

REQUEST FOR PROPOSALS

Subject to the conditions set forth in this Request for Proposal, the Sioux Falls Regional Airport Authority is requesting proposals for the following project:

Project Name: Convenience Store Development Project—FSD

PROPOSAL Deadline: January 10, 2025; 2:00 PM Central time

SFRAA Contact: Richard King, Deputy Director
Airport Authority Administration Office
2801 N Jaycee Lane
Sioux Falls, South Dakota 57104
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Proposals are required to address all requirements outlined in this Request for Proposal.

I. GENERAL INFORMATION

A. PROJECT SUMMARY

The Sioux Falls Regional Airport Authority (SFRAA) is requesting proposals for the development and operation of a multi-service convenience store near the entrance to the passenger terminal complex at Sioux Falls Regional Airport - Joe Foss Field (FSD) (the Project). Proposals must include, but are not limited to, the minimum service requirements listed in Exhibit A. An option to utilize other space or to provide other services may also be presented. Concepts shall capture and represent the business model being presented and includes amenities listed within this proposal and attachments (store, gasoline, diesel, food service, car wash, etc.). It is expected that finishes and furnishings are ‘high-end’ in nature, in line with the experience being provided to terminal passengers. The SFRAA seeks to award a long-term negotiated lease for Project. The construction, operation and financing of this project is the responsibility of the developer. SFRAA has identified approximately 80,000 square feet of space to be available for this project as shown in Exhibit B.

As a part of this process, interested parties must submit a written proposal. The proposal must contain the parties’ qualifications, reimbursement incentives offered to SFRAA and a preliminary development concept(s), defined in Section II of this document. SFRAA will use the preliminary development concepts it receives to determine the most suitable use for this site. To be eligible for consideration, proposals must contain all information described in Section II.

B. PROJECT OBJECTIVES

SFRAA’s main objectives for the Project are to increase customer service by providing additional amenities to the traveling public and to generate a new source of non-aeronautical revenue through development of the identified location. SFRAA will not sell the designated site, but will offer a long-term lease agreement to the developer submitting the selected proposal. SFRAA will negotiate the lease agreement details with the selected developer, based on SFRAA’s requirements, which may vary at SFRAA’s sole discretion.

C. FSD BACKGROUND

FSD is a small hub airport with approximately 1,400,000 passengers per year. The airport has continued to grow, setting passenger records nearly every year for the past fifteen years. FSD is a regional airport serving as the gateway to Eastern South Dakota, Southwestern Minnesota, Northwestern Iowa and Northeastern Nebraska. The airport is currently served by five airlines, large cargo operators, US Customs, and a significant volume of general aviation and charter traffic. The airport is also home to the South Dakota Air National Guard 114th fighter wing. FSD is owned and operated by the SFRAA, which is governed by a five member Board of Commissioners appointed by the City of Sioux Falls. The airport has received a significant amount of capital improvement over the last fifteen years. Nearly the entire passenger terminal and all parking facilities have been expanded or remodeled with over \$100 million in projects. A four-story hotel was added to the complex in 2015 and the parking garage was added in 2024. Additional information about FSD Airport and SFRAA is available at www.sfairport.com. The Airport is often a visitor's first impression of the region. The SFRAA has completed significant upgrades and additions to its facilities, greatly increasing and enhancing revenue and customer satisfaction. SFRAA seeks to engage a developer for this Project in order to continue to present a welcoming and upscale environment.

D. PROPOSAL REQUIREMENTS

Each proposal must be in accordance with the requirements set forth in this document. Interested parties must provide detailed company information (including all parties expected to be involved in any process in the case of partnerships or joint ventures) and related development experience. The proposal must include a financial section including estimated gross revenues, estimated capital and operating costs, and proposed financial incentives provided to the SFRAA. Two complete and legible hard copies and a digital copy of the proposal must be submitted by the established deadline.

E. PROJECT SCOPE

SFRAA invites proposals for the development and operation of a facility located at the entrance to the passenger terminal complex at FSD. The site designated for this project includes the area between Jaycee Lane and Hangar Street, on and adjacent to the existing cell phone waiting lot (as illustrated in Exhibit B). Concepts shall capture and represent the business model being presented and include amenities listed within this proposal and Exhibit A (store, gasoline, diesel, food service). The proposal may include an option to utilize other space or to provide other services. It is expected that finishes and furnishings will be 'high-end' in nature, in line with the experience being provided to terminal passengers.

During the negotiation phase of the Project, SFRAA expects to work with the developer whose proposal is selected to define and finalize the development parameters (including technical requirements, specifications, building material and design standards) required for the Project. The selected developer will be expected to enter into a development and/or lease agreement with SFRAA and to complete the development within the agreed-upon parameters. Rents and concession fee methodologies should be negotiated and finalized during this phase. Additional specific development obligations may be determined by SFRAA during the negotiation and SFRAA approval process.

The plan development process phase of the Project is expected to be no more than six (6) months in duration from the date a development and/or lease agreement is executed. The construction phase shall begin no more than four (4) months from completion of the plan development process phase. The operation phase shall begin and continue for the lease term as negotiated and agreed to by developer and SFRAA.

SECTION II TERMS AND REQUIREMENTS

A. DEFINITIONS

1. Developer: The term “developer” used in this Request for Proposal shall mean one or more of the following things: (a) a professional commercial real estate developer; (b) a group, consisting of someone with significant financial means teamed with other professionals such as a general contractor or architect/site planner; and/or (c) an owner/operator with a demonstrated capability to meet the requirements contained within this Request for Proposal.
2. FSD: Sioux Falls Regional Airport - Joe Foss Field
3. Project: Convenience Store Development Project at FSD as described in this Request for Proposal
4. Site: The location between Jaycee Lane and Hangar Street at their intersection with Minnesota Avenue as set forth on Exhibit B
5. Trade Secret Data: Data, including a formula, pattern, compilation, program, devise, method, a technique or process (a) that was supplied by the affected individual or organization, (b) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (c) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

B. EXHIBIT LIST

1. Exhibit A: Technical Information
2. Exhibit B: Site Location

C. PROPOSAL FORM AND REQUIRED CONTENT

Each proposal shall contain the elements as numbered below. Developer must submit two printed copies of the proposal along with a digital copy, preferably in pdf format. Color printing, photography and other marketing materials are not required and will not be considered during SFRAA's evaluation of the proposals, unless directly relevant to the developer's previous commercial development projects. At SFRAA's sole discretion, proposals which are not complete and/or not in full compliance with these requirements may be rejected by SFRAA as non-responsive.

Required Elements:

1. Developer Identification and Contact Information
 - a. Name, address and telephone number of the developer or, if applicable, all development group members. Prior to contracting with SFRAA, any proposed group must form a legal entity and to certify it is duly formed and in good standing; has the right, power and authority to enter into an agreement with SFRAA, and that the execution of an agreement with SFRAA will not result in a breach of or constitute a default under any contract, agreement or other writing to which developer is a party.
 - b. Name, title, address, telephone number, fax number, and e-mail address of one (1) individual designated as developer's primary contact to whom all future correspondence and/or communication to the developer will be directed.
 - c. Acknowledgement of any RFP addenda issued after the initial RFP publication.
2. Demonstration of Experience & Capabilities

- a. Each developer or a member of the developer’s team must have (i) successfully operated at least two facilities similar in size and scope to the Project; and (ii) completed development of at least one (1) project similar in size and scope to the Project within the last ten (10) years. The developer must provide evidence that its degree of expertise and level of experience is adequate to handle the complexity of the proposed development idea for the Project. Adequacy will be determined by SFRAA in its sole discretion.
 - d. During the negotiation phase of the Project and prior to Project commencement, the successful developer must provide proof satisfactory to SFRAA demonstrating adequate bonding/insurance capacity, adequate financial resources, and an appropriate level of experience to develop and operate the facility.
3. Development Concept Required Elements
- a. Proposals need only to include generic concepts (no brand names) including a description of the proposed facility itemizing features, amenities and services to be provided (including those set forth in the Exhibit A Technical Requirements). A proposed site plan concept must be included, indicating facility square footage and proposed placement on the site.
 - b. Supporting Project feasibility data (i.e. market needs assessment). The information provided should demonstrate a need for the proposed concept, and identify any potential development challenges related to the specific site.
 - c. Financial analysis/pro forma estimates for development, construction and operating phases. Include proposed sources and uses of funds, estimated gross revenues and expenses, estimated construction costs, estimated operating budget, and anticipated financial incentives, rents and remuneration to SFRAA. Note that rents and concession fee methodologies are subject to negotiation.
4. Development Time
- a. Negotiation phase: The time needed to negotiate details and finalize a development and lease agreement for the Project with SFRAA.
 - b. Plan development process phase (6-months): The time needed to obtain financing, complete design and secure permits and approvals.
 - c. Construction phase (must begin no later than 4 months after the plan development process phase): The time needed to prepare the site, start and complete construction,
 - d. Operation phase: Estimated operational start up time from completion of construction, and continuing through the term of the lease.
5. Proposed financial expectations (for each phase of the Project as applicable)
- a. Estimated development costs and currently available financing
 - b. Estimated operating revenues
 - c. Estimated operating costs
 - d. Proposed rents and/or commissions to the SFRAA

As a hypothetical example of what SFRAA would like to receive, please see the following:

Development concept:

Company X is proposing the development of a gas station with convenience store, Sandwich shop and car wash with associated parking. The concept would require approximately xxxxx square feet of space with a minimum depth from Minnesota Ave of xxxx. Our attached preliminary market data shows that the surrounding area is in need of additional fueling and retail. We believe that this site would be a success based on the need for refueling rental cars, inbound/ outbound passengers, and local Minnesota Ave traffic. Based on our preliminary construction estimates of \$xxM, Company X would need a minimum lease term of xx (x) years assuming a base rent component of \$ per sq. foot and including a minimum annual guarantee of \$xx,xxx and/or %xx percentage of gross revenue.

SECTION III OTHER INFORMATION

A. EVALUATION PROCESS AND CRITERIA

Proposals will be reviewed by a panel of internal and/or external professionals. The review panel will determine which, if any, proposals meet the requirements set forth in this request for proposals for a development of the nature and type indicated. Proposals will be evaluated on the criteria listed in this Request for Proposals, including those requirements defined in this request for proposal and any other criteria or information as deemed necessary by the review panel. SFRAA will use submitted information to evaluate proposals including the practicality of any proposed development. During this evaluation process, SFRAA may (i) request additional information regarding the preliminary concept as part of its assessment of the viability of a concept and the optimal development plan, (ii) request additional information for clarification of submitted proposals, or (iii) request additional information to allow completion or corrections of errors or omissions. SFRAA may involve any relevant public code agencies in a preliminary review to help expedite the permitting process. Proposals will be evaluated and scored as follows:

1. Developer's specialized expertise, capabilities and technical competence to meet the project requirements as demonstrated by the proposed approach and methodology; **15%**
2. Financial resources available to perform the work, including any contracted specialized services, and ongoing operating capital; **10%**
3. Record of past performance, including price and cost data from previous projects, operating performance, quality of work, ability to meet schedules, and availability of key personnel to project management and ongoing operations; **15%**
4. Totality and quality of services being proposed to serve and improve customers' experience; **20%**
5. Financial incentives proposed to the SFRAA; **40%**

B. REQUEST FOR PROPOSAL TIMELINE

DATES	ACTION
December 6, 2024	Advertise RFP for prospective developers
January 3, 2025	Written questions from interested parties concerning the RFP must be received on this date by 4:00 p.m. Central Time in the Airport Authority Administrative Offices. Questions received after the deadline will not be answered by SFRAA
January 7, 2025	Date by which SFRAA will respond to all questions timely submitted
January 10, 2025	Proposals must be received by SFRAA not later than 2:00 p.m. Central Time in the Airport Authority Administrative Offices
January 20, 2025	SFRAA evaluation of submittals completed
January 23, 2025	SFRAA Airport Commission Meeting

All PROPOSALS must be received not later than **2:00 p.m. Central Time on January 10, 2024 in the Airport Authority Administrative offices, addressed to:**

Sioux Falls Regional Airport Authority
Attn: Richard King,
Deputy Director
2801 N Jaycee Ln
Sioux Falls, SD 57104

C. SFRAA RESERVATIONS

1. Rejection of Proposals. SFRAA reserves the right to reject any or all proposals, to waive any formal proposal requirements, to investigate the qualifications and experience of any developer, to reject any provisions in any proposals, to obtain new proposals, to reject all proposals and issue a new request for proposals or commence a different process, or to abandon this request for proposal process at any time and for any reason. Proposals that are incomplete, insufficiently detailed, or that fail to meet the requirements and form set forth in this proposal may be, at SFRAA's option, returned for completion or rejected entirely.

2. Disqualification of Developers. SFRAA may, at its discretion, disqualify any developer: (a) with whom SFRAA has had an unfavorable experience (e.g. poor, defective or otherwise unsatisfactory performance on a project, litigation, breach of contract); (b) if any of the information submitted by such developer in response to this request for proposals is determined to be inaccurate or misleading; or (c) for any other cause, which in SFRAA's judgment and sole discretion is sufficient to justify disqualification of developer or proposal.

3. Limitation of Liability. SFRAA makes no representations, warranties or guarantees that the information contained in this Request for Proposal is accurate, complete, timely, or that such information accurately represents the conditions that would be encountered in pursuing the Project, or at the site of the Project now or in the future. Furnishing such information by SFRAA does not create any obligation or liability upon it for any reason whatsoever, and each developer, by submitting its proposal, expressly agrees that it has not relied upon the information contained in this request for proposal and that it shall not hold SFRAA liable or responsible therefor in any manner whatsoever. Nothing contained in this Request for Proposal shall impair or limit the warranties of the developer required by this Request for Proposal, nor shall it hold SFRAA liable or responsible therefor in any manner whatsoever. There is no express or implied obligation for SFRAA to reimburse responding developers for any expenses incurred in preparing any proposal or proposals in response to this or subsequent Request for Proposals.

4. Ownership of Proposals. All materials submitted in response to this Request for Proposals become the property of SFRAA. SFRAA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the developer is selected. All copyright of materials produced under any contract or subcontract awarded as a result of this Request for Proposal shall be retained by SFRAA.

In issuing this proposal, SFRAA reserves the right to preserve and maintain the Airport and its facilities for the purpose of air navigation. No rights or privileges are granted that shall violate State, FAA, TSA, or other Federal regulations and agreements as required. Bidding, construction, leasing, and operation of the facility will be subject to all applicable local, state and Federal rules, statutes, ordinances, and regulations. SFRAA reserves the right to request and review updated qualifications from each of the qualified developers, and reserves the right to reject any or all of the qualified developers from submitting further proposals based on such review. Qualified developers may be required to resubmit qualifications at the discretion and request of SFRAA.

D. DATA PRIVACY PRACTICES

Treatment of proposal data. Data submitted to SFRAA by developers in response to this Request for Proposal is governed by the following rules: Once a proposal is opened, the name of the developer becomes public. All other information in the proposal, including any price information, does not become public until SFRAA has completed negotiating the contract with the selected developer. Therefore, most proposal information does not become public until after the SFRAA awards the contract and the contract has been negotiated. After the SFRAA has negotiated a contract with the successful developer, the evaluative data

becomes public, with the exception of Trade Secret Data. The proposal must identify any information desired to be considered Trade Secret Data.

A statement by a developer that its data is copyrighted or otherwise protected does not prevent public access to the data in the proposal at such time that the data would otherwise become public.

During the evaluation process, developers are not allowed to access or review proposals submitted by other developers or data created by SFRAA as part of the selection or evaluation process. During the evaluation process, SFRAA staff, outside experts who have signed confidentiality agreements and SFRAA Commissioners may be informed of the data in the proposals and may view the proposals. Developers may discuss their own specific proposals with SFRAA Commissioners, but SFRAA Commissioners shall not reveal the contents of the other developers' proposals. However, in the public meetings of the SFRAA, Commissioners may discuss any information submitted in the proposals to the extent reasonably necessary to conduct the business at hand. Any non-disclosed data, however, retains its classification as private or nonpublic.

If all proposals are rejected by the Authority prior to completion of the negotiation phase, all proposal data, other than that which was made public at the time of proposal opening or in any public meeting, remains private or nonpublic until a re-solicitation of the proposal results in selection of a proposal and completion of the negotiation phase and awarding of a contract.

E. COMPLIANCE WITH FEDERAL STATE, AND LOCAL LAWS

Developer warrants in submitting a proposal and in the performance of any work on the Project as a result of selection of its proposal, that developer has complied with or will comply with, all applicable federal, state, and local laws, ordinances and all lawful orders, rules and regulations thereunder. Developer further agrees that any subcontract or subcontractor providing work on the Project will be similarly bound.

Title VI assurances. Developer, for itself, its agents, employees, subcontractors, and successors, agrees to abide by and comply with all provisions and regulations of Title VI of the Civil Rights Act of 1964, and as said regulations and law may be amended. No person on the grounds of race, color, or national origin may be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination by Developer, its agents, employees, subcontractors, and successors.

F. DEVELOPER'S ACKNOWLEDGMENT

1. By submitting a proposal, the developer acknowledges that all information contained in the proposal is accurate, and that it has carefully reviewed and satisfied itself as to the nature and location of the Project, the technical, general, and local conditions to be encountered in the performance of any work involved in the Project, the requirements of the Project, and all other matters which may in any way affect performance or the cost thereof, and that SFRAA shall not be responsible for any errors or omissions on the part of the developer in preparing the proposal.

2. All non-Trade Secret information is subject to potential disclosure and agrees that SFRAA will have no liability for any such disclosure.

3. All information for which the developer claims Trade Secret protection must be clearly marked "Trade Secret Data."

2. The information supplied in response to this Request for Proposal will be used to evaluate the proposals.

3. Developer's failure to supply information requested in this Request for Proposal may result in a determination by SFRAA that the proposal is non-responsive, and the SFRAA may, at its sole discretion, reject any non-responsive proposals.

4. Submission of a proposal indicates acceptance by the developer of all of the terms and conditions contained in this Request for Proposal.

EXHIBIT A – TECHNICAL INFORMATION

1. Location: Jaycee Lane, Sioux Falls, South Dakota, adjacent to passenger terminal entrance lighted intersection (per Exhibit B).
2. Site location contains approximately 80,000 sq. ft. available for development. There is no requirement to utilize the entire available area.
3. Site location shall not be sold to developer. A long term lease contract will be negotiated.
4. Building and facilities ownership shall revert to the SFRAA after 40 years from start of operation or an alternate negotiated date.
5. Developer must comply with City of Sioux Falls design and construction standards, and applicable Federal, state and local codes (including Federal ADA standards).
6. Exterior finish should complement existing FSD terminal area finishes to the extent practicable.
7. Parking shall include customer stalls and space identified for taxi, transportation network carrier (TNC – i.e. Lyft) queuing and passenger meeter/greeter vehicle waiting (estimate 30 stalls minimum).
8. No access points to the secured areas of FSD shall be created or allowed.
9. The facility should support and enhance the overall passenger experience of FSD. Support will include retail services, refueling, and food service with seating areas. Other services that support the operation, such as a car wash, will be considered.
10. Security surveillance capability by Closed Circuit Television Coverage (CCTV) will be required for any location within twenty feet of the perimeter fence as shown on Exhibit B.
11. No development, equipment, materials or other uses will be permitted within six feet of the perimeter fence.
12. Perimeter fence may be relocated based on design development needs at the discretion of the SFRAA.
13. Sanitary, storm sewer, potable water, power and other utilities shall be provided by the developer.
14. SFRAA will clear/relocate existing taxi queue management system at its own expense.
15. All design, site preparation, and construction, including architectural and engineering fees, shall be completed at the developer's expense.
16. Developer shall be responsible for all taxes due on construction and real estate.
17. Developer shall be required to negotiate a minimum time interval and value for future renovations.
18. SFRAA reserves the right to preserve and maintain FSD and its facilities for the purpose of air navigation. No rights or privileges are granted that violate local, state, Federal Aviation Administration, Transportation Safety Administration, or other Federal regulations and agreements as required. Bidding, construction, leasing, and operation of the Project will be subject to all applicable local, state and Federal rules, statutes, ordinances, and regulations.

EXHIBIT B – SITE LOCATION



EXHIBIT B – SITE LOCATION (CONT.)

