

REQUEST FOR PROPOSALS FOR

**Long-term Ground Lease of 9.69± total acres
in East Cocalico Township, Lancaster County
Old Reading Interchange Property**

ISSUING OFFICE

Pennsylvania Turnpike Commission

Property Management Department

RFP NUMBER

07-146-3567

DATE OF ISSUANCE

November 5, 2007

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in East Cocalico Township, Lancaster County
Old Reading Interchange Property
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PART I

GENERAL INFORMATION FOR PROPOSERS

I-1. Purpose. This request for proposals (RFP) provides interested proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) for execution of a long-term ground lease of Commission property.

I-2. Issuing Office. This RFP is issued for the Commission by:

Mailing Address:

Property Management Department
Pennsylvania Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106-7676

Physical Address:

Property Management Department
Pennsylvania Turnpike Commission
700 South Eisenhower Blvd.
Middletown, PA 17057

Contact:

Jayne A. Garver, Esq.
Manager of Property Disposition
Phone: (717) 986-9674
Fax: (717) 986-8705
E-Mail: jgarver@paturndpike.com

The Issuing Office is the sole point of contact at the Commission for this RFP.

I-3. Scope. This RFP contains instructions governing the proposals to be submitted and the material to be included therein; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

I-4. The Site. The Commission will consider entering into a long-term, **unsubordinated** ground lease of 9.69± acres in East Cocalico Township, Lancaster County, Pennsylvania, adjacent to the Pennsylvania Turnpike near Milepost 285.3. The property is also adjacent to State Route 272 and Legislative Route 148 Spur. The site is currently vacant and is surrounded by commercial and industrial activity, including motels, restaurants, and a Pepperidge Farm manufacturing facility. Access to the current Reading Interchange of the Pennsylvania Turnpike is approximately .8 mile from the site.

I-5. Type of Contract. It is proposed that if a contract is entered into as a result of this RFP, it will be in the form of an unsubordinated ground lease. The Commission may in its sole discretion undertake negotiations with proposers, whose proposals as to lease rates and other factors show them to be qualified, responsible, and capable of undertaking the development.

I-6. Rejection of Proposals. The Commission reserves the right to reject any and all proposals received as a result of this RFP, to cancel the solicitation requested under this notice, to re-advertise solicitation for this lease, or to negotiate separately with competing proposers.

I-7. Incurring Costs. The Commission is not liable for any costs incurred by proposers prior to issuance of a contract.

I-8. Mandatory Preproposal Conference. A mandatory preproposal conference will be held at **10:00 A.M., November 20, 2007, at the Pennsylvania Turnpike Commission's Administration Building, 700 South Eisenhower Blvd. Middletown, PA 17057 (Exit 247 of the Pennsylvania Turnpike).** The purpose of this conference is to answer any questions proposers may have after reading the RFP and viewing the site. Questions should be forwarded to the Issuing Office prior to the meeting to ensure sufficient analysis can be made before an answer is supplied. Written questions should be submitted to the Issuing Office at the address indicated in Section I-2 above to be received no later than **2:00 P.M., November 16, 2007.** In view of the limited facilities available for the conference, it is requested representation be limited to two representatives per proposer. The preproposal conference is for information only. Answers furnished during the conference will not be official until verified, in writing, by the Issuing Office. All questions and written answers will be issued as an addendum to and become part of this RFP.

FAILURE TO BE REPRESENTED AND SIGNED IN AT THIS MANDATORY PRE-PROPOSAL CONFERENCE WILL BE CAUSE FOR REJECTION OF PROPOSAL.

I-9. Addenda to the RFP. If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the web site under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

I-10. Response Date. To be considered, proposals should arrive at the **Contract Administration Department, Attention: Fran Furjanic** on or before **12:00 NOON, December 10, 2007.** Proposers mailing proposals should allow sufficient mail delivery time to ensure timely receipt of their proposals. Please note that **U.S. Mail delivery does not guarantee delivery to this address by the above-listed time for submission. Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals.** If, due to inclement weather, natural disaster, or any other cause, the Commission office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open, unless the proposers are otherwise notified by the Commission. The time for submission of proposals shall remain the same.

I-11. Proposals. To be considered, proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **six (6) copies** to the Contract Administration Department. No other distribution of proposals will be made by the proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the proposer to its provisions and include the proposer's Federal Identification Number. For this RFP, the proposal must remain valid for at least 90 days. Moreover, the contents of the proposal of the selected proposer will become contractual obligations if a lease is entered into.

Each and every proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided, or as permitted by law. Proposals may be withdrawn by written or telefax notice received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the proposer chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a proposer or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this RFP.

I-12. Economy of Preparation. Proposals should be prepared simply and economically, providing a straightforward, concise description of the proposer's ability to meet the requirements of the RFP.

I-13. Discussions for Clarification. Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Commission to ensure thorough mutual understanding and proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-14. Best and Final Offers. The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

I-15. Proposal Contents. Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. If a lease is executed, however, the successful proposal submitted in response to this RFP shall be subject to disclosure. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competitors at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

I-16. News Releases. News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-17. Lease Rates Submittal. The lease rates submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the remainder of the proposal. **Failure to meet this requirement may result in disqualification of the proposal.**

I-18. Term of Lease. The proposer may propose any lease term, provided that the full term of the lease, including extensions, shall not exceed 70 years.

I-19. Deposits. At the signing of the lease, the successful proposer will be required to pay a deposit in the amount of \$68,000, which will be non-refundable after all governmental approvals have been

received by the proposer. Within 30 days after all governmental approvals have been secured, the successful proposer will be required to pay another non-refundable deposit in the amount of \$100,000. These deposits shall constitute a security deposit that shall be held in a non-interest bearing account. At the expiration of the lease term, provided that the tenant is in compliance with the terms of the lease, the security deposit will be returned to the tenant.

I-20. Minimum Lease Rates. Average annual rental shall be a **minimum** of \$168,000/year, but proposers may offer more.

I-21. Available Acreage. Approximately 9.69 acres are available for lease.

I-22. Rent Commencement Date. Rental payments will begin 90 days after all government approvals have been obtained, or eighteen months from the date of the signing of the lease, whichever occurs first. The Commission reserves the right to extend the time period under this paragraph.

I-23. Zoning. The property is currently zoned C-1, General Commercial. Please note that the Commission is not responsible for the accuracy of this information. Proposers should conduct their own investigations regarding zoning, utility availability, etc. The successful proposer will be responsible for obtaining any zoning changes, land development approvals, and all other approvals necessary for the development at the proposer's sole expense.

I-24. Adherence to Laws. All proposals must conform to all applicable East Cocalico Township building codes, and to all other local, state and federal laws, regulations and requirements.

I-25. Brokerage. The Commission will not retain a real estate broker for this project. Any brokers involved must act as the proposer's agent only; all commissions to be paid will be the sole responsibility of the proposer.

I-26. Proposer's Representations and Authorizations. Each proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the proposer in the proposal are material and important and will be relied upon by the Issuing Office in selecting a proposer for lease negotiations. Any misstatement shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this RFP, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- c. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- d. To the best knowledge of the person signing the proposal for the proposer, the proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under

investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the proposer in its proposal.

- e. To the best of the knowledge of the person signing the proposal for the proposer and except as otherwise disclosed by the proposer in its proposal, the proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the proposer that is owed to the Commonwealth.
- f. The proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the proposer cannot so certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- g. The proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- h. Each proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

I-27. Payments in Lieu of Taxes. The site is tax-exempt as a result of the Commission's status as an instrumentality of the Commonwealth. In order to benefit the local municipality and its citizens, the successful proposer will be required by the terms of the lease to make payments in lieu of taxes to the local taxing authority.

PART II

INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Development Submittal, in response to Sections II-1 through II-6 hereof; (ii) Lease Rates Submittal, in response to Section II-7 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the contract.

The Commission may make such investigations as deemed necessary to determine the ability of the proposer to complete the development, and the proposer shall furnish to the Commission all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such proposer fails to satisfy the Commission that such proposer is properly qualified to carry out the obligations of the lease agreement

II-1. Proposed Development. State in succinct terms your plan for development of the parcel in question. Describe the nature of the proposed development and include a list of specific subtenants, if any, that may have an interest in leasing this location. Submit written commitments or letters of interest from lead/anchor tenants, if any.

II-2. Prior Experience. Describe the specialized experience and technical competence of the proposer and the proposer's team, if any. Include descriptions of previous projects, if any. Experience shown should be work done by individuals who will be involved with this development, as well as that of your company. If the proposer is a company or organization proposing to lease the entire site for its own business operations, the proposer should submit résumés and a brief summary of the previous experience of its consultants and/or architects who will be assisting with the project. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

II-3. Financial Status. Describe how the project will be financed. Provide financial references, along with the financial statements of the proposer. The proposer must submit 2005 and 2006 year-end audited financial statements, if available. Financial statements should include income statements, balance sheets and cash-flow statements, along with accompanying notes. The information will be held in confidence and will be used only for evaluating the financial stability of the proposer.

II-4. Location. Identify the location of the proposer, including principal and branch offices, if any.

II-5. Sketch Plan. Proposers should submit a sketch plan of the site, showing the proposed development.

II-6. Subordination. Proposers must specify within their proposals that the lease will be *unsubordinated*. The successful proposer may obtain financing through its leasehold interest, but may not mortgage the real estate itself.

II-7. Lease Rates Submittal. Proposers should include the proposed annual rental payment to the Commission, plus escalation clauses or specified increases over the life of the lease. **The lease rates submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the remainder of the proposal.**

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal should be (a) timely received from a proposer; (b) properly signed by the proposer; and (c) formatted such that all lease rates data is kept separate from the remainder of the proposal.

III-2. Proposals will be reviewed and evaluated by a committee of qualified personnel selected by the Commission. This committee will recommend for selection the proposal that most closely meets the requirements of the RFP and satisfies Commission needs. Award will only be made to a proposer determined to be responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-3. The Commission will prioritize the proposals and negotiate in the order of priority. If the Commission is unsuccessful in negotiating with the first-ranked proposer, the Commission will then cease negotiations with that proposer and may initiate negotiations with number two, and so on. In any event, the Commission reserves the right to reject any or all proposals submitted, to cancel this solicitation, and to re-advertise for proposals.

III-4. The following areas of consideration will be used in making the selection:

a. Prior Experience. The Commission will consider the prior experience and technical competence of the proposer. If the proposer is a company or organization proposing to lease the entire site for its own business operations, the Commission will consider the prior experience of the proposer's consultants or architects who will be assisting with the project.

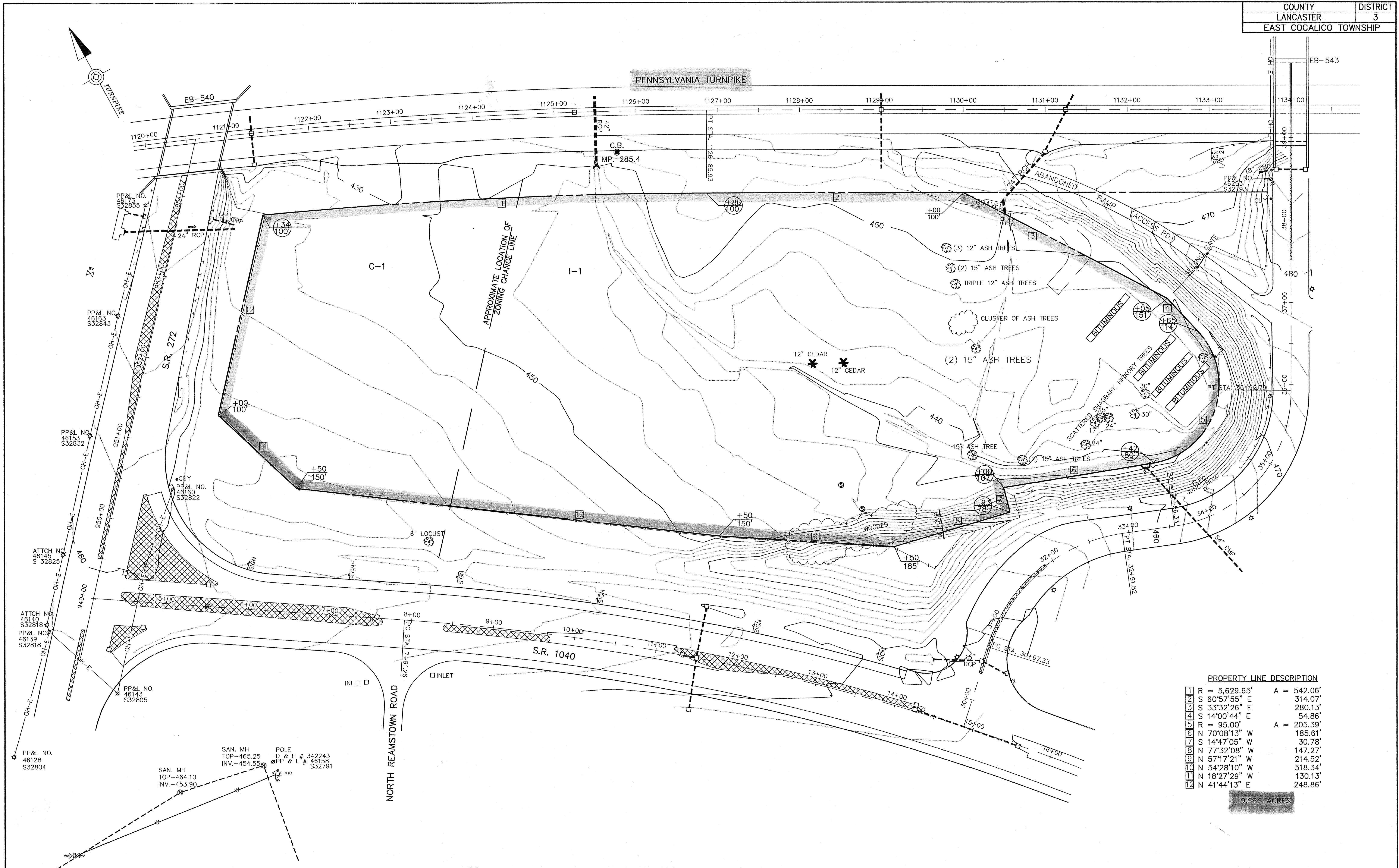
b. Financial Status. The Commission will consider the financial status of the proposer, the proposer's financial references, and the proposer's planned financing of the development.

c. Nature of Proposed Project. The Commission will consider the proposed use of the site, and its suitability to the surrounding area. In other words, is the proposed use of the site a good fit?

d. Lease Rates. Financial benefit to the Commission will be one factor only in the selection process. While this area may be weighted heavily, it will not necessarily be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the developer offering the highest financial return to the Commission. The Commission will select the firm with the proposal that best meets the needs and desires of the Commission, in the sole discretion of the Commission.

OLD READING INTERCHANGE

| COUNTY | DISTRICT |
|------------------------|----------|
| LANCASTER | 3 |
| EAST COCALICO TOWNSHIP | |



PROPERTY LINE DESCRIPTION

| | | |
|----|---------------|-------------|
| 1 | R = 5,629.65' | A = 542.06' |
| 2 | S 60°57'55" E | 314.07' |
| 3 | S 33°32'26" E | 280.13' |
| 4 | S 14°00'44" E | 54.86' |
| 5 | R = 95.00' | A = 205.39' |
| 6 | N 70°08'13" W | 185.61' |
| 7 | S 14°47'05" W | 30.78' |
| 8 | N 77°32'08" W | 147.27' |
| 9 | N 57°17'21" W | 214.52' |
| 10 | N 54°28'10" W | 518.34' |
| 11 | N 18°27'29" W | 130.13' |
| 12 | N 41°44'13" E | 248.86' |

9.686 ACRES

Addendum No. 1
RFP No. 07-146-3567

**Long-term Ground Lease of 9.69± total acres
in East Cocalico Township, Lancaster County
Old Reading Interchange Property**

Following are the answers to questions submitted in response to the above referenced RFP as of the Mandatory Pre-proposal Conference held on November 20, 2007.

1. Is the drainage ditch part of a riparian buffer zone?

Answer: We are not aware of it, if it is.

2. Have any wetlands studies been done?

Answer: Not that we know of, although it is likely that Sheetz did some.

3. You are requiring payments in lieu of taxes. Have there been any negotiations with the Township as to the amount?

Answer: No.

4. Do you have highway occupancy permits for the existing roads?

Answer: We don't think so, but we can't say for sure.

5. Did Sheetz anticipate signalization at any of the intersections?

Answer: Yes – at Pepperidge Farm Blvd.

6. Are there any other surveys or topographic maps?

Answer: Sheetz probably has some, but may not release them.

7. How has your relationship been with the Township?

Answer: We have not always agreed with some of the Township's requirements.

8. Has PennDOT been cooperative in its dealings with you?

Answer: Yes.

All other terms, conditions and requirements of the original RFP dated November 5, 2007 remain unchanged unless modified by this Addendum.

SIGN-IN SHEET

PREPROPOSAL CONFERENCE RFP #07-146-3567

DATE: November 20, 2007

TIME: 10:00 AM

| | COMPANY NAME | REP NAME | ADDRESS | PHONE | EMAIL |
|----|-----------------------------|-----------------------|---|-------------------------|----------------------------------|
| 1 | Benderson Dev. | Kim Fierman | 570 Delaware Ave ^{Buffalo NY} | 941-400-5012 | KimFierman@Benderson |
| 2 | Benderson Development | Gordon Kruffman | 110 N GEORGE ST YORK PA 17401 | 717-843-5555 | GKRAUFFMAN@BENDERSON.COM |
| 3 | CONTINENTAL REALTY CO, INC. | John Bosch | 700 W. GERMANTOWN P.KE, G. NOBLETON 19463 | 610-630-3700 | jbosch@comcast.net |
| 4 | Continental Realty | Joe Tanantino | " " " " | " " | JTANANTINO@ContinentalREalty.com |
| 5 | SYNERGY REAL ESTATE CORP. | Allan Wampler | 803 E. SMITHFIELD ST ^{GROVE CITY PA} 15047 | 412-784-2100 | AWAMPLER@SYNERGYRE.COM |
| 6 | Jayne Garver | PTC | | | |
| 7 | | | | | |
| 8 | DON LOWELL | PTC PROPERTY MGMT. | P.O. BOX 67676 HARRISBURG, PA 17106-7676 | (717) 939-9551 x5661 | dlowell@paturnpike.com |
| 9 | PTC - Fran Furjanic | | Harrisburg, PA | 939-9551 x4231 | Furjanic@paturnpike.com |
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