

City of Loveland

CITY MANAGER

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www.cityofloveland.org

August 30, 2011

Dear Prospective Development Partner,

Thank you for your interest in partnering with the City of Loveland and the Colorado Association for Manufacturing and Technology on the ACE Park redevelopment project. We appreciate your interest in being part of this exciting project.

When the Exclusive Right to Negotiate (ERN) with United Properties expired on August 20, 2011 and was not renewed by mutual consent of both parties, the Loveland City Council directed staff to issue a second Request for Proposal (RFP) to allow for the receipt of additional proposals. The intent is to ensure that the process is both fair to those who have already proposed and fully transparent so that any new offer may be judged on equal terms.

The deadline for submission is Tuesday, September 13, 2011 with interviews being conducted on Friday, September 16. Our goal is to move quickly to identify the right partner to help us move forward, we expect to have an ERN before City Council no later than October 4. Please review the RFP for additional details and submission requirements.

Again, thank you for your interest in this exciting project. If you have any questions, please do not hesitate to contact me.

Sincerely,

William D. Cahill, City Manager
City of Loveland



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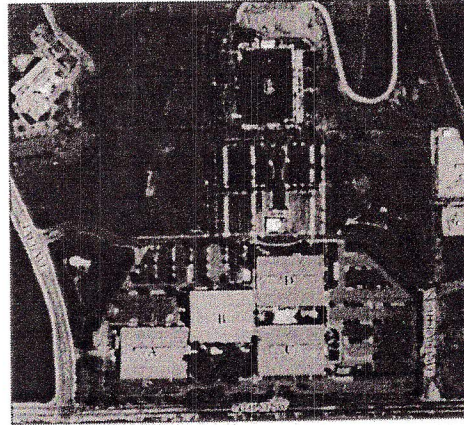
REQUEST FOR DEVELOPER PROPOSALS AEROSPACE AND CLEAN ENERGY PARK

**Proposals Due by 5:00 PM on Tuesday,
September 13, 2011**

**Proposals received after that time will not be
accepted**

Proposals shall be submitted to:

**City of Loveland
Office of the City Clerk
500 E. 3rd Street, Suite 230
Loveland, Colorado 80537**



The City of Loveland (City) and Colorado Association for Manufacturing and Technology (CAMT) seek a developer for the Aerospace and Clean Energy Park in Loveland, Colorado. The property (± 177 acres) is owned by the City and the park is being developed in partnership with CAMT.

The developer selected through this process will receive an exclusive right to negotiate a development agreement for 30 days (ERN). A deposit of \$150,000 will be due upon the Developer signing the ERN.

The schedule:

Tuesday, September 13

Friday, September 16

No later than Tuesday, October 4

Proposals Due

Developer Interviews (2 hours)

Council consideration and
approval of ERN with prior review
and approval by CAMT Board of
Directors

DEVELOPER INTERVIEWS:

Interviews will be held on Friday, September 16 in the City Manager's Conference Room at Loveland City Hall. The interviews will include representatives from both the City and CAMT and will last approximately two hours.

BACKGROUND:

The former Agilent Technologies/Hewlett Packard campus contains 811,000 square feet of move-in ready high-tech manufacturing space. All buildings are well maintained and have existing certificates of occupancy. Additionally, the City is prepared to guarantee expedited review on any permitting required by the City.

The former Agilent Technologies/Hewlett Packard campus has a long history as a center of technology research and manufacturing. Technology giant Hewlett Packard originally built the site in the early 1960's as its first campus outside of Palo Alto California. In its heyday, the campus employed nearly 5,000 people. ^{7-10,000 ?}

THE COMMUNITY:

Larimer County is home to 21 Fortune 500 companies and offers a 60-year tradition of intellectually oriented businesses, manufacturers, and incubation.

The business environment in Loveland provides a platform for collaborative business solutions, bringing together entrepreneurs, business executives, leading science and art professionals, and a supportive and responsive public sector to drive business success.

ACE PROJECT:

The former Agilent Technologies/Hewlett Packard campus site has been selected by CAMT for the Aerospace and Clean Energy Park (ACE Park). The ACE Park is a result of the Regional Innovation Cluster Initiative for Aerospace and Clean Energy CAMT is leading with key stakeholders in the state including the Governor's Office, Metro Denver Economic Development Corporation, NASA, NREL, CSU and other research universities and labs as well as other industry partners. CAMT has signed a Space Act Agreement with NASA as a national pilot to develop programs to help companies accelerate getting new products to market, scale up manufacturing, identify innovative opportunities for NASA, and to match companies interested in commercializing NASA technologies with NASA resources.

Additional information is available at:

<http://www.camt.com/ace-park/ace-manufacturing-and-innovation-park>

CAMT will provide an overview of the ACE RIC initiative and ACE Park concept to interested developers. To date, 30 companies have indicated interest in being located at the ACE Park.

ADDITIONAL PROPERTY INFORMATION:

Additional property information is available from Betsey Hale, the City's Economic Development Director. Please note that the property was used as a high technology manufacturing site for more than 30 years, has been substantially remediated, and is subject to an environmental covenant. A copy of the covenant is available from the Economic Development Director. The City also completed extensive due diligence on the buildings conditions prior to closing.

Betsey Hale, Economic Development Director
City of Loveland
500 E. 3rd Street
Loveland, Colorado 80537
(970) 962-2304
haleb@ci.loveland.co.us

SITE REVIEW

A site review is available to interested respondents. Please contact Betsey Hale at (970) 962-2304 or Mike Scholl at (970)962-2607 to arrange a site visit. Firms will be given access to the buildings and the adjacent property.

CITY ASSISTANCE:

The City has already conducted extensive due diligence on the conditions of the buildings, grounds and infrastructure. The information will be made available to the selected developer under a confidentiality and non-disclosure agreement.

Loveland is prepared to provide the following business assistance to support redevelopment:

- Shoulder-to-Shoulder Business Support
- Expedited review on all City permitting requirements

Enterprise Zone - The proposed Loveland site is located in a State of Colorado Enterprise Zone. The Enterprise Zone designation will provide tenant companies with possible tax credits from the State which can be deducted from any State of Colorado tax liability the company may have. A complete list of all the tax credits available can be seen at: <http://www.colorado.gov/cs/Satellite/OEDIT/OEDIT/1167928216201>

TERMS OF PURCHASE AND DEVELOPMENT AGREEMENT

The City and CAMT will negotiate terms and conditions of the purchase and development agreement during the term of the ERN. The terms and conditions of the agreement are flexible, and are subject to the approval of the Loveland City Council and CAMT Board

However, the proposal should reflect the minimum terms requirements listed below. Proposers are free to propose terms which are more favorable to the City and/or CAMT than those listed below.

The City is interested in playing a supportive role, to the greatest extent possible. Please indicate the term of the City's proposed involvement, and be specific about the length and nature of participation you expect from the City.

Price: \$5,000,000 if closed on or before February 1, 2012 with escalation past February 1, 2012 for the City's holding costs. The price includes both the campus with the existing buildings and the adjacent undeveloped land.

CAMT: CAMT is interested in a partnership with the selected developer. The developer must propose how a partnership may be structured. To date, CAMT has invested money to design the ACE RIC initiative and ACE Park concept and will continue to provide oversight and program development and management.

Financing: Financing of the purchase may be available with a minimum \$500,000 down payment. If interested, please indicate terms and conditions for financing.

The City shall provide water to the ACE Park for existing and future development, based upon existing taps, meters, and utility credits appurtenant to the property. The ACE Park property will be permitted to use existing irrigation systems, which draw water from a pond located in the area to be transferred to ACE Park. The City shall annually lease raw water for irrigation to ACE Park at the market rate, which is approximately \$2,000 annually. The ACE Park will not be required to provide any additional water rights except as may be required for development of the undeveloped land.

Other City Assistance: The City agrees to facilitate and consider appropriate actions in support of:

1. Formation of an Urban Renewal Area to include legally eligible portions of the ACE Park property.
2. Formation of a Metropolitan District, as appropriate to provide financing for necessary and appropriate public improvements.
3. Acting as a conduit for issuance of industrial development bonds for financing of investments in the ACE Park, with no provision of credit enhancement by the City, with bond issuance at developer's expense.
4. Cooperation as appropriate for issuance of New Market Tax Credits, or other appropriate financial instruments to aid in ACE Park development, without direct financial contribution or credit enhancement by the City.
5. Expedited permit processing for ACE Park projects and improvements. The City is prepared to guarantee a ten business day approval process for any permitting required for tenant improvements to facilitate entry into the building. A high level City staff member will be assigned as the Site Activation Coordinator. The Coordinator will be provided at the City's expense to facilitate leasing of space, tenant improvement, permitting and any future greenfield development planning and review

The City will not entertain requests for broad credit enhancement of the overall property development costs.

SPECIAL ISSUES AND REQUIREMENTS:

The proposal form must be completed and returned with the proposal. If the proposer is unable to execute the form, then the proposer's proposal will be deemed incomplete and not considered.

The proposal must also contain economic terms in the form of a "Terms Sheet" or "Letter of Intent." Without this, then the proposer's proposal will be deemed incomplete and not considered.

CONFIDENTIALITY AND OWNERSHIP OF PROPOSALS:

Proposers should clearly mark Items 3, 4 & 5 of their proposals (see "Contents" below) as "Confidential and Proprietary Information". If so marked, then the City will protect these items from disclosure to the extent permitted by law.

The City and CAMT shall not be responsible in any manner for the costs associated with the submission of proposals. The proposals shall be the property of the City and CAMT upon receipt by the City Clerk.

REQUIRED FORM AND CONTENTS OF YOUR PROPOSAL

Proposals are more likely to be viewed favorable if they are ***concise and specific***. Overly lengthy or elaborate proposals will be interpreted to mean that the proposer did not properly understand this RFP. All documentation submitted with the proposal shall be included in a single unbound volume. Binders will not be accepted.

Each proposal shall include the following items in the following order:

1. Cover letter (**limited to two pages**), addressed to:

William D. Cahill, City Manager
City of Loveland
500 E. 3rd Street
Loveland, Colorado 80537
2. Proposal Form – Completed and Signed
3. Terms Sheet or Letter of Intent, **marked "Confidential and Proprietary Information"**, in a usual and customary form, including but not limited to:
 - a. Summary of financial terms
 - b. Ownership strategy
 - c. Terms of City and CAMT involvement
4. Specific strategies for property development, **marked "Confidential and Proprietary Information"**, including uses, target markets, and marketing and leasing approach (**limited to four pages**)
5. Please provide:
 - a. Proposer's most recent financial statements prepared by an independent CPA firm or current financial statement attested to be truthful and accurate and **marked "Confidential and Proprietary Information"**; and
 - b. Indication of whether third-party financing or acquisition of additional capital will be necessary to finance the project
6. Project Experience (**limited to six pages**)
 - a. Examples of three past relevant projects:
 - i. Dates of project completion
 - ii. Ownership structure

- iii. Use of public financing if applicable
- iv. Project References
- v. Bank/Financial references
- vi. Involvement of key personnel
- b. Names and qualifications of key personnel

EVALUATION CRITERIA

The City and CAMT in partnership will consider the following criteria as their evaluation factors, but reserve the right to select the proposal which, in their sole discretion, best meets the needs of the City and CAMT.

Proposals deemed to be incomplete will not be considered.

1. Quality of the Proposed Project
 - a. Experience and qualifications in similar projects
 - b. Compatibility with the City and CAMT's overall project goals
2. Qualifications of the Proposer
3. Evaluation of Economic Return to the City on the property transaction and CAMT's partnership with the selected developer
4. Partnership proposal with CAMT and the ability to support the vision of the ACE Park
5. Project References

QUESTIONS

Questions about the property or proposal requirements should be made in writing to:

Betsey Hale, Economic Development Director
City of Loveland
500 E. 3rd Street
Loveland, Colorado 80537
(970) 962-2304
haleb@ci.loveland.co.us

PROPOSAL FORM

CONTACT INFORMATION

Entity Name: _____

Type of Organization: _____

State of Organization: _____

Main Contact: _____

Address: _____

Phone: _____ Email: _____

MANAGEMENT AND FINANCIAL INFORMATION

Key investors (any investor with more than 15 percent share of ownership, whether individual or other entity). Also, please identify principals who have management control.

Name	Address	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CLOSING

Will the Proposer be able to close on purchase of the property by February 1, 2012?

Yes _____

No _____

Explanation

REFERENCES

List three references who may give information about the ability of the Proposer to complete the development proposal

Name	Address	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____

CONSENT TO CREDIT REPORTS

I hereby consent to allow for a credit check/report to be obtained on the principals and firm proposing on the ACE Park.

Signature

Date

CERTIFICATIONS (please initial to the left and sign at bottom)

_____ I have read and understand the proposal.

Signature

Date