

Kirtland AFB Enhanced Use Lease
Industry Forum Questions and Answers
January 17, 2007

No.	Question & Answer	
1.	Q:	Can I move the fence back on just part of the parcel?
	A:	Yes, however please explain within your proposal how your relocation or readjustment of the fence benefits the overall projects and maximizes the value of the enhanced use lease.
2.	Q:	The Maxwell housing area is going to be demolished in 2018. Is there an EUL plan for the Maxwell housing area in 2018?
	A:	The Maxwell housing area may or may not be a future EUL project. The Air Force will evaluate that issue in the future.
3.	Q:	What's going to happen to the former Lovelace Hospital site?
	A:	According to the Albuquerque Office of Economic Development, Lovelace will continue to operate as a medical facility. The Mayor's Office and the Office of Economic Development are coordinating an "alternate-use evaluation" committee. Please contact Lovelace or the City of Albuquerque directly for additional details pertaining to the future of that particular site.
4.	Q:	Please clarify if this project is intended for Government tenants.
	A:	The Government will not enter into a long term lease back scenario on the property; however the Government could occupy the property under an operating lease scenario. The difference between an operating lease and a capital lease can be found in OMB Circular A-11.
5.	Q:	What entity will do inspections for compliance with construction standards?
	A:	The RFQ identifies that the developer is required to hire an independent third party to perform such inspections. Refer to section 3.2.2.3.4.
6.	Q:	Why does the RFQ require utilities to be obtained off base if possible? Can you please elaborate? Also, will any utilities be available from the base?
	A:	The authority of the Air Force to provide utility services is limited to circumstances where such services are not otherwise available. Such services are available in this area and the Air Force is prepared to facilitate the delivery of such services through the provision of access rights.
7.	Q:	Will government have right of pre-approval of prospective subtenants?
	A:	Yes. The Air Force reserves a limited right to restrict certain types of activities on the leased property. The restrictions are listed in Appendix L of the EUL Handbook. The Government's intent is to ensure consistency with Air Force objectives but no more.
8.	Q:	Must my proposal be for all of the EUL asset site or may I submit a proposal for just a portion of the parcel?
	A:	Your proposal must contemplate the entire 92 acre development and include it in the proposal.

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9.	Q:	Does the Government expect me to bring committed prospective sublessees to the table with my proposal?
	A:	Intentionally the Government has not set the expectation that firm letters of intent or that leases must be signed in order to submit a proposal. The Air Force will assess how much tenancy risk the Offeror can reduce by illustrating to the Air Force that the Offeror is confident it will be able to fill the proposed development. The Air Force encourages developers to provide as much information as possible in order to convince the deal team of the strength of the transaction.
10.	Q:	Presently the legislative jurisdiction for the EUL asset is exclusively federal. When will the retrocession of jurisdiction to concurrent be complete?
	A:	The Air Force contemplates having this complete in the 2008 New Mexico legislative session.
11.	Q:	Must the name of the project remain the "Kirtland Technology Park"?
	A:	No. It can be changed.
12.	Q:	Please address how we should proceed with underwriting market demand for "behind the fence" tenant needs? Will we be provided a list of prospective Government Contractors? Is there a point of contact for that information?
	A:	The Air Force will make every effort to post such lists to www.jillpress.com . A list of AFRL contractors has already been posted. However, the Air Force expects that Offerors will conduct their own due diligence. This would include attending the industry forum and contacting the existing technology parks directly for information on available space and rental rates. It is up to the Offerors to follow up on any Air Force provided information and identify points of contact to determine the best prospective sublessees.
13.	Q:	Please provide a list of current vacant square footage for technology parks in Albuquerque. How will conflicts and competition between various parks be handled? Will there be open competition with those other parks in this EUL development?
	A:	The Air Force will not provide current vacant square footages. Obtaining that information is the responsibility of each prospective Offeror and part of their due diligence process. The Air Force will not voluntarily become involved in any conflicts, recognizing that each technology park may openly compete for tenants. Of note, technology parks in the Alliance cater to different tenant niches. The University of New Mexico park for example offers small month to month leases and likely is not competitive with what the Government has envisioned at Kirtland AFB. One benefit the Air Force sees in the Alliance is co-marketing. With the Alliance, competition draws more people to the area. All the parks understand that momentum will lead to their success, so they try to increase their collective draw.

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14.	Q:	Who will make the decision in selecting the Highest Ranked Offeror (HRO)?
	A:	Section 5.1 of the RFQ states that "The Government will determine the most advantageous Proposal and thereby identify the HRO using an integrated assessment of the factors/subfactors." These factors/subfactors are described and defined in Section 5.0 of the RFQ. The members of the deal team will make a recommendation to senior leadership in the Air Force, also known as the Source Selection Authority.
15.	Q:	What are the criteria for making the decision?
	A:	Refer to RFQ Section 5.0 and the Industry Forum presentations for additional details on the selection process and criteria.
16.	Q:	In general, the 30 business day requirement to respond to the EUL RFQ seems too restrictive and may result in poorer quality responses. Would the Air Force consider a 60 business day response deadline?
	A:	No. Considering the timing of the industry forum and the posting of the Statement of Need, the response period of 30 business days after release of the RFQ is considered adequate. The Government, however, may increase the response period, if necessary, for program scheduling purposes. Please reference the RFQ when it is released for the official deadline.
17.	Q:	Are there any current plans for the Government to build Military Construction (MILCON) space for contractors? In other words, will the Government be competing for contractor subtenants with the EUL developer?
	A:	The purpose of the Military Construction program within the Air Force is to meet Air Force needs. Specifically, there is no intent to build space specifically for contractors. It is important to note that some missions such as the Battlespace Lab (funded by BRAC) have contractor employees located with the government workforce, and those contractor employees will be housed within the MILCON project.
18.	Q:	Are there any special limits on subleasing to a federal agency tenant?
	A:	Yes. Refer to OMB Circular A-11 Appendix B which describes the requirements and identifies the difference between capital leases and operating leases.
19.	Q:	Are our discussions with utility companies to be 'two-way' or 'three-way' in including Air Force?
	A:	The Government sees no convincing reason for the Air Force to be involved in discussion with utility commodity providers, except as necessary to identify an access corridor, if necessary. However, if the developer sees an opportunity for the Air Force to improve the transaction, or if the Air Force can provide information to assist in that interaction, the Air Force is glad to be involved. The Air Force has no intent to be a party to any agreement that involves an entity that is providing utilities to the EUL development area, except as to providing access, if necessary.

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20.	Q: What is the process for recommending improvements to the RFQ? Once the RFQ is issued and may differ from the Statement of Need (SON), is it possible to submit questions then?
	A: Please submit any comments that would improve the solicitation to infojll@jllpress.com or warren.durbin@am.jll.com. You can also submit questions to the same email address after the RFQ has been formally released. Those questions will be published and answered publicly in order to avoid giving any competitive advantages to any entity or individual asking a unique or specific question.
21.	Q: Can the lessee build and/or change a gate? For example, replace Truman with Maxwell?
	A: Yes, base entry gates are a continued source of frustration during rush hour. As Offerors look at the challenges in getting tenants to the EUL site, it is only appropriate that they evaluate the gate structure. If there is a proposal that would benefit the installation and the developer, the Air Force would be glad to evaluate it. Please explain the specific benefits to the Government, noting that relocating the gate would be done at the sole cost and expense of the developer.
22.	Q: What does the Air Force expect in terms of payments into the in-kind consideration account? For example, payments could be a lump sum at closing, fixed periodic payments with an inflation escalator, percentage sharing of net cash flow, sharing of net proceeds upon sale or refinancing, etc. What does the Air Force expect and/or prefer?
	A: The current Air Force preference is for in-kind consideration in the form of payments or deposits into the In-kind Consideration Account (ICA). The ICA is an escrow account that can be used to obtain goods or services at a later date when the Government's needs are better understood or when sufficient funds have accumulated in the ICA. The Government requires that the Lessee pay into the ICA at closing an amount no less than one million dollars (\$1,000,000.00) in addition to periodic (monthly, quarterly, or annual) rent payments set forth in the rent schedule. Offerors may additionally propose to provide rent payments in alternative forms, including without limitation participating rents based on development scope and/or percentage rents based on rents received by the Lessee from sub-lessees of the project. Beyond the initial lump sum payment, the Air Force will evaluate alternative forms of rent payments, if offered, taking into account their risk as part of the evaluation process. For what the Air Force contemplates as the goods and services constituting the "In-kind Consideration," see the answer to Question 48.
23.	Q: Why is the maximum lease term 50 years? Is a 99-year term possible, for example?
	A: The lease term is determined by the Assistant Secretary of the Air Force and may exceed 5 years if the longer period will promote national defense or be in the public interest. A decision has been made to limit these terms to a maximum of 50 years. However, the agreements will provide for extensions of leases by mutual agreement.
24.	Q: Please comment on the timing and speed to execute this EUL project relative to previous Air Force EUL transactions.
	A: The goal of the Air Force is to execute this lease before the end of the federal fiscal year, September 30, 2007.

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25.	Q:	Will the Air Force allow a phased take-down (phased closing) of subparcels?
	A:	The Air Force is looking for Offerors to propose a single closing, but the Air Force also realizes that there may be a phased development of the parcels. The terms of the phased development will be included in the initial lease at closing.
26.	Q:	What is the status of MILCON funding on the MILCON parcel?
	A:	One of the three facilities depicted on the MILCON parcel is in a funded program (the Battlespace Lab – part of BRAC). The other two are in the program and seeking funding.
27.	Q:	Can the underground utilities in Parcel 2B be relocated?
	A:	Yes. Utilities that traverse the site may be relocated at the sole cost and expense of the developer. The utilities internal to the site are pre-existing housing utilities that the Air Force sees as obsolete and likely are not suitable for use with this project.
28.	Q:	Does the Anti-Terrorism Force Protection (ATFP) setback pertain to unoccupied structures?
	A:	The ATFP rules address unoccupied structures from the standpoint of the criticality of those structures. Please refer to the ATFP rules and guidelines to make your own assessment.
29.	Q:	Will you provide a phone number for the base CE?
	A:	David Sconyers: 505-853-0694
30.	Q:	At two of the site visit stops, there was evidence of prairie dogs. How will that affect the development?
	A:	The species of prairie dogs on Kirtland AFB are not protected and are not listed as a threatened or endangered species. Therefore, no proscribed methods for interacting with them have been imposed on Kirtland AFB. Kirtland AFB has voluntarily adopted a process of relocating the prairie dogs. Please refer to Kamile McKeever at the US Fish and Wildlife Service (505-248-7882) for mitigation concerns.
31.	Q:	What is the schedule for the Environmental Assessment (EA)?
	A:	All NEPA studies must be accomplished by the Highest Ranking Offeror at its sole cost and expense, accepted and adopted by the Air Force and be completed, i.e., result in executed Record of Decision or Finding of No-Significant Impact prior to lease execution. The 2007 EBS is available on www.jllpress.com .
32.	Q:	What are the future developments in areas surrounding the EUL site?
	A:	Each Prospective Offeror is strongly encouraged to conduct its own due diligence to discover any future developments in areas surrounding the EUL site. Jones Lang LaSalle conducts internal due diligence that is then relayed to the Air Force and will not be provided to the public.
33.	Q:	What are the noise contours around the EUL site?
	A:	The noise contours and studies have been performed by the City of Albuquerque and such information is available from the City of Albuquerque Aviation Department.

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34.	<p>Q: What is the relationship, if any, between this EUL project and AAFES, MWR and Services?</p> <p>A: The EUL opportunity is not specifically designed for AAFES, Defense Commissary Agency, or MWR participation; however Offerors are encouraged to pursue a development that maximizes the EUL value to the Air Force. Offerors are advised that the provision of retail sales, food service, concession services, and so-called morale, welfare, and recreational activities (known in the Air Force as Services, such as, for example, lodgings, gyms, bowling alleys, etc) within the EUL Asset will require the prior written approval of the Air Force. Offerors are advised of Section 662 of the National Defense Authorization Act for Fiscal Year 2007 (Pub. L. 109-364) (Protection of MWR Activities). This section amends 10 U.S.C. § 2667 to protect MWR activities. If the Secretary determines that the lessee will provide merchandise or services under the lease that are in direct competition with DOD MWR activities, the DOD MWR activities have the right (i.e., a temporary 90-day right of first refusal) to either: (1) establish and operate a community support facility or provide community support services on the leased premises, or (2) seek equitable compensation from the lessee. The Secretary may waive this requirement if it is determined to be in the best interest of the Government. Congressional notification is required in that case.</p>
35.	<p>Q: Please describe available public financing.</p> <p>A: The Air Force will not become involved in that aspect of the transaction. Offerors should not look for political or financial leverage from the Air Force with the city to generate additional or special financing for this project. Any TIF or public incentive financing would have to be coordinated directly with the City of Albuquerque. Please visit the City's website (www.cabq.gov) for additional details.</p>
36.	<p>Q: Will the Air Force do a market survey and set a value on the land for the entire 50 year term?</p> <p>A: The Air Force develops a range of property values and may use that information to evaluate the proposals. While much work is being done to educate the Air Force on the value of the property to be leased, that information is not made available to the public.</p>
37.	<p>Q: What other Air Force EUL's are in the pipeline?</p> <p>A: There are a many EUL opportunities for consideration:</p> <p><u>Phase 3</u> Patrick AFB, FL Hill AFB, UT</p> <p><u>Phase 2</u> Eglin AFB, FL Andrews AFB, VA</p> <p>Tyndall AFB, FL is following a slightly different process.</p> <p><u>Phase 1</u> There are approximately 14 additional projects undergoing the initial study as part of Phase 1. The Air Force expects a substantial EUL program in 2008.</p>
38.	<p>Q: In our proposals are you expecting to see a development program, site plan, development budgets, and proformas as part of the response? If not, what is expected?</p> <p>A: See RFQ section 4.13, 4.14, and 4.15 for specific submittal requirements.</p>

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39.	Q:	Will the power lines to the property remain in place?
	A:	The power lines that traverse the property must either stay in place or be moved to continue to support the existing facilities such as the Maxwell housing area. Please refer to the RFQ and its appendices for more details regarding the various other utility easements across the EUL property.
40.	Q:	Who is the governing authority with regard to zoning for this site?
	A:	Currently, Kirtland Air Force Base itself is the zoning and planning authority for the site. In general, the installation's plans and zoning are consistent with those of the City and County.
41.	Q:	Would the Air Force commit to being a tenant in a pre-committed build-to-suit arrangement?
	A:	The Air Force's ability to lease facilities is limited. See OMB Circular A-11 Appendix B.
42.	Q:	Is it a requirement that the HAM radio building (#509) and tower be removed?
	A:	No. The HAM radio building will be conveyed via quitclaim deed to the Offeror. The tower belongs to the HAM radio club and the club will be notified to vacate the premises and remove all equipment, personal property, and the tower by September 30, 2007, the anticipated EUL execution date. Kirtland AFB is not responsible for the removal of any personal belongings, equipment or the tower if they are left behind by the club. The HAM radio club would prefer to stay in its current location but that would be at the Offeror's discretion. The Offeror is not required to provide alternate facilities for that club or function. Please refer to the RFQ for further details relating to this facility.
43.	Q:	We understand certain recreational fields must be relocated. Where will the fields be relocated?
	A:	The chosen site is on the east side of Kirtland AFB, north of housing area, north of club road and the mountain view club, due east of the Wyoming gate. Such relocation would be performed at the sole cost and expense of the developer. See the map titled "Relocation of Recreational Facilities Map" on the due diligence page of the www.jllpress.com website.
44.	Q:	Where the houses were previously located, have the concrete slabs been removed?
	A:	Yes. The concrete slabs have been completely removed.
45.	Q:	When can the last question be submitted?
	A:	Questions can be taken at all points throughout the solicitation process through infojll@jllpress.com and www.jllpress.com . A formal response will be posted publicly at www.jllpress.com .
46.	Q:	What is the status of Kirtland's utility privatization effort?
	A:	The utility privatization effort was stopped due to security concerns.
47.	Q:	Will LEED certification be required or valued?
	A:	LEED certification is not required but it is valued and will be a consideration in the selection process.

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48.	Q:	Does Kirtland have a list of in-kind consideration it wants from this project?
	A:	Not currently; however as Kirtland AFB develops its preference with base leadership for Sustainment, Restoration and Modernization (SRM), it will be communicated as necessary.
49.	Q:	If the Air Force requires oral presentations, is it required that the presenter use PowerPoint software, or may different presentation software also be acceptable?
	A:	Alternate software is acceptable; however, if using software other than PowerPoint please plan on bringing your own technology to the oral presentation to ensure the alternate software functions appropriately.
50.	Q:	Is there a capacity issue with providing utilities? If Kirtland is theoretically at its water use limit, what would happen to a developer or contractor who wants more for this project (same issue for sewage, electric, etc.)
	A:	There is a capacity limit to any utility depending on the development and growth within the installation or service area. Accurately predicting those factors over a 50 year period is difficult, if not impossible. Both the City of Albuquerque and Kirtland AFB have made great strides in energy conservation, and in recent terms overall utility consumption has remained level or been reduced. Therefore, there is currently adequate capacity to support development on the EUL site. With appropriate foresight and projections there appears to be capacity and capability to bring more utilities to this site, however, the successful offeror is solely responsible for obtaining and delivering all utilities to the site.
51.	Q:	The Industry Forum registrant contact list did not include phone numbers.
	A:	An updated attendee list has been posted to www.jllpress.com .
52.	Q:	Brent mentioned that contractor space is incorporated in the Battlespace Lab. Will those contractors be part of the Battlespace Lab or is that vacant space to be rented out?
	A:	The Battlespace Lab is coming from Hanscom AFB under BRAC 2005, bringing 250 people. Of those, approximately 50 personnel are existing contractors that are essentially integrated in the facility and organic to the organization.

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53.	<p>Q: On the issue of zoning, you said there were no inconsistencies between the base zoning and the city zoning. You also mentioned by 2008 legislation session, there will be some sort of transition. Please explain this further. Will the project be required to go through the city entitlement process?</p>
	<p>A: Currently Kirtland AFB is under exclusive federal jurisdiction. The only legislative body that can write law for Kirtland AFB is the US Congress. The Air Force does not believe that this jurisdiction is conducive to conducting business on this 92-acre EUL Asset. The Air Force is in the process of generating a change to concurrent jurisdiction meaning that both the State of New Mexico and relevant political subdivisions of the state would have the authority to enact and adopt law for that 92-acre parcel on Kirtland AFB. Federal jurisdiction would continue to apply to federal activities, while state jurisdiction would make state courts and laws available.</p> <p>If the retrocession goes through and is approved in 2008 as is the Air Force objective, then the new state and local zoning and planning regime would become effective. The Air Force anticipates that those activities which are already constructed and functioning will be grandfathered in under the new jurisdiction as the new zoning law will likely not be able to compel existing facilities to change. If construction is not complete or uses are not substantially approved by 2008, there may be zoning issues that the Lessee will need to address at that time. Similarly if there is a second phase of development after the retrocession, it is a likely possibility that such phase will have to go to the local authority.</p> <p>In order to limit complications Kirtland AFB has developed a master plan that it believes to be consistent with the mandates of the relevant civilian municipalities.</p>