



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES**



REQUEST FOR SPACE (“RFS”)
DGS-RFS- DPW-2020-11
Vehicle Impoundment Lot

The District of Columbia’s Department of General Services (“DGS”) is seeking offers for industrial yard that provides parking for an impoundment lot that temporarily stores abandoned vehicle prior to auction. Responsive offers, among other things, should provide contiguous industrial land area. The Department of Public Works is the agency identified to initially occupy the proposed space.

Background

The Department of Public Works (DPW) provides municipal services in two distinct program areas: environmental services/solid waste management and parking enforcement. Both contribute to making District streets and public spaces clean, safe, attractive and accessible.

Evaluation Criteria

The Evaluation Criteria are as follows:

- A. Serves the Agency’s operations
- B. Rental Rate and Rent Structure consistent with DGS’s typical standards
- C. Location that meets the preferred criteria

Submission Instructions

Offerors shall submit their proposals by responding to or accepting each of the terms included under the Evaluation Criteria in the order and format presented below. Please clearly state any exceptions or substitute language to any of the terms listed below.

<p>Section A. Agency Operation – To be evaluated based on the suitability of space to meet the operational needs of the Department of Public Works (“DPW”).</p>
--

Tenant: The District of Columbia, a municipal corporation, acting by and through its Department of General Services (the “District”).

The District agency initially occupying the premises will be DPW.
The District retains the right to change occupying agencies

without such substitution constituting a sublet of the Premises or an assignment of the Lease, or otherwise requiring Offeror's consent.

Land:

Please provide address and the following:

- Description of the land (size, location and zoning);
- Description of any existing improvements, buildings or infrastructure including area of paved surfaces:
- Description of any existing stormwater management and utilities to the site;
- Points of vehicular access to the site;

Landlord:

Please provide ownership information including:

- Evidence of control of property and timely availability of the Building and Premises (if offeror does not currently own the property please provide evidence of site control and timing and all contingencies (if any) for closing);
- Management structure; and
- Evidence of Offeror's wherewithal to fund development (where appropriate) ongoing building operations, a tenant improvement allowance and, if applicable, other property improvements.

Lenders:

Please provide a detailed description of any lenders with financing associated with the building and any liens and/or ground leases that may or will encumber the building.

Premises:

Please propose approximately 2 to 5 acres of land to accommodate DPW's program which includes the following:

- Sufficient paved area for 750 vehicle for impoundment lot
 - Must be parked so vehicles can be accessed (limited stacking)
 - DPW is willing to bifurcate this requirement and satisfy the 750 vehicles at more than one location if necessary
- One small trailer to accommodate 5 to 7 personnel

All lands and buildings to be fenced and gated (only one entrance required).

If there are existing tenants in the space proposed, please provide evidence including dates for the existing tenant's plans to vacate the space.

Test Fit: Once Tenant has reduced the options to a short list, Landlord shall, at its sole cost and expense without any reimbursement from Tenant, upon Tenant's request, provide one test fit for the Premises based upon programming provided by Tenant, which shall include one (1) revision and the architect shall be required to submit detailed pricing notes along with the test-fit.

Lease Term: Ten (10) to Fifteen (15) years.

Option Term: The District requests an option to extend the term for one (1) additional period of five (5) years.

Rent Commencement Date: The District shall commence paying rent when the Premises is delivered to the District with any work to be performed by the Offeror completed to the Premises, Base Building, Parking Areas and Site, as evidenced by a certificate of occupancy. Please confirm Offeror can deliver the substantially completed Premises by the summer or fall of 2021.

Use: Primarily industrial and any other lawful use.

Assignment/Subletting: Please confirm the District shall have the right, subject to Offeror's consent, which consent shall not be unreasonably withheld, conditioned or delayed, to assign the Lease or sublease all or any portion of the Premises.

Building Hours: 7 days a week / 24-hour access.

Tenant Improvement Allowance: Landlord, at Landlord's sole cost and expense, using mutually agreed upon materials and finishes or making use of the existing improvements, substantially similar to the District's standard materials and finishes, shall build out the Premises based upon a mutually agreeable site and space plan (to include a test fit prepared prior to LOI execution) on a "turnkey" basis. Landlord's architect and civil engineer shall prepare all drawings at Landlord's expense. The turnkey build-out shall cover all hard and soft costs

of construction including architectural, engineering fees, Tenant moving costs, furniture, fixtures and equipment, security, signage, and telecom/data cabling. Landlord and Tenant shall agree to the plan scope and finish level and the same shall be made an exhibit to the lease.

If the District requires that the Offeror build-out the Premises, the Lease shall include a Work Exhibit. In such event, the TIA thereunder shall be subject to the requirements of D.C Code Section 2-218.46 regarding the use of Small Business Enterprises and Certified Business Enterprises (as such term is defined under D.C. Code Section 2-218.02), provided that 50% SBE/CBE participation shall be required (rather than 35% as included in the current Statute). The Work Exhibit shall set forth the foregoing requirement.

Brokerage:

Savills, Inc. (“Savills”) is recognized as the exclusive broker representing the District in this proposed transaction. Upon execution of a Lease with the District, Landlord shall compensate Savills with a commission equivalent to 4.0% of the Lease value based on the Annual Rent (as defined below) over the initial Lease Term.

Section B. Rental Rate and Rent Structure – To be evaluated in context of the overall value to the District and the competitiveness relative to market, considering such factors as condition of space, efficiency of space, proposed TIA and flexibility in the utilization of the TIA, rental abatement period, escalations, etc. Rent structure should be submitted based on the following proposed structure. The terms below are based on RSF.

Open Book Process:

Please note, the Landlord and District shall arrive at a final Annual Rent through an open book and collaborative process.

Net Rent / Ground Rent:

Escalations will be allowed on the Net Rent / Ground Rent only. Do not include any escalation on the Annual Rent (as hereinafter defined).

Operating Expenses:

The Annual Rent for the first year shall include operating expenses (“OpEx”). OpEx is subject to annual escalations according to changes in the Consumer Price Index (CPI). The amount of the OpEx for the first year proposed by Offeror will be subject to verification by the District and may be subject to revision prior to Lease execution.

- Real Estate Taxes:** The Annual Rent for the first Lease year shall include the “Real Estate Tax Base,” which shall be equal to the District’s proportionate share of real estate taxes for the building for such first year.
- Commencing on the anniversary of the first Lease year, the District will owe its proportionate share of real estate taxes for the building that exceeds the Real Estate Tax Base. The Real Estate Tax Base will be subject to verification by the District and the amount may be subject to revision prior to Lease execution.
- Tenant Improvement Allowance Amortization:** Annual Rent shall include TIA amortized over the initial Lease Term. Please provide an interest rate at which all Tenant Improvements will be amortized at over the term of the Lease.
- Annual Rent:** Total of all of the above factors. Please provide an aggressive, market sensitive rent proposal (**including concessions such as rent abatement**). Please use a full-service gross rental structure.

Below is an **EXAMPLE ONLY** of how the proposed rent structure should be presented:

Net Rent / Ground per ground foot	\$4.50
Operating Expenses	\$1.00
Real Estate Tax Base	\$2.00
TIA Amortization	<u>TBD</u>
Annual Rent for first Lease year	\$7.50 per Ground SF

Purchase Option A preference will be given to those Landlords willing to provide the District with a purchase option as part of the lease.

Section C: Location – To be evaluated based on the location’s accessibility to the constituents it serves. A preference shall be given to properties within the District of Columbia.

Proximity to Public Transit/Preferred Locations: All quadrants within the District of Columbia and Maryland (close to the DC border) are acceptable with a preference for locations within 1 to 2 blocks of a Metro Bus, or Circulator stop that connects directly to a Metro train station. An additional preference will be given to options within close proximity of the Metro train station. Please briefly describe the proximity (distance to the access point of the Building) and accessibility

to multiple modes of public transportation including color of Metro train station and major highway / freeway access proximate to the Building.

Submission Format and Due Date

Please submit two (2) electronic copies in Microsoft Word and PDF by email to dawit.beru@dc.gov and cc tfoley@savills.us. The offers shall be written in 12-point font size. Offers must also include a **signed** DC DGS FORM S-103 (attached).

Within the body of the email please reference “**Offer in Response to DGS-RFS-DPW-2020-11.**” Offers must be submitted to DGS by email with all required information and documentation by 3:00 PM on Friday November 20, 2020 in order to be considered.

Addendum: If it becomes necessary to revise any part of this RFS or if additional data is necessary to enable interpretation of provisions of this RFS, such revisions or additional data will be made available online.

Any matters that are not addressed in this RFS and that would further distinguish the building from other competing buildings should be addressed in your response.

This Request for Space shall not be considered an offer to lease and DGS reserves the right to withdraw this Request for Space at any time.