

DEPARTMENT OF VETERANS AFFAIRS



REQUEST FOR PROPOSALS No. VA-101-11-RP-0079

**VA SOUTH TEXAS HEALTH CARE SYSTEM
VISN 17
KERRVILLE DIVISION
ASSISTED LIVING AND/OR SENIOR/NON-SENIOR HOUSING
ENHANCED-USE LEASE DEVELOPMENT PROJECT
KERRVILLE, TEXAS**

DATE AND TIME PROPOSALS DUE: October 6, 2011 (12:00 Noon)

DISCLAIMER

The information presented in this Request for Proposals and all supplements, revisions, modifications, updates, and addenda thereto (collectively, the "**RFP**"), including (without limitation) narrative descriptions and information, is not represented to be all of the information that may be material to an Offeror's decision to submit a proposal in response to this RFP or to develop, construct, manage, and maintain the Project (as defined below) on a portion of the VA campus named in Attachment B.

Neither the United States Department of Veterans Affairs ("**VA**"), nor any of its contractors, subcontractors, officers, employees, counsel, advisors, or agents make any representation or warranty, whether express, implied, or created by operation of law, as to the accuracy or completeness of this RFP or any of its contents or materials referred to or provided pursuant to or in connection with this RFP, and no legal liability with respect thereto is assumed or may be implied. Any information or site description is merely provided to assist Offerors in their independent analysis of the decision to submit a proposal. The transactions contemplated by this RFP involve significant risks. Offerors and their advisors should review carefully all the information set forth in the RFP and any additional information available to them to evaluate such risks.

Except as expressly provided in the Transaction Agreements (as defined in Section 1.4) executed by VA, no additional representation or warranty, whether express, implied, or created by operation of law, will be made by VA. No person has been authorized to make or give on behalf of VA any other written or oral representation, warranty or assurance with respect to the Project or the accuracy or completeness of the information provided in this RFP or otherwise and, if any such representation, warranty, or assurance is made or given, it may not be relied upon by any Offeror as having been made by or on behalf of VA, and VA shall not have any liability for or with respect to such statements.

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REQUEST FOR PROPOSALS
SOUTH TEXAS VA HEALTH CARE SYSTEM
KERRVILLE DIVISION
ENHANCED-USE LEASE DEVELOPMENT PROJECT
KERRVILLE, TEXAS

1. EXECUTIVE SUMMARY

- 1.1** The Department of Veterans Affairs (“**VA**”) is pleased to issue this Request for Proposals (“**RFP**” or “**Solicitation**”), seeking competitive proposals from private, public, and/or not-for-profit entities interested in leasing and redeveloping certain property described in Attachment B and B1.
- 1.2** This project (“Project”) contemplates that under its enhanced-use leasing (“**Enhanced-Use Lease**” or “**EUL**”) authority, codified at 38 U.S.C. §§ 8161-8169 (<http://www.va.gov/AssetManagement/docs/EulStatute.pdf>), VA will lease the EUL Site to selected Offeror (“**Offeror**” or “**Lessee**”) for a term of up to seventy-five (75) years. The Offeror/Lessee under the EUL will, in part, be authorized and responsible for financing, designing, developing, occupying, operating, and maintaining the EUL Site in accordance with detailed development plan approved by VA (“**Development Plan**”) and applicable Federal, State, and local laws, codes, ordinances, and regulations. VA envisions that development of the EUL Site will entail well-planned and coordinated endeavor, which are compatible with the campus’ ongoing mission-related activities and the surrounding non-VA community.
- 1.3** Through the EUL authority of 38 U.S.C. §§ 8161-8169 (<http://www.va.gov/AssetManagement/docs/EulStatute.pdf>), VA can outlease the targeted property for a term of up to 75 years to accommodate the scope of the Project. In return for the long-term lease of the asset, the Offeror will provide “fair consideration” to VA. VA’s primary objective in leasing the property is for the selected developer to establish and thereby increase the number of permanent housing units available to the target population(s) described in Attachment C. For more details addressing the type of consideration that may be approved by the Secretary, see Section 2.3.9 of this RFP.
- 1.4** By submitting a proposal, each Offeror accepts all of the terms and conditions set forth in this RFP, and its Attachments, including but not limited to the Bid Terms Agreement (i.e. **Attachment D**) and the EUL Agreement. Any conflict (whether actual or perceived) between the terms of the Bid Terms Agreement, the EUL Agreement (collectively, the “**Transaction Agreements**”), this RFP, or provision there in shall be resolved at and in accordance with VA’s sole and absolute discretion, notwithstanding any

provisions of the “Disclaimer” indicating otherwise, which is included and made part of this RFP, or any other document.

- 1.5** This RFP may be amended or supplemented and all such amendments and supplements shall be considered part of this RFP (and references to the RFP shall include all amendments and supplements unless otherwise specified). In order to receive any amendments or supplements to this RFP, Offerors will be required to register on the transaction website:
<http://www.va.gov/ASSETMANAGEMENT/BURR/Kerrville/rfp.asp>.
- 1.6** VA reserves the right, at any time, without notice, at its sole and absolute discretion, to (a) modify, suspend, or waive any terms and conditions of this RFP; (b) waive any deficiency or irregularity in any proposal submitted; (c) reject any or all proposals; (d) extend any deadline set forth in this RFP; (e) terminate the RFP process, in whole or in part; (f) discuss any submission with the Offeror that submitted it and require the submission of additional information regarding any aspect of the Offeror’s proposal; (g) make an award to an Offeror which submits a proposal that is not the proposal that would provide VA with the highest value in terms of consideration to be paid under the EUL or otherwise; and (h) initiate further discussions and/or negotiations directly with the Offeror (after VA selects it for award), if VA believes that the type and/or amount of EUL consideration offered in the Offeror’s proposal warrants further refinement and/or enhancement.

2. PROPOSED DEVELOPMENT OF EUL SITE

2.1 Overview of Solicitation Structure

Through this RFP, VA is making one EUL Site (described in Attachment B) available for redevelopment. See Sections 4 and 5 of this RFP for required proposal content and evaluation criteria.

2.2 Location, Background and Description of EUL Site

Attachment(s) B and B1 contains information regarding the location, background information and descriptions of the subject EUL Site. In addition, VA has identified in Attachment A available dates and times for in-person site visit (tours) of the EUL site. Attachment A also includes directions on how to participate in the in-person tours of the EUL Site.

2.3 Development Considerations

In considering whether to submit a proposal to develop the EUL Site, Offerors should consider certain factors.

2.3.1 Timeline

VA anticipates awarding the EUL Site described in Attachment B and B1 to a selected Offeror by October 31, 2011. Developers will be required to prepare a draft Development Plan (see Section 3 for details) within 21 calendar days of selection and a final draft for VA review and approval within 45 calendar days of selection. Upon the completion of the Development Plan and final approval by VA, and the completion of any other outstanding key milestones required under the EUL Statute (<http://www.va.gov/AssetManagement/docs/EulStatute.pdf>), the VA will enter into the EUL with the Offeror. VA anticipates executing an EUL for the site by December 31, 2011.

2.3.2 National Historic Preservation Act

Prior to entering into an EUL with VA, the Offeror must fulfill the requirements of the National Historic Preservation Act, 16 U.S.C. §§ 470, et seq. ("**NHPA**") in conjunction with the proposed Development Plan. NHPA requires the consideration of the effects of the Project on historic properties listed in the National Historic Register and provides representatives of the local government sufficient opportunity to comment on the Development Plan prior to execution of the EUL. Section 106 of the NHPA also requires the seeking of ways to avoid, minimize, or mitigate adverse effects (e.g., demolition) that the Development Plan might have on any historic properties during the execution stage of the EUL. Consummation of this effort will be accomplished by VA. VA will act in concert with the Offeror when necessary in the accomplishment of historical compliance. For guidelines related to historic preservation at VA and to determine whether any asset at the EUL Site are subject to historic preservation requirements, visit <http://www.cfm.va.gov/historic/>.

2.3.3 National Environmental Policy Act and Other Environmental Considerations

The EUL and Project will be subject to all applicable Federal, State, and local environmental laws, codes, ordinances, and regulations, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act ("**CERCLA**"), 42 U.S.C. §§ 9601-9675; the Resource Conservation and Recovery Act ("**RCRA**"), 42 U.S.C. §§ 6901, et seq; and the National Environmental Policy Act ("**NEPA**"), 42 U.S.C. §§ 4321-4347. NEPA requires that Federal agencies, including VA, avoid adverse environmental impacts to the maximum extent practical when considering major Federal actions that could affect the quality of the human environment (e.g., an EUL). The NEPA analysis will be initiated upon VA's selection of the Offeror. The Offeror will be required to provide development-specific information to support the analysis. The NEPA documentation must be completed prior to execution of the EUL. The Offeror will be responsible for complying with mitigation requirements of the NEPA analysis. In addition, the Offeror will be responsible for complying with regulatory requirements for the removal of any asbestos and/or lead-containing material. Information regarding how to obtain any available environmental information for the EUL Site can be found in **Attachment E**. Other than the information referenced

in Attachment E (if any), all required environmental studies, reports, site assessments, and any required or appropriate remediation or abatement, as well as compliance with all applicable environmental laws, will be the responsibility of the Offeror, unless and to the extent that VA otherwise agrees at its sole and absolute discretion.

2.3.4 Infrastructure

Any available information about infrastructure at the EUL site is included in Attachment B and B1. It is the responsibility of the selected developer to pay for all utilities either through separate metering or reimbursement of VA. The Offeror's proposed development concept must include a plan for providing utilities and infrastructure needs to the EUL site without disrupting current operations of the Kerrville Campus.

2.3.5 Legal Considerations

A. Overview

The Offeror is responsible for conducting its own due diligence regarding the EUL Site including, without limitation, whether (a) the development of the EUL Site, as contemplated by the Proposal, can be accomplished in compliance with applicable Federal, State, and local requirements (including fire, life safety, accessibility, zoning, State and local building codes, and other local land use restrictions); (b) the condition of the EUL Site is suitable for the Offeror's contemplated use; (c) the necessary permits, variances, special exceptions and other governmental actions or approvals required for the contemplated development can be reasonably obtained (at no cost or expense to VA); and (d) the contemplated use is otherwise practical and economically feasible.

B. Taxes

In accordance with the pertinent provisions of the EUL Statute (i.e., 38 U.S.C. § 8167) (<http://www.va.gov/AssetManagement/docs/EulStatute.pdf>), the Offeror during the EUL term will be subject to any and all applicable State and local taxes, fees, assessments, and special assessments legally chargeable to the EUL, the Offeror's leasehold interest, and the Offeror's underlying improvements. However, neither VA's interest in the EUL nor the United States' fee interest in the underlying property shall be subject, directly or indirectly, to any State or local laws relative to taxation, fees, assessments or special assessments.

C. Physical Security

The Offeror shall include in their proposal an overview of the physical security that will be provided based upon the individual space requirements and tenant mix of the proposed EUL project.

D. Energy Conservation and Sustainable Design Requirements

The VA Sustainable Design Manual is the guidance that defines the methodology to incorporate sustainable design on every phase of this EUL project, from proposals, goal setting, and preliminary planning, through design and construction. Offerors will be evaluated on their plan to meet Federal mandates as outlined in VA's Sustainable Design and Energy Reduction Manual: <http://www.cfm.va.gov/til/sustain.asp>. In previous

projects, some developers have proposed more aggressive energy efficiency and sustainability milestones that made their proposals, all other elements considered equal, more attractive.

To take advantage of existing sustainable work in the private sector that is well accepted by the construction industry, VA has determined that using a third-party rating system is the most efficient methodology for achieving the federal mandates. The Offeror may propose using either the Leadership in Energy and Environmental Design (LEED) or the Green Globes rating system. VA requires that the Project obtain a minimum of either LEED Silver or Two Green Globes certification by their respective rating organizations. However, VA encourages innovative thinking in terms of sustainability over and above the current EUL standards found in the VA Sustainable Design Manual.

2.3.6 Prevailing Wages

Unless the Offeror can demonstrate to the satisfaction of VA in the form of a written determination or written correspondence from the U.S. Department of Labor that the Offeror or the Project is exempt therefrom, Offeror shall comply with the requirements of the Davis-Bacon Act, as amended, 40 U.S.C. §§ 3141, et seq. and the relevant rules, regulations, and orders of the Secretary of Labor applicable thereto.

2.3.7 Handicap Accessibility

The Offeror will be required to ensure that its design, development, construction, operation, and maintenance plans and activities on the EUL Site comply in all respects with the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101, et seq., and the Architectural Barriers Act of 1968, 42 U.S.C. § 4151, et seq., as amended.

2.3.8 EUL Statutory Requirements

First, under 38 U.S.C. §§ 8162(a)(2)(A) and 8162(a)(2)(B) of the EUL Statute (<http://www.va.gov/AssetManagement/docs/EulStatute.pdf>), the Secretary of VA must make certain determinations before entering into an EUL, including that the contemplated EUL will (a) contribute to VA's mission; (b) not be inconsistent with, or adversely affect VA's mission; and (c) enhance the use of the underlying property; or, under a proposed business plan, the EUL would provide consideration to be used to improve the health care for Veterans in the affected community. Second, under 38 U.S.C. § 8163, VA must provide adequate notice of and conduct a public hearing prior to entering into the proposed EUL to receive the views of the Veteran service organizations and other interested parties. Third, not less than forty-five (45) days prior to entering into the EUL, the Secretary of VA must provide formal written notice to the Congressional Veterans' Affairs Committees advising of their intent to enter into the EUL.

2.3.9 EUL Consideration

In exchange for VA entering into the contemplated EUL, the Offeror (per 38 U.S.C. § 8162(b)(3)(A)) (<http://www.va.gov/AssetManagement/docs/EulStatute.pdf>) will be

required to provide VA with fair monetary (i.e., rent) and/or in-kind lease consideration as approved by the Secretary of VA. In order to comply with the EUL Statute, the Secretary of VA must make certain determinations, including that the use of the Site will (a) contribute to VA's mission; (b) be consistent with, or will not adversely affect VA's mission; and (c) enhance the use of the EUL Site. In this regard, Offerors should note that the EUL will provide that any activities to be conducted on the Site cannot conflict with the mission or operations of the VA healthcare facilities remaining on campus. In addition, the Secretary must find that the EUL provide for fair consideration to VA. Per the EUL Statute, such consideration may be monetary and/or in-kind, which may include the provision of goods or services as benefit to VA including development, operation, construction, repair, remodeling, maintenance or other physical improvements of VA facilities, or the provision of office, storage, or other usable space. For the purposes of the project, VA envisions that the EUL lessee will provide VA with in-kind consideration that includes the development and operation of Assisted Living and/or Senior/Non Senior Housing units for the target population Veterans and their families described in Attachment C and the provision of on-site supportive /resident services also described in Attachment C.

2.3.10 VA's Goals and Objectives

VA has the following goals and objectives for the Project:

- Reuse underutilized VA land and or structures to create safe, affordable, Assisted Living and/or Senior/Non Senior Independent Housing for target population(s) of at risk Veteran(s) described in Attachment C. The offeror may also propose a limited mixed use that includes a potential limited professional office and/or personal/supportive services also described in Attachment C.
- Provide the target population(s) with housing and on-site supportive/resident services described in Attachment C.
- Develop a housing model geared towards enabling Veterans to achieve self-sufficiency and live independently.
- Avoid ongoing operating costs associated with the upkeep of vacant and/or underutilized assets.

2.3.11 Other Considerations

When preparing proposals in response to this RFP, Offerors should be cognizant of the following:

VA will not participate in, or allow its or the United States' interest in the EUL Site to be used as security for financing for the Project or otherwise, including without limitation, providing any kind of guaranty or act in any way as a beneficiary for a financing vehicle.

In regard to any proposed Project-related financing to be obtained by the Offeror, VA as a general rule will not approve any financing that includes requirements that operate to deny, restrict, or subordinate VA's right to terminate the EUL upon the Offeror's failure to cure an outstanding event of default thereunder. This includes any document, to include the EUL, that would prevent VA from terminating the EUL due to "cross default"

arising from one or more parcels on the Property. Any proposed Project financing that does not comply with this restriction must be explicitly identified in the RFP proposal for VA's unilateral review and evaluation.

The successful Offeror must establish and maintain positive relations and communications with State and local governmental authorities and the local communities during negotiations with VA and any of its representatives.

The successful Offeror must integrate development activities with cultural resources and historical and environmental policy management requirements in support of VA's mission and operations.

The Offeror will be responsible for coordinating the work schedule with VA in order to minimize disruption to the campus' activities and operations. This coordination includes the work of any contractor or subcontractor that the Offeror retain in connection with the Project.

Although VA will have no obligation to lease any space on the EUL Site, the EUL will include a provision granting VA certain rights of first refusal for space that becomes available on the EUL Site, throughout the term of the EUL.

3. CONCEPTUAL DEVELOPMENT PLAN OUTLINE

Following its selection, the Offeror will be responsible for preparing a detailed Development Plan for the Project. The Development Plan must contain a description of the Project and address comprehensively all significant issues regarding its development, operation, management, and maintenance. The Offeror will have forty-five (45) days to complete and submit the final Development Plan, per the requirement contained in this RFP. Each Development Plan must include, but should not be limited to, the following:

3.1 Project Overview

- (1)** The specific type of Project contemplated by the Offeror and a comprehensive plan for the redevelopment of the EUL Site;
- (2)** Project feasibility, including any anticipated barriers and a plan to overcome those barriers;
- (3)** Plans to ensure proposed uses are compatible with VA's mission;
- (4)** Development schedule;
- (5)** Development team composition;
- (6)** Community awareness strategies; and,

- (7) Plan to secure local approvals/concurrences for zoning, permits and other building and land use requirements, noting any expected obstacles and a strategy to overcome those obstacles.

3.2 Transaction Terms

- (1) Proposed entity of the Offeror that would serve as the lessee (on behalf of the Offeror) under the EUL, including all ownership structures associated with the lessee;
- (2) Proposed term of EUL (i.e., up to 75 years); and
- (3) Description, timing, and structure of monetary and/or in-kind consideration to be provided to VA under the EUL.

3.3 Project Financing

- (1) Financing plan, including sources of funds and any proposed tax abatements;
- (2) Development budgets;
- (3) Pro forma statements for a minimum of 35 years or as long as there is debt service on the project;
- (4) Supportive/resident services budget;
- (5) Sources and uses of funds;
- (6) Plan to obtain Financing Commitment Letters that will provide written assurance(s) from the proposed funding sources that those sources will provide the project financing proposed as part of the Offeror's financing structure at the EUL closing, with all conditions required for such funding clearly articulated; and,
- (7) Plan to execute a Performance bond that will provide a written commitment from a surety to provide a performance bond in the appropriate amount at the EUL closing.

3.4 Construction Plan

- (1) Conceptual drawings and site plans;
- (2) Analysis of existing land use restrictions governing the EUL Site, development and land use recommendations, variances required and plans for obtaining them;
- (3) Preliminary utilities, parking, site accessibility, traffic mitigation, and landscape plans (including plans for preserving or replacing trees currently located on the EUL Site);

- (4) Impact of proposed Development Plan on historic properties, including documentation required to comply or facilitate compliance with NHPA;
- (5) Plan for obtaining all necessary public/private entitlements; and,
- (6) Development and construction management plan.

3.5 Project Operations

- (1) Marketing and Leasing Plan, including an ongoing outreach plan to identify and screen potential residents to ensure that the facility is fully occupied;
- (2) Property and asset protection (e.g., security, police, and fire arrangements), management, and maintenance (e.g., a funded maintenance account to cover non-routine repairs), water, gas, electricity sources and arrangements with VA or utility companies;
- (3) Realistic on-site staffing plan for resident management, service needs and other operational considerations, qualifications for positions; and,
- (4) Supportive/resident services plan, which outlines how services appropriate for Assisted Living and/or Senior/Non Senior Independent Housing, will be coordinated and managed; the plan must:
 - i. Discuss how residents are to be involved in making facility decisions that affect their lives, including how they are to be involved in selecting supportive/ resident services, establishing personal goals, and developing plans to achieve these goals so that they achieve greater self-determination;
 - ii. Include an employment plan designed to help non-senior residents attain long-term employment;
 - iii. Include a plan to minimize legal substance use in Project (Note: Use of illegal substances is prohibited);
 - iv. Identify which supportive/resident services are to be provided on-site; and,
 - v. Discuss how residents are to be assisted in assimilating into the community through access to neighborhood facilities, activities and services.

3.6 Energy Conservation and Sustainable Design

- (1) Discuss the building design, construction and other administrative work necessary to apply for and receive a minimum of the Silver Certification for the Leadership in Energy and Environmental Design for Homes (LEED-H) of the U.S. Green Building Council's (USGBC) Green Building rating system for homes.

VA recognizes that formulation of the Development Plan will require the Offeror to work closely and cooperatively with VA. VA will provide final approval and cooperate with the Offeror during the drafting process to facilitate preparation of the final Development Plan. It is anticipated that the Offeror will provide VA with drafts of the Development Plan (or portions thereof) throughout the drafting process. The Development Plan will be subject to VA's review and approval and may be subject to review and comment by local government and other stakeholders.

The Offeror will be required to meet the milestones within the timeframes set forth in Section 2.3.1 of this RFP and the proposed timeline provided by the Offeror in their proposal and agreed to in the Bid Terms Agreement (Attachment D), with any such extensions or modifications that VA agrees to at its discretion. If the Offeror fails to complete the Development Plan or any other milestone in a timely manner, VA shall have the right, at its discretion, to provide written notice terminating all future discussions with and rights of the Offeror under this RFP and the Bid Terms Agreement. Upon such termination, VA shall neither owe nor pay any fees, costs, expenses, or monetary penalties to the Offeror for any reason(s) regarding or stemming from this RFP and its process, and VA shall, at its discretion, be free to select another Offeror in order to further pursue the EUL and Project.

4. CONTENTS AND PROCESS FOR SUBMISSION OF PROPOSALS

4.1 Submission of Proposals

Offerors interested in the Project should submit one proposal in accordance with and meeting the following requirements:

4.1.1 Time and Date of Submission

Proposals must be received by October 6, 2011, 12:00 Noon, Eastern Standard Time (the "Closing Time"), (30 days from the Date of Issuance). Proposals received after the Closing Time will not be considered and will be returned to the bidder. All proposals will be irrevocable after the Closing Time until the date that is 180 days after the Closing Time.

Questions regarding this RFP may be submitted in writing by emailing VAEULBURRKerrville@va.gov, by September 28, 2011. Questions received after this date may not be considered. Responses will be provided by either an amendment to the RFP or through a posting on the RFP website, which can be accessed at the following location: <http://www.va.gov/ASSETMANAGEMENT/BURR/Kerrville/>. All Government communication regarding this RFP shall be from the Contracting Officer, Dr. Maina Gakure.

4.1.2 Place and Manner of Submission

Proposals must be delivered to the following address:

Dr. Maina Gakure
Office of Asset Enterprise Management (044)
Department of Veterans Affairs
810 Vermont Avenue, N.W.
Room 275Z
Washington, D.C. 20420

Proposals must be delivered by mail, courier, or hand delivery. Proposals will not be accepted if delivered by electronic means (including facsimile).

4.1.3 Packaging and Copies

Proposals must be in a sealed envelope or package with the following information conspicuously and legibly written or typed on the outside:

- (1) Offeror's name;
- (2) Offeror's complete mailing address;
- (3) Name and contact information for Offeror's contact person (e.g., telephone, email and facsimile);
- (4) The following statement (to be completed upon delivery to VA):
"Proposal Received by VA as of _____(time) on _____
(date)"; and,
- (5) In addition, the following sentence must appear in the lower left hand corner of the envelope or package: **"Sealed Proposal for EUL at the VA South Texas Health Care Network, Kerrville Campus."**

In order to be considered, Offerors must submit one (1) original and six (6) hard copies of its proposal plus one (1) electronic working copy of the proposal on a CD ROM to VA. The entire proposal must be included on the same CD ROM in PDF format. In addition, any Excel or other spreadsheets that allow data to be manipulated must be included in their native (i.e., Excel), unprotected and accessible format. Each hard copy of the proposal must be bound in a three-ring binder (to allow VA to easily remove parts for copying and/or circulation). Submissions must be formatted as described in Section 4.2.

4.2 Proposal Content

Each proposal must contain the following sections in the following order, with each section clearly labeled, beginning on a new page and not exceeding the applicable section page limit.

Section	Description	Page Limit
1.	Cover Letter	1 page
2.	Offeror's Background and Administrative Information	5 pages

3.	Relevant Offeror Qualifications, Experience, and Past Performance	10 pages
4.	Development Concept, Financial Feasibility, and Timeline	10 pages
5.	Property Management and Supportive/Resident Services Plan	7 pages
6.	Community Relations Experience and Strategy	3 pages

Pages submitted that are in excess of any page limit (including a section page limit) will, at VA's sole discretion, be discarded and not reviewed or evaluated by VA. Supporting data, such as resumes, explanations of any legal issues, and auditor's opinion letter, will not count against the page limits. Proposals must be typewritten in Arial 11-point font size or greater. For purposes of the proposal, a "key team member" should be considered any member that will be responsible for approximately 20% or more of the services or fees under this proposed EUL.

4.2.1 Cover Letter

A cover letter (on the Offeror's letterhead) must state that the Offeror has read and agrees to comply with all of the terms, conditions, and instructions provided in this RFP. Any requests for waivers or exceptions must be clearly identified in the cover letter, and shall be subject to VA's review and approval.

4.2.2 Offeror's Background and Administrative Information

This section must contain the following general information about the Offeror and all key team members. In the case of an Offeror that is a special purpose entity (i.e., an entity that does not have or is not expected to have an ongoing business other than the development and operation of the Project), include information on each partner, member, or shareholder of the Offeror.

A. Offeror Administrative Information

Name; Employer Identification Number; Dunn and Bradstreet (DUNS) number (if available); mailing address; telephone number; e-mail address; and facsimile number.

B. Authorized Representative

Name (and contact information) of the representative authorized to act on behalf of the Offeror.

C. Day-to-Day Point of Contact

Name (and contact information) of the individual designated by the Offeror as the person to whom questions and/or requests for information are to be directed.

D. Form of Business

Description of the form of business (whether a corporation, a nonprofit or charitable institution, a partnership, a limited liability company, a business association or a joint venture), the jurisdiction of organization and operation, and a brief history of the organization and its principals:

- (1) Articles of incorporation, partnership, joint venture, or limited liability company agreement (Note: For any Offeror or key team member, as applicable, that is a sole proprietorship, provide the date of birth, current mailing address, and a summary of current business activity);
- (2) Certificate of good standing;
- (3) By-laws; and,
- (4) Copy of corporate resolutions, certified by a corporate officer, authorizing the Offeror's submission of, or key team member's participation with the Offeror in the submission of, the proposal and the entity's authority to proceed with the Project (assuming an RFP award is made and VA's approval is obtained).

E. Start-Up Date of Operations of Offeror and Key Team Members

Date(s) that Offeror and key team members began operations.

4.2.3 Relevant Offeror Qualifications, Experience and Past Performance

The Offeror should include in this section, the relevant information necessary to allow VA to assess the Offeror and its team members' qualifications, experience and past performance. Specifically, this section must include the following for each Project:

A. Offeror / Developer

- (1) **Development Qualifications:** List and explain in sufficient detail the Offeror's relevant development qualifications, experience and past performance. The Offeror should describe past experience working with the selected team members; proposed teaming structure for the EUL Project; past experience working with VA and Federal, State and local governments and undertaking residential development, redevelopment and adaptive reuse. Provide an organizational chart showing the relationship between the Offeror and key team members. In addition, Offeror should provide the following information about key team members if they are different entities from the Offeror:
 - i. Property Management Firm: List and explain in sufficient detail the proposed property management firm's background and experience, location and number of employees.
 - ii. Supportive/Resident Services Provider: List and explain in sufficient detail the proposed supportive/resident services provider's background and experience, location and number of employees.
- (2) **Financial Stability:** Provide a general overview of the Offeror and its team members' financial stability. Provide a summary of the total sources and uses of funds for the Offeror and its team members and if available, attach as an appendix, which does not count against the page limit, the auditor's opinion

letter(s) from the Offeror and its team members' most recent audit(s) of financial statements.

B. Comparable Projects and References

Description of up to three (3) projects (past or current) that are comparable in magnitude and complexity to the proposed Project on which either the Offeror or a team member has acted as a prime Offeror. Each project described must have been completed within the past ten (10) years. For each project listed, provide sufficient information to allow VA to identify the project and confirm that the project is comparable in magnitude and complexity to the Project. For each project, provide a reference who VA can contact regarding performance and client or stakeholder (as applicable) satisfaction. Provide the name, title (if any), project role (if any), mailing address, telephone number, facsimile number, and email address for each reference. Including a reference on this list will constitute authorization for VA to contact and discuss the Offeror's or team member's performance.

C. Development Key Personnel

Identify all key development personnel (i.e., persons considered critical to the performance of services), and for each such person provide a:

- (1) Description of their respective role in the Project;
- (2) Discussion of the extent to which key personnel have worked together on other projects similar to the Project; and,
- (3) One (1) page resume that includes a description of the person's duties and responsibilities, education, skills, expertise, and other qualifications relevant to the Project (Note: Resumes do not count against page limits).

D. Legal Past Performance

- (1) State whether the Offeror or key team member, as applicable, has ever been terminated for default, non-compliance, or non-performance on a contract or lease, or debarred from any Federal, State, or local government contracts and, if so, provide the date and a detailed description of the occurrence in an appendix (Note: this additional detail does not count against page limits);
- (2) List and explain in sufficient detail (include additional detail in an appendix as necessary – detail does not count against page limits) each instance within the past ten (10) years in which the Offeror, any key team member, or any principal, partner, director, or officer of the Offeror was:
 - i. Convicted of or pleaded guilty or *nolo contendere* to a crime (other than a traffic offense);
 - ii. Subject to an order, judgment, or decree (including as a result of a settlement), whether by a court, an administrative agency, or other governmental body, or an arbitral or other alternative dispute resolution tribunal, in any civil proceeding or action in which fraud, gross negligence, willful misconduct, misrepresentation, deceit, dishonesty, breach of any

fiduciary duty, embezzlement, looting, conflict of interest, or any similar misdeed was alleged (regardless of whether any wrongdoing was admitted or proven);

- iii. Subject to an action or other proceeding, whether before a court, an administrative agency, governmental body, or an arbitral or other alternative dispute resolution tribunal, which, if decided in a manner adverse to the Offeror, team member, principal, partner, director, or officer (as applicable), would reasonably be expected to adversely affect the ability of the Offeror or team member to perform its obligations with respect to the Project (including the ability to obtain or repay financing);
- iv. Debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;
- v. Notified that it is in default of any Federal contract or grant, the reason for the default, and whether the default was cured;
- vi. Had one or more public transactions (Federal, State, or local) terminated for cause or default; and,
- vii. Party to litigation or a formal Alternative Dispute Resolution (ADR) process (e.g., binding arbitration) involving a claim in excess of \$50,000. For those matters involving a claim equal to or in excess of \$500,000, describe in detail the litigation or ADR process.

4.2.4 Development Concept, Financial Feasibility, and Timeline

The Offeror must provide clear description of the proposed Project, the site construction and building design, the Offeror and its team members' financial stability, the financing plan for the Project, and timeline for accomplishing the Project. Specifically, the section should include:

A. Project Description

Provide an overview of the proposed project, including but not limited to the type of project (e.g., mixed-income housing, permanent housing, mixed-use, etc.), number of housing units, target populations, and estimated breakdown of units among the target population(s) identified in Attachment C. However, Offeror may identify additional populations to be served. Offerors should provide a justification that supports the proposed project size for the given target residents (see Attachment C for VA's preferred target population(s)). Offerors should support the proposed project size and selected target population(s) by citing available market demand data and local market knowledge. The project developed on the EUL Site must be affordable to the applicable target population(s).

B. Site Construction and Building Design

Describe any proposed development, demolition, relocation, refurbishment, or renovation of the Site and/or the facilities currently located on the Site (including any historic structures or properties).

- (1) Include a graphical depiction showing the conceptual layout of the Project on the EUL site. At the Offeror's discretion, such imagery could include conceptual drawings, site plans, and/or floor plans;
- (2) Describe the proposed A&E firm's background and experience, design philosophy, location, and number of employees; and,
- (3) Describe proposed construction firm's background and experience, location, number of employees, and bonding capacity.

C. Project Financing

Offerors are requested to provide the following items:

- (1) Development Budget: Development budget must show (1) total development costs, including hard and soft costs (including legal fees); (2) financing costs, including types, anticipated debt and equity amounts, and underlying amortization period; and (3) ownership structure, including percentage of ownership by the Offeror (or in the case of a special purpose entity, each team member);
- (2) Annual Operating Budget: Offeror should list all expected annual revenues, including expected monthly rents by unit type. Offeror should specify what percentage of unit rents will be set at no more than 30% of tenants' adjusted gross incomes and what percentage of units (if any) will be set at market rate or other rent levels. In addition, Offeror should list all expected annual operating expenses associated with the project(s).
- (3) Annual Supportive/Resident Services Budget: Offeror should list all expected annual supportive/resident services expenses; and,
- (4) Sources and Uses: The proposal must provide a list of all capital, operating and supportive/resident services funding sources (e.g., Low Income Housing Tax Credit equity, equity provided by the Offeror, Federal, State and local government funding, grant proceeds, loan proceeds, net operating income generated from tenant rent contributions, rental vouchers, etc.) used to finance the Project. The discussion should include a description and/or documentation demonstrating the Offeror's strategy to obtain financing for the Project, including a contingency plan in the event one or more sources of funding are not available.

D. Project Timeline

The Offeror must provide a timetable containing the following key dates:

- (1) Project financing sources: Anticipated application, award and closing dates;

- (2) Required permits, approvals and variances: Anticipated application and approval dates;
- (3) Schematic design and construction documents: Completion dates;
- (4) Construction: Start and completion dates; and,
- (5) Occupancy: Date the in-kind consideration will be provided to VA.

4.2.5 Property Management and Supportive/Resident Services Plan

The Offeror will be responsible for ensuring the proper operation, management, and maintenance of the Project during the term of the EUL. This section must contain the following:

A. Property Management Approach and Key Personnel

Describe Offeror's approach to operation, management, and maintenance of the Project in accordance with private sector standards. The Offeror should include detailed information (i.e., entity name, resumes, headquarters and principal places of business, etc.) on any personnel that are proposed to be responsible for management of the Project (Note: Resumes do not count against the page limits).

B. Supportive/Resident Services Offered and Key Personnel

Identify which supportive/resident services are to be provided on-site, as well as who is going to provide them. Offeror must also provide detailed information about the following topics: needs assessment and outreach strategy; service delivery strategy; coordination with other programs and service providers; and performance objectives. The Offeror should include detailed information (i.e., entity name, resumes, headquarters and principal places of business, etc.) on any personnel that are proposed to be responsible for supportive/resident services at the Project (Note: Resumes do not count against the page limits).

4.2.6 Community Relations Experience and Strategy

This section should include an explanation of the Offeror's experience and approach to managing community relations and interacting with State and local government officials (i.e., zoning, environmental, SHPO, local community, etc.). Specifically, this section must contain the following:

A. Community Relations Experience

Describe any experience in managing relations with the surrounding community. (Information provided in Section 3 may be cross-referenced or incorporated by reference into this section and need not be repeated.)

B. Community Relations Strategy

Describe Offeror's approach to establishing constructive dialogue and maintaining proactive contact with key public officials and private stakeholders. Offerors should also provide an outline describing strategies to overcome any potential challenges.

5. EVALUATION CRITERIA

5.1 Initial Review

Following the RFP submission deadline, VA will initially review all submissions for completeness and adherence to the requirements and conditions set out in this RFP.

5.2 Formal Presentations

Complete and acceptable submissions will be further reviewed and evaluated by VA, ranked in order, and a “competitive range” established. Offerors whose submissions are found to be within the competitive range may be given the opportunity, at VA’s sole discretion, to make a formal presentation to VA and receive questions regarding their proposal. If a presentation is required, notice will be provided to those Offerors asked to make a presentation and the details regarding that presentation (i.e., length of presentation, etc.) will be provided in the notice. Based thereon, VA may ask Offerors within the competitive range to submit their Final Revised Proposal (“**FRP**”). Once submitted, VA will treat each Offeror’s FRP as a firm proposal submission that supersedes that Offeror’s proposal originally submitted.

5.3 Selection Process

The Government intends to review all factors for award in making a best value selection. After the final evaluation of the proposals, VA will select the Offeror whose proposal offer the **best overall value**. Selection will be based on an integrated assessment of the factors set forth below. Upon selection of the selected developer, the Developer will commence work on the Development Plan, as outlined in Section 3 of this RFP, with the intent to execute the EUL.

5.4 Evaluation Criteria

The proposals will be evaluated on the basis of the following factors that are equally weighted. If all proposals are deemed equal based on the below evaluation criteria and more than one site is identified in Attachment B of this RFP, then the number of sites included in the Offeror’s proposal becomes the determining factor. The evaluation factors are as follows:

5.4.1 Relevant Offeror Qualifications, Experience, and Past Performance

VA will review the extent to which the Offeror and its team members have demonstrated expertise and a proven track record in developing and operating multifamily, permanent, affordable housing projects. Offerors should show that they have experience with

projects of similar size and scope to the proposed Project and have completed or placed in service at least one comparable, currently-operating housing project of a size comparable to or larger than the Project contemplated in this RFP. Offerors should possess a strong, positive reputation for reliability, service, and a commitment to serving the target population(s) described in Attachment C. VA will assess the financial stability of the Offeror and its team members. VA will also review the Offeror and its team members' history of complying with agreements and not defaulting on financial responsibilities.

5.4.2 Development Concept, Financial Feasibility, and Timeline

VA will evaluate the feasibility of the Offeror's development concept and proposed site construction/building design. VA will assess the viability of the proposed financing plan for the Project. The development concept should reflect VA's goals and objectives, as well as the agency's expectations concerning in-kind consideration (see Sections 2.3.9 and 2.3.10 of this RFP). Offerors should provide a realistic project development timeline for VA's review.

5.4.3 Property Management and Supportive/Resident Services

VA will evaluate the Offeror's approach to delivering property management and supportive/resident services to the Project and ensuring the long-term viability of the Project. VA will review the qualifications of the proposed key personnel to determine their ability to deliver the proposed property management and supportive/resident services to the Project. Both the property management and supportive/resident services plans should be customized to the proposed product type and the Offeror should be familiar with and have developed strong working relationships with local community organizations.

5.4.4 Community Relations Experience and Strategy

Although community approval is not required for this Project, VA intends to evaluate the Offeror and its team members' experience with and strategy for managing community relations. Offerors should demonstrate local market knowledge and a community relations strategy that accounts for potential community opposition to the Project.

6. MISCELLANEOUS TERMS AND CONDITIONS APPLICABLE TO THIS RFP

6.1 Website

A website has been created to provide interested parties an opportunity to learn more about this opportunity and the VA EUL program. The website is located at www.va.gov/assetmanagement/burr.

6.2 Questions and Information

Questions, requests for clarifications, and general information requests must be sent by email to VAEULBURRKerrville@va.gov. VA, in its sole and absolute discretion, reserves the right to provide all prospective Offerors with copies of any Offeror questions it receives and any answers, clarifications, and/or information it provides in response thereto, if it determines that doing so may be of general interest to potential Offerors. To receive all project-related updates, please subscribe to updates via the website: <http://www.va.gov/ASSETMANAGEMENT/BURR/Kerrville/>.

6.3 Authorizations by Submission of Proposal

Any and all information provided by an Offeror and its team members may be used by VA to conduct credit and background checks.

6.4 Teaming Arrangements and Special Purpose Entities

Multiple Offerors may form a joint venture for the purpose of submitting a proposal in response to this RFP. A special purpose entity may also be created for the purpose of submitting a proposal. VA may require that financial and performance guarantees be provided by these and other Offerors as well as team members. Supportive housing development and management can be a complex and challenging process and may require substantial expertise. Potential Offerors who do not have strong experience or skills in these areas may consider submitting proposals jointly with entities whose experience can complement their own. (Note: VA will not be involved in facilitating partnering or teaming arrangements.)

6.5 Hold Harmless

By participating in the RFP process, each Offeror agrees to indemnify and hold harmless VA and the United States and each of their respective officers, employees, contractors, and advisors from and against any and all real estate and other brokerage fees or commissions, finder's fees, and other forms of compensation related in any way to activities undertaken by any person as a result of such person's efforts towards and/or participation in this RFP process or the submission by such person of a proposal, and liabilities, losses, costs, and expenses (including reasonable attorney's fees and expenses) incurred by any indemnified party (including VA) as a result of, or in connection with, any claim asserted or arising as a result of, or in connection with, this RFP process.

6.6 Ineligibility

The following persons (including entities) are ineligible to be an Offeror or a team member of an Offeror or otherwise participate in the Project (including as a contractor, subcontractor, or professional): (a) any person that has been debarred or suspended from doing business with VA; (b) any person that is listed on the most current "Excluded Parties List System" published by the U.S. General Services Administration at <http://epls.arnet.gov/>, as updated from time to time; (c) any person who poses a security

or safety risk, as determined by the Secretary of State, including but not limited to any person who either represents a country, or is a member of or provides political, financial, or military support to a group, that is listed in the most current "Patterns of Global Terrorism" report, issued by the Secretary of State in compliance with 22 U.S.C. § 2656f(a), available from the Superintendent of Documents, U.S. Government Printing Office, Washington D.C. 20402 and also available at: http://www.state.gov/www/global/terrorism/annual_reports.html; and (d) any person who is subject to a criminal indictment or information for a felony in any U.S. court. VA reserves the right to require any participant in the Project to confirm that it is not ineligible under the foregoing criteria.

6.7 Additional Information

All of the information required to be provided in each proposal pursuant to Section 4 of this RFP is important to VA's analysis and evaluation of the proposal. VA may utilize all information provided in a proposal in evaluating the proposal. Neither VA nor any of its contractors, subcontractors, officers, employees, counsel, advisors, or agents, make any representation or warranty, whether express, implied, or created by operation of law, as to the accuracy or completeness of this RFP or any of its contents or materials referred to therein, and no legal liability with respect thereto is assumed or may be implied.

VA reserves the right to (a) update, supplement, and revise this RFP; (b) make an award under this RFP as a result of initial offers submitted; (c) reject any or all Offers at any time prior to award and cancel this Solicitation; (d) award to other than the offer with the highest level of consideration offered; (e) independently waive informalities and minor irregularities in offers received; and (f) make an award and then enter into negotiations with a selected Offeror on the basis of initial offers received without discussions. Therefore, all initial offers should comprehensively address each of the requirements set forth herein, and contain the Offeror's best terms.

By submitting a proposal, each Offeror accepts all of the terms and conditions set forth in this RFP, and any updates, supplements, and amendments thereto. Any conflict (whether actual or perceived) between different parts of this RFP, as between an Offeror and VA, shall be resolved at the sole and absolute discretion of VA.

In no event shall VA be liable for any fees, costs, or expenses associated with any of the Offeror's (or their brokers, if any) activities (e.g., preparation, discussions, clarifications, submissions, or negotiations), relating directly or indirectly to this Solicitation. Accordingly, as a condition of submitting its proposal, each Offeror hereby agrees to indemnify and hold VA harmless for any and all such fees, claims, liabilities, and costs arising in connection with this RFP and its underlying process.

Any relationship between VA and an Offeror arising from the Solicitation is subject to the specific limitations, terms, conditions, and representations expressed in this RFP. Any substantive questions or concerns to include conflicts, apparent conflicts, or any other substantive matters regarding this RFP which may arise during preparation of an

Offeror's proposal should be addressed, in writing, via the dedicated email address VAEULBURRKerville@va.gov.

ATTACHMENT A – INFORMATION ON SITE TOUR

The site tour will provide Offerors with an opportunity to see the EUL Site, enter existing improvements (if possible), and understand how the EUL Site relates to the rest of the VA campus and community.

Site Visit Information

VA SOUTH TEXAS HEALTH CARE SYSTEM

VISN 17

KERRVILLE DIVISION

ENHANCED-USE LEASE DEVELOPMENT PROJECT

KERRVILLE, TEXAS

DATE: Wednesday September 14, 2011, 10:00 AM CST

Location: VA Kerrville Division Building 29, 2nd floor,
3600 Memorial Boulevard, Kerrville, Texas 78028

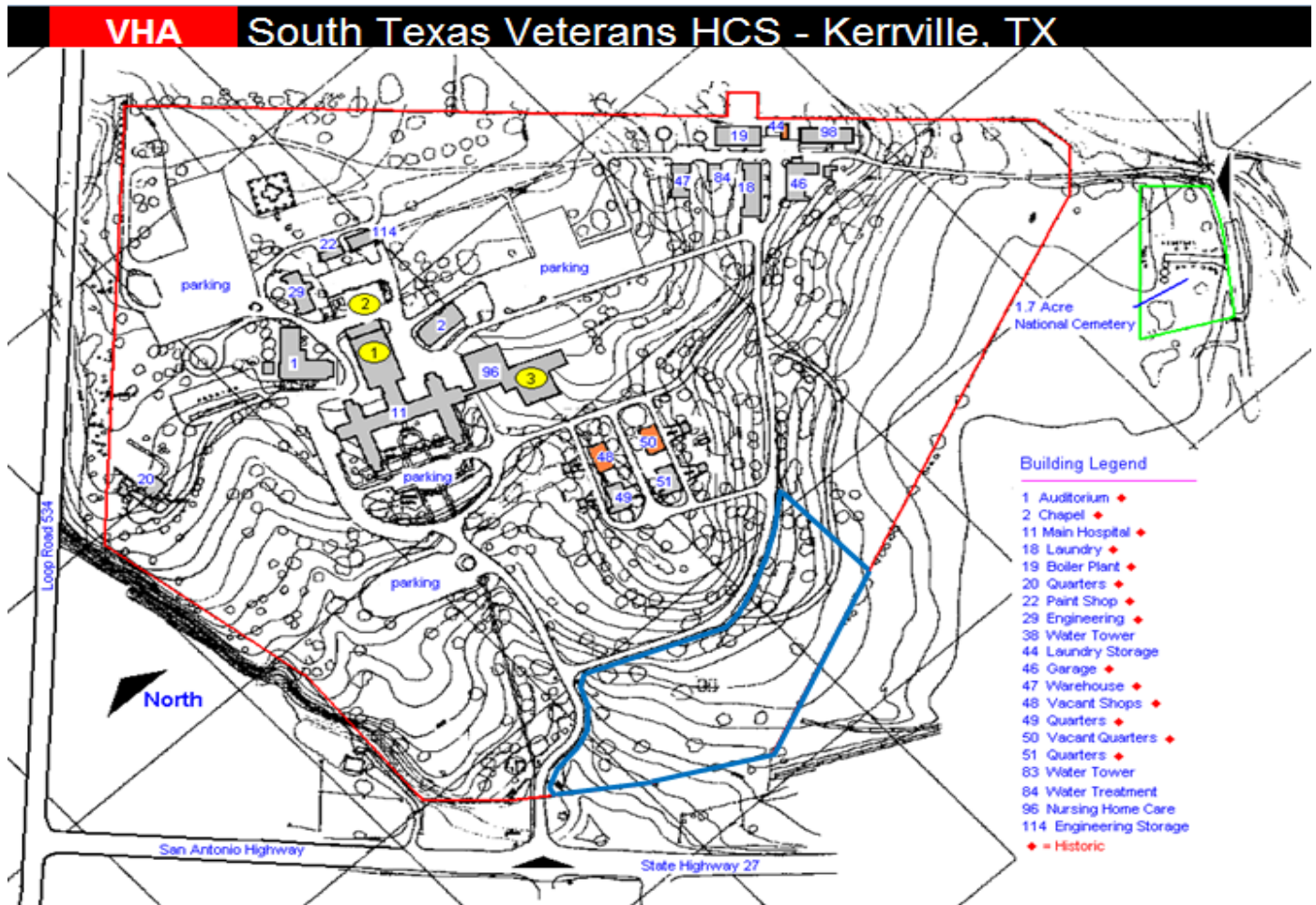
If you are interested in attending the site visit, please call (830) 792-2559 or email (Amy.Smith@va.gov) to confirm your attendance. When emailing, please note in the subject “Kerrville EUL Site Visit Registration”.

ATTACHMENT B – EUL SITE INFORMATION

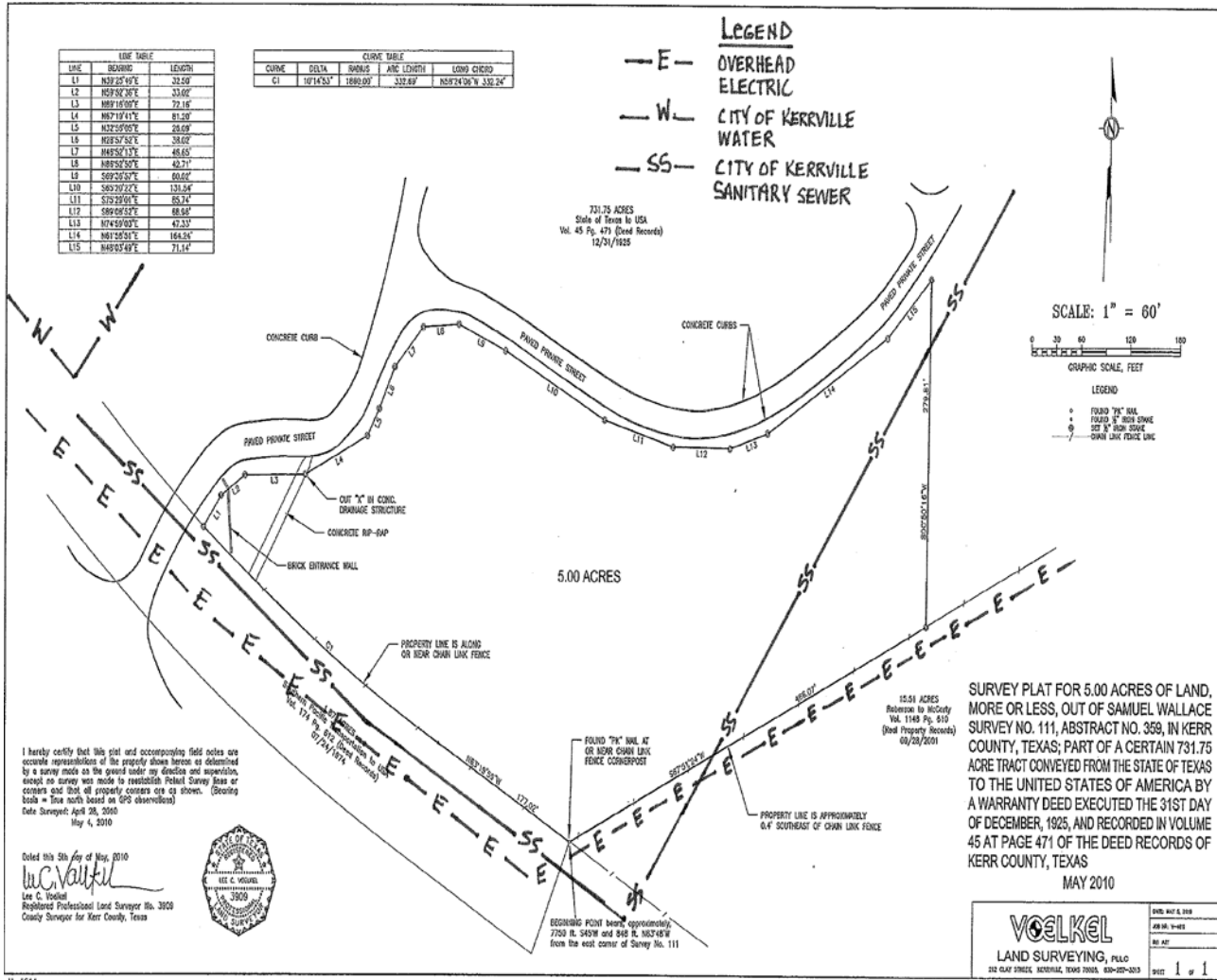
Attachment B is a map depicting the approximately 70-acre campus outlining the approximately 5-acre EUL Site.

South Texas Veterans HCS

Kerrville, TX



ATTACHMENT B1 – SURVEY AND UTILITY LOCATION OF EUL SITE



Y-4611

Location, Background & Description of EUL Site

<p>Location</p>	<p>LOCATION: The VA Kerrville Division (KD) is a 70 acre campus located 65 miles northwest of San Antonio, Texas</p> <p>ADDRESS: 3600 Memorial Boulevard in Kerrville Texas, 78028</p> <p>BACKGROUND & DESCRIPTION of EUL KERRVILLE: The 70 acre Kerrville Division, STVHCS campus has 39 buildings and is bordered on the northwest by Loop 534, and in all other directions by private property with the exception of where the property adjoins Memorial Boulevard. Heart of Texas Health Care System, or VISN 17, serves a population of slightly over one million veterans residing in 134 counties stretching from the Oklahoma border to the Lower Rio Grande Valley of Texas. The population in this large geographic area range from urban centers such as Dallas/Fort Worth, San Antonio and Austin, to largely rural areas such as Bonham and Kerrville, to the rapidly expanding and largely Hispanic Lower Rio Grande Valley. At the time of its formation in 1995, the Network was comprised of seven medical centers – Dallas, San Antonio, Temple, Waco, Kerrville, Bonham and the former Marlin VA Medical Center – and a handful of community-based outpatient clinics. Shortly after its formation the Network’s seven Medical Centers were integrated to form three integrated health care systems – Bonham and Dallas became the VA North Texas Health Care System; Temple, Waco and the former Marlin facility became the Central Texas Veterans Health Care System; San Antonio and Kerrville became the South Texas Veterans Health Care System, and the VA Texas Valley Coastal Bend Health Care System. Today the Network, which employs almost 10,000 health care professionals operating under a budget of approximately \$1.6 billion, is providing state-of-the-art health care, education, and research to enrolled veterans residing along either side of the “Interstate 35 corridor” of Texas. The three health care systems are supported by a Network of over 37 community-based outpatient clinics providing a full range of primary care and some specialty care services through VA-staffed or contract care. Some of the largest and most complex outpatient clinics are in Fort Worth, Austin, San Antonio, Corpus Christi, McAllen, and Harlingen. The outpatient clinics work in harmony with the larger and more complex medical centers serving as referral sources for medical centers and providing needed long-term follow-up and rehabilitative care and post hospital admission. Network facilities also house six nursing homes, four domiciliary, one blind rehabilitation center, and two Spinal Cord Injury Centers. Principle academic affiliations are with University of Texas Southwestern School of Medicine, Texas A&M School of Medicine, the University of Texas Galveston Branch and the University of Texas Health Science Center at San Antonio. The VA Heart of Texas Health Care Network has a very large potential to continue growth despite projected decline for the veteran population in other parts of the country. The expanded use of community-based outpatient clinics has brought care within 30 miles or 30 minutes of more than 90% of veterans residing in the Network. The three health care systems vary in scope and complexity from large urban centers providing state-of-the-art healthcare, education, and research, to smaller rural facilities providing primary and long-term care services. These smaller</p>
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	facilities are also often the social and economic focal point for the community.
Campus Background	See http://www.southtexas.va.gov/KD.asp for information on the subject campus
EUL Site	The subject site is a 5 acre vacant parcel of relatively flat land, located in the southern portion of the Kerrville Division of the South Texas Veterans Health Care System (STVHCS), south of the VA entrance off of Memorial Boulevard. See Attachment(s) B and B1.
Parking	The Offeror must determine the adequate (required) number of parking spaces on the Site in accordance with the City of Kerrville Planning and Zoning Regulations. If there is a need for additional parking spaces, the Offeror must incorporate a plan for the additional parking spaces in its proposal.
Historic Status	VA Kerrville Division possesses significance for its historical associations and design qualities and retains sufficient integrity to convey that significance. The campus' buildings, structures, and associated landscape combine to form a historic district that is eligible for listing in the NRHP under Criterion A in the areas of health/medicine and community development, and under criterion C in the area of architecture, at the local level of significance.
Utilities	Available information about the utilities/infrastructure at the EUL site is included in Attachment B1. It is the responsibility of the selected developer to pay for the new installation of utility lines and connections to service the EUL. The utilities shall be separately metered. The Offeror will need to access existing off-site municipal water, gas, sewer, and electric utilities. Non VA-owned utilities running through the EUL Site such as telephone, fiber optics, and water will need to be preserved or relocated. The offerors proposed development concept must include a plan for providing utilities and infrastructure needs to the EUL site without disrupting current operations of the VA Kerrville District Campus.
Access and Road Infrastructure	Offeror is responsible for maintaining the roadways that serve the EUL Site, including routine maintenance, snow removal, and other services necessary to maintain access to the EUL site EUL Site can be accessed by vehicles directly from VA Entrance off of Memorial Boulevard.

ATTACHMENT C – TARGET POPULATION(S) AND SUPPORTIVE/RESIDENT SERVICES

Target Population: Assisted Living residences or facilities is a part of a continuum of care services, and health care designed to provide supervision or assistance with activities of daily living (ADLs); coordination of services with health care providers, and monitoring of resident activities to help ensure their health, safety and well-being in a way that promotes maximum independence.

Target Population(s)	Description	Recommended Supportive / Resident Services
Senior Veterans (single Veterans and Veterans with families)	<ul style="list-style-type: none"> • Veterans who meet project-specific criteria established by Development Plan • For purposes of this project, the at-risk population may include returning Members our Military from Operation Iraqi Freedom (OIF), Operation Enduring Freedom (OEF) the official name used by the United States government for the War in Afghanistan, and Operation New Dawn (OND), which is the name for the mission in Iraqi since September 2010, women, senior, frail elderly and/or low-income Veterans who, without an affordable housing solution and supportive services, may put at risk their ability to meet basic needs such as nutrition, health care, and caring for themselves and/or their families. 	<ul style="list-style-type: none"> • Services should be designed to meet the needs of the population being served • Services offered should be consistent with the type of services typically found in comparable private market projects; for example an Assisted Living/Senior/Non-Senior facility, getting dressed, grooming, bathing, toileting, 24 hour supervision to help with scheduled needs, as well as unexpected issues, meals although units will have kitchenettes), housekeeping, laundry, transportation, health, exercise, and wellness programs, social and recreational programs
Disabled Veterans (single Veterans and Veterans with families)	<ul style="list-style-type: none"> • Veterans with physical or mental disabilities, including Traumatic Brain Injury and Post-Traumatic Stress Disorder 	<ul style="list-style-type: none"> • Services should be designed to meet the needs of the population being served • Services offered should be consistent with the type of services typically found in comparable private market projects

ATTACHMENT D – BID TERMS AGREEMENT

VA KERRVILLE DIVISION

The United States Department of Veterans Affairs (the “VA”), through the Request for Proposals No. VA-101-11-RP-0079 and relating to the VA South Texas Health Care System in Kerrville, Texas as supplemented or amended (the “RFP”), has solicited offers from the undersigned (the “Developer”) and others to lease and develop the Site (as defined in the RFP) and design, finance, construct, operate, maintain, and manage the Project (as defined in the RFP) on the Site pursuant to an EUL and any other documents to be executed in connection with the transaction either by the VA or the VA and the Developer (collectively, the “Transaction Documents”). The Developer has submitted a proposal to the VA in response to the RFP (the “Proposal”) and is submitting this Bid Terms Agreement (this “Agreement”) with and as a required part of the Proposal. Capitalized terms used and not otherwise defined in this Agreement have the meanings given in the RFP. In consideration of the foregoing and being allowed to compete for an award with respect to the RFP, the Developer acknowledges and agrees as follows:

1. The Proposal becomes irrevocable on the Closing Time, at which time the Developer is legally bound by this Agreement and the terms of the Proposal, including without limitation the development concept (the “Development Concept”) and the type and value of the consideration proposed to be provided to the VA as part of the EUL. The Proposal remains irrevocable for one hundred eighty (180) days after the Closing Time. After the one hundred eighty (180) day period has expired and prior to the issuance by the VA of a Selection Notice (as defined below), the Developer may revoke its Proposal by delivering to the VA written notice of revocation. Upon receipt by the VA of such a revocation notice, the Proposal shall be deemed to be revoked.
2. The VA may, in its sole and absolute discretion: (i) modify, suspend, or waive any terms and conditions of the RFP; (ii) reject any or all proposals (including the Proposal); (iii) waive any deficiency or irregularity in any proposal submitted; (iv) terminate, extend, or delay the RFP process, in whole or in part, at any time, including after a proposal is accepted; (v) discuss any submission with the offeror that submitted it and require the submission of additional or clarifying information regarding any aspect of the offeror’s proposal; (vi) conduct one or more “best and final” rounds of bidding; and (vii) make an award to an offeror whose proposal is not the proposal that would provide the VA with the highest value in terms of consideration to the VA under the EUL or otherwise.
3. Any and all risks of error or mistake (including any omission) in the completion or submission of the Proposal, including this Agreement, or

any other documentation submitted by the Developer shall, as between the VA and the Developer, be borne solely by the Developer. No error or mistake in the completion or submission of the Proposal, this Agreement or any other documentation shall relieve the Developer of any of its obligations hereunder or under the RFP.

4. The Developer is responsible for conducting, and represents and warrants that, to the extent the Developer deems it necessary or appropriate, it has conducted, its own due diligence regarding the Site, including, without limitation, whether (i) the development of the Site, as contemplated by the Proposal, can be accomplished in compliance with applicable Federal, state and local laws (including zoning and other local land use restrictions); (ii) the condition of the Site is suitable for the Developer's contemplated use; (iii) the necessary permits, variances, special exceptions, and other governmental actions or approvals required for the contemplated development reasonably can be obtained (at no cost or expense to the VA); and (iv) the contemplated use is otherwise practical and economically feasible.

5. If the Developer is chosen by the VA to prepare a Development Plan and enter into an EUL for the Site, the VA will provide the Developer with a written notification to that effect (the "Selection Notice"). The Selection Notice will be accompanied by the duplicate original of this Agreement executed by the Developer (submitted with the Proposal) and a copy of the Milestone Timetable agreed to by the Developer and the VA (the "Agreed Milestone Timetable"). The VA may issue a Selection Notice that is conditional (a "Conditional Selection Notice") upon the Developer and the VA reaching agreement, within a timeframe specified in the Conditional Selection Notice, on certain matters regarding the Proposal that are not acceptable to the VA or with respect to which it requests clarification. If the VA issues a Conditional Selection Notice and the conditions set forth therein are met, the VA will then issue a Selection Notice. If the VA issues a Conditional Selection Notice and the conditions are not met, as determined by the VA in its sole and absolute discretion, then the conditional selection of the Developer may be revoked by the VA (which revocation may operate automatically and without any action on the part of the VA if the Conditional Selection Notice so provides) and the Developer shall have no rights or recourse against the VA with respect thereto. The Agreed Milestone Timetable, to be attached as Schedule 1 hereto, and the Proposal, including, without limitation, the Development Concept, as the same may be amended or revised at the request of the VA prior to the issuance of a Selection Notice, are incorporated into and made a part of this Agreement.

6. Following receipt of a Selection Notice, the Developer shall prepare a Development Plan in accordance with the Development Concept contained in the Proposal. The Development Plan shall comply with the requirements, terms, and conditions regarding a Development Plan as set forth in the RFP, including, without limitation, the provisions of Parts 2.3 and 3 of the RFP. No material deviation from the Development Concept, including, without limitation, the type and value of consideration proposed therein to be provided to the VA, shall be permitted or effective unless approved in writing by the VA. Following the receipt of a Selection Notice, the Developer shall complete the Development Plan and meet the other milestones contained in the Agreed Milestone Timetable in a timely manner.

7. Within three (3) business days after receipt of a Selection Notice, the Developer shall submit to the VA a letter of credit in the form of Schedule 2 in the amount of \$100,000.00 (the "Initial Deposit"), issued by, and which may be presented for draw at, an office or branch of a bank in either Washington, D.C., or New York, N.Y. The issuing bank shall have a long-term unsecured indebtedness rating of at least A by Standard & Poor's Rating Service or A2 by Moody's Investors Service, Inc. The Initial Deposit letter of credit shall have a term of at least one (1) year, and the Developer shall not be entitled to the return of the letter of credit or any funds drawn thereunder except as expressly provided in this Agreement. If, at any time prior to the execution and delivery by the Developer of the EUL, the Initial Deposit letter of credit is within sixty (60) calendar days of expiration, the Developer will extend such letter of credit or replace the existing letter of credit with a new letter of credit substantially in the form of the existing letter of credit (but for the stated expiration date) and with a term of at least one (1) year (in which event, upon receipt of the replacement or renewed letter of credit, the VA will return the expiring letter of credit to the Developer). The VA shall have the right to draw the full amount of the letter of credit if it is within thirty (30) calendar days of expiration and has not been renewed or replaced. The Initial Deposit letter of credit shall be returned to the Developer (i) upon execution and delivery of the EUL by the Developer and the VA and the provision by the Developer of any additional security (including any guarantee) required thereunder, or (ii) upon written notice from the VA to the Developer, at any time prior to the execution and delivery of the EUL by the VA and the Developer, that the VA has decided not to proceed with the Project. No interest or other earnings with respect to the Initial Deposit (even in the event any are earned) shall be due or payable to the Developer (or any person on its behalf), and the VA shall be entitled to retain any such interest and earnings.

8. Within five (5) Business Days of receipt from the VA of the execution form of the EUL and any other Transaction Documents, the Developer (and/or any other party thereto) shall execute and deliver the same to the VA (or its counsel, as directed by the VA).
9. The Developer understands that time is of the essence to the VA in accomplishing the milestones set forth on the Agreed Milestone Timetable and in otherwise complying with the Developer's obligations under this Agreement. If the Developer fails in any material respect to meet in a timely manner any milestone contained in the Agreed Milestone Timetable or fails to execute and deliver any of the Transaction Documents as and within the timeframe required by the preceding paragraph or otherwise fails to comply with or breaches any provision of this Agreement, the VA will have the right to declare the Developer in default under this Agreement and, upon any such default, the VA shall have the right to (i) terminate the Developer's rights under this Agreement (and all further discussions with the Developer); (ii) in the VA's sole and absolute discretion, if it so chooses, make an award to another developer; and (iii) draw and retain as liquidated damages the full amount of the Initial Deposit letter of credit. In the event that the VA exercises its right to draw under the Initial Deposit letter of credit, the VA shall be entitled to retain, as its sole and exclusive remedy for the default, the entire Initial Deposit as fixed, agreed and liquidated damages, and not as a penalty, the Developer and the VA having agreed that actual damages that may be incurred by the VA in the event of such a default will be difficult or impossible to measure and that an amount equal to the Initial Deposit is a reasonable estimate of what those damages would be.
10. Except for such representations and warranties of the VA as are expressly set forth in the EUL or any other Transaction Document to which the VA is a party, the VA makes no representations or warranties of any kind (whether express, implied, or arising by operation of law). Without limiting the foregoing, the VA makes no representation or warranty regarding the suitability of the Site for use of any kind.
11. Each of the Proposal and this Agreement has been, and any and all amendments, additions, and clarifications thereto and any other documents submitted to the VA in connection with the Proposal or the RFP have been or, if submitted hereafter, will be executed and delivered by a duly authorized representative of the Developer. The Developer has all requisite corporate or other authority necessary to submit the Proposal (including this Agreement) to the VA, to agree to any amendments, additions, and clarifications made thereto by the Developer, and to submit such other documents as the Developer has submitted or hereafter

submits to the VA in connection with the RFP, the Proposal, or the contemplated transaction, and to be legally bound by the terms and conditions thereof and the RFP. This Agreement constitutes a valid and binding obligation of the Developer enforceable against the Developer in accordance with its terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the enforcement of the rights of creditors generally and the application of equitable principles in any proceeding, whether at law or in equity).

12. Without limiting the indemnification and hold harmless obligation of the Developer set forth in the RFP, the Developer hereby indemnifies and holds harmless the VA and the United States and each of their respective officers, employees, contractors, and advisors and their respective successors and assigns (the "Indemnified Parties") from and against (i) any and all claims asserted against any Indemnified Party arising from or relating in any way to any act or omission of the Developer or any person acting on behalf of or in conjunction with the Developer in connection with or as a result of the Developer's or such other person's participation or efforts to participate in the RFP process or in anticipation thereof, including without limitation the preparation or submission of the Proposal and this Agreement, and including without limitation any claim of any real estate or other broker, agent or finder (other than any such person retained by the VA), and any and all liabilities, losses, costs, and expenses (including reasonable attorneys' fees and expenses) incurred as a result or in defense of any such claim; and (ii) any and all liabilities, losses, costs, and expenses (including reasonable attorneys' fees and expenses) incurred by the VA in connection with any action taken by the VA to defend or enforce any of its rights and/or remedies under this Agreement or otherwise in connection with the RFP process, the Proposal, or this Agreement.
13. It is understood and agreed by the Developer that the VA is not obligated, and may not have the authority, to agree to any substantive change to the form of EUL or any other Transaction Documents included as part of the RFP or the structure of any transaction contemplated thereby. In addition, the Developer agrees that the VA may require financial security (such as a letter of credit or a performance guaranty) by a financially sound entity (in each case acceptable to the VA) to back the Developer's obligations under the EUL and other Transaction Documents, and the Developer is willing and able (at no cost or expense to the VA) to provide appropriate security at the VA's request.

14. The Developer represents, warrants, and covenants to the VA as follows:
- (a) the Developer has read, and has had an opportunity to review with its legal counsel, the RFP (including, without limitation, all supplements thereto) and fully understands and is fully capable of complying with all of its terms and conditions and the obligations of the Developer set forth therein, including without limitation the Disclaimer that is a part thereof, and the Developer has had an opportunity to ask and has received satisfactory responses from the VA regarding the RFP;
 - (b) without limiting the foregoing, the Developer has read, and has had the opportunity to review with its legal counsel, this Agreement and the form of the EUL and other Transaction Documents included in the RFP and understands and is fully capable of complying with all of the terms, conditions, and obligations of the Developer set forth therein, including any and all time frames specified for performance in the Agreed Milestone Timetable;
 - (c) the information provided in the Proposal is true and correct in all material respects as of the date of the Proposal and, in the event any of such information ceases at any time to be true and correct in all material respects, the Developer promptly shall so inform the VA in writing (specifically identifying such information);
 - (d) (i) neither the Developer nor any of its partners, members, or principal stockholders (as defined below) is debarred or suspended from doing business with the VA or any other federal government agency; (ii) if at any time the Developer or any of its partners, members, or principal stockholders is proposed to be debarred or suspended from doing business with the VA or any other federal government agency, the Developer will immediately so advise the VA in writing; (iii) neither the Developer nor any of its partners, members, or stockholders is listed on the most current "Excluded Parties List System" published by the U.S. General Services Administration at <http://epls.arnet.gov/>, as updated from time to time; (iv) neither the Developer nor any of its partners, members, or stockholders is a person who poses a security or safety risk as determined by the Secretary of State including, but not limited to, any person who either represents a country, or is a member of or provides political, financial, or military support to a group, that is listed in the most current "Country Reports on Terrorism" report, issued by the Secretary of State in compliance with 22 U.S.C. § 2656f(a), available from the Superintendent of Documents, U.S. Government Printing Office, Washington D.C. 20402 and also available at <http://www.mipt.org/pdf/Country-Reports-Terrorism-2004.pdf>;

- (v) neither the Developer nor any of its partners, members, or principal stockholders is subject to a criminal indictment or information for a felony in any court in the United States; and (vi), in conjunction with any proposed assignment of this Lease, the assignment would, as determined pursuant to an opinion of the VA's Office of General Counsel, not cause or result in a violation of any federal ethics law or regulation to include, but not be limited to, the "Standards of Ethical Conduct For Employees of the Executive Branch," 5 C.F.R. 2635, 2637 and 2641. For purposes of this Lease, the term "principal stockholder" shall mean any person who is a beneficial owner (as defined for purposes of Rule 13d-3 promulgated by the Securities and Exchange Commission) of ten percent (10%) or more of the outstanding stock or other equity of the Lessee. For purposes of this Agreement, the term "principal stockholder" shall mean any person who is a beneficial owner (as defined for purposes of Rule 13d-3 promulgated by the Securities and Exchange Commission) of ten percent (10%) or more of the outstanding stock or other equity of the Developer.
- (e) Neither the Developer, nor any of its affiliates, nor any of their respective officers, directors, partners, principals, agents, employees, or parties in interest has in any way colluded, conspired, connived, or agreed, directly or indirectly, with any other offeror, firm, or person to submit a collusive or sham proposal in connection with this RFP, or to take (or not take) any other action designed, or the effect of which is reasonably likely to be, to limit or curtail competition among prospective offerors with respect to the RFP.
15. Except as is otherwise set forth in the EUL and other Transaction Documents, each of the Developer and the VA shall pay its own expenses (including legal, accounting investment banker, broker, or finders fees) incurred in connection with the RFP, the Proposal, this Agreement, and any transaction contemplated thereby, (including without limitation the preparation and submission of the Proposal and related documentation and review and execution of this Agreement by the Developer and the preparation and dissemination of the RFP and review and evaluation of RFP proposals by the VA).
16. This Agreement may be amended or modified, and the terms hereof waived, only by a written instrument signed by the VA and the Developer. No failure or delay on the part of the VA to exercise any right, power, or privilege hereunder shall operate as a waiver thereof; nor shall any waiver on the part of the VA of any such right, power, or privilege, or any single or partial exercise of any such right, power, or privilege, preclude any other

or further exercise thereof or the exercise of any other or subsequent right, power, or privilege.

17. To the maximum extent permitted by law, all disputes arising under or relating to this Agreement shall be resolved under the provisions of the Contract Disputes Act, 41 U.S.C. § 601 *et seq.* (the "Disputes Act") and applicable regulations. For purposes of implementing this subsection, the VA will designate the person (the "Designated VA Representative") authorized to act on its behalf under and in connection with administration of this Agreement. The Designated VA Representative shall be considered the "contracting officer" for purposes of the Disputes Act. The Designated VA Representative's decision shall be final unless a party appeals or files suit as provided in the Disputes Act. The parties shall proceed diligently with performance of this Agreement, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to this Agreement, and comply with any decision of the Designated VA Representative.
18. The Developer shall not assign or otherwise transfer this Agreement or any of its rights or obligations under this Agreement or with respect to the RFP or the Proposal without the prior written consent of the VA (which consent may be granted or withheld in the sole and absolute discretion of the VA), and any attempted transfer or assignment in violation of this provision shall (i) be void and of no force or effect, and (ii) constitute a material default under this Agreement and entitle the VA to exercise its rights and remedies hereunder with respect thereto.
19. The Developer shall not be liable for any failure to perform under this Agreement or any delay in performing under this Agreement (including any failure to meet a milestone set forth in the Agreed Milestone Timetable) if such failure is due directly to any of the following causes or circumstances and such cause or circumstance is beyond the Developer's control (and such event, an event of Force Majeure): war, fire, riot, terrorist act, flood, or other extreme weather, accident, change (hereafter in any law or regulation, labor strike or lockout, or failure of the VA to take an action required to be taken by it. If an event of Force Majeure occurs and the Developer is delayed in its performance as a result thereof, the Developer shall be entitled to an extension of time equal to the period of delay caused by the Force Majeure event, provided that the Developer notifies the VA in writing of the event of Force Majeure and the anticipated resultant delay within five (5) days after the occurrence of the event of Force Majeure.
20. This Agreement shall be binding on and inure to the benefit of the VA (and its successors and assigns) and the Developer (and its permitted successors and assigns), and there shall be no third party beneficiaries.

This Agreement shall be binding upon the Developer as of the Closing Time, and shall remain binding on the Developer even if the Proposal is revoked in accordance with this Agreement. Neither the VA's execution nor delivery of this Agreement shall be required in order for the VA to be entitled to enforce this Agreement against the Developer. The VA shall execute and deliver this Agreement only if a Selection Notice is issued to the Developer and only for the purpose of confirming its agreement with the Agreed Milestone Schedule and the other provisions of this Agreement relating to the performance by the Developer of its obligations arising upon receipt of a Selection Notice.

21. If the Developer receives a Selection Notice, unless otherwise specified by the VA, the Developer shall provide the VA with six (6) hard copies and one (1) electronic copy of the Development Plan and each other item submitted to the VA (whether required by the Agreed Milestone Timetable or submitted voluntarily by the Developer). The electronic copy of a submission must be included on a single diskette or CD ROM in PDF format. In addition, any Excel or other spreadsheets that allow data to be manipulated must be included in their native (i.e., Excel) format.

22. Any and all notices, demands, requests and other communications given or delivered under or by reason of or in connection with the provisions of this Agreement shall be in writing, and shall be given by certified or registered mail, postage prepaid, by delivery by hand or by nationally recognized air courier service, or by facsimile transmission directed, in the case of the Developer, to the address or facsimile transmission number set forth on the signature page hereof and, in the case of the VA, to the address or facsimile transmission number set forth below:

Department of Veterans Affairs
Office of Asset Enterprise Management (044C)
810 Vermont Avenue, N.W.
Washington, D.C. 20420
Attention: Dr. Maina Gakure
Facsimile No.: 202-273-9734

Items directed to the VA must also be clearly labeled with the Developer's full name and the following subject heading: "Kerrville CAMPUS RFP, Bid Terms Agreement Matter".

Notices shall become effective when received (or refused) by the addressee, provided that any notice or communication that is received (or

refused) other than during regular business hours of the recipient on a business day shall be deemed to have been given at the opening of business on the next business day. From time to time, either party may designate a new address or telecopy number for purposes of notice hereunder by notice hereunder to such effect to the other party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered as of the Closing Time by a duly authorized officer or representative of the Developer.

Developer:

Name:

Title:

Address for notice:

Attention: _____

Facsimile No.: _____

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered as of the date of the Selection Notice by a duly authorized officer or representative of the VA solely for the purposes set forth herein.

VA:

United States Department of Veterans Affairs

Name:

Title:

Schedule 1

Agreed Milestone Timetable

[To be attached]

ATTACHMENT E – AVAILABLE ENVIRONMENTAL INFORMATION

EXECUTIVE SUMMARY

The subject property consists of approximately five acres of land owned by the Department of Veterans Affairs (VA) and located in southeastern Kerrville, Texas. The property has been operated by the VA and predecessor agencies since 1925. In June 2009, working under contract to the VA, Management Technology Consulting, Inc. retained ARGO Systems LLC (ARGO) to perform a Phase I Environmental Site Assessment. This Phase I ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (Designation: E 1527-05).

This assessment revealed no recognized environmental conditions (RECs) in connection with the property.