

Request for Expressions of Interest

The State of Alabama is seeking Expressions of Interest (EOI) from qualified developer teams to provide all scope, including land, utilities, and FF&E, for three (3) turnkey build-to-suit prisons to be leased to the State of Alabama Department of Corrections (ADOC). Facilities 1 and 3 will be almost identical. Facility 2 will be larger and will centralize ADOC's special services (e.g., medical, mental health, aged care, and inmate reception) into one facility. Facility 2 will be located in the central part of the State.

Objective

The State's focus for these prisons is to provide safe, secure, and constitutional incarceration in facilities with a 50-year design life. The designs also should provide for innovative features that will future proof and optimize the cost of facility operation and for programs that will have a positive effect on the ADOC's recidivism.

The objective of this request is to fully communicate the State's strategy to deliver the three prisons through a long-term lease structure (including facility maintenance and life cycle replacement) and seek feedback from interested parties in advance of the issuance of the formal procurement process to ensure robust competition and validate the State's financial strategy. The State is contemplating securing a long-term lease for facilities located on land owned, leased, or to be acquired by the developer with an availability payment that would include certain maintenance scope and life cycle replacement under a taxable or tax-exempt lease structure. The affordability limit for all three prisons is a cumulative annual lease amount of approximately \$78 million.

Programmatic Scope

The preliminary programmatic scope for the three prisons will be as follows:

Prison	Beds	Security Level	Estimated Building Area (sq.ft.)	Estimated Site Requirement (acres)
Facility 1	3,072	IV/V	759,762	187
Facility 2	3,960	IV/V	1,114,722	216
Facility 3	3,072	IV/V	759,762	187

The site locations will be evaluated on the following criteria:

1. Proximity to population centers that ensure an adequate present and future employment base (approximate average 45-minute commute for employees).
2. Proximity to existing Dept. of Corrections employee locations (approximate average 45-minute commute for employees).
3. Access to healthcare facilities which offer Level 3 Trauma capabilities in addition to other inpatient and outpatient services (approximate 30-minute travel time).

Additionally, proposed sites should meet the following criteria:

1. The proposed sites should be somewhat rectangular with the shortest leg no less than 2000 lineal feet (LF).

2. The proposed sites should accommodate a prepared development area / building pad of approximately 2500 LF x 1800 LF.
3. The proposed sites should not be adjacent to a major highway, railroad, or commercial / industrial complex: or the proposed sites should be large enough to have a security buffer of no less than 1000 LF between these elements and the development area / building pad.
4. The proposed sites should be located within 5 miles of a primary arterial highway, and adjacent to a minor arterial or major collector roadway.
5. The proposed sites should not include flood hazard areas, known surface faults, areas of land creep or landslides, or evidence of past or current sinkholes.
6. The proposed sites should not be located on or above past mining operations, or on any type of past or present landfill.
7. The proposed sites should be free of wetlands to the highest degree possible, with any wetland areas falling outside the development area / building pad.
8. The proposed sites should have consistent geological characteristics, with moderately consistent soils and minimal deleterious material zones.
9. The proposed sites should be gradable to accommodate cross slopes no greater than 5% for the development area / building pad.
10. The proposed sites must have adequate Infrastructure (Water supply, Wastewater treatment, Electric power, Natural gas, Telecommunications, etc.) at occupancy to support the facility and any future expansions expressly indicated.

Schedule

The State intends to issue a Request for Qualifications (RFQ) in the second quarter of 2019, followed by a Request for Proposals (RFP) in the third quarter of 2019. The RFP will include an Architectural Program, Site Criteria, Design Criteria, Facility Maintenance Performance Criteria and a Financial Model that will define the performance criteria for the three facilities and the affordability limits for each facility and the total program. The goal is to deliver the program simultaneously with the number of developers that provides the best value to the State. After selection of the preferred developers the State will consider entering into pre-development agreements which will allow the parties to jointly optimize the design, maintenance scope, and financial structure. The program goal is to execute the Development Agreement and reach financial close on Facility 2 by the end of 2019 and to break ground in early 2020. Financial close on the remaining facilities will follow in 6-month increments.

Responses to this Request for Expressions of Interest (EOI) are requested by April 10, 2019.

EOI Submittal Requirements

1. A letter of interest, including a discussion of the balance sheet structure of the lead developer and its anticipated capital sources;
2. The name, title, phone number, and e-mail address of the respondent's single point of contact;
3. A brief narrative highlighting the developer's/team qualifications and capabilities, including relevant corrections and public infrastructure finance experience;
4. A short narrative describing how the lead developer would finance and deliver the project(s) including, but not limited to, essential terms and duration of the lease and the sources and uses in its lease financing strategy (preliminary financial models reflecting the financing strategy narrative that

show equity/sub debt, capitalized interest, developer and other fees, debt service, and maintenance reserves are encouraged);

5. A short narrative describing the optimum risk transfer structure for lifecycle risk during the lease, including bonus/penalty regimes and relief events to be included in the lease;
6. Provide a brief narrative on your experience with leasing critical assets to governmental entities in which the lease payments are subject to annual appropriations.
7. Indicate whether your team would be interested in delivering more than one prison and why your preferred delivery creates value for the State of Alabama. The State will not consider awarding all three to one developer. Facility 2 will be awarded first.
8. Provide your team's cost experience for correctional facilities exceeding 1,000 beds. Include the facilities general scope, level of security, cell versus open dorm percentage, and cost per square foot in 2019 dollars.

The page limit is 20 pages, double-sided, in 12-point font excluding summaries of relevant projects or financial models, which are to be included in Appendices. Submit one (1) electronic copy on compact disk or USB flash drive and six (6) bound copies on 8 1/2" x 11" paper, packaged, and labeled "Alabama State Prison Infrastructure Effort - Expression of Interest -Attn: Pat Williams" to the address listed below no later than 11:00 am on April 10, 2019.

Pat Williams – HPM
Two Metroplex Drive, Suite 300
Birmingham, AL 35209

Email - pwilliams@hpmleadership.com

The ADOC takes its responsibilities under the State of Alabama's Open Records Law very seriously. If the Respondent considers any portion of the documents, data, or records submitted in response to this solicitation to be confidential, trade secret, or otherwise not subject to public disclosure, Respondent must, in addition to the required copies below, also provide the ADOC with a separate, redacted copy of its submission on a disc in PDF format, marked clearly as a "REDACTED COPY," and briefly describe in a separate writing, as to each redacted item, the grounds for claiming exemption from the public records law. This redacted copy shall be provided to the ADOC at the same time Respondent provides its response/submissions and must only exclude or redact those exact portions that are claimed a confidential, trade secret, or otherwise not subject to disclosure.

Respondent shall be responsible for defending its determination that the redacted portions of its submissions are confidential, trade secret, or otherwise not subject to disclosure. Furthermore, Respondent shall protect, defend, and indemnify the ADOC, the State of Alabama, and its departments or agencies for any and all claims arising from or relating to Respondent's determination that the redacted portions of its proposal are confidential, trade secret, or otherwise not subject to disclosure. All of the above shall be acknowledged in the Respondent's separate writing that must accompany the "REDACTED COPY."

If Respondent fails to submit a Redacted Copy with its submission/response, the ADOC is authorized to produce the entire document(s), data, and/or records submitted by the Respondent in response to any public records request.

Evaluation work papers, individual evaluator or consultant comments or notes, if any, will not be considered public. The findings relative to this Request for Expressions of Interest of the ADOC Evaluation Committee and any information received in response to the solicitation/request will not be publicly available until final Contract(s) has received all necessary approvals.