Request for Offers to Lease
District of Columbia Property

Issued: May 12, 2014
Pre-Response Conference: May 30, 2014
Responses Due: June 20, 2014

Issued by:
The Government of the District of Columbia
Office of the Deputy Mayor for Planning and Economic Development
John A. Wilson Building
1350 Pennsylvania Ave NW Suite 317
Washington, D.C. 20004
www.dcbiz.dc.gov
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Section # 1: Overview and District’s Goal for this Solicitation

The District of Columbia, acting by and through the Office of the Deputy Mayor for Planning and Economic Development (the “District”) is seeking proposals (“Offers”) from food incubator operators, restaurateurs, and/or café owners (“Offerors”) interested in leasing 2,100 square feet of space in the St. Elizabeths East Gateway DC Pavilion.

Gateway DC is an innovative and aesthetically unique structure on the St. Elizabeths East Campus located at 2700 Martin Luther King Jr. Avenue SE and includes the following:

- 2,100 square foot leasable space for a food incubator, restaurant, or café
- 650 square foot multi-purpose room
- 17,000 square foot open air market
- Curbside area that accommodates up to 6-10 food trucks
- Rooftop amphitheater that accommodates over 1,000 individuals

REDEVELOPMENT OF ST. ELIZABETHS EAST

Gateway DC is the District’s first step towards realizing the redevelopment of the entire St. Elizabeths East Campus. At 183-acres, St. Elizabeths East is the largest remaining undeveloped parcel in the country’s top real estate market and has flexible new zoning in place for the creation of a 5 million square foot technology-focused community that will combine business, research, higher education and residential uses in a collaborative environment. For the redevelopment of the Phase I portion of the St. Elizabeths East Campus, a solicitation was released on March 31, 2014 and can be found on www.stelizabethseast.com. However, before the redevelopment of St. Elizabeths East is complete, Gateway DC is designed to serve food-driven interim uses and provide space for community events, including farmer’s markets, theater productions, pop-up retail, tech space and educational programming. The tenant of the Leasable Space is to be a part of the food-driven interim use and is to complement the other uses.

SITE LOCATION

St. Elizabeths East is located at 2700 Martin Luther King Jr. Avenue, S.E. in the Congress Heights neighborhood of Washington, D.C. It is adjacent to the Congress Heights Metrorail station and is easily accessible from I-295, I-395, and Suitland Parkway, linking it easily to the entire metro region. St. Elizabeths East’s Pavilion, Gateway DC, sits inside the St. Elizabeths East Campus and is directly across the street from the historic St. Elizabeths West Campus – the future home of the U.S. Department of Homeland Security’s (“DHS”) consolidated headquarters.

MARKET DEMAND

In the first six months of operations, Gateway DC has hosted over 10,000 visitors and serves as a major attraction to the Campus. Also, the new U.S. Coast Guard headquarters recently located at the St. Elizabeths West Campus and accommodates 3,700 employees – with a cafeteria that only services 300 individuals at a time. It is the first DHS component to open on the West Campus with more to follow, and so the demand for food and beverages is, and will be, high.
Section # 2: Lease Terms

In issuing this Request For Offers (“Solicitation”), the District seeks responses for the 2,100 square foot space identified on APPENDIX A as “Leasable Space”. The District will accept Offers for food and/or beverage retail use only. The District will not accept offers to lease the premises for a base term of less than five (5) years or more than ten (10) years. In addition to the base term, offers may include one (1) renewal option of no more than five (5) years. The District reserves the right to accept or reject any and all proposals.

The District offers the following lease incentives to prospective Offerors:

- Favorable rent terms, such as reduced rent for the first year of $1 per month
- Signage rights on the St. Elizabeths East Campus to drive customers to the location
- Financial assistance for build-out costs associated with the leasable space
- If needed, assistance with locating additional space for food incubator use

The leasable space does not have exhaust duct work to support a restaurant hood.

The Premises will be leased in an “AS-IS”, “WHERE-IS” condition with all faults, without any representations or warranties. Any initial tenant improvements or subsequent alterations to the Premises must be reviewed and approved by the District, in its sole and absolute discretion.

With the exception of costs to repair and maintain base building mechanical, electrical, and plumbing systems and the structural portions of the Premises, all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises shall be paid by the Offeror. Such costs, expenses and obligations include but are not limited to possessory taxes assessed against the Premises, water and sewer use fees, insurance premiums, utility expenses, and any and all costs of operating, maintaining, repairing or replacing all or any portion of the Premises, including all capital expenditures as well.

Section # 3: Information to Include in Submitted Offers

An Offer shall be in a narrative form responding to each Offer Criterion in this Section # 3. An Offer must be submitted timely and comply with the terms of this Solicitation.

OFFER CRITERION #1: PROPOSED USE AND BUSINESS PLAN

Proposed Use
Describe what type of business the Offeror plans to operate. For the sake of this solicitation, the District will accept Offers for single-use operations as well as food incubator concepts. The District will only accept Offers for food and/or beverage retail. If the proposed use requires a kitchen and restaurant hood, the Offeror should thoroughly review the specifications for the space and include a space-use plan for the proposed use.

Business Plan
Describe what the Offeror envisions the space to look like when fully built-out. Provide detailed build-out costs and the amount of financial assistance sought, if any, from the District for such tenant-improvements. It must be noted that financial assistance from the District should be minimized and preference will be given to Offers with lower proposed amounts. Offerors proposing a food incubator should detail additional space needs, if any. All Offerors should also describe how the proposed use will benefit the community as well as the Gateway DC customer base, which may include offerings that fulfill unmet demand, local job openings or other
similar economic benefits. Proposed operating hours for the business, and an estimate (in months) for how long it will take to ready the space and open for business should also be provided. Preference will be given to entities that can open by the Fall of 2014.

If selected, the Offeror will be required to hire District residents and use Certified Business Enterprises (“CBE”) in the contracting opportunities derived from the construction and use of District-controlled property, as required under DC Official Code § 2-219.03(f) and D.C. Official Code §§ 2-218.01 et seq. Within their responses, Offerors are encouraged to incorporate their plans to address: (1) Employment and/or business opportunities for DC residents and businesses, particularly from Wards 7 and 8; (2) Opportunities for District neighborhood-based business to participate in the project, if any; and (3) internship opportunities for local Ward 8 students. For detailed information on local hiring requirements and CBE utilization please refer to Section 6.

OFFER CRITERION #2: OFFEROR QUALIFICATIONS

Experience
An Offer must include a narrative description of the Offeror’s prior experience in operations similar to the proposed use and shall include resumes for key personnel who will be involved with the business.

Financial Capacity
Offerors must describe and demonstrate their financial capacity to pay all costs, including, without limitation, rent, the Offeror’s portion of build-out costs, furniture, equipment, fixtures, as well as other costs of doing business, such as franchise fees and other business taxes and any necessary licenses, permits or registrations. To this end, Offerors shall submit the following:

- Sources and Uses Fund Statement
  Offerors should provide a “Sources and Uses Fund Statement”. This statement should provide an account of where the Offeror will obtain funding for the business and what anticipated expenditures will be incurred during the start up (including construction and tenant build out costs). If the Offeror plans to obtain debt financing, it should provide copies of commitment letters from the lender(s).

- Financial Statements
  Offerors should provide the following financial statements:
  a) Federal Tax Returns for the past two years.
  b) DC or State Tax Returns for the past two years.
  c) Certified or Audited Financial Statements for the past two years, if available.

  The above financial statements should be for either an existing business operation or, if none, then the Offeror’s individual financial statements. If the Offeror will be a business partnership with more than one principal, then financial statements must be provided for all principals.

The District reserves the right to request additional financial information, in its sole discretion.

Offeror Identification Information
Offerors must provide the following information to the District:

- Contact Information: Offeror’s full address and contact information.
- Certificate of Good Standing (DC): A Certificate of Good Standing which demonstrates the individual and/or business has no outstanding tax liability with the District of Columbia. A Certificate of Good Standing may be obtained by contacting the District’s Office of Tax and Revenue at (202) 727-4829 or at the following website: http://otr.cfo.dc.gov/otr/cwp/view,A,1329,Q,637465.asp
• Business License: If currently operating in the District, a copy of the Offeror’s business license(s) given that it is relevant to the proposed operation.
• District Resident Status: Offerors should indicate if, and to what extent, the principals and key personnel are District residents. District residency will receive a preference over non-District residents.

OFFER CRITERION #3: FINANCIAL OFFER
Offerors submitting an Offer must submit a financial offer which includes the following components: length of base lease term, length of option term (if any), annual base rent, and annual base rent escalations. An Offer which does not include these components will be deemed an “Unresponsive Offer”.

As described below in Section # 5 (“Selection and Negotiation”) and #6 (“Reservation of Rights and Miscellaneous Provisions”), the District reserves the right to negotiate final terms and conditions based on the totality of the financial and other terms in the Offer.

OFFEROR CRITERION #4: REQUEST FOR FINANCIAL ASSISTANCE
The District has identified grant funds appropriated pursuant to the Economic Development Special Account Revival Amendment Act of 2012, effective September 20, 2012 (D.C. Act 19-168; D.C. Official Code Section 2-1225.21) and the Great Streets Neighborhood Retail Priority Area Congressional Review Emergency Amendment Act of 2013, effective October 17, 2013 (D.C. Act 20-204; D.C. Official Code Section 2-1217.71 et seq.), that may be used to provide financial assistance for the initial construction and equipment costs of an Offeror selected under this Solicitation.

Offerors seeking financial assistance to cover initial construction costs, should provide the following information:

1) Estimates of build-out of new improvements and equipment;
2) Estimates from construction contractors supporting the estimate of total construction costs; and
3) Percentage of construction costs for which financial assistance is sought.

Financial assistance shall be limited to costs associated with initial capital improvements. No funds will be available to assist with operational expenses, including, without limitation, staff and overhead costs; financing of debt; merchandise; product inventory; rent; payroll; day-to-day operational costs (e.g. utilities, taxes, maintenance, refuse, etc.), moving expenses; or consulting fees. Any financial assistance granted to the selected Offeror will be governed by a grant agreement.

Section # 4: Submission Requirements

All Offers shall adhere to the following formatting requirements:
• Page Limit: Offers should not exceed twenty-five (25) pages.
• Copies: Offerors should provide two (2) hard copies and one (1) electronic copy on either a USB flash drive or on a CD in searchable PDF and Excel format.
• Pre-Response Conference & Site Tour: To assist Offerors seeking to respond to this RFO, a Pre-Response Conference and Site Visit will be held.
  Date: May 30, 2014
  Time: 1PM
  Location: Gateway DC, 2700 Martin Luther King Jr. Avenue, SE, Washington D.C. 20032
Section # 5: Selection Process

ANTICIPATED DATES
The District will endeavor to follow the timetable set forth below. However, this timetable is a guideline only and is subject to change in the District’s sole discretion.

- May 12, 2014: Solicitation issued
- June 20, 2014: Submission Deadline
- July 25, 2014: Selection of Offeror

SELECTION AND NEGOTIATION
The District will evaluate all proposals based on the responses to the Offer Criteria in Section # 3. The Offer Criteria will be weighted as follows for evaluation purposes:

| OFFER CRITERION # 1: PROPOSED USE and BUSINESS PLAN | 30.00% |
| OFFER CRITERION # 2: OFFEROR QUALIFICATIONS | 30.00% |
| OFFER CRITERION # 3: FINANCIAL OFFER | 15.00% |
| OFFER CRITERION # 4: REQUEST FOR FINANCIAL ASSISTANCE | 25.00% |
| Total | 100.00% |

Only Responsive Offers will be evaluated. The District will determine, in its sole discretion, whether each Offer received in response to this solicitation is a Responsive Offer.

A Selection Panel may be established to review and evaluate the Offers. The composition of the Selection Panel will be determined by the District, in its sole discretion. In addition, the Selection Panel may consult with professional outside consultants for technical assistance in the District’s sole discretion.

The Selection Panel will select, in its sole and absolute discretion, one or no Responsive Offer. Upon completion of the review and selection processes, the selected Offeror will be notified, if any. If one Offeror is thereby chosen, the parties shall proceed to negotiate final terms consistent with the selected Offeror’s proposed terms. If the District and the selected Offeror are unable to agree on the final lease within sixty (60) days of the receipt by Offeror of the selection letter, the District, in its absolute and sole discretion, may terminate negotiations and (i) select a different Offeror that responded to the solicitation; (ii) re-issue the solicitation; or (iii) take such other measures as it deems reasonable, appropriate, and/or necessary.

UPDATES AND MODIFICATIONS
The District shall post on the website www.stelizabethseast.com any notices or information regarding cancellations, withdrawals, or modifications to this solicitation. Offerors shall have an obligation to check the
website for any such notices and information, and the District shall have no duty to provide direct notice to Offerors.

**NEGOTIATION OF RENTAL AGREEMENT AND GRANT AGREEMENT**

If one Offeror is thereby chosen for commencement of negotiations, the selected Offeror may be requested by the District to proceed to negotiate a lease agreement and, if the District elects to provide financial assistance, a grant agreement. If the District and selected Offeror are unable to execute a lease agreement within one hundred and twenty (120) days, the District, in its absolute and sole discretion, may terminate negotiations and select a different Offeror who responded to the RFO; re-issue the RFO; issue a modified RFO, or take such other measures as it deems reasonable, appropriate, or necessary. All costs incurred by the Offerors in responding to this RFO and in performance of due diligence and predevelopment work shall be at Offerors’ sole cost and expense. Under no circumstances shall the District be responsible for the reimbursement of any such costs.

The District, through the Office of the Deputy Mayor for Planning and Economic Development (“DMPED”), and the selected Offeror will negotiate a lease agreement (and, if applicable, a grant agreement) which shall incorporate the requirements contained in this RFO and such other terms as may be required by DMPED or may be agreed to by DMPED and the selected Offeror.

**POST-SELECTION DUE DILIGENCE**

Following receipt of notification from the DMPED of the selection, the selected Offeror shall execute a right of entry agreement with the District to allow the selected Offeror to begin due diligence and studies on the property.

**Section # 6: Reservation of Rights and Miscellaneous Provisions**

The District reserves the right to:

- Cancel or withdraw the solicitation at any time prior to or after the submission deadline;
- Require oral presentations by Offerors to the Selection Panel;
- Select a short list of Offerors and require additional information from the short-listed Offerors or that they modify their Offers or provide a “Best and Final Offer” for the District’s review;
- Enter into exclusive negotiations with one or more selected Offeror(s) without requesting more detailed information or selecting a short list of Offerors;
- Request more detailed information leading to a final Offeror(s) selection;
- Modify or issue clarifications to the solicitation prior to the submission deadline;
- Reject any submission it deems incomplete or unresponsive;
- Reject all submissions that are submitted under the solicitation;
- Consider one or more Offers that are noncompliant with the Solicitation requirements;
- Modify the deadline for submissions or other actions;
- Reissue (i) the solicitation, (ii) a modified solicitation, or (iii) a new solicitation or request for offers whether or not any submissions have been received in response to the initial solicitation issuance;
- Enter into negotiations with one or more Offerors based on Offers submitted in response to the Solicitation.
- Take no action on the Offers received.
- Select an Offeror without providing financial assistance.

The District may exercise one or more of these rights, in its sole discretion, as it deems necessary, appropriate, or beneficial to the District.
CHANGE IN OFFEROR INFORMATION
If information provided in a submission changes (e.g., change or addition to any of the Offeror’s team members or new financial information), the Offeror shall provide updated information in the same format for the appropriate section of the solicitation and the District may consider the modified submission.

OWNERSHIP AND USE OF SUBMISSIONS
All submissions shall be the property of the District. The District may use any and all ideas in any submission, whether the submission is selected or rejected. No Offeror shall be entitled to compensation or reimbursement of costs in connection with its submission of an Offer in response to this solicitation.

FURTHER EFFORTS
The District may request that Offerors clarify their submissions and/or submit additional information pertaining to their submissions. The District may request best and final submissions from any Offeror and/or request an oral presentation from any Offeror.

RESTRICTED COMMUNICATIONS
Upon release of this solicitation and until the end of the notification period set forth in Section 5, above, potential Offerors shall not communicate with the District, or other District staff about the solicitation or issues related to the solicitation except as authorized in this solicitation or in public meetings called in connection with this solicitation.

CONFIDENTIALITY
Submissions and all other information submitted in response to this solicitation are subject to the District’s Freedom of Information Act (D.C. Official Code § 2-531 et seq.) (“FOIA”), which generally mandates the disclosure of documents in the possession of the District upon the request of any person, unless the content of the document falls within a specific exemption category. An example of an exemption category is “trade secrets and commercial or financial information obtained from outside the government, to the extent that disclosure would result in substantial harm to the competitive position of the person from whom the information was obtained.” If an Offeror provides information that it believes is exempt from mandatory disclosure under FOIA (“exempt information”), the Offeror shall include the following legend on the title page of the submission:

THIS OFFER CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE DISTRICT’S FREEDOM OF INFORMATION ACT

In addition, on each page that contains information that the Offeror believes is exempt from mandatory disclosure under FOIA, the Offeror shall include the following separate legend:

THIS PAGE CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE DISTRICT’S FREEDOM OF INFORMATION ACT

On each such page, the Offeror shall also specify the exempt information and shall state the exemption category within which it believes the information falls.

Although the District will generally endeavor not to disclose information designated by the Offeror as exempt information, the District will independently determine whether the information designated by the Offeror is exempt from mandatory disclosure. Moreover, exempt information may be disclosed by the District, at its discretion, unless otherwise prohibited by law, and the District shall have no liability related to such disclosure.

NON-LIABILITY
By participating in the solicitation process, the Offeror agrees to hold the District, its officers, employees, agents, representatives, and consultants harmless from all claims, liabilities, and costs related to all aspects of this solicitation.

**BROKERS AND BROKERAGE FEES**
Offeror will be responsible and shall pay for any and all commission or fees due to Offeror’s broker, if any, pursuant to a separate agreement. The District does not offer, nor will it provide any broker compensation, commission or fee.

**SELECTION NON-BINDING**
The selection by the District of an Offeror does not constitute a commitment by the District to execute a final agreement or contract with the Offeror.

**FIRST SOURCE**
Pursuant to Mayor’s Order 83-265, D.C. Law 5-93, as amended, and D.C. Law 19-24, as codified in D.C. Official Code § 2-219.01 et seq., Offerors recognize that one of the primary goals of the District of Columbia government is the creation of job opportunities for District of Columbia residents.

Accordingly, the Offeror selected by the District to negotiate a lease shall enter into a First Source Agreement with the Department of Employment Services ("DOES") that shall, among other things, require the Offeror to: (i) use diligent efforts to hire and use diligent efforts to require its architects, engineers, consultants, contractors, and subcontractors to hire at least fifty-one percent (51%) District of Columbia residents for all new jobs created by the development project, all in accordance with such First Source Employment Agreement and (ii) use diligent efforts to ensure that at least fifty-one percent (51%) of apprentices and trainees employed are residents of the District of Columbia and are registered in apprenticeship programs approved by the D.C. Apprenticeship Council as required under D.C. Official Code §§ 32-1401 et seq and DCMR §§ 7-1100. Nonprofit organizations with 50 employees or less may be exempt from First Source hiring requirements. See Official Code § 2-219.03(f).

**CERTIFIED BUSINESS ENTERPRISES**
The Offeror selected by the District to enter into a lease shall enter into a Certified Business Enterprise ("CBE") Agreement with the District’s Department of Small and Local Business Development (“DSLBD”). Pursuant to D.C. Official Code §§ 2-218.01 et seq and DCMR §§ 27-800 et seq., the selected Offeror will enter into an agreement that shall require the Offeror to contract with Certified Business Enterprises for at least 35% of the contract dollar volume of the project, and, unless exempted by law, shall require at least 20% equity and 20% development participation of Certified Business Enterprises. Pursuant to D.C. Official Code §2-218.49a(d), if the entity that controls the development project is an entity tax-exempt under 26 U.S.C.S. § 501(c), or other not-for-profit entity, such entity is exempt from the equity and development participation requirements set forth in D.C. Official Code § 2-218.49a. Offerors are encouraged to exceed the District’s CBE participation requirements. Please contact Tabitha McQueen at DSLBD at 202.727.3900 for more information.

**OFFERORS COSTS**
Offerors shall be solely responsible for all costs associated with its preparation of its Offer and, if selected, the costs incurred in negotiating its agreement(s) with the District. Unless the District agrees to provide financial assistance (which shall be determined in the District’s sole discretion), Offerors shall also be solely responsible for funding pre-development and all other project development costs. Offerors shall also be responsible for all costs related to obtaining necessary
permits, approvals, clearances, and licenses at the appropriate time. The District will not waive or abate any District fees.

NO CONFLICTS OF INTEREST
By submitting an Offer, the Offeror represents and warrants the following to the District.

- The compensation to be requested, offered, paid or received in connection with this solicitation has been developed and provided independently and without consultation, communication or other interaction with any other competitor for the purpose of restricting competition related to this solicitation or otherwise.
- No person or entity employed by the District or otherwise involved in preparing this solicitation on behalf of the District (i) is affiliated with or employed by or has any financial interest in any potential Offeror, (ii) has provided any assistance to potential Offeror in responding to this solicitation, or (iii) will benefit financially if any Offeror is selected in response to this solicitation.
- The Offeror has not offered or given to any District officer or employee any gratuity or anything of value intended to obtain favorable treatment under this solicitation or any other solicitation or other contract, and Offeror has not taken any action to induce any District officer or employee to violate the rules of ethics governing the District and its employees. Offeror has not and shall not offer, give or agree to give anything of value either to the District or any of its employees, agents, job shoppers, consultants, managers or other person or firm representing the District, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing. Any such conduct shall be deemed a violation of this solicitation. As used herein, "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by this solicitation, if any, or any other contract with the District), etc., which might tend to obligate a District employee to Offeror, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include work or services rendered pursuant to any other valid District contract.

ON-GOING REPORTING
Offeror shall report to the District directly and without undue delay any information concerning conduct which may involve:

- Corruption, criminal activity, conflict of interest, gross mismanagement or abuse of authority; or
- Any solicitation of money, goods, requests for future employment or benefit of thing of value, by or on behalf of any government employee, officer or public official, any Offeror’s employee, officer, agent, subcontractor, labor official, or other person for any purpose which may be related to the procurement of the RFO by Offerors, or which may affect performance in response to the RFO in any way.

LIMITATIONS ON RFO
This RFO is not intended, nor shall it be deemed or construed, as a request for offers for services or offer to convey the any portion of St. Elizabeths East Campus to the Offeror for a period in excess of twenty years. The District is prohibited by law from entering into contracts for services without following the procedures set forth in the Procurement Practices Act, D.C. Official Code §§ 2-301.01 (2007 Repl.) et seq., and all financial obligations of District or any subsequent agreement entered into by the parties are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349, 1350, and 1351; (ii) the D.C. Official Code § 47-105; (iii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 et seq., as the foregoing statutes may be amended from time to time; (iv) § 446 of the District of Columbia Home Rule Act, and (v) other applicable Federal and District law. Under no circumstance shall Offeror be entitled to
reimbursement from District for any activities permitted by this RFO or the rental agreement unless the District expressly in writing commits to provide financial assistance to the Project.