

RFOTP ADDENDUM #3 -- Response to Question

This addendum is being provided to respond to Questions.

Question: May potential respondents conduct water, air and mold testing on the building before March 18, 2022, so that results may be reviewed prior to submissions to the RFP?

During the February 15, 2022, tour of the property, we observed what appear to be serious mold issues on floors not previously visited. Mold may impact air quality. Further, we observed instances of water coming in from certain exterior windows. Some of these issues were identified in the City's responses to questions submitted in January, and in records provided recently with Addendum #2.

As the potential for costs to address these issues could be substantial, we may need to adjust budgets in the grant proposal to address possible remediation of mold, air quality issues and lead in the water supply.

As the March 18th submission is binding on respondents, it is critical for respondents to have the opportunity to test and determine the extent to which such remediation may be necessary prior to submitting a proposal to acquire the building. It will be difficult to make a bid without our having professional evaluation of these apparent and potential issues.

Answer: No, Potential Respondents cannot conduct water, air and mold testing on the building before March 18, 2022.

Potential Respondents are advised that the successful Respondent will be afforded the opportunity to perform its own due diligence investigations prior to closing at its sole cost and expense. Upon CCRC's selection of the highest ranking proposal, CCRC will enter into negotiations with the successful Respondent to develop the terms of the Purchase and Sale and Redevelopment Agreement (PSARA). The PSARA allows for an investigation/due diligence period, which will be negotiated between the state and the successful Respondent and will describe the length of the due diligence period. Upon discovery of adverse conditions the successful Respondent may negotiate with the state to adjust components of their project, including timeline and requested use of Grant Funds. The PSARA will

allow for the successful Respondent to terminate the PSARA agreement pursuant to the terms of the negotiated PSARA. The successful Respondent and its officers, employees, agents, contractors, or licensees will have the right, during the due diligence period, to access the Property, to inspect the Property and to investigate all matters relating thereto, including but not limited to, existing zoning requirements, the physical condition of the Property, the environmental condition of the Property and its environs, and any other matters successful Respondent deems relevant to its decision to purchase the Property.

Respondents should be reminded per RFOTP Section 1.3 – “Separate from the Offer review and scoring, CCRC will review the successful Respondent’s Grant Request, if a Grant Request has been submitted, and determine if acceptable. Any Grant Funds provided and requirements for use of such funds would be included in a separate grant agreement.”

The Grant Agreement outlining the use of the Grant Funds will be negotiated concurrent with PSARA negotiations and the successful Respondent will have the opportunity to make modifications to their request for Grant Funds subsequent to the Due Diligence Period. The modifications to the request for Grant Funds may be based upon any discovery of adverse conditions during the Due Diligence Period. Additionally, the Grant Request submitted as part of the project proposal may include prioritized uses of the Grant funds, this prioritization may account for the unknown building conditions.

As such, Section 1.3 of the RFOTP is amended by adding the following while leaving the rest of the Section unchanged:

“The Grant Request submitted as part of the project proposal may include prioritized uses of the Grant Funds.”

Interested respondents should not condition their proposal based on the potential adverse conditions nor on the receipt of grant funds, but rather utilize the PSARA negotiation and due diligence process as the avenue to address the potential presence of unknown conditions. Any proposal submitted with conditional terms and/or material revisions to the terms of the RFOTP may be rejected as non-conforming and non-responsive.