

**GREAT FALLS INTERNATIONAL AIRPORT  
REQUEST FOR PROPOSALS**

**for a**

**Joint Venture Partnership**

**to develop**

**Warehouse and Light Industrial Condominiums**

**Issued: September 30, 2020**

**SUBMISSION DEADLINE:**

**\*\*\*\*October 30, 2020 @ 3:00 PM Mountain Standard Time\*\*\*\***

**RESPONSES SHALL BE DELIVERED TO:**

Great Falls International Airport Authority  
Administration Office  
2800 Terminal Drive  
Great Falls, MT 59404

**FOR ADDITIONAL INFORMATION REGARDING THIS RFP PLEASE CONTACT:**

**Alissa Taylor – [info@flygtf.com](mailto:info@flygtf.com)**

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**RETURN THIS COVER SHEET WITH RESPONSE TO:**

Lara Tait, Assistant Airport Director, Administration

Contact Person: \_\_\_\_\_

Phone: (    ) \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Acknowledgment of Addenda: #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_ #4 \_\_\_\_\_ #5 \_\_\_\_\_

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# REQUEST FOR PROPOSALS

## 1.0 INTRODUCTION

- 1.1 Background: The Great Falls International Airport (“Airport”) seeks information from qualified respondents through this Request for Proposals (“RFP”) to identify a partner (“Joint Partner”) in the speculative development of commercial warehouse and light industrials spaces to be resold as condominiums.

The Airport owns the land depicted on Exhibit A, which is located adjacent to Interstate 15 (“Development Site”). The Development Site is zoned “Airport Industrial” which allows a broad category of uses including light industrial, storage, restaurant and office uses.

The Airport’s vision for this project is to create a mixed-use light industrial park made up of multiple buildings with individually owned units. The proposed buildings would be sized to accommodate a tractor and trailer or large RV. The Airport receives regular interest from various tenants looking for storage or work space meeting this description. We anticipate that these units would be sold to companies and individuals that want a small and flexible space to conduct businesses or to store an RV or other equipment. Here are examples of businesses that located at similar projects in other cities:

- Building contractors using the space for warehouse, administration and showrooms
- Auto repair related business
- Logistics and shipping related companies
- Fabrication and assembly

- 1.2 The Project: The Airport envisions constructing prefabricated metal buildings with dimensions of approximately 390 by 80 feet based on the site layout. The buildings would be subdivided into individual bays for sale. Each bay would be approximately 30 foot wide. The building would be free span to allow tenants to combine multiple units without devising walls.

It is anticipated that each unit would have utilities for a bathroom stubbed in the floor with concrete poured overtop and pinned to find the location. Water would also be available on one wall and drains in each bay would drain to a common oil/water separator. The oil/water separator and other common infrastructure would be maintained by a condominium association.

The Airport and the Joint Developer will determine how many bays will be constructed in the initial phase of the project. Currently, the Airport has interest from one potential owner and the Airport would also like to construct a second bay for Airport use and to serve as a model. It is possible that the first phase might be a partial building that is added onto. The Airport anticipates that three or more buildings would eventually be developed on the Building Site depending on demand. Additional phases might also be considered.

- 1.3 Building Plans: The Airport Authority owns a completed plan set for a similar building that was constructed in two phases in 2014 and 2019. The electronic plans are available to provide a basic understanding of the type of construction generally envisioned for this project. The selected Joint Partner and the Airport will coordinate the final design of the building pursuing development.

- 1.4 Responsibilities of the Airport: At its contribution to the Project, the Airport plans to construct certain enabling infrastructure to allow development. All work would be completed over time as demand develops. Below are a costs and work that the Authority plans to undertake:
- Use of airport land. Land will ultimately be leased to the building owner. The airport will carry the cost of the land at no charge until the unit is sold or leased.
  - Delivery of major utilities to within 15 feet of building pad. This includes sewer, water, electric, gas and stormwater improvements.
  - Development of roadway approaches including coordination with MDT and construction of approaches.
  - Rough site grading.
- 1.5 Responsibilities of Joint Partner: The Joint Partner will be responsible for funding and completing the following project elements:
- Building acquisition. The Joint Partner will be responsible for acquiring the building materials to construct the Project.
  - The Joint Partner will be responsible for constructing buildings.
  - The Joint Partner will be responsible for paving the site including the bays between the building and employee parking. The Airport will be constructing the entry road off the Frontage Road which the Joint Partner will tie into.
- 1.6 The Partnership: The Airport and the Joint Partner will formalize all decisions in writing prior to taking action. It is assumed that a Joint Venture Agreement will be negotiated between the parties. The Airport anticipates that the following terms will be agreed to between the parties:
- Return on Capital. The Airport and Joint Partner will agree to a return on capital percentage prior to undertaking a new phase of the Project. This return percentage will be used to determine the proposed sales price of the unit. Each party would receive the same return on investment percentage with the amount of return scaled to the portion of the investment made by each party. For example, if the Airport's portion of project cost is 40% then the Airport would receive 40% of the profit. The cost of the Airport Land will not be considered in the portion of investment.
  - Certified Costs. The Airport and Joint Partner will submit costs estimates associate with The Project to the other prior to undertaking and work and the parties will agree to said cost proposals. Since both parties will receive a return on investment from the owner, will not include profit and any proposed overhead will be separately listed. Once the project is complete, each party will submit actual certified costs incurred on the project to the other partner.
  - Unit Ownership. With prior agreement, either the Joint Partner or the Airport may buy the other partner out at cost plus the agreed upon return on investment if they desire to own units. The owned units may be sold, offered for lease or self-occupied.

- Marketing. The parties shall agree on marketing of the buildings and if an outside realtor would be used.

1.7 The Lease: The underlying land was purchased with Federal Aviation Administration dollars and can't be sold. However, to comply with federal regulation, the Airport must receive a land rent for all land used. The Airport Authority Board is anticipated to accept an initial term of 50 years. Upon expiration, unit owners may petition the Authority Board for an extension which is likely to be granted given past precedent.

Each unit owner will pay an annual rent to the Airport for use of the leased land. The initial rent will be \$0.12 per square foot per year and an escalator will be applied every five years. The rent will include all common areas and other land used in the development divided by the number of units on the developed acreage. For example, if eight units are developed on one acre then the annual rent be calculated as follows (43,560 square feet x \$0.12)/8 units. Unsold units will not pay land rent.

1.8 The Condo Association: The Airport anticipates that a condominium association will be formed to maintain pavements, building exteriors and common infrastructure including stormwater and oil water separator facilities. Annual fees will be paid by unit owners to the association account.

## 2.0 **SUBMISSION OF RESPONSES**

2.1 Four (4) hard-copy originals, and two USB flash/thumb drives containing all information and documents shall be submitted in sealed packages. Organization name and address should be marked on the outside of the envelope. Facsimile transmittals or offers communicated by telephone will not be accepted or considered.

2.2 Mail or Deliver Responses to the Following Address:

Great Falls International Airport Authority  
Administration Office  
2800 Terminal Drive  
Great Falls, Montana 59404

## 3.0 **DELIVERY OF RESPONSES**

Responses must be received at the Airport Administrative Office no later than 3:00 PM on Friday, October 30, 2020. The submitting respondent is responsible for the means of delivering the response to the location listed in paragraph 2.2 on time. Delays due to any instrumentality used to transmit the response including delay occasioned by the respondent. Responses must be completed and delivered in sufficient time to avoid disqualification for lateness due to difficulties in delivery.

## 4.0 **PROPRIETARY INFORMATION**

4.1 If a respondent does not desire proprietary information in the response to be disclosed, it is required to identify all proprietary information in the response. This identification will be made by individually marking each page with the words "Proprietary Information" on which such proprietary information is found. If the respondent fails to identify

proprietary information, it agrees that by submission of its response that those sections shall be deemed non-proprietary and made available upon public request.

- 4.2 Respondents are advised that the Authority, to the extent permitted by law, will protect the confidentiality of their responses. However, the Authority is subject to Montana open record rules and may not be able to prevent disclosures.

## 5.0 **COMPLETION OF RESPONSES**

Responses shall be completed in accordance with the requirements of this RFP. Statements made by a respondent shall be without ambiguity, and with adequate elaboration, where necessary, for clear understanding.

## 6.0 **CLARIFICATIONS AND ISSUANCE OF ADDENDA**

- 6.1 Any explanation, clarification, or interpretation desired by a respondent regarding any part of this RFP must be requested from Alissa Taylor via email at info@flygtf.com, at least five (5) days prior to the published submission deadline, as referenced in this RFP. Such requests should include “Warehouse and Light Industrial Condominiums” in the subject line of the email.
- 6.2 If the Airport, in its sole discretion, determines that an explanation, clarification or interpretation is required, such clarification shall be issued in writing. Explanations, clarifications, interpretations, corrections or changes to the RFP made in any manner other than writing are not binding upon the Authority, and respondents shall not rely upon such explanations, clarifications, interpretations, corrections or changes.
- 6.3 Any explanations, clarifications, interpretations, corrections or changes to this RFP will be made by addendum. Sole issuing authority of addenda shall be vested in the Authority. Respondents shall acknowledge receipt of all addenda within the responses.

## 7.0 **WITHDRAWAL OF RESPONSE**

A representative of the company may withdraw a response at any time **prior to** the RFP submission deadline, upon presentation of acceptable identification as a representative of such company.

## 8.0 **COST INCURRED IN RESPONDING**

All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a solution which may be required by the Authority shall be the sole responsibility of and shall be borne by the participating Respondents.

## 9.0 **UNAUTHORIZED COMMUNICATIONS**

Any oral communications are considered unofficial and non-binding with regard to this RFP.

10.0 **INFRASTRUCTURE INFORMATION**

The Development Site is not currently served by utilities. The adjacent Cascade County Jail has full City utilities available. Several years ago, the Airport extended full utilities to a location on the same side of the Frontage as the Development Site but a quarter-mile to the west. The Airport plans to extend sufficient utilities of all types to the site with sufficient capacity to serve the needs of the development. The Airport will bring utilities to close proximity to the building pad at a location agreed to by the Airport and the Joint Partner

10 **REQUESTED INFORMATION**

11.1 **Project Vision:** In the preceding paragraphs, the Airport has laid out a general idea for a joint venture commercial development. However, the Airport desires that this project be a collaborative effort with the Joint Partner. Provide a narrative on your thoughts on the project. Specifically discuss the following issues:

- How could the basic vision for the project be improved?
- What customer base do you believe this project will reach?
- How much demand you believe there will be for this project?
- What additional design or building features do you think should be included?
- What is the best way to market the units?
- What cost efficiencies could be achieved by building multiple units?

11.2 **Experience Constructing Similar Projects:** Describe the Respondent's experience with metal building construction and development

- If the Respondent is a builder, please describe similar projects completed. List the approximately budget and dimensions of the project. Please provide pictures if available.
- If the Respondent has acted as developer in building similar buildings, please describe the approximate budget, dimensions and ownership structure (i.e., built to rent, built to sale, owner occupied). How was a building contractor selected? Describe how you managed construction. Please provide pictures if available.

11.3 **Experience with Speculative Development:** Describe your experience developing building for resale or rent on a speculative basis. List the approximate budget for the project and type of building. What was the end result of the development? How long was the interval between construction and occupancy?

11.4 **Non-Binding Cost Estimates:** Cost is a primary factor in proceeding with this project. Please provide an order of magnitude cost estimate, per bay, based on the drawing set provided by the Airport. For purposes of estimating, assume that the first phase of the project to be constructed is three bays.

11.5 **Financial Capacity:** Present information on your organization's ability to complete the Project. Note that because development is speculative, there will be delay between project completion and payment for the unit. Describe how this time delay will be financed.

12.0 **RESPONSE FORMAT AND ORGANIZATION**

This section outlines the general conditions under which the RFP submittal shall be made as well as instruction on how to prepare and submit the offering to the Authority. The proposal must be organized and must contain, as a minimum, all listed items in the sequence indicated:

**Section A:** Responding Organization's Name and Address. Please provide historical information on your organization including how long you have been in business, ownership structure, past project examples etc.

**Section B:** Responses to Section 11 of the RFP. Each response should be separately numbered to correspond to the subsections.

**Section C:** Please provide a tabulated cost estimate including all options described in Section 11.4 of this RFP. Please label each line item appropriately.