

Eglin Air Force Base (AFB) Enhanced Use Lease (EUL)
Industry Forum Questions and Answers
February 21, 2008

Tax Related

1. Will the project be subject to the Okaloosa County bed tax?

Yes.

2. Will the development and improvements be subject to Ad Valorem taxes?

This issue will be negotiated between the developer of the EUL site and Okaloosa County. The developer will be responsible for any real property taxes assessed.

Environmental

3. What is the completion schedule for the Environmental Assessment (EA)?

The EA is anticipated to be complete by February 2009 or sooner.

4. Since the developer may be selected before the EA is completed, what happens if the EA is not approved? Is the developer reimbursed for their costs?

Environmental Assessments are not “approved.” An EA prepared pursuant to the National Environmental Policy Act (NEPA) presents at least two alternatives (including the no-action alternative) and typically results in a Finding of No Significant Impact (FONSI). Thus, we understand the question to ask what will happen if, for some reason, the EA “fails” to enable the project. This could happen if the decision maker chooses the “no action” alternative: It could also happen if the decision maker determines the environmental impacts of the proposal are, in fact, significant, and, thus, the Air Force can’t reach a FONSI. Certainly the first contingency is a possibility until the FONSI is signed, but this is not distinctly different from the risk one undertakes when closing on a real property transaction—that, too, could fall through. As to the second contingency, the government has no reason to believe, at this time, that the environmental impacts are significant. And should the impacts prove to be significant, the government would consider continuing the NEPA process with an Environmental Impact Statement, which is intended for situations which present significant environmental impacts.

5. Is there the potential for wetlands banking or other mitigation?

We understand this question to refer to the possibilities for construction in the wetlands. A determination regarding the wetland status of the parcel has not yet been made. A .05-acre section in the northwest corner of the parcel has been

identified on the National Wetlands Inventory map as being wetlands; however, no jurisdictional decision regarding treatment of the area has been made. Information regarding the wetlands status will be made available as it is known.

A developer would need to follow up on that permitting process in order to determine what, if any, considerations would need to be made. The Air Force currently has no plans for wetland banking or mitigation.

Where (as with this proposal), federal agencies allow construction in wetlands, the requirements of Executive Order (EO) 11990 must be met.

6. If the Air Force completes a Phase 1 Environmental Site Assessment or equivalent, will it be provided to the developer?

The Air Force will provide an Environmental Baseline Survey, but will not perform or provide a Phase I Environmental Site Assessment.

7. Will the Air Force clean up the contamination?

If contamination is present, the potential for Air Force clean-up will be driven by regulatory requirements as well as by other factors, such as the type of contamination, if any; the concentrations of contamination, if any; the location, horizontal and vertical extent of the contamination, if any; and the cost of clean-up.

For more information, see Air Force Instruction 32-7066, Environmental Baseline Surveys in Real Estate Transactions.

Legal

8. Will the project require Okaloosa County development order?

Developers will need to contact Okaloosa County directly regarding whether a development order will be required.

If further clarification regarding this requirement becomes available, it will be communicated.

9. Will the project be subject to Okaloosa County impact fees?

Developers will need to contact Okaloosa County directly regarding its intent to impose any impact fees.

10. Will the project be subject to Okaloosa County proportional fair share?

Developers will need to contact Okaloosa County directly regarding its intent to impose proportional fair share.

11. Who has jurisdiction on the site? Government, local, joint?

Santa Rosa Island is managed under proprietary jurisdiction. Law enforcement services are provided by the local Sherriff's Office. Okaloosa County is the 911 authority.

12. Must the developer follow local building codes and rules?

The developer must comply with the Florida Building Code, and, as with the "prop share" and development order, unless the County agrees, in writing, not to subject the developer to local building codes and rules, those shall apply as well.

13. What are the end of lease options?

At the expiration of the Lease there are three options available at the sole discretion of the Government:

- *The parties may negotiate an extension of the Lease provided that (1) the Project has been and is being properly maintained and managed in accordance with Lease; and (2) the Lessee is not in default of any of its obligations under the Lease; and (3) the Government determines, in its sole discretion, that renewal is in the best interest of the Government, and acceptable by both parties.*
- *Upon expiration of the Lease or any extension thereof, the Lessee shall demolish all facilities, improvements, and properly abandon or remove utilities from the leased land; restore the land to the reasonable satisfaction of the Government; and then surrender the land to the Government at no cost.*
- *Upon expiration of the Lease or any extension thereof, the facilities and improvements shall revert or be transferred to the Government at no cost.*

14. Does the inclusion of radar equipment on the roof of the building have to be considered with respect to the height requirement?

No.

15. Does the developer need to go through the state/county permitting process, or will compliance be sufficient?

The development will be subject to the local permitting process.

16. Does the developer have to pay the associated fees and spend the time/effort to obtain all requisite permits, or can the developer simply build according to those

standards? Will the local authorities provide approvals or will the Air Force take that approval role?

The development will be subject to the local permitting process.

Regarding approvals, the project must meet design requirements as put forth in the Request for Qualifications (RFQ). Separate inspections and/ or approvals may be required by the County to ensure compliance with any local codes and/ or processes.

17. Would you please clarify how the transaction fee of \$1 Million or 5% will be agreed upon or set?

The Lessee shall assume the transaction fee will be five (5) percent of the fair market value of the leasehold of the EUL Asset, or \$1 million, whichever is greater. The transaction fee will be determined by the Government prior to Lease execution and shall not exceed five (5) percent.

18. Can the Air Force revoke or terminate the lease at any time?

The Air Force may terminate the lease in accordance with provisions in the lease. The Air Force may also temporarily or permanently restrict access to the property due to needs of national defense.

19. Would the Air Force consider a lease for a period greater than 50 years?

No.

20. Could you further describe the severability plan and what issues it addresses?

The EUL parcel is already severed from Eglin AFB. The severability plan is irrelevant and will be omitted from the final RFQ.

Air Force Regulations

21. Will official Army Air Force Exchange Service (AAFES) opt out/in be complete before the RFQ responses are due?

It is unlikely that AAFES opt in/opt out will be complete before the proposals have been submitted.

22. Do you envision Office of Management and Budget (OMB) approval will be necessary for this project?

At this time, the Air Force does not envision a need for OMB approval. However, notice will have to be given to OMB of the project.

23. Will Anti Terrorism/Force Protection (AT/FP) building standards apply?

At this time, the Air Force does not expect AT/FP standards to apply to any development on the Emerald Breeze parcel.

RFQ

24. When will the final RFQ be released?

It is anticipated that the final RFQ be released no later than the end of March, however it could be sooner so it is recommended to frequently check the Eglin EUL website at jllpress.com for updates. The RFQ will be released through FedBizOpps and posted to the Eglin EUL website at http://jllpress.com/Eglin_AFB/eglin_afb.html.

25. What is the timetable for receipt of proposals?

It is anticipated that responses will be due six to eight weeks after the RFQ is released. Please check the Final RFQ for the official submittal date.

26. The RFQ mentions the possibility of Air Force communication equipment on top of the facility. Is the developer required to design and prepare for this use? When will the Air Force make this decision?

The Air Force has not determined whether there is a need to install communication equipment on top of the facility at this time. Offerors do not need to design or prepare for this use in their RFQ responses.

If necessary, any provision for communications equipment will be negotiated with final lease terms.

27. Would the Air Force consider a proposal where the in-kind consideration would be for a project on Eglin or another Base that would fulfill a different Air Force need?

It is expected that in-kind consideration will be used at Eglin AFB but the exact use has not been determined at this time.

Highest Ranked Offeror (HRO) Selection Criteria

28. A lot of the information regarding HRO selection/proposal evaluation has to do with the Developer's qualification. How do the resumes or experience of Architects or General Contractors come into play? Will they be given the same weight especially if the General Contractor or Architect is not an equity partner?

The developer and other consultants/contractors are evaluated as a team, regardless of which entities are equity partners.

29. Please explain in detail the methodology behind the scoring process, particularly as it relates to the scoring of the Development Team’s qualifications. What is the weighting between the 4 factors and the past performance segments? How, specifically, are “Risk” and “Qualified”, defined?

Please refer to the RFQ for details on the scoring process.

30. Does a disabled vet owned business have any priority or preference with this project?

No. The selection of the HRO will be conducted as a one-step, non-Federal Acquisition Regulation (FAR) process. The intent is to use fair, timely, and cost-effective procedures for the RFQ, evaluation and selection of an HRO most advantageous to the Government.

31. Do you look more or less favorably on proposals from local companies?

The Air Force has no bias toward local or national firms but encourages companies to partner together to facilitate the most advantageous project for all parties.

Eglin AFB

32. What is the demand data for existing on base officer quarters?

The demand data from the last four quarters is below.

	Bed Nights Sold	% Occupied
4th Qtr 07	12911	87.09%
3rd Qtr 07	12231	84.86%
2nd Qtr 07	12542	84.72%
1st Qtr 07	10788	76.27%

33. What is the “lodging needs” plan for the base associated with the new demand of the additional forces moving in due to Base Realignment and Closure (BRAC) and changes in mission?

No increased lodging requirement has been identified due to BRAC.

34. What is the status of the master space utilization plan to address mission changes for the new joint forces, technology and special operations future functions on the base?

At the current time, Eglin does not have any space utilization intention for the EUL parcel.

35. Please elaborate on In-Kind requirements Eglin AFB may be looking for.

According to 10 USC 2667, in-kind consideration accepted by the Air Force may include the following:

- *Maintenance, protection, alteration, repair, improvement, or restoration (including environmental restoration) of property or facilities under the control of the Secretary concerned.*
- *Construction of new facilities for the Secretary concerned.*
- *Provision of facilities for use by the Secretary concerned.*
- *Provision of such other services relating to activities that will occur on the leased property as the Secretary concerned considers appropriate.*
- *Provision or payment of utility services for the Secretary concerned.*
- *Provision of real property maintenance services for the Secretary concerned.*

36. Is a survey of the site available?

Yes. A survey of the site is posted on the EUL website at http://jllpress.com/Eglin_AFB/du_e_diligence.html.

Project Concept

37. What is the expected build-out date?

The expected build-out date will be negotiated and determined as part of the terms of the Lease.

38. Does the Air Force see the proposed EUL as a duplicate/copy of Fort DeRussy in Hawaii? Do you see the same uses/amenities?

No. The Air Force views the proposed Eglin EUL as an independent, privately owned and operated project.

39. Is it anticipated that the general public (non-military) will be able to stay in the hotel and/or use recreational facilities? If so, what ratio? How many, or what percentage, of rooms must be blocked and set aside for Department of Defense (DoD) personnel?

At this time, it is anticipated that the general public will be able to stay in the hotel and use the recreational facilities. The ratio will be determined based on negotiations between the Air Force and the HRO and finalized as part of the terms of the Lease. As part of the RFQ response, there is no required percentage

or number of rooms that must be blocked and set aside for DoD personnel and it is left up to the Offeror to determine how to offer the Air Force the best value.

40. How far in advance can military personnel reserve rooms? At other military resorts, the reservation window for rooms is only six months. Will that be applied at Emerald Breeze?

Reservation restrictions regarding military personnel have not been determined and will be negotiated between the HRO and the Air Force and finalized as part of the terms of the Lease. As part of the RFQ response, there is no requirement for any reservation restrictions, and it is left up to the Offeror to determine how to offer the Air Force the best value.

41. What rate can be offered to the general public compared to the rate offered to the military? How will the discount rate for Department of Defense personnel be set?

Rate determinations regarding military personnel have not been determined and will be negotiated between the HRO and the Air Force and finalized as part of the terms of the Lease. As part of the RFQ response, it is left up to the Offeror to determine how to offer the Air Force the best value