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POSTED ON SMF WEBSITE

To: Prospective Proposers

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Subject: **Addendum #2 – Commercial Development and Operating Agreement
Request For Proposals
Sacramento International Airport**

Addendum #2 to the Commercial Development and Operating Agreement Request for Proposals (RFP) at Sacramento International Airport (Airport) includes:

- Questions and Answers
- Correction to RFP – land contingency
- Operating Agreement Information

The Pre-Proposal Meeting sign-in sheet and the PowerPoint presentation are currently posted on the Airport website with the RFP.

Questions and Answers

1. Can you provide more information on the Flood Zones? Are solutions provided or up to Developer?

Answer: This question will be answered and posted to the website as an Addendum no later than May 3, 2018.

2. Does the entire project need to be out of the flood plain or just the buildings?

Answer: This question will be answered and posted to the website as an Addendum no later than May 3, 2018.

3. Is there any special FAA requirement for flood plains?

Answer: This question will be answered and posted to the website as an Addendum no later than May 3, 2018.

4. Will there be another phase to balance industrial usage?

Answer: Future opportunity will exist for development not included in this RFP.

5. Can you propose on part of the available parcels?

Answer: Yes, please refer to the RFP letter dated April 5, 2018, paragraph 1.

6. Will there be roadway accommodations for Amazon to access Airport?

Answer: The Amazon facility is currently accessible to the airport via Powerline and Bayou Roads. The Department is reserving the space for the extension of Elkhorn Road onto Airport property.

7. Is the south parcel lower elevation than the north?

Answer: It will be up to the Developer(s) to determine this information.

8. Are there any additional studies required prior to submitting building permits?

Answer: This cannot be determined until there is a proposed project to consider.

9. How many phases on programmatic EIR?

Answer: Development on the parcels in the RFP was included in the 2007 Master Plan EIR, which is linked on https://sacramento.aero/scas/about/planning_design. For information on the Master Plan, view documents relating to Item #63 on the Sacramento County Board of Supervisors [Agenda from July 17, 2007](#).

10. Do we need to update the EIR with the specific project?

Answer: That will be determined by the specific proposed project consistent with State and federal law.

11. Was there an interchange added to the EIR?

Answer: There is an interchange included in the 2007 Master Plan EIR which is linked on https://sacramento.aero/scas/about/planning_design. For information on the Master Plan, view documents relating to Item #63 on the Sacramento County Board of Supervisors [Agenda from July 17, 2007](#).

12. What level of environmental review and processes will be required to develop the property after the Programmatic EIR is approved?

Answer: That will be determined by the specific proposed project consistent with State and federal law.

13. What are the height limitations for each Site?

Answer: Please refer to Attachment 1 to RFP on website.

14. Are there any parking restrictions based on building size?

Answer: Please refer to all local, State and federal regulations on parking requirements.

15. Are federal funds involved?

Answer: There are no federal funds involved in this project.

16. Based on the FAA Contract Provisions, is prevailing wage required for construction?

Answer: The FAA Contract Provisions are a required attachment to any public solicitation or lease agreement. A prevailing wage requirement is not anticipated since it is expected that this will be a privately developed Site and not federally funded.

17. If prevailing wage is a requirement of the project, does it apply to all horizontal and vertical construction or just the public improvements?

Answer: The FAA Contract Provisions are a required attachment to any public solicitation or lease agreement. A prevailing wage requirement is not anticipated since it is expected that this will be a privately developed Site and not federally funded.

18. Do all aspects of the project (i.e. buildings and infrastructure) have to be publicly bid and awarded to the low bidder?

Answer: This will be at the discretion of the selected developer(s), as a privately developed project.

19. Would we consider adding a local business requirement?

Answer: This will be at the discretion of the selected developer(s), as a privately developed project.

20. Provide additional detail on revenue share.

Answer: Airport property is subject to the FAA requirement of collecting Fair Market Value (FMV). In an effort to achieve FMV, a revenue share of sales is part of the recommended proposed rental structure.

21. Is Airport consulting with outside legal or commercial advisors?

Answer: The Department consults with legal and other advisors on a regular basis and does not disclose confidential communications.

22. How does revenue share work in regards to hotel projects?

Answer: It is the responsibility of the Proposer, as the industry expert, to research and recommend a financially sound and feasible rental structure.

23. How does revenue share work with ground leases?

Answer: It is the responsibility of the Proposer, as the industry expert, to research and recommend a financially sound and feasible rental structure.

24. Is rent / revenue share part of the evaluation criteria?

Answer: Please refer to page 15-16 of the RFP for the evaluation criteria.

25. Is rent negotiable after Proposal submitted? How do you determine rate if change is expected over the years? How is expected revenue to be determined?

Answer: Proposers are required to submit their best rental structure. The rental structure may be negotiated once Proposal(s) are selected.

26. FFE needs to be proposed if it has not been determined. Can concepts for a range be submitted?

Answer: It is expected that Proposers will include in the proposal specific concepts for each location proposed; and therefore, the Proposal would have this criteria determined.

27. Regarding the maximum number of 40 proposal pages as stated in the RFP page 8, will double-sided pages be accepted?

Answer: The 40 pages may be double-sided.

28. When will the traffic study be completed?

Answer: The Department has completed on and off ramp traffic counts on April 13, 2018. The data is attached to this Addendum.

Development on the parcels in the RFP was included in the 2007 Master Plan EIR, which is linked on https://sacramento.aero/scas/about/planning_design. For information on the Master Plan, view documents relating to Item #63 on the Sacramento County Board of Supervisors [Agenda from July 17, 2007](#).

29. What assumptions and what was the scope used to underwrite the traffic report relative to the subject property? In other words, what was the project description identified for the traffic report.

Answer: At this time, a specific traffic study has not been prepared for this project. Development on the parcels in the RFP was included in the 2007 Master Plan EIR, which is linked on https://sacramento.aero/scas/about/planning_design. For information on the Master Plan, view documents relating to Item #63 on the Sacramento County Board of Supervisors [Agenda from July 17, 2007](#).

30. How many daily traffic trips at AM and PM peak hours do the current improvements at the freeway interchange have left before more interchange improvements are needed? This relates to the possible need to widen the current bridge overcrossing I-5 when the subject property is developed and airport use continues to rise.

Answer: At this time, a specific traffic study has not been prepared for this project. Development on the parcels in the RFP was included in the 2007 Master Plan EIR, which is

linked on https://sacramento.aero/scas/about/planning_design. For information on the Master Plan, view documents relating to Item #63 on the Sacramento County Board of Supervisors [Agenda from July 17, 2007](#).

31. Please explain what tariffs or other revenues need to be paid to the Airport Authority for parking or general use of the subject properties? If there is one, does it vary by type of land use?

Answer: It is expected that any operator must not compete with airport parking. However, if incorporating parking into hotel plans, proposers must include this information in the proposal and the Department will negotiate pricing, structure and details of operations and management with selected Proposer(s). Additionally, if including a Free Waiting Lot, it is expected that the Developer will pay, at a minimum, a ground lease in addition to any revenue share of services provided.

32. Please clarify the selection process and who makes up the selection committee?

Answer: Please refer to the RFP Section P for information on the process. The names of the Selection Committee members will not be released during the evaluation process.

33. When will an ALTA survey be provided to Proposers so that we can provide an accurate plan, or will the Proposer be responsible for creating their own ALTA survey between now and the date of the RFP submittal?

Answer: This will be determined once the leased space is defined.

34. Will there be CFD Bonds levied against the land for any planned public improvements already contemplated by the Airport Authority? Can we place a CFD on the project?

Answer: Unknown at this time.

35. Will ground leases be subordinated for financing improvements?

Answer: Unknown at this time.

36. As discussed at the meeting today, there are wetlands running through the Subject property. What steps are being taken or will be taken by the Airport Authority to mitigate the affected areas. Who is responsible for the cost of the mitigation?

Answer: That will be determined by the specific proposed project consistent with State and federal law.

37. Can the Airport Authority provide a map illustrating the limits of the wetlands?

Answer: The information in Attachment 1 of the RFP was provided for informational purposes only. The US Fish and Wildlife Service's National Wetlands Inventory can be found here: <https://www.fws.gov/wetlands/>.

38. Are there required mitigation measures for ag, Swainson Hawk, borrowing owls, snakes or any other species within the subject properties? If not, will this need to be figured out after the property is awarded?

Answer: It is up to the Developer to comply with all local, State and federal regulations. Development on the parcels in the RFP was included in the 2007 Master Plan EIR, which is linked on https://sacramento.aero/scas/about/planning_design. For information on the Master Plan, view documents relating to Item #63 on the Sacramento County Board of Supervisors [Agenda from July 17, 2007](#).

39. We noticed the City of Sacramento was present at the meeting. Has the City of Sacramento asked for any revenue sharing or restrictions on the property?

Answer: No.

40. Has the City of Sacramento provided comments to the programmatic EIR? Is the time period to submit comments to the EIR closed?

Answer: At this time, specific EIR is not being prepared for this project. Development on the parcels in the RFP was included in the 2007 Master Plan EIR, which is linked on https://sacramento.aero/scas/about/planning_design. For information on the Master Plan, view documents relating to Item #63 on the Sacramento County Board of Supervisors [Agenda from July 17, 2007](#).

41. Will the EIR be finalized and adopted prior to the submittal date of the RFP? If not, when is this anticipated?

Answer: At this time, specific EIR is not being prepared for this project. Development on the parcels in the RFP was included in the 2007 Master Plan EIR, which is linked on https://sacramento.aero/scas/about/planning_design. For information on the Master Plan, view documents relating to Item #63 on the Sacramento County Board of Supervisors [Agenda from July 17, 2007](#).

42. If the EIR and the associated Board of Supervisor's action is post awarding of the project, who will be responsible for paying for and processing the Final EIR and approvals.

Answer: Please refer to the I-5 Commercial Development and Operating Agreement page 7 section E of the RFP.

43. Will the Proposer have any input into the process?

Answer: Evaluation of the specific proposed project will be consistent with State and federal law.

44. The RFP indicates that the pre-proposal meeting is mandatory. Please confirm that only the people/companies that attended the mandatory pre-proposal meeting are allowed to be the lead bidding proponent?

Answer: All proposers are subject to the minimum requirements in the RFP Section I, and must demonstrate how they meet the minimum 3 years of commercial development project experience, as stated in Item 3. Companies in attendance that are part of a development team have met this requirement.

45. We noticed a number of architectural and construction firms in attendance. Will they be allowed to bring in a developer and be the lead bidding proponent even though they as a rule are not the stakeholder and principle carrying forth the project and its financial demands?

Answer: All proposers are subject to the minimum requirements in the RFP Section I, and must demonstrate how they meet the minimum 3 years of commercial development project experience, as stated in Item 3. Companies in attendance that are part of a development team have met this requirement.

46. Please confirm that the Airport Authority has full authority to proceed without the carve out noted on Page 5 of the RFP.

Answer: Confirmed.

47. Regarding the selection process, will you pick finalists or choose one?

Answer: Depending upon the proposals received, there may be more than one Proposer selected for further presentation or interview.

48. Please clarify the RFP percentage requirement of soft costs and hard costs.

Answer: The Department is accepting all Proposals. Please provide justification for variances for the selection committee to consider.

49. Will there be any users on the Airport that may want to relocate to the Site(s)?

Answer: The Department cannot make this determination.

50. Please explain your current plans for retail and food concessions in the Airport terminals.

Answer: The Retail Concession RFP is located on our website. The Department is currently soliciting proposals for retail concessions for select sites in the terminals. The Retail Concession RFP can be viewed at https://sacramento.aero/scas/opportunities/bids_and_requests.

51. Are there any plans for future shuttle service to the development Site?

Answer: Future shuttle service may be considered if proposed.

52. Can the Airport confirm that there will not be a consideration for a hotel site near the terminals?

Answer: The Department currently has no plans for a hotel site near the terminals.

53. Will there be midterm refurbishment requirements for all development types or just hotel?

Answer: There will be a midterm refurbishment requirement for all development types.

54. Is it necessary to submit full financial documents or can a CPA certification be submitted, whereby financials are submitted to the CPA and the CPA provides a certification of financial reports?

Answer: The full set of financial statements is required to be submitted to assess the financial status of the proposers and compare them through various financial ratios.

55. Are there any non-compatible or prohibited zoning uses at the Site(s)?

Answer: The Sacramento County General Plan can be found here: <http://www.per.saccounty.net/PlansandProjectsIn-Progress/Pages/GeneralPlan.aspx>

56. Will there be a requirement to go the Board of Supervisors every time a new use is proposed?

Answer: The Department **expects the proposal will include all proposed uses.**

57. Is the Airport looking for one developer for both Sites or can a portion be proposed?

Answer: **The Department will consider all proposal options.**

58. How will the grading plan for the entire development be handled if there are multiple developers?

Answer: **If multiple developers are selected, there will be weekly construction meetings to ensure all projects are coordinated.**

59. Will the Airport consider businesses related to marijuana uses at the Sites?

Answer: **No. Marijuana related uses are incompatible and prohibited by federal law on airport property.**

60. The map in the south district shows 49.75 acres available but the RFP references up to 30 acres available in the south district. Which acreage is correct?

Answer: **The acreage showing on the map (49.75 acres) is correct. Please disregard the 30 acres stated in the RFP letter dated April 5, 2018.**

Correction to RFP – land contingency

Section E, Item 2 has been stricken from the RFP, as shown below:

E. Construction of Project

Construction of the Project may begin following the:

1. Execution of the Agreement by all parties; and
- ~~2. Contingent upon release and availability of the land; and~~
3. Approval of Proposer's design, construction drawings and construction schedule by the Department and the County's Building Inspection Division; and
4. Proposer's receipt of all necessary approvals and permits from local, State and federal agencies.

--See the Draft Agreement (Attachment 2) for more specific construction requirements.

Operating Agreement

The Commercial Development Operating Agreement detailed with maintenance responsibilities and performance standards will be negotiated with the selected Proposer(s).