

**REQUEST FOR PROPOSALS  
FOR THE REDEVELOPMENT OF THE WASHINGTON MILLS SITE  
FRIES, VA**

**Blue Ridge Crossroads Economic Development Authority  
The Crossroads Institute  
1117 East Stuart Drive  
Galax, VA 24333**

**February 1, 2009  
Amended to include addenda as of June 10, 2009**

**For more information concerning this opportunity  
contact the Authority's agent:**

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## I. DEVELOPMENT OPPORTUNITY

The Blue Ridge Crossroads Economic Development Authority (BRCEDA) is requesting proposals from qualified developers to redevelop 13.3 waterfront acres on the New River in Fries, VA as hotel, restaurant, retail, and outdoor recreation/adventure facilities. The former Washington Mills complex has been cleared from the site and a preliminary grading plan is in place.

Key elements of the site and opportunity can be described as follows:

- The site is on the New River and New River Trail (the New River State Park has over 1.0 million visitors annually).
- As one of the birthplaces of Bluegrass music, Fries is on "The Crooked Road" and only six miles from Galax, VA, home of the Old Fiddlers Convention with an annual attendance of 40,000+.
- Over 225,000 people attend musical events and festivals in Fries, Galax, Grayson and Carroll Counties each year. Another 260,000 people annually enjoy the Virginia Creeper Trail and Grayson Highlands State Park not far away.
- Over 9.2 million people & 314,000 college students live within a 150-mile radius.
- A conceptual plan for development as hotel, restaurant, retail, & outdoor recreation facilities as part of the *Fries Revitalization Master Plan* has already been approved.
- The land has received EPA clearance and is available for low cost lease, sale, or lease purchase.
- Public water & sewer is available to the site.
- Approximately \$800,000 in state grant funds is available for site work and utility improvements.
- The site is located in a New Market Tax Credit qualified census tract.
- The project would be eligible for the Rural Development Business and Industry Guaranteed Loan Program.

## II. DEVELOPMENT GOALS

As reflected above, BRCEDA and the Town of Fries have a vision for the Washington Mills site to be developed with lodging, restaurant, and retail opportunities, particularly with a focus on outdoor recreation and adventure tourism. The goals for the Washington Mills Redevelopment Project are the following:

- A. To realize the site's unique potential through developing a regional destination within the context of other retail and tourism assets in Southwest Virginia and Central/Western North Carolina.
- B. To develop a project with facilities and uses compatible with the mountain setting, riverside location, and the small town charm, visual aesthetics, and history of the Town of Fries.
- C. To provide an economic benefit and employment opportunities for the Town of Fries and neighboring communities.

**Important Note:** Developers may put forward a development project with a substantially different concept and alternative objectives as listed in the next section of this RFP, but all proposals will be judged for their appropriateness based on the three goals written above.

### III. DEVELOPMENT CONCEPT & OBJECTIVES

- A. The conceptual plan for the 13.3 acre Washington Mills site currently approved by BRCEA and the Town of Fries includes the following elements:
  - 1. An Outdoor-Oriented Destination Hotel.
  - 2. Restaurant and Retail Facilities.
  - 3. An Amphitheater.
  - 4. Outdoor Recreation / Adventure Facilities.
  - 5. Public Access to the New River for Fishing, Canoeing, Kayaking, & Rafting.
  - 6. Connection to the New River Trail for Trail Activities.
  - 7. Adequate Parking.
- B. As necessary and prudent, development of the site may be split into parts, phased, and/or done via multiple developers. Where it is proposed that development proceed in phases and/or via multiple developers it will be required that a master development plan be established by the lead developer (defined as the developer developing that portion of the project with the highest capitalization) that at a minimum includes a conceptual site plan for the entire site, a phased development plan, and a plan for securing subsequent developers and capital.
- C. Development objectives include:
  - 1. Achieving as many of the listed conceptual plan elements on the site with the destination hotel and related retail uses being preferred elements.
  - 2. Constructing facilities of superior design and high quality compatible with the location and character of the immediate surroundings.
  - 3. Developing high quality facilities and exterior spaces dedicated to active recreation and leisure use.
  - 4. Utilizing the site's access to the New River, New River Trail, and other regional tourism assets as a key feature for both the physical plans for the site and the complex's position in the marketplace.
  - 5. Engaging a developer or developers with the experience and access to capital necessary to complete all construction and fully implement all planned activities and uses within two years.
  - 6. Leasing, purchasing, or leasing the land with an option to buy.
  - 7. Constructing a minimum of \$6 million in facilities on the site during the initial phases of development.
  - 8. Providing a reasonable rate of return on investment for the developer(s) and his partners
  - 9. Providing local employment opportunities and additional tax revenue for the Town of Fries and Grayson County.

### IV. SUBMITTAL REQUIREMENTS

Each responding developer must submit one (1) signed original and six (6) printed copies of a proposal with the following material:

- A. **Development Entity:** Describe the development entity/team and identify the principals/key representatives with contact information, qualifications, and project specific experience. Identify any cooperating partners or contracted team members such as architects, engineers, real estate brokers,

etc. with contact information, qualifications, and project specific experience. Identify the person or persons with the authority to represent and make legally binding commitments on behalf of the development entity.

- B. **Development Experience:** Describe the developer's relevant project experience, with a particular focus on hotel and retail development in a recreational/tourism setting. Provide drawings, photographs, project details and financing sufficient to communicate the nature and type of previous development work. Describe the role that the developer played in each project and contact information for any public sector partners involved. Identify key development team members if any were different from A. Describe the schedule under which the project was developed and how closely it was followed. Give an overview of the project budget including whether or not the project was developed within budget. Outline the manner in which community leadership was engaged in the development process. Quantify the initial and longer-term success of the project. Information on a minimum of three (3) projects needs to be provided with a maximum of six (6).
- C. **Project Specifics:** Provide with the following elements that describe the proposed project:
1. A narrative of the development concept and proposed elements to be constructed.
  2. A site plan with tables summarizing the types and sizes of the facilities to be constructed, including exterior spaces, and their estimated costs. Where development is anticipated to proceed in multiple phases or through multiple developers, a conceptual site plan for the entire site with appropriate tables should be included.
  3. A pro forma, in phases as necessary, identifying sources and amounts of funding including bank financing and developer/partner equity (for both construction and carry-out financing if different) and outlining anticipated revenue, expenses, and return on investment. Where multiple developers and/or partners are involved, the nature and extent of their involvement should be outlined. Where development is anticipated to proceed in multiple phases or through multiple developers, a plan for securing subsequent developers and capital should be included. [A financial feasibility analysis has already been assembled for the current conceptual plan and should provide useful information for this portion of the proposal. If the proposed project is substantially the same as the project plan included in the existing financial feasibility analysis, the pro forma can be abbreviated to include only areas where the proposed project is different or where more up-to-date information is available.]
  4. A development schedule outlining critical milestones and any phased plan of development if development/construction is anticipated to extend beyond twenty-four (24) months.
  5. If a developer chooses to pursue a project substantially different than the current conceptual plan for which a market study has already been assembled, a written analysis of the market conditions that clearly support the intended uses and facilities.
- D. **Financial Capacity:** Provide information that clearly indicates that the development entity has the financial capacity to undertake a project of the size envisioned for the Washington Mills site. Constructing a minimum of \$6 million in facilities on the site will be required during initial development phases with likely construction costs running at least twice that amount depending on the final mix of facilities, uses, and activities undertaken.

## **V. SELECTION PROCESS & CRITERIA**

BRCEDA will review and evaluate all proposals deemed appropriate based on the information included in this RFP. Selection of a developer will be based on the quality of the proposal including

comprehensiveness and responsiveness to the requirements of this RFP. The cost of preparing responses to this RFP shall be borne by respondents. The following outlines the selection process and criteria to be utilized:

- A. **Registration of Interest:** Potential respondents are encouraged, but not required, to register their interest in this project with BRCEDA's agent as identified on the cover of this RFP. Addenda to this RFP will be posted at <http://kwpoore.com/Services/ed-fries.html>, but only those having so registered will receive addenda directly by electronic communication.
- B. **Pre-Proposal Site Visit:** A pre-proposal meeting will not be conducted, but respondents may make arrangements to visit the site and meet with project leaders by contacting BRCEDA's agent as identified on the cover of this RFP.
- C. **Selection Committee:** The Fries-Washington Mills Site Redevelopment Project Management Team made up of BRCEDA, Town of Fries, and VDHCD representatives will evaluate all responsive proposals. Any developer submitting a responsive proposal will be requested to make a presentation to the Management Team. Once a responsive proposal/developer has been approved by the Management Team, it will forward its recommendation to the full board of BRCEDA for approval.
- D. **Selection Criteria:** The following criteria will be used to evaluate all proposals:
  - 1. The qualifications of the development entity/team.
  - 2. The experience of the development entity/team, particularly as related to similar projects.
  - 3. The quality and comprehensiveness of the development concept including the elements and facilities, marketing, financing, and scheduling proposed for the Washington Mills site.
  - 4. Demonstrated ability to finance development projects of this scale and scope.
  - 5. Demonstrated ability to plan and implement a project of this complexity in a timely manner.
  - 6. Demonstrated ability in working with public sector partners and in cooperation with local communities.
  - 7. Completeness of submission and compliance with submission requirements of this RFP.
  - 8. Other factors as appropriate.
- E. **Exclusive Negotiating Agreement:** Once a development entity/team has been approved by BRCEDA, an Exclusive Negotiating Agreement (ENA) will be reached between BRCEDA and the developer within two (2) months. During the time period covered by the ENA the developer will do additional due diligence, contract all needed professional assistance (architect, engineer, etc.), secure needed financial commitments, complete final development plans, and provide a project timeline. The initial term of the ENA will be for three (3) months with one (1) extension of equal length if needed. BRCEDA or its agent may receive additional proposals during the time period covered by an ENA, but they will not be acted on as long as the ENA is in force.
- F. **Disposition and Development Agreement:** At the conclusion of the ENA, the developer will enter into a Disposition and Development Agreement (DDA) with BRCEDA. This longer term agreement will outline all legal and financial responsibilities of the developer and BRCEDA including fees, permits, insurance, and bonding requirements; provide for the timely implementation of all construction and operational activities; establish a procedure for the disposition of the land encumbered by the project; and outline performance standards to be met by the developer. If an ENA has been entered into by a developer and BRCEDA and he/she are unable to enter into a

DDA within two (2) months of the conclusion of the ENA, either or both parties can walk away without consequence.

## **VI. OPEN SUBMISSION**

This RFP is issued without a fixed deadline. Proposals will be received until a DDA has been entered into or the RFP is cancelled. An initial submission of an abbreviated proposal can be provided in electronic format, but must be followed by the submission of the one (1) signed and six (6) printed copies of the complete proposal in order to be considered responsive. If requested, BRCEDA's agent can review and advise an offerer as to whether his/her abbreviated proposal submitted electronically is on target to meet the criteria established in this RFP, but can not adjudge the likeliness of the approval of any complete proposal by BRCEDA.

An initial submission can be e-mailed to:

cwilson@kwpoore.com

All written proposals should be mailed to:

K. W. Poore & Associates, Inc.  
2201 W. Broad St., Suite 204  
Richmond, VA 23220

Attn: Craig A. Wilson

## **VII. WAIVER & RIGHTS OF BRCEDA**

BRCEDA reserves the right, at its discretion, to pursue any or all of the following action related to this RFP:

- A. Issue addenda. Addenda will be provided electronically to any potential respondent having registered with BRCEDA's agent and will be posted at <http://kwpoore.com/Services/ed-fries.html>.
- B. Request additional information and/or clarification of a proposal.
- C. Reject all proposals and reissue this RFP or choose not to proceed.
- D. Issue subsequent RFPs based on refinement of concepts proposed in response to this RFP.
- E. Negotiate an ENA or DDA solely on the basis of the original proposals.
- F. Negotiate an ENA or DDA solely on the basis of additional information supplied.
- G. Negotiate an ENA or DDA for all or only a portion of the Washington Mills site.