

STATE OF GEORGIA  
COUNTY OF FULTON

A RESOLUTION TO AUTHORIZE SELECTION OF PROPOSED MASTER  
DEVELOPER PARTNER FOR CITY CENTER

**WHEREAS**, on September 17, 2013, Council for the City of Sandy Springs (“City Council”) authorized a process for solicitation and selection of a master developer (“Master Developer”) to work with the City for comprehensive development of City Center; and

**WHEREAS**, City Council further authorized staff to issue a request for qualifications (“RFQ”) as the first part of a two-phase procurement process to identify and select a Master Developer; and

**WHEREAS**, to initiate the first phase of the procurement process (“Phase I”), the City issued City Center Master Developer RFQ Number 14-019 on September 18, 2013, with responses due not later than October 25, 2013; and

**WHEREAS**, the City received responses to the RFQ from the following nine (9) entities: ARCADD, Inc.; Batson-Cook; Carter/Selig Enterprises; H.J. Russell/Frontdoor/Wakefield Beasley & Associates; Kaplan Morgan Real Estate; MidCity Partners/Morris & Fellows; North American Properties; Seven Oaks Company LLC; and TPA Group; and

**WHEREAS**, responses received were evaluated by an evaluation committee selected by the City Manager (“Evaluation Committee”) consistent with criteria established by the terms of the RFQ, as approved by City Council; and

**WHEREAS**, five (5) of the responding entities were recommended by the Evaluation Committee to continue forward to the second phase of the procurement process (“Phase II”), including Batson-Cook; Carter/Selig Enterprises; MidCity Partners/Morris & Fellows; North American Properties; and Seven Oaks Company LLC; and

**WHEREAS**, on January 14, 2014 at a special called meeting, City Council approved the recommended entities to move forward into Phase II of the procurement process; and

**WHEREAS**, on January 22, 2014, the City issued City Center Master Developer Request for Proposals Number 14-067 (“RFP”), with responses due not later than March 28, 2014; and

**WHEREAS**, on March 28, 2014, North American Properties withdrew from further consideration, leaving four (4) entities to compete in Phase II; and

**WHEREAS**, on March 28, 2014, the City received proposals from Batson-Cook, Carter/Selig Enterprises, MidCity Partners/Morris & Fellows, and Seven Oaks Company LLC; and

**WHEREAS**, proposals received were evaluated by the Evaluation Committee consistent with criteria established by the terms of the RFP, as approved by City Council; and

**WHEREAS**, as a result of its evaluation, the Evaluation Committee has provided its Source Evaluation Memorandum, in the form attached to this resolution as Exhibit “A”, presenting the results of its evaluation for City Center Master Developer services.

**EXHIBIT "A"**

**SOURCE EVALUATION MEMORANDUM**

**WHEREAS**, City Council desires to approve the recommendations of the Evaluation Committee consistent with the attached Source Evaluation Memorandum;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sandy Springs, Georgia, while in regular session on June 17, 2014, at 6:00 p.m., that the following recommendations of the Evaluation Committee are hereby approved:

1. Carter/Selig Enterprises is selected as the City's proposed Master Developer partner;
2. The City Manager is hereby authorized to enter into a letter of intent with Carter/Selig to participate in updating the City Center Master Plan and finalizing the Project's programming requirements;
3. The City Manager is hereby authorized to enter into negotiations with Carter/Selig for a development agreement related to the private components of the Project;
4. The City Manager is hereby authorized to enter into negotiations with Carter/Selig to provide program management services for the public components of the Project.

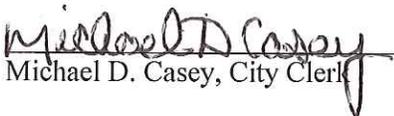
**RESOLVED** this the 17th day of June, 2014.

Approved:



Russell K. Paul, Mayor

Attest:



Michael D. Casey, City Clerk

(Seal)



## **SOURCE EVALUATION MEMORANDUM**

Solicitation Number 14-067  
for Professional Services of Master Developer to Assist the  
City of Sandy Springs in Comprehensive Development of City Center

### **A. INTRODUCTION**

The City of Sandy Springs (“City”) conducted a two phase solicitation (“Solicitation”) to select a development entity or team (“Master Developer”) with the capacity and demonstrated experience to assist the City in the comprehensive development of the City’s intended City Center (“Project”). The Master Developer will be responsible for developing and managing all aspects of the retail, private office and residential component of the Project, including planning, design, financing, permitting, construction, sales and leasing, and ongoing management. The Master Developer will also be responsible for providing professional program management services relative to the remainder of the Project, including the City office building, performing arts center, conference center, park, roads and associated infrastructure, landscaping, hardscape, and any other components of the Project.

For the first phase of the Solicitation (“Phase I”), the City issued its Request for Qualifications Number 14-019 (“RFQ”). The purpose of the RFQ was to solicit responses (“Responses”) to determine the level of interest and number of developers qualified for the scope described in the RFQ. From the Responses, the City intended to select a list of qualified developers to move to the second phase of the Solicitation (“Phase II”). The City entered Phase II of the Solicitation by issuing its Request for Proposals Number 14-067 (“RFP”). The purpose of the RFP was to solicit proposals (“Proposals”) from developers selected in Phase I containing more specific transaction terms and developer obligations for evaluation leading toward the selection of a Master Developer for the Project deemed by the City to be in its best interests.

### **B. EVALUATION COMMITTEE**

Responses to both phases of the Solicitation were evaluated by individuals selected by the City Manager (“Evaluation Committee”) using the criteria set forth in Section 4 of the RFQ and Section 4 of the RFP. Members of the Evaluation Committee were:

- John McDonough, City Manager, City of Sandy Springs
- Bryant Poole, Assistant City Manager, City of Sandy Springs
- Andrea Hall, Director of Economic Development, City of Sandy Springs
- Wendell Willard, City Attorney, City of Sandy Springs
- Jim Comerford, Managing Director, Proscenium Capital Inc.; Chair, Sandy Springs Economic Development Advisory Committee (EDAC)
- David Rubenstein, Principal, Cresa Atlanta
- Ken Byers, President, Byers Engineering Company

In addition, the following advisors assisted the Evaluation Committee with expertise in areas critical to the success of the Project:

- Rusty Paul, Mayor, City of Sandy Springs
- Karen Ellis, Director of Finance, City of Sandy Springs
- Cecil McLendon, Assistant City Attorney, City of Sandy Springs
- Ennis Parker, Professor of Practice, Georgia Tech School of Building Construction
- Haddow & Company, Real Estate Consultants

### **C. PHASE I - RFQ**

The RFQ was issued on September 18, 2013, with Responses due on October 25, 2013. The RFQ was publicly advertised and open to all developers.

1. **RFQ Criteria:** Section 4 of the RFQ identified the criteria on which the City would base evaluation of Responses. Among the most important criteria were the following:

- Developer qualifications and experience
- Uniqueness of proposed development vision/program
- Conceptual financial structure
- Financial history/stability
- Demonstrated management and construction management experience with public-private partnerships
- Strength and demonstrated architectural and engineering design experience and capability to develop mixed-use projects in an urban setting
- Demonstrated construction experience
- Demonstrated financing experience
- Demonstrated ability to program and operate a dynamic mixed-use project

2. **Responses to RFQ:** The City received Responses from the following nine (9) firms ("Respondents"):

- a. ARCADD, Inc.
- b. Batson-Cook
- c. Carter/Selig Enterprises
- d. H.J. Russell/Frontdoor/Wakefield Beasley & Associates
- e. Kaplan Morgan Real Estate
- f. MidCity Partners/Morris & Fellows
- g. North American Properties
- h. Seven Oaks Company LLC
- i. TPA Group

3. **Rating of RFQ Responses:** Evaluation Committee members were provided evaluation forms outlining the RFQ stated criteria and instructed to evaluate each Response. Subsequently, the Evaluation Committee discussed the results of the individual evaluations, and formulated a consensus opinion on the selection of Respondents to move forward into Phase II. The five (5) Respondents selected to move forward were:

- a. Batson-Cook
- b. Carter/Selig Enterprises (hereinafter "Carter/Selig")
- c. MidCity Partners/Morris & Fellows (hereinafter "MidCity")
- d. North American Properties
- e. Seven Oaks Company LLC (hereinafter "Seven Oaks")

On January 14, 2014, at a special called meeting, City Council approved the list of Respondents above to participate in Phase II of the Solicitation.

#### **D. PHASE II - RFP**

Successful Respondents in Phase I were invited to submit Proposals in response to the RFP issued on January 22, 2014. Proposals were due on March 28, 2014. On March 28, North American Properties withdrew from further consideration, leaving the remaining four (4) Respondents to compete in Phase II.

**1. RFP Criteria:** Section 4 of the RFP identified the following summarized criteria upon which the City would base evaluation of Proposals received:

a. Component 1: Development Concept for Private Development:

- How does this development concept align with the goals, visions, and intent described in the City Center Master Plan?
- The City desires that Proposals include plans for certain private properties, as dictated by negotiations between the developer and the owners of the properties.
- The City desires Proposals that include owner occupied housing, as dictated by market demand.
- How quickly can the developer complete this development?
- Is the developer capable of following through with the financial and other obligations related to the Project?
- Is the developer capable of providing community programming for the park and private development which will drive demand to the area?
- Do the developer and Project team members have the institutional depth to ensure Project completion of construction and success should individual members of the Project team exit the Project?
- Is the City being offered a market-based value for land, given the unique nature of the Project and considering the level of City investments and incentives proposed?

b. Components 2, 3, 4, 5: City Facilities Development Management:

- Indicate interest of the developer in performing the following services: Project site infrastructure; park/green space; civic facility; and major parking structure.
- If interested, provide qualifications of developer in providing such services, including previous experience.
- Provide proposed fee structure for such services.

**2. Proposals Received:** On March 28, 2014, Proposals were received from the following firms ("Phase II Offerors"):

- a. Batson-Cook
- b. Carter/Selig
- c. MidCity
- d. Seven Oaks

**3. Evaluation of Proposals and Formal Interviews:** The Evaluation Committee began its review of Proposals the week of March 31, 2014. In conjunction with the evaluation, each of the Phase II Offerors was invited, by letter dated April 2, 2014, to meet individually with the Evaluation Committee for the purpose of presenting its Project team and proposed approach to the Project. The April 2 letter included specific items to be addressed by each Phase II Offeror during its meeting with the Committee. On April

18, 2014, the Evaluation Committee sent another letter to Phase II Offerors requesting they be prepared to provide information stated in the letter in addition to the information requested by the April 2 letter.

On April 23, 2014, the Evaluation Committee conducted formal interviews with Carter/Selig and Batson-Cook. On April 30, 2014, the Evaluation Committee conducted formal interviews with MidCity and Seven Oaks. All interviews were held in the City Manager's Boardroom.

**4. Selection Summary:** Using the criteria contained in Section 4 of the RFP as a guide, the Evaluation Committee completed its evaluation and the following two (2) Phase II Offerors were selected for further consideration: Carter/Selig and MidCity. These Phase II Offerors were judged to have provided Proposals that were most clearly aligned with the City's goals as expressed by the community and adopted by City Council.

**5. Evaluation of Remaining Proposals:** On May 13, 2014, the Evaluation Committee sent letters to Carter/Selig and MidCity requesting additional information and another formal interview for further discussions and questions. These meetings were conducted on June 4, 2014. Subsequent to these meetings, the Evaluation Committee completed its evaluation and formed a consensus regarding the Proposal it believes that represents the best interests of the City.

The Evaluation Committee determined the Proposal presented by Carter/Selig to be in the best interests of the City and, subject to financial review and reference checks, made a tentative decision to recommend award. The following summarizes the major factors that were the basis of the selection:

- a. Carter/Selig presented a Project team with a simple organization and clear lines of authority and accountability. MidCity's Project team was comprised of a number of companies, the organization of which and the lines of authority and accountability of which were less clear. The Carter/Selig Project team seemed more cohesive than the MidCity Project team.
- b. Carter and Selig are two of the oldest and most successful (long term) of all Atlanta based real estate developers/owners. While members of the MidCity Project team had very strong experience individually, they did not demonstrate significant experience as a team.
- c. Carter/Selig and MidCity both demonstrated flexibility in their approach to uses and density; however, Carter/Selig presented a retail amount from 25,000 – 40,000 SF versus MidCity's retail amount of more than 75,000 SF. The Evaluation Committee felt Carter/Selig demonstrated a more acceptable approach.
- d. Carter/Selig demonstrated a better understanding of impact on the Project site and programs of the proposed performing arts and conference center than did MidCity.
- e. MidCity proposed a separate development entity as its program manager for the public components. Carter/Selig has this capability in-house and has demonstrated public sector experience.
- f. Carter/Selig presented a comprehensive approach for program management (public and private components) and the most competitive fee of all offerors.
- g. Carter/Selig demonstrated a broad range of recent public private partnership development experience (i.e. Columbus Commons, Cincinnati River Front).
- h. Carter/Selig offered to provide the first ninety (90) days of effort at its risk; MidCity requested a fee of \$521,500.00. The Carter/Selig offer was preferable.

## **E. FINANCIAL REVIEW**

1. **City Review of Developer Company Financials**: Carter/Selig provided the City with current financial statements as well as its past two (2) annual audits, as required. This information was reviewed by the City Finance Department and deemed an appropriate representation of Carter/Selig's strong financial position as presented in its Proposal. MidCity presented general terms of proposed financial strength, but provided limited supporting documentation.

2. **Advisor Review of Developer Proposals (market-based value for land)**: One of the City's advisors, Haddow & Company ("Haddow"), reviewed the financial proposals of Carter/Selig and MidCity and found:

- a. **Public Component**: Both Proposals envisioned the City incurring the development cost of all public uses and infrastructure including, but not limited to public buildings, utilities, underground parking, green space, and public streets.
- b. **Private Component**: The valuation approach in both Proposals for the private development component was a function of density, scale, and use. Greater density equated to more value attributed to the private development. Increased amounts of residential development were directly correlated to an incremental increase in land value. The ultimate value of the private development will be a function of negotiations, planning, and zoning, which will be determined once the Master Developer is selected.

Subject to further program refinement and negotiations, both Proposals were deemed to be acceptable financial approaches.

## **F. REFERENCE FINDINGS**

Subsequent to making a tentative decision on a recommendation for award, the Evaluation Committee requested three (3) references from Carter/Selig. All references were contacted and were exceptionally positive.

## **G. RECOMMENDATION**

For the reasons described above, the Evaluation Committee unanimously recommends that:

- Carter/Selig Enterprises be selected as the City's proposed Master Developer partner.
- City Council authorize the City Manager to enter into a letter of intent with Carter/Selig to participate in updating the City Center Master Plan and finalizing the Project's programming requirements.
- City Council authorize the City Manager to enter into negotiations with Carter/Selig for a development agreement related to the private components of the Project.
- City Council authorize the City Manager to enter into negotiations with Carter/Selig to provide program management services for the public components of the Project.

Respectfully submitted by the following members of the Evaluation Committee:

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John McDonough, Chair

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Bryant Poole, Member

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Andrea Hall, Member

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Wendell Willard, Member

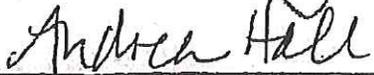
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Jim Comerford, Member

\_\_\_\_\_  
David Rubenstein, Member

\_\_\_\_\_  
Ken Byers, Member

Respectfully submitted by the following members of the Evaluation Committee:

  
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John McDonough, Chair

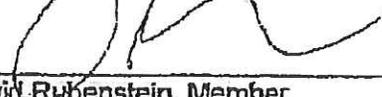
  
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Andrea Hall, Member

  
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Jim Comerford, Member

  
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Ken Byers, Member

  
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Bryant Poble, Member

  
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Wendell Willard, Member

  
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David Rubenstein, Member