

**5107, 5109, 5111, 5113, 5121, 5123, 5125 Market Street Request for Proposals (RFP) – Q&A**

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**Q1. P. 2, Section VI. A. 1 of RFP:**

- ***“Purchase Price – A lump sum offer price is required. Proposals that seek nominal consideration or a development subsidy will not be considered.”***
  - **What is considered “nominal”?**
  - **Can we find out the price ranges of previous lot sales executed @ the Land Bank?**

- A1. - Nominal pricing is discussed on page 7 of the Disposition Policies; however, the Land Bank will not consider nominal pricing for the purposes of this RFP. Each applicant is expected to submit a proposal based on their estimate of fair market value. It is up to the applicant to engage in their own research to determine an appropriate and competitive bid price.
- This information can be seen in Attachment A: Disposition Report.

**Q2. P. 3, Section VI. C. 1 of RFP:**

- ***“Predevelopment Schedule- Include a schedule listing important milestones and dates, beginning with due diligence activity (no more than 45 days); signing the Purchase and Development Agreement; securing all required approvals, permits, and financing commitments; and an anticipated settlement date.”***
  - **Are the tasks under the predevelopment schedule counted in the 24 month development completion requirement period?**

- A2. - Yes. The pre-development tasks listed above must be completed within the 24 month development period and are generally completed prior to settlement.

**Q3. P. 4, Section VI. E of RFP:**

- ***“Submissions must provide documentation of availability of funds in an amount no less than the total development cost of the project. All lending institutions must be acceptable to the Land Bank and demonstrate the capability and commitment to provide the financing required to successfully complete the proposed development project.”***
  - **How are we supposed to get a commitment for a construction loan from a bank now when we don't even own the property**

A3. - It is standard practice for financial institutions to issue a letter of intent, a commitment, or other conditional financing terms to demonstrate that the borrower has met certain preliminary qualifications. We understand that such a commitment may be subject to formal underwriting standards by the issuing financial institution.

**Q4. P. 6, Section VIII of RFP:**

- ***“The Land Bank will initially review the proposals to determine compliance with the requirements of this RFP including, without limitation, the Proposal Submission Requirements in Section VI. Only complete, timely submitted proposals that are in compliance with the requirements of this RFP will be considered for evaluation.”***

- **Will be notified if we’ve made it past this stage? If so, when?**

A4. - Yes; applicants that are determined to be in compliance with the requirements of the RFP will be notified on or before September 3, 2018.

**Q5. P.7, Section IX. 2 of RFP:**

- ***“Identification and documentation evidencing proposed sources of funds needed to undertake and complete the proposed development in a timely manner.”***
  - **How detailed does this need to be? Will a commitment letter from a private investor / private lender suffice?**

A5. - For Cash/Developer Equity, the following is required: Bank/Financial Account Statements for the 3 most recent consecutive months available. The account statements must include the following, at a minimum:

- Name of the Financial Institution where the account is held and the account number (minimum last four digits visible)
- Name of the applicant or business/legal entity as the account holder
- Dates of the statement period
- Period beginning and ending balances

For third-party financing, the following information is required:

Pre-Approval, Pre-Qualification, Letter of Intent, or Commitment Letter that includes the following, at a minimum:

- Dated within the last 30 days
- Financial Institution Letterhead
- Name of the Financial Institution providing the financing
- Name of the Applicant or Business/Legal Entity
- The amount of financing in U.S. dollars being extended to the applicant
- The terms of financing, including the program/repayment period, interest rate, fees, and any contingencies
- Name, title, signature, and contact info of the authorized individual at the Financial Institution issuing the financing

Pursuant to pages 11 and 12 of the RFP, the Land Bank reserves and may exercise, in its sole and absolute discretion, the right at any time and without notice to any applicant to request one or more applicants to

provide additional material, clarification, confirmation, or modification of any information in any and all proposals.

**Q6. P.8, Section IX. 6 of RFP:**

- ***“The Land Bank requires proposals that seek to develop all of the Development Site in a comprehensive manner.”***
  - **What does this / “comprehensive” mean? The 7 parcels in the RFP are not contiguous.**
  - **Will the Land Bank help us obtain the other parcels on the block through Eminent Domain so that we can develop the site in a comprehensive manner?**

- A6. - In this context, comprehensive means that all properties included in the RFP must be developed in a complete, inclusive, and thorough manner in accordance with the RFP and the Purchase and Development Agreement.
- The Land Bank does not obtain properties through eminent domain.

**Q7. P.8, Section IX. 8 of RFP:**

- ***“Firms must complete the “City of Philadelphia Economic Opportunity Plan” form (Exhibit C). Baseline goals established by the City are (i) 18% MBE and 7% WBE or (ii) 15% MBE and 10% WBE; however, the Land Bank encourages applicants to seek the highest levels of M/W/DBE attainment that is reasonably feasible.”***
  - **How is this % measured? In terms of \$ amount or hours worked or # of minority contractors used on the project?**
  - **Do these have to be CERTIFIED minority / women-owned? A lot of the subcontractors we work with are minority-owned, but don’t have the official certifications. Will helping them get certified during the project period count towards this goal?**
  - **If a firm is both MBE & WBE, does it get counted towards both % goals set by the City / can you only count towards 1 of the 2 (either MBE or WBE)?**
  - **Does the fact that we / the applicant / respondent to this RFP are minority owned count towards this goal?**

- A7. - An answer to this question will be posted no later than the close of business on Tuesday, August 7, 2018

**Q8. What happens if the project gets delayed / takes > than 24 months to complete?**

- A8. - Any delays may constitute an Event of Default and entitle the Land Bank to exercise any rights and remedies in the Purchase and Development Agreement.

**Q9. P. 9, Section X of RFP:**

- ***“GROUNDWATER TESTING WILL NOT BE PERMITTED AT ANY TIME PRIOR TO SETTLEMENT.”***
  - **Why not? How can you not allow this – we could end up buying a Superfund site that requires millions of \$ to clean up!**
  - **Has there been any environmental studies done on the property?**
    - **If so, can we have a copy?**
    - **If not, can we delay the start date / completely back out of the deal should a Phase 2 report / environmental clean-up become necessary?**

- A9. - Such testing is not permitted because the Premises is being offered in its as is, where is condition, with all faults as stated in the RFP.  
- To the Land Bank's knowledge and belief, there have not been any environmental studies prepared in connection with the Premises .

**Q10. P. 11, Section X of RFP:**

- ***“Any entry upon any portion of the Development Site will require that the applicant's contractors and subcontractors enter into a license agreement as provided by the Land Bank, which will require a security deposit.”***
  - **What does this mean? Is this prior to settlement?**

- A10. - Due to the vagueness of this question, we are unable to formulate a response.  
- This applies prior to settlement while the Premises is still under the Land Bank's ownership. Any entry or access to the Premises by any party is subject to the Land Bank's approval, which may be withheld, conditioned or delayed in the Land Bank's sole and absolute discretion.

**Q11. P. 12, Section X of RFP:**

- ***“in the event a contract is awarded, all applicants agree that no portion of performance of the contract shall be subcontracted without the prior written approval of the Land Bank”***
  - **What does this mean? Why do we need approval for subcontractors?**
  - **How long will this approval process take? Does this count (approval time) within the 24 month required project completion period?**

- A11. - This is a typographical error and was not intended to be included in the RFP.

**Q12. P. 12, Section X of RFP:**

- ***“NOTICE: The Philadelphia Land Bank is subject to the Pennsylvania Right to Know Law. Any information provided in your response to this Request for Proposals may be subject to disclosure to the public.”***
  - **Will the financial information we submit be kept confidential & private?**
  - **Using this law, can we obtain a copy of a previously successful response to a Land Bank RFP to see how these things are supposed to be put together?**

- A12. To the extent allowed under the Right to Know Law, the Land Bank will seek to keep financial information confidential.  
- Each RFP is different so in order to determine how an RFP should be put together it is best to follow the RFP to which you are applying. If you seek a copy of a previously successful response, please submit a formal request under the Right to Know Law.

**Q13. P. 13, Section XII. 10 of RFP:**

- ***“Review of the completed development by the Land Bank to determine compliance with the Purchase and Development Agreement. If the development is found to be in compliance with the Purchase and Development Agreement, the Land Bank issues a Certificate of Completion and the deposit is returned as more specifically set forth in the Purchase and Development Agreement.”***
  - **What does this mean?**

- **What happens if the development is found NOT to be in compliance with the Purchase & Development agreement?**

A13. - Due to the vagueness of this question, we are unable to formulate a response.  
- Any non-compliance may constitute an Event of Default and entitle the Land Bank to exercise any rights and remedies in the Purchase and Development Agreement.

**Q14. P. 1 of City of Philadelphia Economic Opportunity Plan:**

- ***“(Diversity Practices Statement)”. This statement, included as Attachment “A” to this Plan, identifies and describes Purchaser’s processes used to develop diversity at all levels of Purchaser’s organization including, but not limited to, board and managerial positions. This Diversity Practices Statement summarizes Purchaser’s strategic business plans specific to its current or past practices of M/W/DSBE utilization on its government and non-government projects and procurement activities. Purchaser further agrees to identify any “Equity Ownership” held in connection with this Project which shall mean the percentage of beneficial ownership in the Purchaser’s organization or development team that is held by minority persons, women and disabled persons.”***
  - **What does this mean? Does minority “Equity Ownership” count even though the subcontractor is not officially MBE or WBE-certified?**
  - **Does the fact that we, the RFP respondent, are minority-owned, though not officially MBE-certified, count?**

A14. - An answer to this question will be posted no later than the close of business on Tuesday, August 7, 2018.

**Q15. P. 1 of Exhibit D:**

- **For the applicant information / name, do we fill out our personal name or the company under which we are applying for the RFP?**
- **For the List of Property Addresses, are we filling out the addresses contained in the RFP or addresses in our portfolio – if this is the case, are we talking about addresses owned under our personal name or the company under which we are applying for the RFP?**

A15. - Fill out your personal name in the Applicant field and business name in the Business Entity field.  
- Use the addresses included in this RFP for List of Property Addresses (5107, 5109, 5111, 5113, 5121, 5123, and 5125 Market Street).

**Q16. P.3 of Exhibit D:**

- ***“Applicant must demonstrate financial wherewithal and development capacity to carry out proposed redevelopment of the property. Applicant must provide documentation of available funds in an amount no less than bid amount plus the rehabilitation cost.”***
  - **How are we supposed to get a commitment for a construction loan from a bank now when we don’t even own the property?**
  - **How detailed does this need to be? Will a commitment letter from a private investor / private lender suffice?**
- ***“Acceptable documents include current bank statements, letter of available credit or capital from investor or financial institution, and/or other evidence of financial capacity.”***
  - **Will the financial information we submit be kept confidential & private?**

- A16. - See response to Q3.  
- See response to Q5.  
- See response to Q12.

**Q17. Application Checklist, P. 5 of Exhibit D:**

- **Why are Project Plans & Documentation of Committed Funds checked & the other items on the list unchecked?**
- **Completed and Signed Property Application Form**
  - **What / where can we find this?**
- **Audited Financial Statements**
  - **Is this required?**

- A17. - The checked boxes are a formatting error.  
- The Property Application Form can be found in Exhibit D.  
- Audited financial statements are generally not required. Pursuant to pages 11 and 12 of the RFP, the Land Bank reserves and may exercise, in its sole and absolute discretion, the right at any time and without notice to any applicant to request one or more applicants to provide additional material, clarification, confirmation, or modification of any information in any and all proposals.

**Q18. P. 4 of Exhibit F:**

- **Real Estate Owned by Taxpayer**
  - **Does this refer to real estate owned by the individual taxpayer, or the LLC under which the taxpayer is responding to the RFP with, or other LLCs that the taxpayer owns but is not responding to the RFP with?**

- A18. - This refers to real estate owned by the individual taxpayer, the LLC under which the taxpayer is responding to the RFP, and all real estate owned by the individual owners of the LLC.

**Q19. P. 4, Section III 3.01 of Exhibit H:**

- ***"Title. The Land Bank has acquired or shall acquire title to the Premises. Subject to the terms and conditions of this Agreement, the Land Bank shall convey the Premises to Developer by special warranty deed (the "Deed"). Title shall be insurable at regular rates by any reputable title insurer licensed in the Commonwealth, but shall nonetheless be subject to (i) all easements, covenants, agreements, restrictions, and other matters of record; (ii) such facts or conditions that an inspection or accurate survey would disclose; (iii) all laws, ordinances, rules, and regulations; and (iv) Commonwealth inheritance tax liens. The Deed shall be subject to the terms, provisions, obligations, covenants, and conditions of this Agreement. This Agreement shall be recorded in the City Department of Records before recordation of the Deed."***
  - **What does this mean? Will the title be free & clear (of all debts / claims / liens etc.)?**

- A19. - Due to the vagueness of this question, we are unable to formulate a response. Furthermore, the interpretation of any legal agreement should be done by a licensed attorney.

**Q20. P. 4, Section IV 4.01 of Exhibit H:**

- ***“Settlement. Developer shall take title to the Premises in accordance with this Agreement on the Settlement Date, but no later than the Settlement Deadline. Settlement will be held at the office of the Land Bank or such other place as the Land Bank may reasonably designate.”***
  - **What is the difference between Settlement Date & Settlement Deadline?**
  - **When is the Settlement Deadline?**

A20. - Settlement Date and Settlement Deadline are defined in the Purchase and Development Agreement (Exhibit H). The interpretation of any legal agreement should be done by a licensed attorney.

**Q21. P. 5, Section IV 4.03 of Exhibit H:**

- ***“Waiver of Formal Tender. The parties hereby waive tender of the Deed and the Purchase Price, but nothing herein contained shall be construed as a waiver of Land Bank's obligation to deliver the Deed or of the concurrent obligation of Developer to pay the Purchase Price at Settlement.”***
  - **What does this mean (especially section underlined)?**

A21. - Due to the vagueness of this question, we are unable to formulate a response. Furthermore, the interpretation of any legal agreement should be done by a licensed attorney.

**Q22. P. 5, Section VI of Exhibit H:**

- ***“Performance Deposit. Within five (5) days after the Delivery Date, Developer will provide the Land Bank with the Deposit. The Deposit will secure performance of the Developer’s obligations under this Agreement. The Land Bank shall be under no obligation, but shall have the right, in its sole and absolute discretion, to place the Deposit in an interest bearing account. Any interest earned on the Deposit shall be retained by the Land Bank as property of the Land Bank. After issuance of a Certificate of Completion, the Land Bank shall use the Deposit to record the Certificate of Completion, and promptly return the balance of the Deposit, without interest, to the Developer on the condition that there is no uncured Event of Default. Notwithstanding any provision of this Agreement to the contrary, Developer's failure to timely pay the Deposit shall be an Event of Default and shall give the Land Bank the right to terminate this Agreement without notice to Developer or opportunity to cure.”***
  - **Is the performance deposit to be paid in addition to the purchase price?**
  - **If so, how much is required for the performance deposit?**

A22. - Yes, the performance deposit is in addition to the purchase price.  
- A deposit of 10% of the overall bid price is required at the time of application.

**Q23. P. 6, Section VII 7.02(b) of Exhibit H:**

- ***“Developer has obtained all Required Approvals;”***
  - **Does this include building permits?**
  - **If so, does this mean that once we settle, construction can immediately begin?**

A23. - Yes, this includes building permits.  
- Construction begins after settlement, but only when (i) Developer has obtained all Required Approvals and all other permits, licenses, approvals, and variances required by any governmental or quasi-governmental entity; (ii) Developer has attended a pre-construction meeting with the Land Bank; and (iii) the Land Bank has provided a notice to proceed.

**Q24. P. 11, Section IX 9.09 of Exhibit H:**

- ***“Neither Developer nor any of Developer's contractors, subcontractors, or agents are permitted to access, enter upon, or perform any activities on the Premises prior to Settlement unless they have (i) obtained approval from the Land Bank, which approval may be granted, withheld, or conditioned, in the Land Bank's sole and absolute discretion; and (ii) entered into a license agreement with the Land Bank in form and substance acceptable to the Land Bank in its sole and absolute discretion.”***
  - **Are we not allowed to enter the site to conduct an environmental study (Phase 1 or 2) prior to deciding to enter into settlement?**
  - **Can we back out of the RFP / settlement & obtain a full refund if the environmental study turns up positive / requires an environmental clean-up?**

A24. - The developer may conduct a Phase I environmental study, but without access to the Premises. A Phase I does not require access to the Premises. A Phase II will not be permitted because it is an invasive study. The Premises is being offered in its as is, where is condition, with all faults as stated in the RFP and, as such, invasive studies are not permitted.  
- As stated above, invasive studies are not permitted. The Developer’s failure to complete settlement may constitute an Event of Default and entitle the Land Bank to exercise any rights and remedies in the Purchase and Development Agreement.

**Q25. P. 13, Section XI 11.02(b) of Exhibit H:**

- ***“Developer shall meet with the Division of Housing and Community Development’s (“DHCD”) Compliance Unit, to set M/W/DSBE as well as Workforce Development goals prior to submitting the EOP. Agreed upon goals will then be submitted to the Office of Economic Opportunity (“OEO”) for signature by the DHCD Compliance Unit.”***
  - **This takes place only if we’ve been selected & after settlement, correct?**

A25. - An answer to this question will be posted no later than the close of business on Tuesday, August 7, 2018

**Q26. P. 14, Section XIII 13.01 of Exhibit H:**

- ***Event of Default***
  - **Though not specifically listed as a condition of default, what happens if the project takes longer than 24 months to complete?**

A26. - See response to Q8.

**Q27. P. 16, Section XIII 13.05(B) of Exhibit H:**

- ***“DEVELOPER RELEASES ALL PROCEDURAL ERRORS AND DAMAGES ARISING OUT OF PROCEDURAL ERRORS. NO SINGLE EXERCISE OF THE FOREGOING WARRANT SHALL BE DEEMED TO EXHAUST THE POWER, WHETHER OR NOT ANY SUCH EXERCISE SHALL BE HELD BY ANY COURT TO BE INVALID, VOIDABLE OR VOID, BUT THE POWER SHALL CONTINUE UNDIMINISHED AND MAY BE EXERCISED AT ANY TIME AND FROM TIME TO TIME AS OFTEN AS THE LAND BANK, THE LAND BANK’S SUCCESSORS OR ASSIGNEES SHALL ELECT, UNTIL ALL OBLIGATIONS UNDER THIS AGREEMENT HAVE BEEN SATISFIED.”***
  - **What does this mean?**



- A27. - Due to the vagueness of this question, we are unable to formulate a response. Furthermore, the interpretation of any legal agreement should be done by a licensed attorney.
- Q28. P. 19, Section XIV 14.11 of Exhibit H:**
- ***“Merger. None of the terms, provisions, obligations, covenants, or conditions of this Agreement shall be deemed or are intended to merge with the Deed or any subsequent deed and the Deed and any subsequent deed shall not be deemed to affect or impair the terms, provisions, obligations, covenants, and conditions of this Agreement.”***
    - **What does this mean?**
- A28. - Due to the vagueness of this question, we are unable to formulate a response. Furthermore, the interpretation of any legal agreement should be done by a licensed attorney.
- Q29. P. 19, Section XIV 14.13 of Exhibit H:**
- ***“Computation of Time. In computing any period of time, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday, or legal holiday in Pennsylvania, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or such legal holiday.”***
    - **What does this mean?**
    - **When would this be relevant?**
- A29. - Due to the vagueness of this question, we are unable to formulate a response. Furthermore, the interpretation of any legal agreement should be done by a licensed attorney.
- This would be relevant when calculating any deadlines in the Purchase and Development Agreement.
- Q30. Just to clarify, to comprehensively respond to this RFP, we will need to submit:**
- **Pp. 2-5 of the RFP, sections listed under “VI. Proposal Submission Requirements”, PLUS**
  - **Five (5) attachments (Exhibits C – G)?**
- A30. - Yes, please pay attention to all deliverables that are referenced in the RFP and in any of the Exhibits.