

Metropolitan Washington Airports Authority

Real Estate Development Policies

## **Policies and Procedures**

Regarding

**Unsolicited Proposals**

**for**

**Western Lands**

at

Washington Dulles International Airport

March 3, 2015

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### FOREWORD

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## **I. INTRODUCTION**

The Metropolitan Washington Airports Authority (Authority) is a public body, corporate and politic, created in 1986 by joint legislation establishing an interstate compact between the Commonwealth of Virginia and the District of Columbia. As authorized by the Metropolitan Washington Airports Act of 1986, Ronald Reagan Washington National (Reagan National) and Washington Dulles International Airports (Dulles International) have been leased to the Authority by the United States.

The Authority's mission is to develop, promote, and operate Reagan National and Dulles International Airports. The Authority also operates the Dulles Toll Road and is responsible for the construction of the Metrorail Silver Line. The Authority is governed by a Board of Directors (Board) consisting of seven members appointed by the Governor of Virginia, four members appointed by the Mayor of the District of Columbia, three members appointed by the Governor of Maryland, and three members appointed by the President of the United States. The Authority is not a federal agency.

To accomplish its mission, the Authority enters into a wide range of business agreements and partnerships to generate revenue that offsets the cost of operation, maintenance and capital improvements at its airports. Dulles International land offers a major opportunity toward the Authority's goals for revenue enhancement and diversification. This *Policies and Procedures Regarding Unsolicited Proposals for Western Lands* (Policy) describes the process for the submission of unsolicited real estate proposals for the portion of Dulles International consisting of Authority-owned property known as Western Lands (Property), shown on Figures 1 and 2, and for the Authority's review of such proposals. Proposals could offer long-term ground leasing or sale of all or portions of the Property.

The Property is not part of the approximately 11,000 acres at Dulles International that the Authority leases from the federal government. Since the Authority took control of Dulles International in 1987, it has purchased approximately 1,575 acres of land on the northwest side of Dulles. About 1,149 of these purchased acres have been used for the construction of a new, third north-south runway, which was completed and opened in 2008. The Property is comprised of the remaining 426 of the purchased acres, which are located at the western boundary of Dulles International along Route 606.

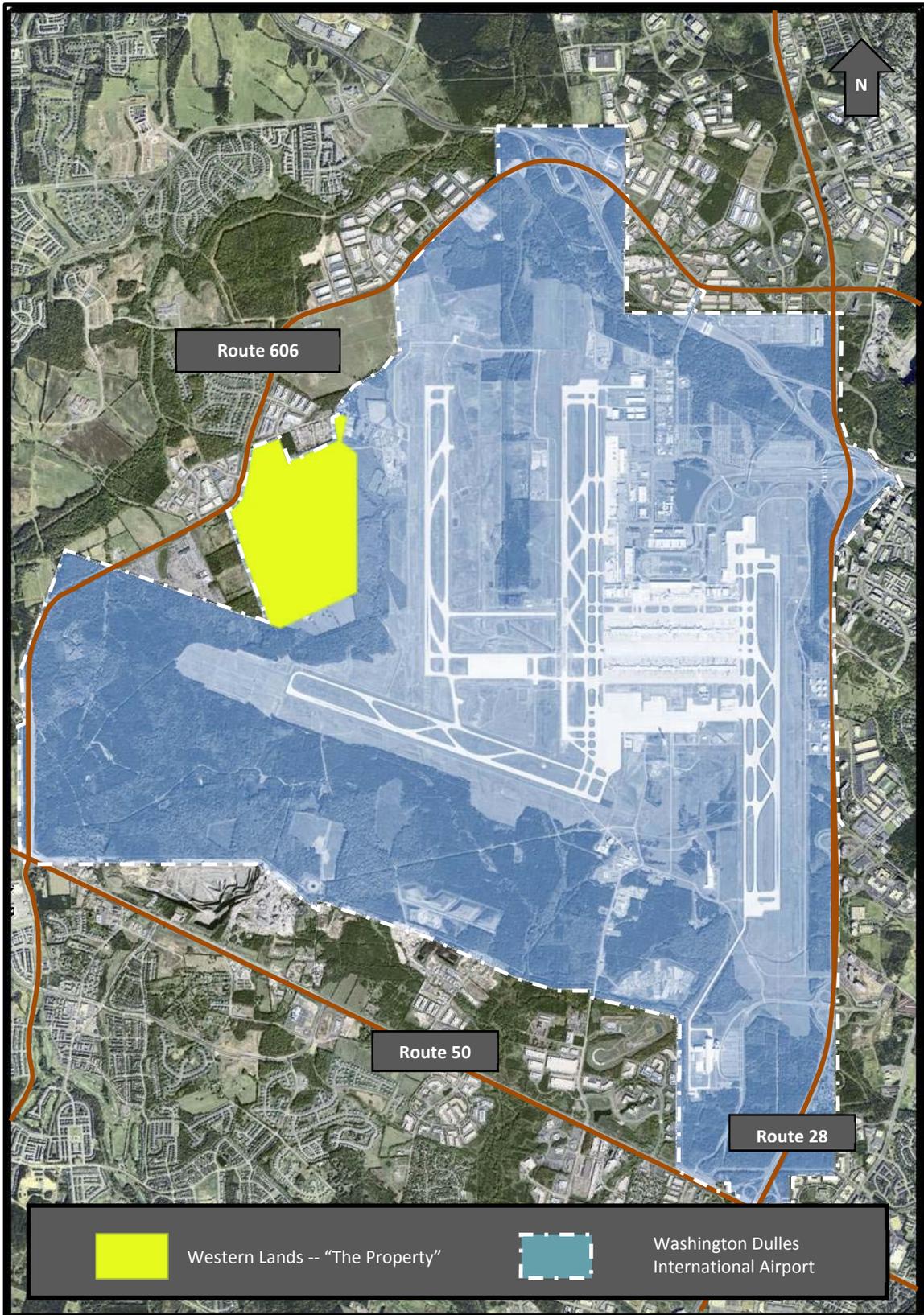


Figure 1 -- Airports Authority Property at Washington Dulles International Airport

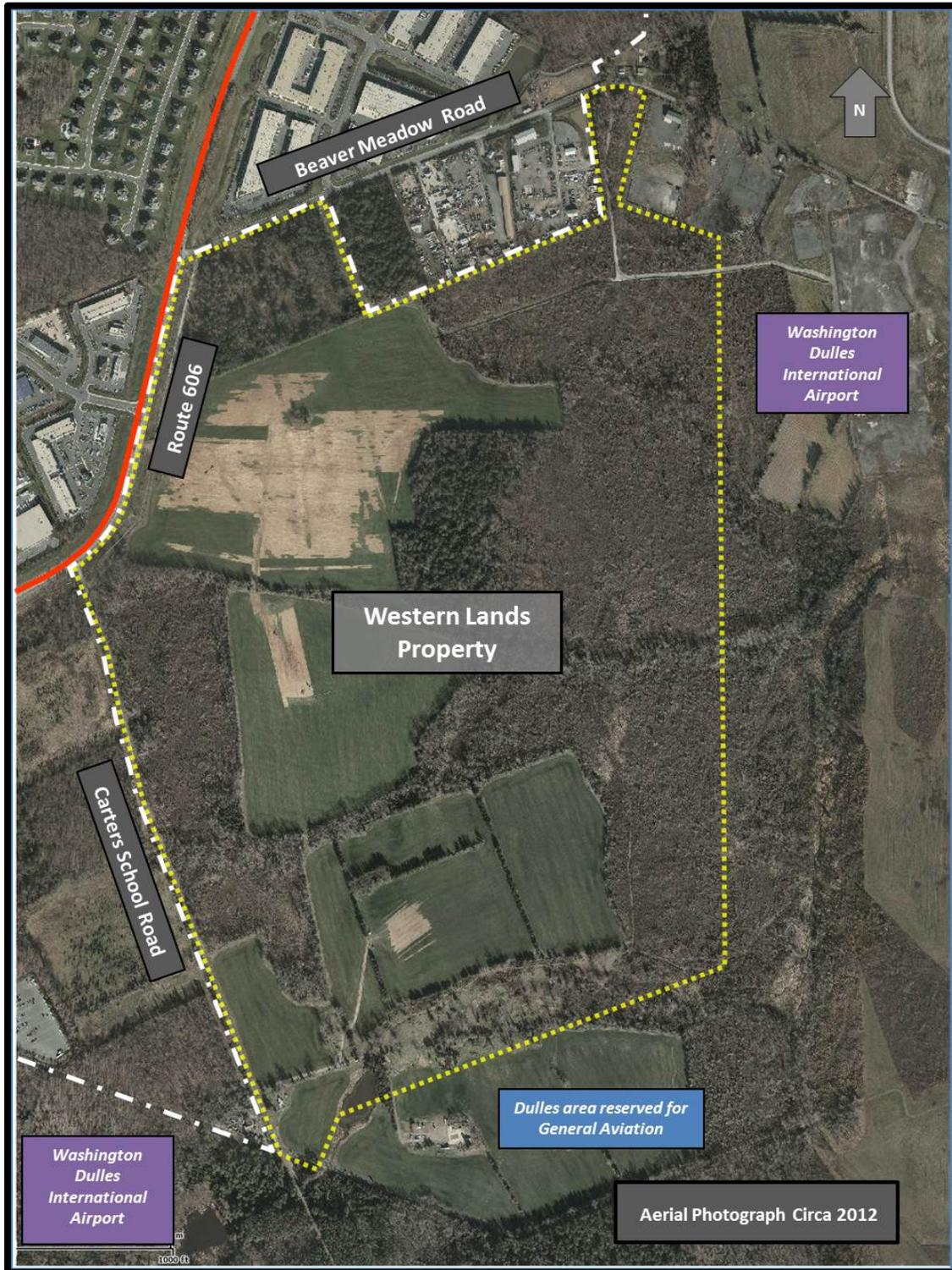


Figure 2 -- Enlarged View of the Property

Although located in Loudoun County, the County’s zoning designations for the Property (Planned Development – General Industrial or PD-GI) do not apply as long as the land is owned by the Authority. Currently, the Dulles International Master Plan does not define or designate a land use for the Property. The airport land immediately southeast of the Property has been for General Aviation activities. Although the Property is not directly subject to terms of the Authority’s lease with the federal government, if the lease is not extended beyond its current expiration date of June 6, 2067, title to any unsold portion of the Property would pass to the United States government at that time.

## **II. PROCEDURES FOR THE SUBMISSION OF UNSOLICITED PROPOSALS**

### **A. Unsolicited Proposals**

Unsolicited proposals for the Property are defined to be proposals for the long-term lease or sale of the Property submitted to the Authority that are not in response to any solicitation issued by the Authority (Unsolicited Proposals). The Authority invites Unsolicited Proposals for both non-aviation uses and aviation uses of the Property, the latter uses consisting of second-line aviation support activities such as freight forwarders and consolidators, which typically are able to be located “off-airport.” Unsolicited proposals may be based on the Authority’s interests, needs and goals, as described in public materials. On the other hand, parties interested in preparing an Unsolicited Proposal may see opportunities for development of the Property that are not addressed in Authority materials and that may be beneficial to the Authority. Parties submitting an Unsolicited Proposal will bear all costs and expenses associated with the preparation of their Unsolicited Proposals.

### **B. Unsolicited Proposal Submissions**

Unsolicited Proposals should be submitted in two parts, to include a *Conceptual Proposal* and a *Detailed Proposal*. The *Conceptual Proposal* should provide general information about the Proposer’s qualifications and experience, the major characteristics of the proposed development, the project financing, anticipated public support or opposition, and project benefits and compatibility. Further suggestions about the content of a *Conceptual Proposal* are provided in Attachment 1. If, pursuant to the procedures described below in Section III, the Authority accepts a *Conceptual Proposal* for further consideration and issues an invitation for Competing Unsolicited Proposals, the *Conceptual Proposal* will be posted for public viewing. Therefore, confidential or proprietary information should not be included in a Proposer’s *Conceptual Proposal*.

The *Detailed Proposal*, which is to be submitted with the *Conceptual Proposal*, should provide further detail on the scope of the project, feasibility and risk analyses, relevant proprietary or confidential information, and cost estimates that support the viability of the Proposal. The *Detailed Proposal* will not be posted for public viewing. Suggested content for the *Detailed Proposal* is provided in Attachment 2.

If confidential or proprietary information is included in the *Detailed Proposal*, it should be appropriately marked in accordance with the Authority's Freedom of Information Policy. The Authority will withhold and protect such information from public disclosure, to the extent allowed by the Freedom of Information Policy, which can be found on the Authority's website at [http://www.mwaa.com/file/Freedom of Information Policy.pdf](http://www.mwaa.com/file/Freedom%20of%20Information%20Policy.pdf).

In order for the Authority to consider an Unsolicited Proposal, a Proposer must submit two fees: (1) a non-refundable Review Fee in the form of a certified or cashier's check payable to the "Metropolitan Washington Airports Authority" in the amount of \$5,000, which must be submitted with the *Conceptual Proposal* (Review Fee), and (2) a Proposal Fee in the form of a certified or cashier's check or irrevocable letter of credit in an amount equal to the smaller of \$50,000 or one-half of one percent (0.5%) of the Proposer's estimated constructed cost of the proposed project which must be submitted with the *Detailed Proposal* (Proposal Fee). The Proposal Fee will be refunded to those Proposers who are not selected when: (1) a contract has been executed with another Proposer, or (2) the Authority announces it is terminating the specific Unsolicited Competing Proposals process without a selection.

One copy of each of the *Conceptual* and *Detailed* parts of the Unsolicited Proposal must be marked as "Signature Copy" and should contain any documents with original signatures, along with the fees previously described. This copy, together with seven additional printed copies and one electronic copy, should be submitted to the Authority's at the address below.

The *Detailed Proposal* (the "Signature Copy," seven reproduced copies, and an electronic copy) must be submitted in a sealed envelope or box, labeled "*Detailed Proposals*," that is separate from the remainder of the submission.

The Unsolicited Proposal submission should be mailed, sent via delivery service, or hand-delivered to:

Western Lands – Unsolicited Proposal  
c/o Department of Real Estate, Office of Revenue  
Metropolitan Washington Airports Authority  
1 Aviation Circle  
Ronald Reagan Washington National Airport  
Washington, D.C. 20001

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**C. Applicability of Other Laws**

Development of the Property may be subject to various federal, state and local laws with which a successful proposal would need to comply, including the National Environmental Policy Act, and may require preparation of environmental review documents and analyses of the Proposal's impacts in accordance with Federal Aviation Administration (FAA) guidelines and directives.

**III. PROCEDURES FOR THE REVIEW, EVALUATION AND COMPETING OF  
UNSOLICITED PROPOSALS**

The Authority will process Unsolicited Proposals for the development of the Property under the terms of this section. The Authority reserves the right to amend or modify the procedures in this section, and to reject any and all Unsolicited Proposals, at any time and in its sole discretion. Proposers bear all costs and expenses associated with their Unsolicited Proposal and the procedures outlined in this Section III.

Interested parties may submit an Unsolicited Proposal based on the Authority's interests, needs, and goals, as described in public materials. On the other hand, the Authority does not intend these materials to necessarily limit the nature or scope of development that might be proposed for the Property. Interested parties may see opportunities for development that are not addressed or reflected in the Authority's materials and that may represent viable uses of the Property which would benefit the Authority.

If the Authority believes an unsolicited proposal has merit, it will provide an opportunity for others to compete for the ability to purchase or lease the Property by undertaking one of two forms of open-competition:

- An invitation for Competing Unsolicited Proposals; or
- A formal advertisement for Solicited Proposals.

The Competing Unsolicited Proposals process typically will be pursued in situations where the Authority is faced with little risk or issue, does not need to define scope and conditions, and where the evaluation criteria are straightforward. The Solicited Proposals process will be pursued when the Authority needs to be specific and directive regarding scope and conditions, or where the evaluation criteria are more complex.

The following describes the procedures (A) for the Authority's review of Unsolicited Proposals and (B) for completing those Unsolicited Proposals which are favorably reviewed.

**A. Step 1 – Review of Unsolicited Proposal**

- A party (Original Proposer) submits an Unsolicited Proposal package, which includes a *Conceptual Proposal* and a *Detailed Proposal*, along with the Review Fee and Proposal Fee described in Section II above.
- The Authority acknowledges receipt of the proposal in writing.
- The Authority conducts a review of the *Conceptual Proposal* only and, based on this review, determines whether to accept the Proposal for further review or to reject it.
- If the Proposal is rejected based on the contents of the *Conceptual Proposal*, the *Detailed Proposal* will be returned to the Original Proposer unopened, along with the Proposal Fee contained therein.
- If the Authority decides to conduct a further review of the Unsolicited Proposal, it will notify the Original Proposer of the decision and will post a notice on its website [www.mwaa.com](http://www.mwaa.com) under "Business Information; Opportunities; Land Development" which: (i) states it has received an Unsolicited Proposal; (ii) identifies the property addressed by the Unsolicited Proposal; and (iii) in the Authority's words, summarizes the nature of the Unsolicited Proposal. This posting is for public notice purposes only. (The Original Proposer's *Conceptual Proposal* will not be posted on the website at this time but may, based on decisions in Step 2, be posted at a later time.)
- The Authority then will review the *Detailed Proposal*, and decide whether to advance the Unsolicited Proposal to the next step or to reject it. If the Authority decides to reject the Unsolicited Proposal, it will return *Detailed Proposal* along with the Proposal Fee.

**B. Step 2 – Competing the Unsolicited Proposal**

- Based on its review of the *Conceptual Proposal* and *Detailed Proposal*, the Authority will decide whether to:
  - Invite Competing Unsolicited Proposals (Step 2a), or
  - Initiate a Solicited Proposals process (Step 2b).
- However, any Unsolicited Proposal that involves the sale of land to the Proposer will automatically move to the Step 2b Solicited Proposals process.

**Step 2a – Invitation for Competing Unsolicited Proposals**

- The Authority will notify the Original Proposer that the Authority is proceeding to open competition by providing an opportunity for interested parties to submit proposals which are competitive with the Original Proposer's Unsolicited Proposal. All competing proposal submissions must include the Review Fee (non-refundable) and Proposal Fee (refundable to those not selected).
- The Authority will modify existing notices relating to the Unsolicited Proposal on its website, will post an invitation for Competing Unsolicited Proposals with instructions and guidance for the competing submissions, and will post the Original Proposer's *Conceptual Proposal*.
- In response to this invitation, the Original Proposer may revise and resubmit its *Detailed Proposal* on the same schedule as advertised for Competing Unsolicited Proposals.
- At the Authority's option, the *Conceptual Proposals* of all submitted Competing Unsolicited Proposals will be posted on the Authority's website in the same location as the Original Proposer's *Conceptual Proposal*.
- The Authority will review the *Conceptual Proposals* and *Detailed Proposals* included in the submitted Competing Unsolicited Proposals, will evaluate them together with the Original Proposer's Unsolicited Proposal (including a revised *Detailed Proposal*, if submitted), and will select a proposer (Selected Proposer) for contract negotiations.
- The Authority reserves the right to request Best and Final Offers from those Proposers of Unsolicited Proposals that it judges to be in the competitive range.
- The Authority reserves the right to terminate the Step 2a process and return the *Detailed Proposals* and Proposal Fees at any time and without making a selection.

**Step 2b – Solicited Proposals**

- The Authority will notify the Original Proposer in writing that it is proceeding to open competition by initiating a Solicited Proposals process in which it will solicit proposals for the development and use of the Property, or parts thereof, in accordance with a set of requirements set out in a formal solicitation document. In this case, the Original Proposer's *Detailed Proposal* will be made obsolete by the solicitation, and will be returned to the Original Proposer along with the Proposal Fee.
- The Authority will post a notice on its website indicating that it will initiate a Solicited Proposals process and will note the approximate date when the solicitation will be posted.

- In presenting relevant background information and the requirements to be met by proposers responding to the solicitation, the Authority may use non-proprietary elements of the Original Proposer's *Conceptual* and *Detailed Proposals*, as it deems appropriate.
- In the solicitation document, the Authority also will establish the due date for the submission of proposals and the criteria by which submitted proposals will be evaluated.
- To continue to be considered, the Original Proposer must respond to this solicitation by submitting a proposal in accordance with its terms.
- The Authority will evaluate all submitted proposals on the basis of the evaluation criteria and will identify a Selected Proposer with whom to begin contract negotiations.
- The Authority reserves the right to request Best and Final Offers from the proposers it judges to be in the competitive range.
- The Authority reserves the right to cancel the Step 2b process at any time, returning any Proposal Fees required by the solicitation, and without making a selection.

**C. Step 3 – Negotiations and Approvals**

- The Authority and the Selected Proposer will enter into contract negotiations based on the terms and conditions of the Selected Proposer's proposal.
- If the parties fail to conclude negotiations, the Authority may elect to pursue negotiations with another proposer, which will become the new Selected Proposer.
- Upon the execution of an agreement or the termination of negotiations, the Proposal Fees of the non-selected proposers will be returned.

## ATTACHMENT 1

### **Suggested Content of *Conceptual Proposal* Submissions**

In an Unsolicited Proposal offer, the *Conceptual Proposal* is the first document opened by the Authority and is the only document the Authority will use in determining its willingness and interest in *accepting* an Unsolicited Proposal for further consideration. Following such acceptance, the *Conceptual Proposal* is the document that will be used by Authority technical staff in deciding whether to move the Unsolicited Proposal to the next stage of the process which involves competition. If the process proceeds to a call for Competing Unsolicited Proposals, the *Conceptual Proposal* will be publicly posted along with an invitation for competing proposals. Therefore, this *Conceptual Proposal* must give enough detail to establish the Unsolicited Proposal concept as viable, desirable and in the Authority's interests without divulging details that the Proposer submitting the Unsolicited Proposal does not wish to have made public, such as proprietary or sensitive information, or a unique competitive strategy.

The Authority takes no responsibility for any impacts caused a Proposer by its inclusion of proprietary or sensitive information in its *Conceptual Proposal*.

The list that follows includes information that might be submitted as part of a *Conceptual Proposal*; the list should not be regarded as describing, and is not intended to describe, required information. The *Conceptual Proposal* might contain the following:

1. Project Characteristics

- a. A description of the project, including its fundamental business concept and facility features, that outline the proposed project in a manner that ensures that its nature and purposes are clearly understood.
- b. The scale and types of revenue opportunities for both the Proposer and the Authority.
- c. A conceptual site plan showing the proposed site for the project and indicating the proposed location and configuration of the project on the site.
- d. The projected positive social, economic and environmental impacts of the project.
- e. Any anticipated adverse social, economic and environmental impacts of the project, and the strategies or actions to mitigate such impacts.

- f. The most significant assumptions or conditions that must come about in order for the project to be successful.
- g. Any contingency plans or actions that add resiliency to the project.

2. Proposal Team Structure, Qualifications and Experience

- a. The characteristics of the Proposer's team, including the organizational structure, and how each partner and major subcontractor in the structure relates to the overall team.
- b. The identities and experiences of the companies and key individuals of the Proposer's team, including experience with projects of comparable size and complexity.
- c. The level of commitment to use Authority certified Local Disadvantaged Business Enterprises.
- d. The names, addresses, and telephone numbers of persons who may be contacted for further information.

3. Project Financing

- a. A preliminary estimate of the cost of the design and construction of the project, by phase if applicable.
- b. A generic plan for the development, financing and operation of the project.
- c. A list and discussion of major financial and other assumptions underlying the financing element of the generic plan.
- d. A list of significant project risk factors and methods for dealing with these factors.
- e. Market analyses supporting revenue forecasts.

4. Schedule/Phasing

- a. A proposed schedule for the project, including the estimated time for completion.
- b. A list of federal, state, local and Authority permits and approvals required for the project, and their relation to the schedule.
- c. Information relative to the phased or partial openings of the project.

## ATTACHMENT 2

### Suggested Content of *Detailed Proposal* Submissions

In the Original Unsolicited Proposal offer, the *Detailed Proposal* is the document reviewed by the Authority to determine whether and in what manner the generic concept of the Unsolicited Proposal should proceed to competition, through either Competing Unsolicited Proposals or Solicited Proposals. The *Detailed Proposal* will only be reviewed if the Authority, based on the related *Conceptual Proposal*, accepts the Unsolicited Proposal for further processing.

If the process advances to an invitation for Competing Unsolicited Proposals, the *Conceptual Proposal* and the *Detailed Proposal* of each Proposer (Original and Competing) will be treated as companion documents and will be used in combination in the evaluation. *Detailed Proposals* will not be posted on the website. The Authority expects that sufficient detail will be contained in the combination of the *Conceptual* and *Detailed Proposals* so that: (1) the Proposal is a fully-formed offer on which the Proposer is willing to place a Proposal Fee, (2) the Authority can gain the confidence that the proposal is both attractive and viable, and (3) the information gives the Authority's evaluators the best information possible in distinguishing a Proposer from his competitors. The depth and breadth of materials in the *Detailed Proposal* is at the Proposer's discretion; however, the Authority has no obligation for ex post facto consideration of Proposal detail held by the Proposer and not communicated to the Authority if its Proposal is rejected or passed-over in favor of a competitor's proposal.

If the Authority elects to proceed using the Solicited Proposal process, the Original Proposer's *Detailed Proposal* will be made obsolete by the solicitation. To continue to be considered, the Original Proposer must respond to this solicitation by submitting a proposal in accordance with its terms. The contents of the original *Detailed Proposal* will not be used to advantage or disadvantage the Original Proposer.

The Authority requires that *Detailed Proposal* (printed and electronic) copies be separately packaged and sealed (tamper-proof envelope, bag or box) by the Proposer so that, in the event that a *Conceptual Proposal* is not accepted or does not survive initial evaluations, the Authority has not been exposed to or reviewed any sensitive or proprietary information of the Proposer.

The list that follows includes information that might be submitted as part of a *Detailed Proposal*; the list should not be regarded as describing, and is not intended to describe, required information. The *Detailed Proposal* might contain the following:

1. Project Characteristics

- a. A detailed description of the project, including the business plan elements, supporting market research, and sublease commitments.
- b. A detailed discussion of assumptions regarding revenues.
- c. Assumptions related to ownership, legal liability, law enforcement, infrastructure construction and maintenance, and operation of the project, and the existence of any restrictions on the operation or use of the project.
- d. A detailed site plan indicating proposed location and configuration of the project on the proposed site, access/egress, and utility connections.
- e. Characteristics of the proposed project in terms of size, density, traffic impacts, utility service requirements, and any unique operational features or special events.
- f. Conceptual (single line) plans and elevations depicting the general scope, appearance and configuration of the proposed project.
- g. A list of public utility facilities, if any, which will be accessed or crossed by the proposed project and a statement of the plans of the Proposer to gain approvals for such connections or crossings.
- h. A description of any work proposed to be performed by the Authority or any other public sector entity that is not a member of the Proposer's team.
- i. A listing of firms that will provide specific design, construction and completion guarantees and warranties, and a brief description of such guarantees and warranties.
- j. A discussion of the project's compatibility or lack thereof with neighboring Authority and non-Authority land uses (actual, planned and proposed) and, where applicable, a summary of the steps required for reconciliation.
- k. The proposed approach to assessing environmental impacts, describing both what is known and what data must be collected and accessed.

2. Proposal Team Structure, Qualifications and Experience

- a. The legal structure and organizational structure of the Proposer's team, the management approach the team would bring to the project, and how each team member and major subcontractor fits into the overall approach.
- b. The identities and experience of the companies and key individuals of the Proposer's team, including experience with projects of comparable size and complexity, length of time in business, and other current engagements
- c. The names, addresses, and telephone numbers of persons on the Proposer's team who may be contacted for further information
- d. For each member of the Proposer's team and each major subcontractor, a summary of the work

performed by the member or subcontractor firm during the past five (5) years for up to five (5) clients on comparable projects, including contact information for such clients (the Authority prefers reference projects similar in scope and size to the proposed project).

- e. The past technical performance history on recent projects of comparable size and complexity, including disclosure of any legal claims for or against the relevant team member on those referenced projects.
- f. The identity of any firms that will provide design, construction and completion guarantees and warranties and a description of such guarantees and warranties.
- g. The past safety performance record and current safety capabilities of the Proposer's team.
- h. Worker safety training programs, job-site safety programs, accident prevention programs, written safety and health plans, including incident investigation and reporting procedures.
- i. Any Authority offices or employees, or persons or firms under contract with the Authority, known to the Proposer, who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project.
- j. The level of commitment to use Authority certified Local Disadvantaged Business Enterprises including the names, roles, certification numbers or documents of certifications if already obtained, and percentage commitments of individual team members as known.
- k. Current or most recently audited financial statements of members of the Proposer's team having an equity interest of twenty percent (20%) or greater.
- l. Identification of the executive management, officers and directors of the members of the Proposer's team, along with the identification of any known conflicts of interest or other disabilities that may impact the Authority's consideration of the proposal.

3. Project Financing

- a. A detailed description of the proposed participation and financial involvement of each of the Proposer's team members.
- b. A preliminary estimate and estimating methodology of the cost of the work by phase.
- c. An operational plan including appropriate staffing levels and associated costs, and any supporting due diligence studies, analyses or reports
- d. A financial pro forma from the Proposer's perspective specifying proposed project start date; the anticipated commitment of parties (equity, debt, and other financing mechanisms); a schedule of projected project revenues and project costs; the expected useful life of the project elements; an estimate of annual operating expenses; and an analysis of the projected return or rate of return, or both.
- e. A financial pro forma from the Authority's perspective indicating what the Authority can expect to receive from the project and the value of any improvements or investments that will enhance or expedite the development of the remainder of the Property or of Dulles International.

4. Scheduling/Phasing

- a. The proposed schedule for the work on the project, including the estimated time for completion.
- b. A list of federal, state, local and Authority permits and approvals required for the project, and their relation to the schedule.
- c. Information relative to phased or partial openings of the proposed project.

5. Project Benefit and Compatibility

- a. A description of the compatibility of the project with Authority, other local, regional, and state economic development efforts.
- b. A recommended strategy and plan to be coordinated with the Authority that will involve and inform the general public, business community, local governments, and governmental agencies in areas affected by the project.

6. Forms and Certifications

A Proposer submitting an Unsolicited Proposal understands that the representations, information and data supplied in support of, or in connection with, the Proposal plays a critical role in the Authority's evaluation process and in the ultimate selection of a proposal by the Authority. Accordingly, as part of the *Detailed Proposal*, the Proposer and its team members should certify that all material representations, information and data provided in support of, or in connection with, the Proposal is, to the best of their knowledge, true and correct. Such certifications should be made by authorized individuals who have knowledge of the information provided in the proposal. In the event that material changes occur with respect to any representations, information or data provided for the proposal, the Proposer should notify the Authority of the same. Any deficiencies regarding certifications in the *Detailed Proposal* may cause the Authority to exercise its reserved right to reject the Unsolicited Proposal.