

City of Petersburg,
Commonwealth of Virginia

**Unsolicited PPEA Proposal for the
Development of Pad Ready Building
Sites in Petersburg Industrial Park**

Submitted by:

Harlan Construction Company, Inc.

March 19, 2015

Volume I

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PPEA PROPOSAL SUBMISSION CERTIFICATION

The undersigned certifies that the signatory below has the authority to submit this PPEA proposal and that this proposal is made pursuant to the City of Petersburg's Guidelines regarding requests made pursuant to the Public-Private Education Facilities and Infrastructure Act of 2002 (Guidelines), agreeing to the terms of the Guidelines. The undersigned also certifies that the information contained in this proposal is accurate and complete and tenders to the City of Petersburg a cashier's check in the amount required by the Guidelines (\$5,000.00).

Harlan Construction Company, Inc.

By: _____

Title: John W. Harlan, III President

Date: March 19, 2015

HARLAN

CONSTRUCTION COMPANY, INC.

602 ELM COURT · P.O. BOX 1605 · HOPEWELL, VA 23860



March 19, 2015

City of Petersburg
135 N. Union Street
Petersburg, VA 23803

Attn: William E. Johnson, III, City Manager

Re: PPEA Proposal
Petersburg Industrial Park; Pad Ready Site

Dear Mr. Johnson,

Harlan Construction Company, Inc. is pleased to present the City of Petersburg with the enclosed PPEA Proposal for the above referenced project. As a company that has called Hopewell home for over 50 years, Harlan Construction is excited by the opportunity to partner with the City of Petersburg.

Harlan typically functions as a general contractor and has successfully delivered numerous PPEA Projects for other local governments. As a Class A general contractor, Harlan has developed many projects from ground up using the design-build project delivery methodology. During these projects Harlan has been the Owner's sole contact, while Harlan has assumed responsibility for civil, architectural, structural, mechanical and electrical design along with full build out. Harlan prides itself on making sure the client's needs and the local codes are both met, and we are committed to serving the City's best long-term interests on this project.

With this proposal I include a separate binder (Volume II) with the following records and materials that we consider confidential:

- Appendix A (Financial Statements and Cost Information)
- Appendix B (Preliminary Design)

INDUSTRIAL · COMMERCIAL GENERAL CONTRACTORS

TEL. (804) 458-6712 · FAX (804) 452-0719

Harlan believes these records and materials are excluded from the provisions of the Virginia Freedom of Information Act (“FOIA”). Accordingly, we ask that the City agree to accept these materials in confidence, exclude them from public inspection and release, and take appropriate action to protect them from disclosure. This request is made pursuant to and in accordance with Subsection 56-575.4(G) of the Virginia Public-Private Education Facilities and Infrastructure Act of 2002 (“PPEA”), Subsection I.D. of the City’s PPEA Guidelines, and Subdivision 11 of Section 2.2-3705.6 of FOIA.

Protection of these records is necessary because they constitute at least one of the following: (i) trade secrets of the proposer as defined in the Uniform Trade Secrets Act (§59.1-336 *et seq.*); (ii) financial records of the proposer that are not generally available to the public through regulatory disclosure or otherwise; and (iii) records related to the proposal that, if made public prior to the execution of an interim agreement or a comprehensive agreement, would adversely affect the financial interests or the bargaining position of either Harlan or the City.

As you will see, Volume II, which includes the information for which protection is sought is marked with an appropriate designation on its cover and on each page.

If the terms of this request are acceptable to the City, we ask that you make a written determination acknowledging this consent. For your convenience, I enclose a form letter which you may wish to use for this purpose.

If you have any questions please do not hesitate to contact me. We look forward to partnering with the City to make this project a reality, and we appreciate your consideration of our proposal

Sincerely,

John (Will) Harlan, III

SECTION 1 – QUALIFICATIONS AND EXPERIENCE

- a. *Identify the legal structure of the firm or consortium of firms making the proposal. Identify the organizational structure for the project, the management approach and how each partner and major subcontractor in the structure fits into the overall team.*

Harlan Construction Company Incorporated is a Class A, Highway Heavy General Contractor. Harlan Construction has been in business in Hopewell, Virginia since 1964. This project will be performed as a design/build project. Harlan Construction will function as the General Contractor and supervise the design work. The site design will be done by Robinson and Associates. Chuck Wall of Troutman Sanders, LLP will serve as proposal counsel to Harlan Construction.

- b. *Describe the experience of the firm or consortium of firms making the proposal and the key principals involved in the proposed project including experience with projects of comparable size and complexity. Describe the length of time in business, business experience, public sector experience and other engagements of the firm or consortium of firms. Include the identity of any firms that will provide design, construction and completion guarantees and warranties, and a description of such guarantees and warranties.*

Harlan Construction has been in business over 50 years as a Class “A” General Contractor. Harlan has been under the leadership of principal Will Harlan for 39 years, and it has performed design/build packages for over 30 years. Harlan routinely performs packages in the industrial and commercial sector as well as standalone packages for site and concrete work using the design/build delivery method. An example of a recent site development package is Commonwealth Center for Advanced Manufacturing (CCAM) in Prince George County; 100% Shovel Ready site preparations for Rolls Royce. Harlan will provide an industry-standard warranty for this project.

- c. *Provide the names, addresses, and telephone numbers of persons within the firm or consortium of firms who may be contacted for further information.*

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- d. *Provide a current or most recently audited financial statement of the firm or firms and each partner with an equity interest of twenty percent or greater.*

Harlan Construction has included its most recent financial statement in Appendix A to this packet.

- e. *Identify any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to the Virginia State and Local Government Conflict of Interest Act, Chapter 31 (2.2-3100 et seq.) of Title 2.2.*

There are no known persons who would be obligated to disqualify themselves from participation in any transaction.

SECTION 2 - PROJECT CHARACTERISTICS

- a. *Provide a description of the project, including the conceptual design. Describe the proposed project in sufficient detail so that type and intent of the project, the location, and the communities that may be affected are clearly identified.*

Prepare the subject property, 8.769 acres, in Petersburg Industrial Park to pad ready condition. The parcel is identified on TM.092010001. The project allows for the potential location of two (2) individual buildings and access to Bessemer Road.

See Appendix B for preliminary design drawings.

- b. *Identify and fully describe any work to be performed by the City or any other public entity.*

No work is required by the City of Petersburg or any other public entity, beyond the permitting noted in item (c) below.

- c. *Include a list of all federal, state, and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.*

City of Petersburg

- Land Disturbance permit
- Erosion and Sediment Control Bond
- Site plan review and approval

- d. Identify any anticipated adverse social, economic, and environmental impacts of the project. Specify the strategies or actions to mitigate known impacts of the project.*

The site work would be performed under the approval and review of the City of Petersburg. An erosion and sediment control bond would be posted to assure the City that all work is completed thoroughly. There are no anticipated adverse social, economic or environmental impacts.

- e. Identify the projected positive social, economic, and environmental impacts of the project.*

The improvement of the property to a pad ready site for two each 50,000ft² buildings increases the likelihood that the City could sell the property to an interested business. The incoming business would provide employment and increase the tax base.

The improvements to the property would allow potential buyers to clearly see the layout of their new building. Potential buyers would understand that their cost to develop the property is reduced because of this preliminary work done under this PPEA.

- f. Identify the proposed schedule for the work on the project, including the estimated time for completion.*

The development, review and approval of the site drawings would take approximately seventy-five (75) days.

It would take approximately ninety (90) days to make the improvements to the property.

- g. Propose allocation of risk and liability for work completed beyond the agreement's completion date, and assurances of timely completion of the project.*

The review and approval period is controlled by the City of Petersburg. The construction work is predictable and offers little chance of a protracted extension.

- h. State assumptions related to ownership, legal liability, law enforcement, and operation of the project and the existence of any restrictions on the City's use of the project.*

The property will remain in the ownership of the current owner, and the City will remain responsible for law enforcement.

Harlan Construction will maintain insurance as follows:

- General Liability \$1,000,000.00
- Workers Compensation \$1,000,000.00
- Umbrella Liability \$9,000,000.00

At the completion of the work the City will take over any operation of the project and will have full access in all respects to the property.

- i. Provide information relative to phased or partial openings of the proposed project prior to completion of the entire work.*

The site improvements will start within twenty-one (21) days of the site plan approval. Work will proceed for ninety (90) days to its completion. No phased work will occur.

- j. List any assumptions relied on for the project to be successful.*

It is assumed that the City of Petersburg will appoint a single person to represent the City's interest and serve as Harlan Construction's single point of contact. This person should have the authority to process Requests for Information, Change Orders, Requests for Payment, etc.

This person will communicate with various departments within the City to ensure the City is fully involved.

The proposal is based on the following:

- All soil is to remain on site
- No soil study / evaluation is included. Structural suitability of soils for further construction is not assured.
- It is assumed there are no wetlands or waters of the US are to be impacted by this work. No cost to mitigate these are included.
- All vegetation can be burned on site.
- No work to tie into or extend any utilities is included.

- k. List any contingencies that must occur for the project to be successful.*

There are no contingencies necessary for a successful project.

SECTION 3 – PROJECT FINANCING

- a. *Provide a preliminary estimate and estimating methodology of the cost of the work by phase, segment, or both.*

A cost estimate is included in Appendix A. The project would be invoiced every thirty (30) days by a percentage of completion.

- b. *Submit a plan for the development, financing, and operation of the project showing the anticipated schedule of which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds including any anticipated debt service costs. The operational plan should include appropriate staffing levels and associated costs. Include supporting due diligence studies, analyses, or reports.*

A schedule of anticipated payments is included in Appendix A. The cost of the work will be from operating capital of Harlan Construction. Equipment and manpower will come from within Harlan Construction.

- c. *Include a list and discussion of assumptions underlying all major elements of the plan. Assumptions should include all significant fees associated with financing given the recommended financing approach. In addition complete disclosure of interest rate assumptions should be included. Any ongoing operational fees, if applicable, should also be disclosed as well as any assumptions with regard to increases in such fees.*

The project will be funded from operating capital of Harlan Construction. Upon completion, there will be no ongoing operational fees.

- d. *Identify the proposed risk factors and methods for dealing with these factors.*

Any risk of cost overrun or schedule delay is mitigated by Harlan's outstanding record for delivering projects on schedule within budget.

- e. *Identify any local, state, or federal resources that the proposer contemplates requesting for the project. Describe the total commitment, if any, expected from governmental sources and the timing of any anticipated commitment. Such disclosure should include any direct or indirect guarantees or pledges of the City's credit or revenue.*

Harlan does not contemplate public resources beyond funding by the City of the cost of the project consistent with the schedule of anticipated payments. No credit or revenue is expected on the part of the City.

f. Identify the amounts and the terms and conditions for any revenue sources.

No credit or revenue is expected on the part of the City.

g. Identify any aspect of the project that could disqualify the project from obtaining tax-exempt financing.

No tax-exempt financing is anticipated.

SECTION 4 – PROJECT BENEFIT AND COMPATIBILITY

a. Identify who will benefit from the project, how they will benefit, and how the project will benefit the City, region, or state.

All citizens of the City of Petersburg stand to benefit from this PPEA. The improvements to the property increase the likelihood that it will sell and a building will be constructed, which would increase taxes to the City.

The construction and operation would offer jobs to the people of the City.

b. Identify any anticipated public support or opposition, as well as any anticipated government support or opposition, for the project.

It is assumed that this project would meet with no opposition. The site plan would meet the requirements of the City. The improvements would be the same as those on the adjacent parcels in the Industrial Park.

c. Explain the strategy and plans that will be carried out to involve and inform the general public, business community, and governmental agencies in areas affected by the project.

Harlan Construction will meet with all interested individuals and agencies as requested to provide information.

- d. Describe the anticipated significant benefits to the community and the City, region or state, including anticipated benefits to economic condition of the City and whether the project is critical to attracting or maintaining competitive industries and businesses to the City or the surrounding region.*

Competition for users of industrial sites is increasing. Municipalities and individual developers strive to offer attractive sites. The concept of the pad ready site encourages business development because it lessens the time from the conceptual phase to breaking ground. The property “shows” better because the user does not have to envision the site as cleared and graded.

- e. Describe compatibility with the City's comprehensive plan, infrastructure development plans, the capital improvements budget, or other government spending plan.*

The City has already invested much in the roads and utilities associated with the Park. By comparison, this relatively small investment brings two business sites on-line with access to the existing improvements.

- f. Provide a statement setting forth participation efforts that are intended to be undertaken in connection with this project with regard to the following types of businesses:*
 - i. Minority-owned businesses*
 - ii. Woman-owned businesses*
 - iii. Small businesses*

Harlan Construction would self-perform this work and is SWAM certified.