

<u>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</u>			Page of Page(s) 1 9	
1. <u>Amendment/Modification No.</u> A00002	2. <u>Effective Date</u> August 18, 2017	3. <u>Requisition/Purchase Order No.</u>	4. <u>Project No. (if applicable)</u> RAD 18-R-0031	
5. ISSUED BY Housing Authority of the City of El Paso, Texas Procurement Department 5300 E. Paisano Dr. El Paso, TX 79905-2931 Mr. Juan Pulido, Procurement Manager		6. ADMINISTERED BY (if other than Item 5) Housing Authority of the City of El Paso, Texas Public Housing Department 5300 E. Paisano Dr. El Paso, TX 79905-2931 Tel: 915-849-3789 Fax: 915- 849-3868 erocha@hacep.org		
7. NAME AND ADDRESS OF CONTRACTOR (No., Street Name, County, State & Zip Code)		8a. <u>Amendment of Solicitation No.</u> RAD 18-R-0031		
		8b. <u>Dated (see item 10)</u> August 18, 2017		
		9a. <u>Modification of Contract No.</u>		
		9b. <u>Dated (see item 12)</u>		
10. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATION				
The above numbered solicitation is amended as set forth in Item 13. The hour and date specified for receipt of Offers is: <input type="checkbox"/> is extended <input type="checkbox"/> is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 7 & 14, and returning _____ copy (ies) of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter, email, or fax which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such a change may be made by email, fax or letter, provided each email, fax or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.				
11. ACCOUNTING AND APPROPRIATION DATE (if required) PHA				
12. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACT IT MODIFIES THE CONTRACT NO. DESCRIBED IN ITEM 13.				
<input type="checkbox"/>	A. This change order is issued pursuant to (Specify Authority) The changes set forth in Item 13 are made in the Contract No. in Item 9a.			
<input type="checkbox"/>	B. The above numbered contract is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc). Set forth in Item 13 pursuant to the authority of FAR 43.103 (b).			
<input type="checkbox"/>	C. This supplemental agreement is entered into pursuant to the authority of:			
<input type="checkbox"/>	D. Other (Specify type of modification and authority)			
E. IMPORTANT: Contractor <input type="checkbox"/> is not <input type="checkbox"/> is required to sign this document and return <u>ALL</u> copies to the issuing office.				
13. Description of <u>amendment/modification</u>: Amendment No. A00002 - Pre-proposal Conference, Q & A, and Attachments A and B				
14a. <u>NAME AND TITLE OF SIGNER (Type or print)</u>			15a. <u>NAME AND TITLE OF CONTRACTING OFFICER (Type or print)</u> Gerald Cichon, Chief Executive Officer	
14b. <u>OFFEROR/CONTRACTOR</u> _____ (Signature of Authorized Person)		14c. <u>Date Signed</u>	15b. _____ (Signature of Contracting Officer)	15c. <u>Date Signed</u>
APPROVED AS TO FORM: _____ HACEP Legal Counsel			DATE: _____ HACEP Form 001	

Clarification on Pre-proposal meeting minutes item #3

STATEMENT OF WORK – Overview of the intent of the acquisition. Mr. Tom Deloye provided a brief overview with the desire of selecting a co-development partner for the Blue Flame property. It is our expectation that this will be an awesome development opportunity for the selected developer and the Housing Authority. We've worked in this capacity in the past and currently with partners, you being one of them. In this particular case this is a recent award, 9% award as of July 27, 2017. In the capacities of the developer, the developer we select will have the latitude to select a general contractor, latitude to select an architect and historic tax consultant. We anticipate the acquisition of the property by the seller to be abated of asbestos as well as through demolition. We hope we will advance the construction schedule which would continue thereafter, this is the requirement/desire of the Housing Authority.

Clarification on Pre-proposal questions and Answers on the Pre-proposal meeting minutes item #5

Question: Were there any other environmental issues, I know that the environmental consultant indicated that they had turned this over to the ESA asbestos abatement. Any issues with chemicals associated with storage tanks or anything of that nature?

Response: It is probably best to say at this point in time we are not aware of anything else beyond asbestos containing materials being present although, I would say it is conditioned upon a re-review of the ESA. We will post the question with our answer specifying our findings but at this time we are not aware of other issues

Clarification: The Environmental Site Assessment revealed no evidence of a recognized environmental condition ("REC") in connection with the Blue Flame site. However, the ESA could not guarantee the Site is free of contamination or hazardous waste material due to unknown or latent conditions that may become evident in the future, either on the Site or on adjoining or nearby properties. The ESA did report that asbestos surveys conducted in the past, indicate asbestos containing material is present on the Site. A specific survey for lead-based paint was not conducted as part of the ESA, but painted surfaces were noted in both the interior and exterior of the building. A field study using an XRF or collecting paint samples would be required to confirm the lead content of these surfaces.

Question: What is your projected timing for acquisition on the property?

Response: We are working with the seller to complete those discussions but its months from now.

Question: Is it safe to assume 30, 60 or 90 days out, any timing you can think of? Obviously this whole RFP is subject to the acquisition of the property is what you indicate so I am trying to figure out the timing, nothing can be done by the developer until you acquire the property.

Response: We will not satisfy that condition for the betterment of your knowing whether we acquired it or not. The runway on this Blue Flame RFP is rather short to get us responses and between now and then we likely will not have a closing date, even if we did, the asset, we will not perfected the transaction until some future date, so even when we do select a future developer at that time it is still going to be subject to our acquisition.

Question: Do you anticipate that the real estate closing would be different from the financial closing?

Response: Yes we do, it will precede the financial closing. *Comment:* Technically this is done together. *Response:* If we have that opportunity maybe we'll pursue that but right now until the documents are signed it is our intention to acquire the asset and then subsequently close on the financing.

Question: Will the selected developer be involved in the negotiations towards the acquisition of the asset, meaning negotiation or assist in any form on the acquisition?

Response: Representatives of the Housing Authority are actively engaged in the negotiation at this time so I do not foresee a role for the selected developer to weigh in on that negotiation.

Question: Will private individual seller be a party after the tax credit financial closing?

Response: The seller will exit upon our acquisition, there will be no remaining interest of this seller.

Question: So at the time of the closing the Housing Authority will be the 100% owner?

Response: Correct.

Question: If I recall there is some retail for office space available on the first floor?

Response: That is correct, it is on the ground floor it represents about 7,000 +/- net rentable square feet.

Question: Do you have a vision on how the ownership would be on that, can the Housing Authority own that or would it be something that the developer would have to take on and condo out? I know we have been required to condo those out on other tax credit developments.

Response: We've had discussions towards that end so I think we are aligned with you. I don't know that it is part of the tax credit deal, it hasn't been condo out by this seller, and of course we are not in the position to do that at this time. It's in our conversation mix so we are not ignorant to it but at the same time I cannot offer certainty on it to the extent that, that retail ground floor space remains as is and then perhaps there is office space on the first or second floor that is another opportunity to condo that space. We know this that we can't change the unit mix or unit count on the affordable units but we have thirty market rate units which might give flexibility towards that of which I just spoke of. We are not prescribed per say with the plans that we have right now but for the affordable units as stipulated on the application in the award of TDHCA.

Comment: The lawyers and particularly the equity owner will probably want to condo those out so that will take place after the selection and maybe a good gap of financing it in the wake of benefits.

Question: Right now you are projecting that the property will be clean of asbestos as well as 100% through demolition pursuant to the plans and specifications?

Response: That is our expectation.

Question: What is your objective as far as the historical commission on this, whether it ought to be looked at as far as historical significance, whether it ought to be classified as historic, have you decided whether you want it to be historic or not? Typically questions on this kind of thing go to Texas Historic Commission to determine if it is historic or not. Various building owners may not want it to be historic or do, since this was built in 1950 it is not just an automatic.

Response: Yes, it is our expectation as an owner of the Blue Flame that we are successful with the designations that you suggest and the desires to have it determined as a historic asset. The deal is dependent upon that because historic tax credits are a vital source for the financing of this project.



Housing Authority of the City of El Paso

MEMORANDUM FOR FILE

DATE: August 16, 2017 @ 2:00 P.M.
SUBJECT: Pre-Proposal Conference
RAD 18-R-0031; Developer Services for Blue Flame Building

Schedule of Events

I. Chronology

A meeting was held Wednesday, August 16, 2017 in reference to the above-mentioned subject.

Meeting began at 2:00 P.M.
Location: Conference Room 217
Attendees: **See Attachment A**

II. Minutes of the Meeting

Ms. Eddie Rocha, Contract Specialist continued the Pre-Proposal agenda

1. INTRODUCTION

- Taping of the Meeting
- Introduction of Staff
- Purpose of the Meeting

2. INTENT OF THE ACQUISITION

- Description of the acquisition
- Evaluation Criteria
- Contract Type –
- Terms and Conditions,
- Proposal Closing Date/Time; September 8, 2017 at 2:00 P.M.
- Attachments to be submitted (bank letter, etc.)
- Electronic Signatures; new method of signing contracts; opportunity to opt out

3. STATEMENT OF WORK – Overview of the intent of the acquisition. Mr. Tom Deloye provided a brief overview with the desires of selecting a co-development partner for the Blue Flame property. It is our expectation that this will be an awesome development opportunity for the selected developer and the Housing Authority. We've worked on this capacity in the past and currently with partners, you being one of them. In this particular case this is a recent award, 9% award as of July 27, 2017. In the capacities of the developer, the developer we select will have the latitude to select a general contractor, latitude to select an architect and historic tax consultant. We anticipate the acquisition of the property by the seller to be abated of asbestos as well as through demolition. We hope we will advance the place in service for the construction window which would follow thereafter, this is the requirement/desire of the Housing Authority.

4. NOTICE OF INTENT TO DISTRIBUTE QUESTIONS AND ANSWERS TO POTENTIAL OFFERORS – Deadline to submit questions in writing is August 17, 2017 at 5:00 P.M.

5. QUESTIONS AND ANSWERS

Question: Were there any other environmental issues, I know that the environmental consultant indicated that they had turned this over to the ESA asbestos abatement. Any issues with chemicals associated with storage tanks or anything of that nature? **Response:** It is probably best to say at this point in time we are not aware of anything else although I would say it is conditioned upon a re-review of the ESA so as a question we will post the question with our answer specifying our findings but at this time we are not aware of other issues.

Question: What is your projected timing for acquisition on the property? **Response:** We are working with the seller to complete those discussions but its months from now. **Question:** Is it safe to assume 30, 60, 90 days out, any timing you can think of? Obviously this whole RFP is subject to the acquisition of the property is what you indicate so I am trying to figure out the timing, nothing can be done by the developer until you acquire the property. **Response:** We will not satisfy that condition for the betterment of your knowing whether we acquired it or not. The runway on this Blue Flame RFP is rather short to get us responses and between now and then we likely will not have a closing date, even if we did, the asset, we will not perfected the transaction until some future date, so even when we do select a future developer at that time it is still going to be subject to our acquisition.

Question: Do you anticipate that the real estate closing would be different from the financial closing? **Response:** Yes we do, it will precede the financial closing. **Comment:** Technically this is done together. **Response:** If we have that opportunity maybe we'll pursue that but right now until the documents are signed it is our intention to acquire the asset and then subsequently close on the financing.

Question: Will the selected developer be involved in the negotiations towards the acquisition of the asset, meaning negotiation or assist in any form on the acquisition? **Response:** Representatives of the Housing Authority are actively engaged in the negotiation at this time so I do not foresee a role on the selected developer to weigh in on that negotiation.

Question: On the 40% R, that is a private individual in a separate company, will they be a party after the tax credit financial closing? **Response:** The seller will exit upon our acquisition, there will be no remaining interest of this seller.

Question: So at the time of the closing the Housing Authority will be the 100% owner? **Response:** Correct.

Question: If I recall there is some retail for office space available on the first floor? **Response:** That is correct, it is on the ground floor it represents about 7,000 +/- net rentable square feet.

Question: Do you have a vision on how the ownership would be on that, can the Housing Authority own that or would it be something that the developer would have to take on and condo out? I know we have been acquire to condo those out on other tax credit developments. **Response:** We've had discussions towards that end so I think we are aligned with you. I don't know that it is part of the tax credit deal, it hasn't been condo out by this seller, and of course we are not in the position to do that at this time. It's in our conversation mix so we are not ignorant to it but at the same time I cannot offer certainty on it to the extent that, that retail ground floor space remains as is and then perhaps there is office space on the first or second floor that is another opportunity to condo that space. We know this that we can't change the unit mix or unit count on the affordable units but we have thirty market rate units which might give flexibility towards that of which I just spoke of. We are not prescribed per say with the plans that we have right now but for the affordable units as stipulated on the application in the award of TDHCA.

Comment: The lawyers and particularly the equity owner will probably want to condo those out so that will take place after the selection and maybe a good gap of financing it in the wake of benefits.

Question: Right now you are projecting that the property will be clean of asbestos as well as 100% through demolition pursuant to the plans and specifications? **Response:** That is our expectation.

Question: What is your objective as far as the historical commission on this, whether it ought to be looked at as far as historical significance, whether it ought to be classified as historic, have you decided whether you want it to be historic or not? Typically questions on this kind of thing go to Texas Historic Commission to determine if it is historic or not. Various building owners have a little difference of the way they may not want it to be historic or do, since this was built in 1950 it is not just an automatic. **Response:** Yes, it is our expectation as an owner of the Blue Flame that we are successful with the designations that you suggest and the desires to have it as a historic asset the deal is dependent upon that because historic tax credits are a vital source for the financing of this project.

Meeting concluded at 2:25 P.M.

Attachments:

A – Attendance Sheet

B – Pre-Proposal Conference Agenda

**HACEP
PRE-PROPOSAL CONFERENCE**

SOLICITATION NO: Developer Services for Blue Flame Building
 DATE: August 16, 2017

NAME OF ATTENDEE	COMPANY NAME OR HACEP DEPARTMENT	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
Roy Lopez	INVESTMENT BUILDERS, INC.	915-599-1245		RLopez@IBITDARY.COM
JOHN MOYER	HACEP	915 - 203-6693		JMOYER.HACEP.ORG
Tom DeJoy	HACEP	915-849-3803		TdeJoy@hacep.org
Eddie Rocha	HACEP	849-3789		erocha@hacep.org
WILLIAM HELM	INSITU ARCHITECTURE	915-533-7488 915-227-2040		WHELM@INSITUACC.COM
Juan Pulido	HACEP			Jpulido@hacep.org
REBECCA MARTINEZ	PROCUREMENT	915-849-3809	915-849-3868	RMartinez@hacep.org
TELE-CONFERENCE ATTENDEE;				
CLARK COLVIN	ITEX GROUP			

HACEP

PRE – PROPOSAL CONFERENCE AGENDA

Solicitation Number: RAD 18-R-0031

Solicitation Name: Developer Services for Blue Flame Building

Date: August 16, 2017

1. INTRODUCTION:

- Taping of the meeting (Yes or No)
- Introduction of staff
- Purpose of the meeting – improve understanding of HACEP requirements and allowing potential offerors the opportunity to judge whether or how they can satisfy the requirements
- Nothing said at this conference will change any of the terms of the RFP unless a subsequent written amendment to the solicitation is issued.

2. INTENT OF THE ACQUISITION:

- Description of the acquisition – methodology - Competitive Proposals Process that will use several criteria to evaluate the proposals.
- Evaluation criteria
- Contract type
- Terms and Conditions
- Proposal Closing Date and Time is August 25, 2017 at 2:00 p.m. The proposal must be received by Contract Compliance at that time. *9/18/17 seen*
- Attachments to be submitted (bank letter, etc.)
- Electronic Signatures; new method of signing contracts; opportunity to opt out

3. STATEMENT OF WORK – Overview of the intent of the acquisition

4. NOTICE OF INTENT TO DISTRIBUTE QUESTIONS AND ANSWERS TO POTENTIAL OFFERORS

5. **Be advised that during the solicitation process, the Contract Specialist is the only point of contact. Any form of contact by a offeror or potential offeror with Commissioners of the Housing Authority of the City of El Paso, Texas, any person employed by HACEP or HACEP contracted consultant will constitute grounds for rejection of their proposal.**

6. REMINDER – Proposers must submit (1) original proposal and (4) copies of the proposal and (1) digital copy.

7. ALL QUESTIONS – Must be submitted in writing no later than August 17, 2017 at 5:00 p.m.