



Date: June 14, 2020

REQUEST FOR PROPOSAL

PROJECT: Laredo International Airport Aeronautical Development Site(s)

Sealed REQUESTS FOR PROPOSALS will be received at City Secretary's Office, 1110 Houston Street, 3rd floor, City Hall Building, Laredo, Texas, 78040, **until 4:00 p.m. (local time/CT) on Friday, August 14, 2020** and shall include acknowledgement of any addenda submitted. Said package shall be clearly marked: Laredo International Airport Aeronautical Development Site(s).

The City of Laredo is issuing this Request for Proposal (RFP) in order to solicit and receive Proposals until Friday, August 14, 2020 at 4:00 p.m. from qualified firms interested in leasing, developing and or managing various parcels at Laredo International Airport (LRD or the Airport).

Background

The Airport is located at 5210 Bob Bullock Loop in Laredo, Texas. The Airport is owned and operated by the City of Laredo (City or the Owner).

There are currently seven parcels at Laredo International Airport that could be developed for various aeronautical land uses. Air cargo activity at the Airport has been steadily growing, as have other aviation-related operations. Due to significant growth in aircraft operations at the airport including substantial cargo operations, it is believed that the Airport could support a viable aviation services or other Aeronautical use development. One of the Airport's goals for this RFP is to determine the highest and best use for these Airport properties.

PLEASE NOTE: Even with the recent events of Coronavirus (COVID-19), the cargo and aeronautical activity at LRD is a strong, viable market.

Airport Description

Laredo International Airport is a non-hub commercial service airport located in south Texas. It is served by two main runways 18R/36L at 8,743 feet in length, and 18L/36R at 8,236 feet in length. The Airport has full Instrument Landing System (ILS) capabilities and an FAA Air Traffic Control (ATC) tower.

In October 2018, Rep. Cuellar and City of Laredo announced the availability of additional funds to support cargo expansion at the Airport, increasing trade and efficiency at the Laredo airport through federal funding. The following excerpt from that announcement summarizes recent and anticipated growth at the Airport:

The Laredo International Airport is an international gateway for air cargo. In 2017, 539,644,288 pounds of air cargo landed via the Port of Laredo. FedEx, BAX Global, DHL, and Airborne are a few of cargo carriers that serve the Laredo Community. In the last five years, only one of the roughly four dozen U.S. customs districts has seen its trade grow more rapidly than Laredo's which is up 30.94% in that period. Over the last two decades Laredo's trade has increased 354.93%, more than twice as fast as the U.S. overall.

The Laredo Int'l Airport is the only airport in the U.S. with an operation of Mexican Customs to pre-inspect south bound air cargo. Thanks to the Congressman's efforts with the governments of Mexico and the United States to establish this operation, which allows cargo to be pre-inspected by Mexican customs officers under the Servicio de Administración Tributaria (SAT) at the Laredo International Airport and arrive in Mexico as pre-inspected cargo. Congressman Cuellar has worked on this project closely with the City of Laredo, who invested \$3.3 million, to construct the facility.

Industries participating under Mexican Customs pre-inspection include auto parts, automotive manufacturing, electronics/electrical and aerospace, with auto parts being the number one air cargo commodity in Laredo. Cellphones, gasoline, and motor vehicles are also among the most actively traded commodities. Laredo Int'l Airport is the only primary commercial service airport in the U.S. with CBP availability 24/7 to include clearance of air cargo. Air Traffic Operations have increased over six percent in the last year.

The Airport is served by the following air carriers:

- United Airlines, service to Houston Intercontinental Airport in Houston, Texas
- American Airlines, service to Dallas, Fort Worth International Airport
- Allegiant Airlines, service to Las Vegas, McCarran International Airport

In 2018, the total enplaned passengers at Laredo International Airport were nearly 96,000 passengers.

Laredo International Airport is the 6th largest cargo carrying airport in the State of Texas. Several cargo operators provide regularly scheduled operations, including:

- FedEx
- UPS

In 2018, over 674 million pounds of enplaned cargo was transported from the Airport which is an increase of almost 15% from 2017.

The airport is in the final phases of a multiyear, multimillion-dollar apron reconstruction project. Upon completion, the airport will have an approximately 348,000 square yard newly reconstructed apron to serve the airport and communities air cargo needs. The apron has 17 inches of concrete pavement that can accommodate the largest cargo aircraft fleets.

According to the Laredo Economic Development Corporation's (EDC's) July 15, 2019 report:

The benefits of our location are readily evident in the unceasing demand for logistics and warehousing inventory. However, we are also seeing a fair amount of development for storage and distribution in industries that have typically been the stronger domain of other regions of South Texas and other states. Growth in sectors such as agriculture, primarily in perishables such as tomatoes, avocados, and beef are a direct result of investment by private developers in refrigerated warehousing. U.S. Cold Storage, which maintains the largest capacity of refrigerated space to date, has undergone two expansions in the past five years, adding over 200,000 sf. of space to their original building. The growth in this industry continues, spurred by investors adding capacity for the refrigerated and non-refrigerated storage and distribution that is attracting new companies.

Purpose

The City sees the Airport as an economic generator and recognizes the potential that additional aeronautical development could have on the Airport, the City and the region. This RFP is being issued to solicit proposals from interested parties and to obtain development plans for the highest and best uses of each parcel.

The City is issuing this RFP with the intent of entering into agreement(s) with individual developers, or a master developer for the development and managements of the respective parcels.

I. GENERAL PROVISIONS

The City of Laredo is seeking submittals through this Request for Proposal (RFP) to obtain proposals from interested parties (Proposers) who may be interested in leasing land to develop one or more of seven sites available. It is possible that a Proposer may be interested in only a portion of a parcel and must so state in their response.

Proposals must include a business plan to include terms of proposed agreement, such as a traditional land lease, concession agreement, management agreement or other potential joint venture. Detailed rates structures will be incorporated in the subsequent negotiation process with successful proposer(s).

II. DEVELOPMENT OPPORTUNITIES

There are seven individual opportunities for with the Airport and City are seeking an RFP. They are depicted on Exhibit 1 and generally described as such, but not limited to:

- Parcel A: Fixed Based Operator Potential Site
- Parcel B: Cargo Apron Development Site
- Parcel C: New Aeronautical Use Development Site
- Parcel D: Terminal Area Apron Site
- Parcel E: New Aeronautical Use, Adjacent to North Cargo Apron

- Parcel F: New Large Parcel Aeronautical/Industrial Use Development Site
- Parcel G: Airport Entrance, Terminal Loop Roadway

Proposers may submit a response to this RFP for a single parcel or multiple parcels. It is anticipated that proposals would be conceptual in nature, but if Proposer prefers detailed survey data to complete your proposal, it is available upon request. An outline of each parcel is included in **Exhibit A**. Details relative to each parcel are provided below:

Parcel A

Parcel A consists of approximately 2.5 acres of previously developed airport property on the southwest side of the airfield. The site has been identified by the airport for redevelopment as a FBO facility. There are no existing structures on the parcel but there are existing building foundations. It shall be up to the developer to demolish the foundations or use the foundations for the development of new building structures. The parcel has the following amenities:

- Landside road access and airside apron access,
- Direct access to the airport cargo apron facilities,
- Existing vehicular parking with room for expanded parking facilities, and
- Aircraft apron parking.

All improvements to the parcel shall be at the Proposer/developer's cost. Development costs could include but are not limited to:

- Utility extensions and connections to existing services,
- SIDA/AOA fence and gate improvements necessary for the proposed development,
- Expanded parking if desired, and
- Building/Hangar or other development construction.

Options to be considered for this parcel, given its location on the Airport could include the following potential services:

- Full service Fixed Base Operator (FBO) facilities,
- Provide aircraft fueling services to private, corporate and potentially commercial aircraft,
- Light aircraft maintenance, repair or overhaul,
- Hangar space for transient and/or based aircraft, office, passenger transition (general aviation terminal) space, aircraft ramp space and vehicular parking, and, or
- Catering, cleaning, light maintenance and typical amenities to transient aircraft and based aircraft.

Parcel B

Parcel B consists of approximately 3.0 acres of previously developed airport property on the west side of the airfield directly adjacent to the cargo apron facilities. If necessary, for development, this parcel can be subdivided into two (approximately equal) sub parcels. There are no existing building structures on the parcel but there are existing building foundations. It shall be up to the Proposer/developer to demolish the foundations or use the foundations for the development of new building structures. The parcel has the following amenities:

- Landside road access and airside apron access,
- Direct access to the airport cargo apron facilities,
- Existing vehicular parking facilities, and
- Aircraft apron parking

All improvements to the parcel shall be at the Proposer/developer's cost. Development costs could include but are not limited to:

- Utility extensions and connections to existing services
- SIDA/AOA fence and gate improvements necessary for the proposed development
- Expanded parking if desired
- Building/Hangar construction

Parcel C

Parcel C consists of approximately 9.3 acres of undeveloped airport property on the northwest side of the airfield. There are no existing improvements to this site. The parcel has landside access to both Bartlett Ave and Thomas Ave. There currently is no apron or airside taxiway access to the runway system. The parcel has the following amenities:

- Landside road access

All improvements to the parcel shall be at the Proposer/developer's cost. Development costs could include but are not limited to:

- Utility extensions and connections to existing services,
- SIDA/AOA fence and gate improvements necessary for the proposed development,
- Landside infrastructure needs, and
- Building/Hangar or other development construction.

Parcel D

Parcel D consists of approximately 10.5 acres of undeveloped airport property on the east side of the airfield just north of the airport terminal. There are no existing improvements to this site. The parcel has landside access and apron/airfield access. The parcel has the following amenities:

- Landside road access
- Cargo apron access
- Aircraft parking access

All improvements to the parcel shall be at the Proposer/developer's cost. Development costs could include but are not limited to:

- Utility extensions and connections to existing services,
- SIDA/AOA fence and gate improvements necessary for the proposed development,
- Landside infrastructure needs, and
- Building/Hangar or other development construction.

Parcel E

Parcel E consists of approximately 9.8 acres of undeveloped airport property on the west side of the airfield just north of the cargo and general aviation tenants and apron area. There are no existing improvements to this site. The parcel has landside access and apron/airfield access. The parcel has the following amenities:

- Landside road access
- Apron access
- Aircraft parking access

All improvements to the parcel shall be at the Proposer/developer's cost. Development costs could include but are not limited to:

- Utility extensions and connections to existing services,
- SIDA/AOA fence and gate improvements necessary for the proposed development,
- Landside infrastructure needs, and
- Building/Hangar or other development construction.

Parcel F

Parcel F consists of approximately 51.7 acres of undeveloped airport property on the northwest quadrant of the airport, along Butler Road. There are no existing improvements to this site. The parcel has landside access and could have airfield access with taxiway improvements if necessary. The parcel has the following amenities:

- Landside road access
- Potential airfield access

All improvements to the parcel shall be at the Proposer/developer's cost. Development costs could include but are not limited to:

- Utility extensions and connections to existing services,
- SIDA/AOA fence and gate improvements necessary for the proposed development,
- Landside infrastructure needs, and
- Building/Hangar or other development construction.

Parcel G

Parcel G consists of approximately 7.5 acres of undeveloped airport property on the east side of the airport, at the airport entrance near Bob Bullock Boulevard and the terminal loop roadway.

There are no existing improvements to this site. The parcel has only landside access and the following amenities:

- Landside road access
- Prime location for hospitality, retail, commercial, aviation-related uses

All improvements to the parcel shall be at the Proposer/developer's cost. Development costs could include but are not limited to:

- Utility extensions and connections to existing services,
- SIDA/AOA fence and gate improvements necessary for the proposed development,
- Landside infrastructure needs, and
- Building or other development construction.

III. ECONOMIC INCENTIVES

The City of Laredo and the Airport are very interested in ensuring that best possible options for potential development are provided to the airport and this region. Considerations for certain economic incentives will be discussed and negotiated on a case-by-case basis, collaboratively with appropriate City Departments.

IV. DEVELOPMENT RESTRICTIONS

The seven potential development sites are within and/or adjacent to the Airfield Operations Area (AOA). As such the following restrictions are placed on any potential development.

- Development will need to conform to the Laredo International Airport's master plan.
- Development must not violate any FAA grant assurances.
- Development must be for an aviation-related or aeronautical support purpose.
- The proposed development must maintain the Airport's Security Identification Display Area (SIDA) line and conform to all Transportation Security Administration (TSA) requirements associated with the Airport Operations Area (AOA) and SIDA areas.
- Development must conform to Federal Aviation Administration (FAA) Federal Aviation Regulation (FAR) Part 77 height restrictions.
- Development concepts will need to conform to the airport minimum standards.

V. OPTIONAL SITE VISIT

A site visit is scheduled for Wednesday, July 8, 2020 at 10:00 a.m. (local/CT) at the Airport Conference Room. A tour of the parcels will be provided, and Airport and City representatives will be available to discuss the details of this RFP and the proposal process. Please be prepared to show a government-issued identification prior to tours, on the day of the site visit. Additional visits throughout the proposal period are allowed, and must be coordinated at least 5 business days in advance with Elsy D. Borgstedte, Assistant Director, at 956.795.2000, ext. 2830 or eborgstedt@ci.laredo.tx.us.

VI. SUBMITTAL INFORMATION

It is the intent that the proposals received from this RFP will be evaluated and used in the formal selection of Master Developer/Developer/Tenant(s) for the Airport. In addition to the specific information requested below, we encourage you to provide detailed information on concepts. If the Proposer has ideas on alternative plans, such as use of a portion of a parcel, please provide the concepts and justification for partial use.

Construction Details

Provide an outline of the facilities you are proposing at the Airport including the type of facility, size, approximate cost and timeline to construct. Please include a site plan with your proposal. Design standards must meet all local, State, and/or Federal building code guidelines. All licenses and permits will be the sole responsibility of the Proposer. All required FAA documents must be included, such as FAA form 7460-1.

Financial Information

The Proposer will be required to demonstrate that it is financially capable of performing the obligations contained within this RFP. The determination of the Proposer's financial qualifications and ability to execute a Land Lease Agreement will be in the sole discretion of the City of Laredo. The Proposer shall provide a written certification from Proposer's lender that the Proposer has the financial ability to consummate the transaction and pay the lease price to the City of Laredo. If self-funding the Proposer shall submit, with its proposal, a written statement from the bank where funds are kept, representing that the Proposer has the financial ability to consummate the transaction and pay the lease price to the City of Laredo.

Questions Deadline

Deadline for questions concerning this RFP is **July 31, 2020, 4:00 p.m. (local/CT)**. Questions shall be sent to Elsy D. Borgstedte, Assistant Director, eborgstedt@ci.laredo.tx.us. Answers to all written questions will be posted in the form of an addendum.

Submittal Deadline

Deadline for submittals is **August 14, 2020; 4:00 p.m. (local/CT)**. Both electronic and hard copy responses must be received by the deadline to be considered as a valid response to this RFP.

Content

Proposals will be evaluated on the information provided in the submittal, specially the information outlined below. The City of Laredo / Airport will select based on overall highest and best use for respective parcels.

Please included the following in your response. The Proposal should be organized into the following tabs/sections as identified below. **The evaluation will be based upon the information included and the respective valuation of each section.**

1. Cover letter identifying your overall interest, including which parcels, or portions thereof on which you are proposing. Please include relevant information to this development projects, specifically whether your firm has experience with development similar to the proposed development options. Additionally, if your firm is interested in performing as a Master Developer for multiple parcels, please state as such. This statement will not be used as part of the selection criteria. Cover letter should also contain the Respondent's contact information, including company name, principal contact name and title, mailing address, phone number and an email address of Respondent's principal contact. **(5 Points)**
2. General company information and contact information. Please include annual financial statements in a separate envelope labeled confidential. It will not be used as part of the selection criteria.
3. Company overview and background **(2 Points)**
4. Examples of similar past projects or developments **(10 Points)**
5. Conceptual ideas for the proposed development. **(25 Points)** Please include a description of the following:
 - a. Site Characteristics
 - b. Building Characteristics, including footprint dimensions, height of buildings, elevation, vehicular parking, architectural style
 - c. Pavement surfaces, including size of ramp (if required), access to the airfield (if required) and landside access requirements
 - d. Proposed improvements to be constructed, including a conceptual site plan of the proposed layout
6. References for similar developments. Please include development on Airports if available. **(3 Points)**
7. Description, qualifications, and experience of the key personnel who manage the operations at the Airport. **(10 Points)**
8. Business Plan, **(30 Points)** including preferred lease term (in years)
 - a. Type of business entity (flight school FBO, maintenance, other uses)
 - b. Franchise information if relevant, or management contracting mechanism

- c. Key demand drivers
 - d. Minimum term of ground lease
 - e. Preferred ground lease structure
- 9. Rationale of respondent’s interest in the premises (5 Points)**
- 10. Development timeline and estimated length to completion, including design and construction (5 Points)**
- a. Site and improvement design period
 - b. Construction period
 - c. Pre-opening timeframe
 - d. Incremental development if relevant
- 11. Estimate of costs for project. Please include your anticipated cost of overall improvements to fulfill the ultimate conceptual site plan. This is a rough-order-of-magnitude cost estimate. (5 Points)**
- 12. Any additional information respondent deems important to the Airport’s process.**

RFP Responses

Responses to this RFP are due by **4:00 PM, Friday, August 14, 2020**. The Proposal should be printed single sided, organized according to the tabs in Section VI, and bound. The Proposal should be less than 75 pages. One original and seven (7) copies of the submittal are required. One electronic, PDF format is also required, to be submitted on a thumb-drive.

Responses shall be clearly marked “**Laredo International Airport Aeronautical Development Site(s)**” and delivered to:

City of Laredo
City Secretary’s Office
1110 Houston Street, 3rd floor
City Hall Building
Laredo, Texas 78040

If hand-delivering the Proposals, please use the following procedures:

NOTE: Manual RFP will be accepted up to the first 45 minutes of the hour before they are due. For example, since this RFP is due at 4:00, bids will be accepted up to 3:45 p.m. of the date due.

1. Please make sure that the RFP is in a sealed envelope marked with the following:

- **Name of RFP (Laredo International Airport Aeronautical Development)**
- **Name of Company submitting RFP**
- **Address of Company submitting RFP**

2. Please notify security officer that you are there to drop off a RFP with the City Secretary. The security officer will notify the City Secretary's Office and one of our staff members will go downstairs to receive the RFP.

3. All persons should wait outside until we pick the envelope up, go back up to the 3rd floor to time-stamp the envelope, make a copy of it and bring it back to you. (We highly recommend to wait to receive a copy of the time-stamped envelope.)

Thank you for your understanding and help at this time of trying to stay healthy and safe.

Disclaimers

The City of Laredo reserves and may exercise the following rights and options:

1. To reject any and all proposals and reissue the RFP at any time prior to execution of a final Land Lease Agreement if, in the City of Laredo's sole opinion, it is in the City of Laredo's best interest to do so,
2. To supplement, amend, substitute, or otherwise modify this RFP at any time prior to selection of one or more proposer for negotiation,
3. To cancel this RFP with or without issuing another RFP,
4. To reject the proposal of any proposer who, in the City of Laredo's sole judgment, has been delinquent or unfaithful in the performance of any contract with the City of Laredo, is financially or technically incapable or is otherwise not a responsible responder,
5. To reject as informal or non-responsive, any proposal which, in the City of Laredo's sole judgment, is incomplete, is not in conformity with applicable law, is conditional in any way, or deviates from the mandated requirements of the RFP, and
6. To waive any informality, defect, non-responsiveness and/or deviation from this RFP that is not, in the City of Laredo's sole judgment, material to the proposal.

Please note that the City of Laredo will require that performance and payment bonds will need to be provided by Developer and/or Contractor before the initiation of any construction.

Costs

All costs associated with the development of the RFP response will be the sole responsibility of the Proposer.

Warranties

No warranties or representations of any kind are made by the City of Laredo or the Airport, including a representation or warranty as to the suitability of the sites for any particular purpose, except that the City or Airport has sufficient legal title to grant a leasehold interest for a term of years in the sites. This RFP contains photographs, charts or drawings which may not accurately depict the sites or the information that is available about the sites and Respondents are cautioned that they are expected to undertake their own due diligence with respect to each of the sites. Submission of a response will in no way effect eligibility to respond to future solicitations for the potential development of sites or other lands of the City or Airport or for any other design, construction, finance, maintenance or operations opportunities offered by the City or Airport. The City or Airport reserves the right to cancel this RFP at any time with or without notice to proposers and without liability.

Proprietary Information

The City recognizes that sensitive and proprietary information may be included with your RFP. Therefore, firms submitting a response to this RFP must invoke the protection of this section before or upon submission of the data or other materials, and must identify the specific area or scope of data or other materials to be protected and state the reasons why protection is necessary. An all-inclusive statement that the entire response is proprietary is unacceptable.

Exhibit A
Property Location



Figure 1 Parcel Locations



Figure 2 Parcel A

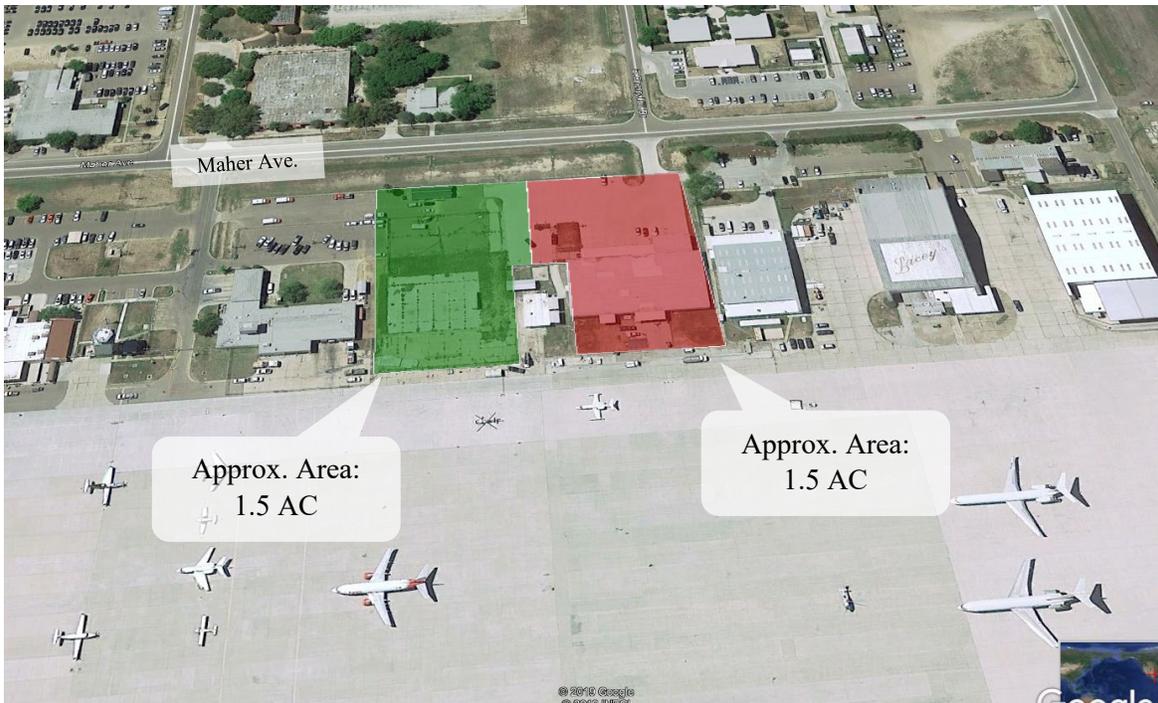


Figure 3 Parcel B



Figure 4 Parcel C



Figure 5 Parcel D



Figure 6 Parcel E



Figure 7 Parcel F



Figure 8 Parcel G