

Enhanced Use Lease
Naval Air Station Patuxent River

Abridged Questions and Answers from Industry Forum

1. Q: Where do tenants requiring relocation get relocated to?
A: The Navy intends to provide the land for development of relocation facilities. Specific parcels for each relocation facility will be finalized between the Navy and the Selected Offeror during exclusive negotiations. The Navy will provide the site, and the Selected Offeror will be responsible for providing the new facilities on that site.
2. Q: What are the parking requirements for the relocation facilities?
A: The Naval Facilities Engineering Command (NAVFAC) standard for administrative buildings is to provide parking for 70 percent of personnel assigned to a facility.
3. Q: Are the replacement facilities required to be considered part of the in-kind payment or in addition to the in-kind payment?
A: The Navy must receive fair market value of the leasehold interest in the EUL assets as in-kind consideration as required by 10 USC 2667. The in-kind consideration could include providing replacement facilities.
4. Q: Will the developer of the EUL receive market rent from the replacement facilities?
A: Specific arrangements regarding replacement facilities will be determined during exclusive negotiations with the Developer.
5. Q: What is the number of personnel to be relocated from Site 5?
A: There are approximately 400 people working in the buildings on Site 5. The relocation requirements for Site 5 could be less than but no greater than this number depending on how much of Site 5 is developed.
6. Q: Are Offerors required to comply with the anti-terrorism / force protection (AT/FP) requirements stated in the Unified Facilities Criteria (UFC) Department of Defense (DoD) Minimum Anti-terrorism Standards for Buildings, 4-010-01?
A: Yes.
7. Q: Will force protection be in effect if government employees are housed in an EUL development?
A: Yes.
8. Q: The sites seem a little removed from the main operations. Do the sites meet the test for close proximity to Navy counterpart and test personnel?

A: The EUL sites were specifically chosen to be near the Naval Air Systems Command (NAVAIR) Integrated Product Teams (IPT) building and other NAVAIR administrative or other types of office facilities. The EUL sites are not intended to be near the airfield facilities, but are intended to be near other administrative and managerial-type facilities.

9. Q: Why are Sites 6 and 7 divided into two separate sites?

A: Sites 6 and 7 could each accommodate separate developments. However, the Navy will entertain proposals that combine both sites.

10. Q: Must all seven sites be developed?

A: No. Determination of which EUL sites to develop is a business decision for an Offeror to make.

11. Q: Would there be any restrictions on the density of development on the sites?

A: A portion of Site 5 lies within Accident Potential Zone 1 (APZ-1). In general, land use restrictions limit densities to 25 persons per acre in APZ-1. Appropriate uses in APZ-1 include parking structures, storage, utilities, and storm water management structures. Detailed guidance can be found in OPNAV INSTRUCTION 11010.36C. In addition, structures with heights greater than 150 feet Above Ground Level (AGL) are prohibited at any of the EUL sites, in accordance with Federal Aviation Administration (FAA) Criteria. Any proposed structure approaching 150 feet in height will have to be examined for its specific location relative to the runways and the runway heights.

12. Q: Would a new Bachelor Enlisted Quarters (BEQ) be a potential use at any of the sites as an EUL?

A: Development of a new BEQ is not contemplated under this EUL solicitation.

13. Q: One of the benefits of these EUL sites is the proximity to defense contractors and federal customers. Other installations also have a secure information technology (IT) network that on-base projects can connect into. Is that an opportunity here? Is there a hard-wired, secure IT network somewhere on NAS Patuxent River to tap into?

A: Tapping into the NAS Patuxent River secure IT network as part of a facility development plan could be a potential opportunity that would be further determined during exclusive negotiations with the Selected Offeror.

14. Q: Are there any plans to improve traffic flow onto the Base?

A: There is nothing planned specifically with regard to traffic flow for any development as part of the EUL. However, if it is determined during Phase II of the EUL process that there will be a significant traffic impact as a result of an EUL development, then discussions about traffic flow improvements would occur at that time.

15. Q: Does the Navy have a master plan for NAS Patuxent River?

- A: Yes, the details are included in the NAS Patuxent River Overview presentation.
16. Q: Is there a map or concept of how you envision creating a secure perimeter around the existing Research Development Test & Evaluation (RDT&E) facilities?
- A: The Naval District Washington (NDW) Regionally Integrated Master Program (RIMP) Future Land Use Plan identifies a notional boundary separating non-RDT&E functions from RDT&E functions on NAS Patuxent River. This plan is a goal under Vision 2035, but the plan has not been implemented through any DoD directives at this point. By separating these functions, NAS Patuxent River may be able to move the installation fenceline and improve access to non-RDT&E functions. All of the EUL sites are located west of the notional boundary and would be outside of the fenceline if this plan were implemented.
17. Q: Does the Navy Ashore Vision 2035 encompass a 25 percent footprint reduction on a per square foot basis or is it an overall national metric?
- A: The 25 percent footprint reduction in the NAS Patuxent River Overview presentation is a goal that the installation is attempting to reach.
18. Q: How is a growing base supposed to reduce footprint while expanding its workload?
- A: By consolidation. The overall footprint can be reduced by consolidating from older, functionally obsolete facilities to more efficiently designed workspace.
19. Q: Will this EUL achieve the stated 25 percent footprint reduction goal?
- A: No. This EUL by itself will not achieve this goal, but it could help reduce footprint through consolidation of personnel from portable trailers into new facilities.
20. Q: Is it the Navy's intent to move any fencelines to accommodate the EUL?
- A: It is not the Navy's intent to relocate the fenceline to accommodate the EUL. The relocation of the fenceline is a goal identified in the Navy's Vision 2035 for NAS Patuxent River.
21. Q: What are the NAS Patuxent River personnel projections through 2015?
- A: NAS Patuxent River projects a total of 2,370 personnel that are planned to occupy relocatable or other leased spaces between now and FY2015.
22. Q: With the current federal budget deficit rising and DoD budgets uncertain in the out-years, how can the Navy determine its people and space needs over a 50-year period?
- A: The Navy has made major investments in NAS Patuxent River over the years and will continue to make major investments in the installation, but there are no definitive projections on specific people and space needs over the next 50 years.
23. Q: How do any proposed Military Construction (MILCON) projects factor into demand estimates?

A: No funding exists in the MILCON pipeline that would address the needs presented in this EUL.

24. Q: What is the expected date of the lease closing?

A: The expected date of lease closing is in 2012.

25. Q: When is the estimated start of construction?

A: The expected date of lease closing is in 2012. The Navy would like to see construction start as soon as possible after closing. However, the Navy recognizes that the start of construction will depend on the timing of other requirements such as environmental permitting and financing.

26. Q: Who performs the environmental work?

A: The Navy is currently preparing an Environmental Condition of Property report, which will be released with the Final RFQ. Prior to execution of a lease, the Developer shall prepare, in cooperation with the Navy, an Environmental Assessment (EA) or other appropriate environmental documentation for its proposed project. If the Developer uses a contractor to prepare the EA or other appropriate environmental documentation, the Navy must approve the contractor. Additional detail on environmental work is available in Section 3.7 (Environmental Considerations) of the Draft RFQ.

27. Q: Are there any unexploded ordnances (UXOs) or other hazardous materials on the sites?

A: At this point, the Navy is not aware of any UXOs or other hazardous materials on the sites. An Environmental Condition of Property report will be released with the Final RFQ, which will have details of any known environmental issues on the sites.

28. Q: Who handles permits?

A: The Developer will be required to obtain any environmental permits that are required for development on federal property. The Developer will not be required to obtain building permits from the County given that the EUL sites are located in an area of exclusive federal jurisdiction.

29. Q: Will an Environmental Impact Study (EIS) be required?

A: At this point, the Navy does not anticipate that an EIS will be required. Part of the National Environmental Policy Act (NEPA) process will be to determine whether an EIS would be required.

30. Q: Is asbestos anticipated in the existing buildings?

A: Given the age of some of the buildings, a reasonable assumption is that asbestos and possibly lead-based paint may be present in some of the buildings. The Environmental

Condition of Property (ECP) report will confirm and document the presence of known asbestos in any of the existing buildings. The ECP will be released with the Final RFQ.

31. Q: Who is responsible for the demolition of existing buildings on the EUL sites?

A: The Developer will be responsible for any necessary demolition of existing buildings on the EUL sites with the exception of Site 4. The buildings on Site 4 (the former Chaffee Court Quarters) will be demolished by Lincoln Military Housing and the land will be returned to the Navy in FY2010.

32. Q: In the graph provided in the binder, it states that the developer should qualify for Leadership in Energy and Environmental Design (LEED) certification. Does "should" imply that it is optional or required?

A: LEED certification is a goal for all facilities constructed under this EUL. Relocation facilities constructed under this EUL must comply with the *Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings*.

33. Q: Will EUL projects be subject to third-party inspections?

A: Yes. Upon completion of exclusive negotiations, the Selected Offeror shall retain, at no cost to the Government, an independent construction consultant to provide construction supervision and quality assurance, for the benefit of the Government.

34. Q: Are all EUL sites affected by the Maryland Department of the Environment (MDE) stormwater management directives if appropriate disturbance levels have been reached?

A: All of the EUL sites would be affected by MDE stormwater regulations if appropriate disturbance levels are reached. Sites 3 and 5 involve redevelopment of sites with existing facilities. These two sites will be affected by MDE stormwater regulations regardless of the disturbance levels reached.

35. Q: Will a developer of an EUL site have to follow the MDE critical area laws, rules, and regulations, including approval by the Critical Area Commission?

A: Yes.

36. Q: Can you provide current utility rates for gas, power, and water?

A: The Navy does not provide electric power, sewage disposal and treatment, natural gas service, or communications service to the EUL sites. The Developer will need to obtain current utility rates directly from such service providers and will be responsible for procuring such services as it may require. The Navy is capable of providing water service to the EUL sites. The current utility rates for water will be provided in the Final RFQ.

37. Q: For Sites 6 and 7, who will provide municipal services?

A: The Southern Maryland Electric Cooperative, Inc. (SMECO) provides electricity to St. Mary's County and would be the provider of electricity to the EUL sites. Wastewater is serviced by the St. Mary's County Metropolitan Commission. Natural gas is available from Washington Gas. The Navy is capable of providing water service to the EUL sites. The Navy does not provide refuse removal or recycling collection at the EUL sites. Local government or other third party refuse and recycling service may be available. The Navy's intent is to provide first responder (police, fire protection) services to the EUL sites. The Developer will be responsible for paying the Navy for such services at rates to be established by Naval District Washington.

38. Q: Is there an estimate for how much municipal services will cost the developer for services such as police, fire, and badging?

A: The costs for municipal services will be determined during exclusive negotiations of the Business and Leasing Plan with the Selected Offeror.

39. Q: Will EUL projects be subject to impact fees?

A: The Navy does not anticipate that impact fees will apply to this EUL. A Maryland Attorney General opinion indicated that impact fees did not apply in a prior EUL. Fees for specific services, such as fire or police, may apply depending on the services used. It is the Navy's intent to provide first responder (police, fire protection) services to the EUL sites. The Developer will be responsible for paying the Navy for such services at rates to be established by Naval District Washington.

40. Q: Will the EUL projects have a project labor agreement?

A: There are no planned project labor agreements for this EUL. However, Davis-Bacon Act wage requirements will apply to any development of a building that will house federal employees.

41. Q: Will Davis-Bacon Act apply to buildings not occupied by federal employees?

A: If there is the potential for the building to be occupied by federal employees, Davis-Bacon Act will apply. If the Developer at no point intends to lease to any government tenants for the entire term of the lease, then Davis-Bacon Act might not apply.

42. Q: Who will be responsible for any vacancies in any of the proposed EUL space?

A: The Developer will be responsible for managing the leasing and operations of any facility developed under this EUL, including managing any vacancies that may arise.

43. Q: Is it the possible intent of the Government to require contractors to staff their personnel in future EUL spaces via contract clauses in future procurements?

A: No. Relocation of contractor personnel into any of the new space would be made by the contractors themselves as a business decision.

44. Q: Should the developer not assume market rate for the leases?

A: The Navy anticipates that the Developer will charge market rent for leased space, except for space provided to the Navy as part of its in-kind consideration. Specific arrangements regarding replacement facilities will be determined during exclusive negotiations with the Developer.

45. Q: If the Navy leased a portion of the new facilities, would that be at market rate as well?

A: If new office space were available as in-kind consideration for use of the underutilized Navy land, some Navy personnel could be relocated to such new facilities at below-market rent. If the Navy chose to lease additional space as anticipated mission growth is realized, the Navy would assume to pay market rent.

46. Q: How many Enhanced Use Leases (EULs) have closed DoD-wide by branch to date? Which ones have been successful?

A: The Navy has several EULs in progress and has successfully completed EULs in Hawaii, California and Florida. A General Accounting Office (GAO) audit of military services' EUL projects is in progress. The results of that audit should provide additional information about completed EUL projects. Information about the Department of the Air Force EUL program can be found at <http://www.safie.hq.af.mil/afropa/eul/index.asp>. Information about the Department of the Army EUL program can be found at <http://eul.army.mil>.

47. Q: Is a sample of the ground lease available?

A: The Navy does not have a generic ground lease.

48. Q: Has NAVFAC considered a developer as of yet?

A: No.

49. Q: Have you reconsidered making multiple awards so that smaller entities can make offers on this project?

A: No.

50. Q: Would the Navy consider a longer lease term than 50 years?

A: Mutual option periods might be considered.

51. Q: Will the Navy provide their Yellow Book appraisal value to developers?

A: No. An appraisal will be completed during Phase II (exclusive negotiations) of the EUL process. The appraisal will not be released to developers. The appraisal will be used by the Navy to ensure that it receives in-kind consideration equal to or greater than the fair market value of the leasehold interest in the assets, as required by 10 USC 2667.

52. Q: Will the lease be subordinated to the project financing? And if it will not, will the Navy guarantee the financing in the event of a default by the tenant under the lease?

A: The Government will not execute a mortgage on its land to secure any loans made to the developer. Nor will the Government guarantee the financing. The Government would allow a lender to reassign the ground lease or develop the project itself in the event of default.

53. Q: How and when will the tax treatment of leasehold interest be quantified?

A: The Selected Offeror will be independently responsible for any and all taxes or assessments that may be levied by state or local governments against its leasehold interest in the EUL sites. The determination and timing of the tax treatment of the leasehold interest would occur between the Selected Offeror and state and local governments during Phase II (exclusive negotiations) of the EUL process or later.

54. Q: Are the state enterprise zone development incentives available in support of the EUL?

A: Determination on the availability of state enterprise zone incentives should be coordinated through the Maryland Department of Business and Economic Development.