmental testing as Offeror may desire, at Offeror's sole cost and expense, whether for potential contamination in the surface or subsurface of the Land or otherwise (hereinafter referred to as "Testing"). Offeror may enter the Land to conduct Testing upon consent by City for this Land and subject to the following conditions: a) any contractor, consultant or agent used by Offeror for the Testing shall be, in the sole discretion of City, acceptable to City; however, the Testing shall be at Offeror's sole cost; b) City shall have the right to observe the Testing and to take split samples; c) Offeror shall indemnify, defend and hold City harmless from any and all damages (including damage to the Land), losses, claims, liabilities, penalties, costs and expenses (including attorney's fees) resulting from acts or omissions associated with the Testing, and this covenant shall survive the Closing or earlier termination of the proposal process; d) Offeror agrees to obtain the insurance specified in Section 4.10 (B) below; and e) the Testing and subsequent generation of a survey, quality-assured laboratory data, and other written report(s), if any, (hereinafter referred to as "Testing Results") shall be provided to the city prior to the end of the Due Diligence period.

B. Testing Insurance.

If Offeror conducts Testing as outlined in Section 4.10 (A) (ii) above, Offeror shall maintain, at Offeror's sole cost, or shall require any contractor, consultant or agent Offeror may engage to maintain at all times as required herein, the insurance coverage set forth below with providers satisfactory to City with full policy limits applying, but not less than as set forth below. A certificate naming City as an additional insured and referencing the indemnification provisions set forth in these Proposal Specifications shall be delivered to City prior to commencement of the Testing. Such certificate shall provide that any change restricting or reducing coverage or the cancellation of any policies under which certificates are issued shall not be valid as respects City's interest herein until City has received timely prior written notice of such change or cancellation.

Worker's Compensation Insurance as required by laws and regulations applicable to and covering employees of Offeror, its contractors, consultants or agents engaged in the performance of the Testing.

Employer's Liability Insurance protecting Offeror against common law liability, in the absence of statutory liability, for employee bodily injury arising out of the master-servant relationship with a limit of not less than Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) each occurrence.

Comprehensive General Liability Insurance including products / completed operations with limits of liability of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit. This policy shall cover, among other risks, the contractual liability assumed under the indemnity provision set forth herein.

Business Automobile Liability Insurance covering all vehicles used in the operations of Offeror with limits of liability of not less than Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.000) combined single limit.

4.11 Inspection. Offeror represents that Offeror (or its agents or consultants) will have inspected, by the close of the proposal period, the Land, together with any buildings included in the sale, will be familiar with its condition, inclusive of substances in the soil or groundwater that may or may not be present, and accepts same AS IS, AND WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS ON THE PART OF City as to what that condition may be. Offeror further represents that Offeror has determined that any buildings exist and are present on the land.

4.12 Restrictions:

A. General. It will be the sole responsibility of the Offeror to become familiar with whatever restrictions are enforceable on the land being offered by the City for sale whether of record or not. The City makes no representations, guarantees, or warranties as to what may be built on the property or as to what use may be made of it, with the exception of the restrictions that follow.

SECTION 5 - EXHIBITS AND APPENDICES

5.1 Exhibits.

Exhibit A: City of Alexandria Real Estate Disposal Policy (Adopted May 25, 2010)

Exhibit B: City of Alexandria Real Estate Proposal Form

5.2 Appendices. (available on Department of General Services website at <http://alexandriava.gov/generalservices/default.aspx>)

Appendix I: Various Architectural Plans.