



**City of Fernley
CITY MANAGER'S
OFFICE**

Administration,
Human Resources,
Budgeting,
Risk Management,
& Contracts

**CITY OF FERNLEY, NEVADA
REQUEST FOR PROPOSAL**

Proposed development of Federal Lands, identified in the
Fernley Lands Bill

(APNs 021-581-02, 021-581-09, 021-581-11, 021-301-30, 021-392-05, 021-061-11, 021-061-12,
021-161-07, 021-302-95 (portion).)

RFP Release Date: January 9, 2020
Proposal Submission Date: February 28, 2020

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Section 1: Project Summary

The City of Fernley (“City”) is seeking development proposals (“Proposals”) from qualified firms (“Developers”) for the opportunity to purchase and develop Federal Land to be conveyed through the process established by the City of Fernley Lands Bill.

Because of the increased growth and development within the City, and the requirements set forth in the Lands Bill, these parcels offer unique industrial, business park, and/or commercial development opportunities. Because of the Economic Development clause within the legislation, residential development may be restricted unless a proposal can meet the established criteria for Economic Development purposes. Please see the City’s Comprehensive Plan for current zoning. The City will consider rezoning the property to generate the highest economic and financial benefit to the City.

DEVELOPMENT VISION

The vision for the property’s development is still emerging and the City will look at Developer proposals and prioritize them according to job creation potential, market demand, and highest economic and financial benefit to the City. The City will consider rezoning to maximize the economic and financial benefits. Note: All land use changes will require Planning Commission and City Council approval.

Section 2: Project Introduction

COMMUNITY OVERVIEW

Three important factors contributed to the establishment of Fernley: the Truckee-Carson Reclamation Project¹; construction of regional transportation routes; and proximity to the Reno/Sparks area. The Truckee Carson Reclamation Project created an elaborate canal and dam system to control releases into the Truckee and Carson Rivers from Lake Tahoe to irrigate nearly 500,000 acres of desert land in Lyon, Churchill, Storey, and Washoe Counties. The canal system flowed through Fernley with an outfall to the Fernley Wildlife Management Area. Farmers and residents quickly moved to the area and a town began to evolve. The farms, supporting residential, and commercial uses primarily developed north of the canal due to natural topography and ease of irrigation.

Shortly after the establishment of Fernley as an agricultural community, the evolution of the national transportation system positively impacted the area. The town had an important location along the transcontinental railroad and the Fernley-Lassen Train Depot was constructed in 1914. Eventually, the first transcontinental roadway, the Lincoln Highway, provided a two-lane highway with direct access to town. The Lincoln Highway ultimately became Interstate 80 (I-80) and offered a direct connection to a rapidly growing Reno/Sparks. Growth and expansion in Northern Nevada led to the development of a large-scale industrial park south of I-80 that contains numerous industries and manufacturers. The construction of US Highway 50 Alternate (US 50A) and US Highway 95 Alternate (US 95A) fostered residential development in areas other than along the Truckee Canal.

¹ The Secretary of the Interior authorized the Truckee Carson Reclamation Project in 1903. It consisted of two divisions: the Truckee Division, which includes Fernley and the Hazen-Swingle Bench area along the Truckee Canal; and the Carson Division, which surrounds the City of Fallon. The Truckee Carson Reclamation Project was renamed the Newland Project in 1919 after Senator Francis Newlands.

The City of Fernley has experienced significant socio-demographic and economic changes. Prior to the Great Recession of 2009 and 2010, the City of Fernley was one of the fastest growing jurisdictions in northern Nevada. Between 2000 and 2009, the City of Fernley's residential population grew by 3,558 total individuals, increasing from an estimated 8,609 total individuals in 2000 to an estimated 12,167 total individuals in 2009, an increase of 29.2 percent.

During the Great Recession of 2009 and 2010, the City of Fernley experienced high unemployment and high foreclosure rates. Although Fernley's total residential population continued to grow throughout the Great Recession, the City of Fernley experienced significant difficulty in maintaining public service provision levels as the City's resources declined due to the impacts of the Great Recession. According to the Nevada Department of Taxation, the total assessed value of the City of Fernley declined from an estimated \$633.0 million in FY 2009-10 to an estimated \$448.1 million in FY 2010-11, a net decline of approximately \$184.9 million or 29.2 percent erosion of the City's property tax base.

Since the Great Recession of 2009 and 2010, the City of Fernley has returned to a path of significant population and economic expansion, fueled in part by improvements in the localized economy and in part by northern Nevada's continued economic recovery and the continued expansion and growth of the Tahoe-Reno Industrial Center located in neighboring Storey County. Between 2011 and 2015, the City of Fernley's residential population has increased from an estimated 18,886 total individuals in 2011 to an estimated 19,185 total individuals in 2015. Recent estimates show a current population of approximately 20,500.

The City of Fernley currently finds itself in a favorable and unique position relative to the rest of northern Nevada. Strategically located along a major railroad corridor and at the intersections of I-80, US 50A and US 95A, and approximately 45 minutes from the Reno Tahoe International Airport and approximately 15 minutes from the northern entrance of the Tahoe-Reno Industrial Center, Fernley has benefited significantly from its physical location. Since the Great Recession, Fernley has returned to a long-term growth trend of strong and positive demographic and economic growth. This growth, since the Great Recession, has seen significant and positive improvement in the various socio-demographic conditions. Locally, the City of Fernley's positive socio-demographic, economic and employment growth has positioned the community as a primary driver of economic growth for Lyon County.

The City's land use, and ultimately its current housing stock, remains dominated by single-family residential uses. For the immediate future, Fernley's land use will likely continue to be dominated by future development of additional single-family residential units. As a result, without a renewed consideration of diversifying the community's overall land use pattern, and without incorporating complimentary community development and economic development strategies, Fernley's long-term improvement in its existing socio-demographic and economic conditions may become hampered.

Northern Nevada is in the midst of a large-scale socio-demographic and economic transformation. Historically, the northern Nevada economy has been dominated by the relative importance of tourism-oriented development and growth strategies. Subsequently, secondary employment opportunities throughout northern Nevada have oriented towards lower-pay and lower-skill commercial and retail employment opportunities. This has placed downward pressures of measures of household, family and per capital income and have generally prevented individual residents throughout the region from achieving home ownership, especially within the immediate Reno-Sparks Metropolitan Statistical Area. As a result, communities such as Fernley have experienced significant population growth due to the general availability of land and the general

affordability of homes and other residential opportunities. This historical pattern has generally led to the trend of a large portion of the region's residential population and workforce living in one county or community and commuting to employment centers found in other larger communities located across county lines.

Northern Nevada's economic recovery from the Great Recession has largely been driven by the introduction of new higher-pay and higher-skill employment opportunities, several of which have located outside the traditional Reno-Sparks Metropolitan Statistical Area. Post-recession, the region has seen considerable investment and employment growth in the Tahoe-Reno Industrial Center and in lands located adjacent to the industrial park. New mega-employers, such as Apple, Switch, and Tesla, have led the region's recovery and have contributed to substantial increases in area population and in area housing prices.

Thus far, the City of Fernley has yet to fully capitalize on these fundamental shifts in the region's socio-demographic and economic characteristics. A lack of new commercial-retail development, a general lack of alternative residential development, mainly anything but single-family detached residential including multi-family and alternative owner-occupied housing, and a general lack of new industrial and manufacturing development, leaves Fernley susceptible to failure in attracting new residents and businesses with a variety of socio-demographic and economic characteristics. Since the Great Recession, Fernley has continued to see its population increase as a result of continued in-migration of individuals who either are willing to commute outside the community for employment or individuals who are approaching retirement age.

There are significant opportunities for Fernley to contemplate when considering long-term land use, community development, and economic development choices. Immediately, the continued growth and expansion of the Tahoe-Reno Industrial Center over the past decade has resulted in significant increase in land prices and in the cost of development within the industrial center. As a result, smaller and mid-sized manufacturers, while still wanting to be close to large buyers located within the Tahoe-Reno Industrial Center, have begun to express interest in developing new properties in Fernley. Fernley's excellent strategic location, relative to a variety of transportation alternatives and major employment and population centers, continues to make the community attractive to new investment by smaller and mid-sized manufacturers.

Although there are significant opportunities, much of the Federal land is located in the future development areas identified in Fernley's comprehensive plan. Infrastructure and the City's ability to serve will be challenging. With the submission of the RFP, it is critical for developers to understand the requirements established for these areas, including an area plan to establish the long-term feasibility of infrastructure, utility service, and financial impact.

Given the steady growth of numbers of the City of Fernley's population the past 18 years, the current growth patterns of the region, and the future employment and economic development opportunities ahead, it is reasonable to project that Fernley's population will double to approximately 40,000 people over the next 20 years. To support future industrial and manufacturing development, that could potentially begin to offer higher-pay and higher-skill employment opportunities within the community, the City of Fernley will have to consider a variety of land use, community development, and economic development strategies designed to diversify its current housing stock and economic profile with additional professional and commercial office space and additional retail space. The incorporation of non-single family detached residential owner-occupied housing options, with additional multi-family and renter-occupied housing options sited in appropriate areas within the community, will be critical in securing future private investment in the development of new smaller and mid-sized manufacturing space. The

diversification of the community's existing housing stock, coupled with improvements in the types of employment opportunities and retail and recreational opportunities offered, will be necessary to support the community's continued prosperity and growth.

SITE OVERVIEW

On December 19, 2014, the National Defense Authorization Act (Act) was signed into law (Public Law 113-291). Included in this Act is Section 3009(c) titled, "Conveyance to the City of Fernley, Nevada," which is commonly referred to as the "Lands Bill." Under Section 3009(c)(2), the Bureau of Land Management (BLM) is required to convey to the City of Fernley approximately 9.779 acres of Public lands.

An MOU has been executed which establishes a relationship between the BLM and the City regarding the respective roles, responsibilities, conditions, and procedures for a land conveyance, which includes compliance with the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and other federal law(s) applicable to the project.

The MOU provides guidelines for projects moving forward, particularly economic development projects. This agreement outlines the specific steps needed and will help establish a guideline when coordinating with developers interested in projects within the designated areas.

The City of Fernley has identified six parcels to be used for Recreation and Public Purpose. These parcels may not be considered for economic development purposes at this time. These parcels include APNs: 021-581-02, 021-581-09, 021-581-11, 021-301-30, 021-392-05, 021-061-11, 021-061-12, 021-161-07, 021-302-95 (portion).

AVAILABLE ANALYSIS

The City has completed many long-term plans. Projects must follow established guidelines and requirements outlined in these plans.

GENERAL PROJECT COMMENTS/STANDARD CONDITIONS OF APPROVAL

The intended outcome of this Request for Proposals ("RFP") process is the development of an Exclusive Right to Negotiate agreement that will establish terms and conditions, and further define the scope, design, overall use and development of the Project upon which the selected Developer can purchase and develop the preferred project on Federal Land within the City, as identified in Fernley's Land Bill.

During the RFP period, Developers and their employees, agents or representatives, shall have the right of reasonable access to the parcels, undertaking any necessary soils test and otherwise conducting due diligence to ensure that the parcels are suitable for Developer's intended use. Notwithstanding anything else in this Request for Proposals, Developers shall defend, indemnify, and hold the City, its employees, officers and agents, harmless from any injury, property damage or liability arising out of the exercise by Developer of this right of access, other than injury, property damage or liability relating to the gross negligence or willful misconduct of the City or its officers, agents or employees.

The City also submits general comments/standard conditions that Developers should be mindful of as proposals are prepared.

Section 3: Proposal Questions

To evaluate the alternatives and select the appropriate Developer, the City is requesting development proposals that will help the City finalize its vision and move ahead with property disposition and development. Proposals must respond to the following questions:

1. Description of the Developer's proposed project:
 - a. Identify which parcels are proposed for development
 - b. Size in acres and/or square feet of building space
 - c. Type of use(s) planned (e.g. commercial, industrial, business park, or a mixed-use combination)
 - d. Conceptual design
2. Description of the Developer's experience developing the proposed type of project elsewhere:
 - a. Name and location of project(s)
 - b. Description of project(s)
 - c. Completion date of project(s)
 - d. Experience in dealing with other City projects and/or have experience in purchasing government property for private development
3. Explanation of the role the Developer's organization will play in the proposed project and a list of other partners and their roles (if any).
4. The proposed general timeframe for the development of the Developer's proposed project. If multiple components or phases are planned, a list of all.
5. Description of the benefit(s) your proposed project brings to the City including:
 - a. Land sale price offer to purchase the site
 - b. Projected property tax revenues from the project
 - c. Projected sales tax and other revenue from the project (if applicable)
 - d. Projected number of direct jobs
 - e. Other benefits to the City

Section 4: Timelines

Release Request for Proposals: January 9, 2020
Deadline for Submittal of Proposals: February 28, 2020
Evaluation of Submission by City: March 9 – 13, 2020
Preliminary presentations to City Council: April 1, 2020
City Council Considers Exclusive Right to Negotiate: May 6, 2020

Section 5: Inquiries

Please direct all inquiries concerning this RFP to:

City Manager's Office

595 Silver Lace Blvd.

Fernley, NV 89408

(775) 784-9864

dhooper@cityoffernley.org

Section 6: Developers Responsibilities

Following Developer selection and execution of an Exclusive Right to Negotiate agreement, Developer shall proceed with detailed due diligence, pre-development, and entitlement activities while working with City to negotiate a Purchase and Sale Agreement for the property.

The City anticipates that the general scope of the successful Developer team's responsibility would include, but not limited to:

Entitlements

The Developer shall be responsible for all aspects of the Project including pre-development planning, environmental review and design. The selected Developer shall be responsible, at its sole expense, for obtaining all land use entitlements and other government approvals required for its proposed Project.

During the Negotiation Period, the selected Developer shall prepare and process and initial study and undertake all other actions required under CEQA for City approval of the Project, at Developer's cost. In addition, in the initial study, Developer may, during the Negotiation Period, without any guaranty of approval therefor, seek City approval of a General Plan amendment, zone change, and any subdivision entitlements that may be required for the developer of the Project.

Predevelopment Costs

The selected Developer shall bear all predevelopment costs relating to this project. All fees or expenses of engineers, architects, financial consultants, attorneys, planning or other consultants or contractors retained by Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, surveys, planning and/or design activities, drawings, specifications or other activity or matter relating to the Project shall be the sole responsibility of and undertaken at the sole cost and expense of Developer and no such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of, or in reliance upon the City.

Deposit

The selected Developer shall reimburse the City for the actual out-of-pocket costs and expenses incurred (consultants' fees, title reports, and appraisal costs) in negotiating and preparing the Purchase and Sale Agreement and fulfilling its obligations under this Agreement ("reimbursable costs"). Developer shall deposit with the City the sum of One Hundred Thousand Dollars (\$100,000) ("Deposit Funds"). The Deposit Funds shall be used and applied from time to time by the City to pay itself for the Reimbursable Costs.

Legislative Action

City and Developer acknowledge that the City must exercise its independent legislative authority in making any and all findings and determinations required of it by law concerning City Parcels. Developer selection does not restrict the legislative authority of the City in any manner whatsoever and does not obligate the City to enter into the Exclusive Right to Negotiate Agreement or take any course of action with respect to the Project.

Financing

The Developer shall be responsible for providing funding for the Project, whether it be in the form of debt financing, equity, tax credits or a combination of these methods. If debt financing is used, no financial risk or credit risk shall be imposed upon or borne by the City.

Construction

The Developer shall be responsible for demolition, construction, and commissioning of the Project including obtaining all permits, fees, and approvals necessary for construction of the Project.

Section 7: Proposal instructions

A complete, concise and professional response to this RFP will enable the City to identify the Developer who will provide the highest benefit to the City and will be indicative of the level of the Developer's experience and commitment to the proposed project. Proposals must demonstrate that the approach, design, and financing plan for the proposed project will allow the project's successful development and delivery.

The following minimum information should be provided in each proposal and will be utilized in evaluating each proposal submitted. To expedite the evaluation of proposals, submittals should be no more than thirty pages. Proposals should include the following items:

- Request for Proposal Submittal Cover Sheet
- Detailed completion of Questions 1 thru 6 in Section 3: Scope of Development which should include the following:
 - The firm/team's statement of qualifications.
 - A narrative description that expresses the firm/team's understanding of the project and vision for development. The narrative should reflect the respondent's development design intent, strategy and implementation expertise, and understanding of the scope of work.
 - Resumes with related expertise of the specific Developer and any other consultant or subcontractor resumes with relevant expertise and experience.
 - Descriptions of the firm's/team's last three completed projects that demonstrate the Developer's:
 - Experience in working with municipalities and/or other public agencies to develop either industrial, business park, commercial, or a mixed-use combination.
 - Ability to complete projects of a similar size, scope, and purpose in a timely manner.
 - Description of any other completed projects (representative examples) of similar types of projects. Include current addresses, telephone numbers, and the names of reference contacts for each project. Similar project descriptions should be submitted for all subcontractors.
 - Analysis of the proposed job creation potential, market demand, and the economic and financial benefits of various potential uses proposed for the Site.
 - A proposed approach for undertaking this development including
 - Detailed scope of work, and
 - Schedule for predevelopment analysis including infrastructure, entitlement review, construction, etc.
 - Standard statements:
 - A statement that this RFP shall be incorporated in its entirety as a part of the Developer's proposal.
 - A statement that this RFP and the Developer's proposal will jointly become part of the "Exclusive Right to Negotiate" ("ERN") agreement for this project when the ERN is fully executed by the Developer and the City of Fernley.
 - A single and separate section "EXCEPTIONS TO THE CITY'S REQUEST FOR PROPOSAL" containing a complete and detailed description of any/all

exceptions to the provisions and conditions of this Request for Proposal upon which the Developer's proposal is contingent and which shall take precedent over this RFP,

- A statement that the Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

The City will not be liable for any expenses incurred by Developers responding to this solicitation. All materials submitted will be kept by the City.

Section 8: Standard Terms and Conditions

The City has the sole authority to select a Developer for this project and reserves the right to reject any and all proposals and to waive any informality or minor defects in proposals received.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal, regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposing Developer of the conditions contained in this Request for Proposals, unless clearly and specifically noted.

The City will not pay for any information requested, nor is it liable for any costs incurred by the Developers in preparing and submitting proposals.

CONTRACTOR INDEMNIFICATION

Developer shall indemnify, defend and hold the City of Fernley, their officers, agents, and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Developer's performance of the work contemplated by this RFP. Submitting a response to this RFP signifies that the Developer is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Developer shall be fully responsible for such coverage. Developer's obligation to indemnify shall survive expiration or termination of this RFP and shall not be restricted to insurance proceeds, if any, received by the City and their officers, agents, employees.

ADDITIONAL INDEMNITY OBLIGATIONS

Developer shall defend, with counsel of City's choosing and at Developer's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind that may be brought or instituted against City and its officers, agents and employees as a result of this RFP. Developer shall pay and satisfy any judgment, award or decree that may be rendered against City and its officers, agents, and employees as part of any such claim, suit, action or other proceeding. Developer shall also reimburse City for the cost of any settlement paid by City and its officers, agents, and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Developer shall reimburse City and its officers, agents, and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

INTELLECTUAL PROPERTY

Any system or documents developed, produced or provided in response to this RFP, including any intellectual property discovered or developed by Developer in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in the RFP response. The Developer may retain copies of any and all material, including drawings, documents, and specifications, produced by the Developer in performance of this proposal. The City and the Developer agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.

PUBLIC RECORD

Proposals received will become the property of the City. All proposals, evaluation documents, and any subsequent contracts will be subject to public disclosure pursuant to the Nevada Public Records Act (NRS 239). All documents related to this solicitation will become public records once discussions and negotiations with proposers have been fully completed and an award has been announced.

Appropriately identified trade secrets will be kept confidential to the extent permitted by law. Any proposal section alleged to contain proprietary information will be identified by the proposer in boldface text at the top and bottom as "PROPRIETARY." Designating the entire proposal as proprietary is not acceptable and will not be honored. Submission of a proposal will constitute an agreement to this provision for public records. Pricing information is not considered proprietary information.

ASSIGNMENT

Developer selection includes consideration of the merits of the firm/team. Assignment of the proposal is discouraged, and the City reserves the right to cancel the contract if the contract is assigned without City's written consent.

RFP ADDENDA

The City may determine it is necessary to revise any part of this solicitation. Revisions will be made by written addenda and it is the Developer's responsibility to understand and comply with any addenda to this solicitation. Addenda may be posted on the City's website, www.cityoffernley.org, under Bids/RFPs or vendors may contact the City Manager's Office:

City Manager's Office
595 Silver Lace Blvd.
Fernley, NV 89408
(775) 784-9864
dhooper@cityoffernley.org

CIVIL RIGHTS COMPLIANCE/EQUAL OPPORTUNITY ASSURANCE

Developer will follow the applicable provisions of the Americans with Disabilities Act of 1990 and will be an equal opportunity employer as defined by Title VII of the Civil Rights Act of 1964. As such, Developer will not discriminate against any person based on race, religious creed, color,

national origin, ancestry, disability, medical condition, marital status, age or sex with respect to hiring, application for employment, tenure or terms and conditions of employment.

REQUEST FOR PROPOSAL SUBMITTAL COVER SHEET

Legal Name of Developer_____

Address_____

City_____ Zip_____

Executive Officer_____ Telephone_____

Email_____

Contact Person_____ Telephone_____

Email_____

The above-named Developer hereby submits a proposal pursuant to a Request for Proposal (RFP). The Developer warrants that all information in the proposal package is true to the best of his/her knowledge and belief. The Developer further agrees to abide by all conditions and requirements in the RFP. The Developer also understands that this proposal is the Developer's entire proposal and cannot be amended after submission, except provided for in the RFP.

Authorized Signature_____ Title_____

Name/Title of Authorized Signatory_____

PROPOSAL SUBMISSION DEADLINE: February 28, 2020

For Office Use Only

Date Received_____ By_____