1. **OBJECTIVE OF THIS RFP**

1.1. The objective of this RFP is to enter into a contract with a firm or firms that will perform a market assessment study on the Richmond Highway Corridor. This study will be imperative to understand how recent corporate announcements and infrastructure plans will affect the commercial real estate demand at each of the Community Business Centers along the corridor.

Richmond Highway is currently served by large-format shopping centers with a handful of mid-rise office buildings to support local services, surrounded by single-family and multi-family housing. This study will be used to determine current consumer demand and commercial real estate needs and how these needs will change because of the construction of the Bus Rapid Transit system and major employer announcements.

This will be done to support the Fairfax County Economic Development Authority (FCEDA) mission to attract and retain businesses, attract and retain employees, create job opportunities for county residents, and build the commercial tax base that the Fairfax County Board of Supervisors uses to fund high-quality public services.

2. **COMMERCIAL SUBAREAS**

Richmond Highway is a 7.3-mile arterial that offers a diversity of commercial activity and market conditions. The recently adopted Embark Richmond Highway plan amendment established a new vision for the six Community Business Centers (CBCs) with eight Bus Rapid Transit (BRT) stops, in expectation of spurring proximate development. The BRT system and a 3-mile Metrorail Yellow Line extension (Huntington to Hybla Valley) were recommendations of the 2015 Route 1 Multimodal Alternatives Analysis, which was provided by the Virginia Department of Rail and Public Transportation. The Alternatives Analysis suggested that the first phase of the BRT system could be operational in 2026 and the second phase in 2028.
2.1. There are six CBCs along the Richmond Highway Corridor. From north to south, they are: North Gateway (Not identified on the map below), Penn Daw, Beacon/Groveton, Hybla Valley/Gum Springs, South County Center, and Woodlawn. Many of the CBCs are developed with community shopping centers. The BRT is proposed to end at Fort Belvoir.
3. **QUALIFICATIONS/PREFERENCES**

Requirements
- Operating for +5 years
- Firm is in good financial standing
- Strong commercial real estate background
- Prior experience with effect of transit system on commercial demand

Preferred
- Understanding of the historical/current commercial real estate market along Richmond Highway Corridor
- Understanding of Fairfax County’s zoning regulations

Possible Value of Contract $80,000 – $100,000

4. **SCOPE OF WORK**

Review and analyze the potential impact of the existing development pipeline and long-term land use plans for the area, determining the effects of Embark Richmond and major employment announcements on residential and commercial development.

A. **DEMOGRAPHIC ANALYSIS**

A complete understanding of the demographic underpinnings of current and future commercial market opportunities is a core expected outcome of the Study. The Study Area, and its CBCs represent dynamic environments with varying and shifting demographic conditions, particularly: 1) between CBCs within the Study Area; 2) from higher-density housing and mixed-use building stock of varying type and age into lower-density single-family housing neighborhoods; 3) within the adjacent and proximate lower-density single-family housing neighborhoods that serve as primary, secondary and tertiary consumer trade areas; and, 4) from the growth of housing inventory through new mixed-use development.

It is critically important that this component of the Scope of Work provides insight into both macro-level demographic trends and micro-level demographic conditions and shifts. This should include the use of available psychographics data to provide further context into the character and market impacts of identified demographic clusters. The work completed as part of this component will then be applied to further components of the Scope of Work where demographic conditions and projections are required.

Requirements of this component of the Scope of Work are:

1. For each CBC, collect and analyze demographic data that is available through commercially-available and industry-acceptable demographic data sources. Demographic metrics shall include, but not necessarily be limited to (upon consultation with FCEDA staff and reflecting the reasonable availability of specific demographic data metrics), the following:
1.1. Number of households and household density (1-mile radius, available from the county)
1.2. Household type and sizes (including presence of children)
1.3. Household incomes (1-mile radius, available from the county)
1.4. Percent of income dedicated to housing
1.5. Household consumer spending

B. FUTURE HOUSING PROJECTIONS
In the past two years, there have been major developments that could affect the housing demand along the Richmond Highway corridor. Between major corporation announcements (Amazon HQ2) and planned infrastructure improvements, the housing pipeline may need adjustment to meet demand. Utilizing the current projections and factoring in the aforementioned market drivers provide the following:

- BRT effect on future housing demand
  - Breakdown at each CBC
  - Effect of possible expansion of Metrorail Yellow Line

- Future housing demand projections by type (SFH, attached SFH, multi-family)
  - Rental vs. ownership
  - Market rate vs. affordable/workforce units

C. RETAIL & HOSPITALITY MARKET ANALYSIS
The Retail and Hospitality Market Analysis component of the Scope of Work shall complete a study of the current market conditions and future market opportunities in the hospitality, retail and services sector for each of the CBCs. This component shall determine current and future market opportunities considering the effects of Embark Richmond Highway plan, recent major office expansions/relocations, and proximate landmarks for the following categories of retail and hospitality:

Retail
Food and beverage, including:
  - Fast casual/take-out
  - Sit-down restaurants
  - Bars

Entertainment, including:
  - Movie theaters
  - Music and performance venues
  - Experiential entertainment and learning

Food/beverage at home, including:
  - Full-service grocery
  - Specialty grocery
  - Beer/wine/alcohol sales
  - Convenience
Boutique merchandise, including:
- General merchandise
- Home goods
- Fashion
- Specialty goods

Personal services, including:
- Personal care
- Fitness
- Accounting or brokerage services

**Hospitality** – Average Daily Rate (ADR) and Revenue Per Available Room (RevPar)
- Full-service hotels
- Extended-stay/long-term
- Short-term rentals

Each of the tasks below shall address the specific retail, hospitality, and service commercial categories listed above. This component does not need to provide in depth analysis of market opportunities for large-format tenants and shopping centers (other than some larger-format grocery stores) given the very limited availability to site these types of uses within the Study Area.

Requirements of this component of the Scope of Work are:

1. **Location Analysis**

   1.1. Define key locational attributes that align with successful retail and service commercial categories of the types provided above, including but not limited to measures of access, parking, visibility, auto and pedestrian counts, density of potential customers, availability and character of commercial building stock, surrounding land uses, and clustering of retail and service offerings.

   1.2. Through physical observation and relevant data collection, relative to the standards established in section C.1.1 of this Scope of Work, analyze the locational strengths and challenges for the various retail, hospitality and service commercial categories for each CBC, including identification of areas within a CBC that are particularly strong locations for the corresponding property type. This analysis shall factor in shifts in locational attributes due to the development pipeline, regulatory incentives, planned infrastructure improvements, and long-range land use plans.

2. **Subarea Market Performance Analysis**
2.1. Review and enhance where needed an inventory of commercial spaces and business occupancy for each CBC that will be provided by FCEDA staff. Analyze the distribution of commercial spaces and business types.

2.2. Conduct interviews with a sample of property owners, brokers and businesses (in order to serve the diverse nature of the Study Area, language services beyond English shall be provided to select businesses) to assess the current market performance of commercial activity in each CBC. For the variety of observed commercial space and/or business types in each CBC, these interviews should seek an understanding, beyond basic market performance, of the core consumer target markets in terms of location and demographic character, keys to market success or market-based challenges, and future outlook for market performance given any observed shifts in market conditions.

2.3. Through the interviews and readily available secondary data, collect and analyze market performance data such as occupancy, turnover, leasing activity/absorption, rental rates, and other relevant lease terms (such as concessions and lease length).

3. Competitive Market Positioning

3.1. Identify commercial nodes outside of the Study Area that will also compete for consumer demand for the identified retail and service commercial categories in defined trade areas for each CBC.

3.2. Assess the competitive positioning of each CBC relative to identified competitive commercial nodes in terms of key locational and market attributes for each of the identified commercial categories, including but not limited to: measures of access, parking, visibility, auto and pedestrian counts, density of potential customers, availability and character of commercial building stock, surrounding land uses, clustering of retail and service offerings, and market performance metrics such as occupancy and rents.

4. Demand Analysis

4.1. Based upon the analysis of competitive commercial nodes in section C.3.2, in addition to the location analysis for each CBC in section C.1.2, determine the likely capture rate of consumer spending in the defined CBC for the identified retail and service commercial categories.

4.2. Apply the determined capture rates to the annual consumer dollar spending in each CBC for the identified retail and service commercial categories (as completed in section C.3.2).

4.3. Based upon industry standard sales per square foot thresholds (or similarly standard metrics), calculate the existing and projected supportable commercial space in each CBC for the identified retail and service commercial categories.
D. OFFICE/RESEARCH MARKET ANALYSIS

This component of the Scope of Work shall provide an analysis of office/research product that could occupy existing or future building inventory. This component is intended to be a higher-level analysis than the retail and services analysis in Section C and provide an order of magnitude assessment of current and future office/institutional market opportunities. The additional commercial product types to be studied under this component of the Scope of Work are as follows:

- Research & Development/Innovation space
- University/College Campus
- Corporate office
- Boutique/service office
- Creative workspaces (please provide examples)

Requirements of this component of the Scope of Work are:

1. Define key locational attributes that align with successful performance of the types of additional commercial product types provided above, including but not limited to measures of access, parking, spinoff demand (Amazon HQ2), transportation, proximity to Fort Belvoir, availability and character of commercial building stock, and clustering of similar or complementary land uses.

2. Through physical observation and relevant data collection, relative to the standards established in section C.1.1 of this Scope of Work, analyze the locational strengths and challenges for the office/institutional demand in each CBC, including identification of areas within a CBC that are particularly strong for the identified commercial uses. This analysis shall factor in shifts in locational attributes due to the development pipeline, planned infrastructure improvements, and long-range land use plans.

3. Analyze the market performance, including occupancy, leasing activity/absorption, rental rates for office in relevant and competitive submarkets outside the Study Area, and assess the competitive positioning of each CBC relative to these competitive locations to determine the potential opportunities within the CBC.

4. Determine the order-of-magnitude opportunities for increasing and/or repositioning the character of the inventory of each of the additional product types in each CBC based upon current market performance, location requirements/strengths, and a potential increase in the capture of market-wide demand.

5. Assess the demand generated by the additional commercial product types provided above for retail and services.
E. COMMUNITY BUSINESS CENTER FINDINGS AND OPPORTUNITIES

Based upon the work completed above, summarize the current conditions and future market opportunities for each of the CBCs. Requirements of this component of the Scope of Work are:

1. Describe the current and potential future market positioning of the Sub-area, including market-supportable type and inventory of commercial space, the market purpose or niche served by commercial clusters in each CBC, and key consumer market segments served.

   1.1. Identify key anchor tenants or clusters that are critical to sustained market performance.

2. Present the specific demographic conditions and trends, and location strengths and challenges that drive current and future commercial market opportunities.

3. Describe the character and scale of new development or repositioning commercial opportunities, and any identified structural supply-demand imbalances anticipated considering potential inventory growth that accompanies mixed-use development.

4. Assess the relationship between CBC in terms of clustering, synergies, and competition.

F. RESPONSE TO SPECIFIC MARKET THEMES

The expectation is that much of the data collection and analysis required to thoroughly respond to the themes/questions will have already been completed during previous components of this Scope, although in some cases additional data collection, analysis and research may be required. In responding to this RFP, the Contractor shall provide a detailed approach to addressing the specific questions/themes, including identification of which aspects of the approach will leverage work already completed within the other components of the Scope and which aspects of the approach will require additional work.

The expected outcome of this component will be a thorough and thoughtful narrative addressing the findings related to each theme and the related questions, supported by a presentation of all relevant data analysis, research and case studies.

The specific themes and their questions to be addressed in this component of the Scope are as follows:

1. As redevelopment along Richmond Highway slowly progresses, the corridor remains a market in transition from a suburban to an urban form. This transition period has created a market disruption for a wide variety of businesses in the Study Area.

   1.1. How do suburban and urban commercial environments differ with regard to key locational attributes?
1.2. What are the locational attributes and space preferences valued by commercial tenants in suburban environments that are disrupted by new urban development?

1.3. What are the challenges facing “early adopter” businesses in new, mixed-use urban developments?

2. Many businesses along Richmond Highway are “legacy” businesses and/or serve a specific consumer market segment (often with an international focus). There is concern that ongoing redevelopment will continue to threaten these types of businesses, thus lessening the diverse nature of the Study Area’s business environment.

2.1. What are the specific market threats posed to legacy/international businesses in a redeveloping area?

2.2. What are the specific market strengths these legacy/international businesses may continue to enjoy even during redevelopment given target markets, demographic trends, and competitive market positioning?

2.3. What are the best practices for balancing urban redevelopment and the preservation of legacy/international commercial clusters?

3. Many stakeholders suggest that Richmond Highway does not have a clear sense of place or market brand, or at least that a sense of place/brand is being confused or not leveraged fully.

3.1. How does commercial market activity/opportunity improve or shift when a location has a well-defined, market-differentiated brand?

3.2. What are potential differentiating market brands along Richmond Highway, and which CBCs are best poised to benefit from a defined market?

4. Retail and other services rely on a steady and/or consistent flow of demand to justify leasing costs and operating hours. Many retailers struggle within areas where there is a lack of daytime employment.

4.1. What is the critical mass of office space/daytime employment required to have a significant impact on demand for and performance of commercial businesses, particularly food and beverage establishments?

4.2. What can be learned from high-performing commercial clusters that do not benefit from access to significant daytime employment?

4.3. Are there existing or future nearby office clusters with limited food and beverage options that can be drawn from?

5. The incorporation of non-commercial or non-traditional commercial uses, such as cultural uses, libraries, community “third places,” and pop ups in vacant or underutilized commercial spaces has been identified as a potential solution to activating those spaces as well as attracting more consumers to Richmond Highway.
5.1. What are some examples (national/international) where the strategic implementation of non-commercial, placemaking uses have significantly impacted commercial market performance, and what was the measurable impact on consumer demand?

5.2. What were the strategies and challenges to attracting and sustaining these non-commercial and non-traditional uses?

6. Macro trends on how people live, work, shop and leisure will have an impact on the character of the Richmond Highway commercial market beyond local market conditions.

6.1. What market impacts will known and evolving trends, such as e-commerce, omni-channeling and experiential retail have on the Study Area and its CBCs?

6.2. What emerging retail concepts may present a market opportunity on Richmond Highway and why?

6.3. What is the impact of teleworking on daytime retail and services spending?

G. IMPLEMENTATION STRATEGY FRAMEWORK

The Implementation Strategy Framework is intended to be an initial recommendation of programs and policies that can mitigate identified market challenges. It is intended that this Framework will result in some creative solutions that can be implemented in the near-term, while many other recommendations will require further cost-benefit analysis outside of this Scope of Work. The Contractor should rely on its experience with programs and policies intended to influence commercial market performance, with targeted research and case studies as needed. Requirements of this component of the Scope of Work are:

1. Present the identified market challenges, threats and unmet opportunities by CBCs that would benefit from appropriate market interventions.

2. Provide a preliminary but sufficiently vetted list of program and policy market interventions (potentially case studies) in the areas of including, but not limited by:

   2.1. Placemaking/public realm investments
   2.2. Marketing and branding
   2.3. Events and programming
   2.4. Business/retailer collaboration and partnerships
   2.5. Placement of non-commercial uses
   2.6. Parking strategies
   2.7. Business attraction and preservation strategies
   2.8. Regulatory/property consolidation incentives
3. For each identified program and policy identify the intended impact of the market intervention.

4. For each identified program and policy, identify the necessary next steps for further study and analysis, and ultimate implementation.

**H. FINAL DELIVERABLES**

1. **Commercial Market Study Report**
   1.1. Draft report reviewed and commented on by FCEDA and other relevant County staff, six copies bound, along with a point of contact and phone number/email address.
   1.2. Final report for public release

2. **Presentations**
   2.1. Two (2) presentations of findings to community stakeholder groups

3. All data collected for this study shall be made readily available to the FCEDA in electronic format as part of this Scope of Work.

**5. INSTRUCTIONS FOR TECHNICAL PROPOSALS**

The bidder must submit six copies of the technical proposal in separate binders and include the following information. Please follow this format:

**A. Experience of the bidder and primary staff members on the account**

1. How long has the bidder been involved in the proposed services?

2. How many employees does the bidder have?

3. Describe capabilities in all relevant services: market research, demographic analysis, commercial real estate forecasting. List clients for the last five years, and distinguish between past and current clients.

4. Does the bidder have experience in these services pertaining to economic development or community promotion?

5. Does the bidder envision using subcontractors on the FCEDA account, and how?

6. What is the bidder’s experience with real estate advisory services in local, regional and international markets?
7. Describe any special strength, accomplishments or awards of note that the bidder has received in the last five years.

8. Submit resumes of the primary staff members who would be assigned to this account. How long has each worked for the agency and how would each be involved in the FCEDA account?

9. On what accounts have they worked in the last five years?

10. Describe any experience the primary staff has in advertising services pertaining to economic development or community promotion.

B. Previous work and references

1. Provide any material from three comparable current accounts or studies, or those from the recent past, that would be germane to the FCEDA proposal and reflect the agency’s market analysis capabilities. In showing us examples of previous work, bidders must be prepared to show us how they obtained the necessary data, methodology, and their process of engaging key stakeholders in the Study Area.

2. Provide a high-level projected timeline with benchmarks over the course of the contract term, referencing experiences/takeaways from past studies.

3. Provide three references from current clients or clients from the recent past. References must include this information: company name, contact person, title, phone, email address and work address.

C. Richmond Highway Commercial Market

1. Demonstrate an understanding of the history of the commercial real estate market within the Richmond Highway. This should be a high-level overview of how this property type mix was established and a basic understanding of why development has stalled.

   1.1. Proposals can come from one firm or a partnership of firms working together on a proposal. If it is a partnership of firms, one of the firms should be considered the lead for the proposal.

   1.2. Any particular section of your proposal that is considered to be proprietary must be so marked. For any materials marked proprietary, bidders must first identify the material to be protected and state the reason why the protection is necessary. Proposals will not be considered proprietary in their entirety.
6. INSTRUCTIONS FOR BUSINESS PROPOSALS

A. The bidder must submit six copies of a business proposal in separate binders, fully supported by cost and pricing data adequate to establish the reasonableness of the proposed fee. Please provide adequate back-up detail to verify the proposed fee. The following information should be submitted as part of the business proposal:

1. The monthly service or retainer fee.
2. Breakdown of fee, including rate per hour and the estimated number of hours to be spent on the contract.
3. Travel and per diem or subsistence costs, if any, supported by breakdown including destination, duration and purpose.
4. Breakdown of other expenses such as subcontractors, other overhead costs, supplies, etc.
5. Explanation of any other type of expenses that may be incurred in the performance of this contract.
6. Total cost to provide contract services.
7. Include a copy of most recent balance sheet and income statement.
8. List total billings for each of the last three calendar years.

B. Include a copy of the firm’s Business, Professional and Occupational License form from Fairfax County or other Virginia locality, if applicable.

C. Any particular section of your proposal that you consider to be proprietary must be so marked. Proposals will not be considered proprietary in their entirety.

7. SUBMISSION OF PROPOSAL

A. Six copies of the technical proposal and six copies of the business proposal are due at the Fairfax County Economic Development Authority, 8300 Boone Boulevard, Suite 450, Tysons, Virginia 22182, NO LATER THAN 2:00 P.M., Eastern time, February 18, 2020. Proposals submitted by e-mail or fax will not be accepted.

8. QUESTIONS ABOUT THIS RFP

A. Questions about this Request for Proposal can be submitted until 2:00 p.m. Eastern time, February 7, 2020, via email only, to fmorrobel@fceda.org. Questions received and responses will be posted on the FCEDA website by February 12, 2020. Q&A will be posted for all bidders to view at same time on the FCEDA website, just below the RFP advertisement, therefore please check back periodically if you submit questions.
9. **BASIS FOR AWARD**

A. A Selection Advisory Committee (SAC) comprised of FCEDA staff members has been established in order to review and evaluate all proposals submitted in response to this Request for Proposal. In addition to satisfying criteria explained in sections 3 and 4 (technical and business proposals) of this Special Provisions document, bidders must satisfy the criteria set forth in section 23 of the General Conditions and Instructions to Bidders.

The committee first will evaluate and score the technical proposals submitted by the bidders, then the business proposals. Price shall be considered, but need not be the sole determining factor.

1. **Based on the results of the initial evaluations and rankings, the highest-rated bidder(s) will be invited to make oral presentations (interviews) to the Selection Advisory Committee during the week of March 23, at the FCEDA headquarters in Tysons. Unfortunately, we are not able to provide updates to the RFP process once submittals are received, unless your firm shortlisted. The Procurement Manager will reach out to bidders should further information be necessary.**

2. If a contract satisfactory and advantageous to the FCEDA can be negotiated at a price considered fair and reasonable, award shall be made to that bidder. At the time the proposed contract is negotiated, the bidder and the Selection Advisory Committee designee may negotiate any changes desired in the Request for Proposal if deemed in the best interest of the FCEDA.

3. The FCEDA reserves the right to award a contract by individual items, in the aggregate, or in combination thereof, or to reject any or all bids and to waive any informality in bids received whenever such rejection or waiver is in the best interest of the FCEDA.

4. The Procurement Manager, or designee, may arrange for discussions with firms submitting proposals, if required, for the purpose of obtaining additional information or clarifications.

5. Bidders are advised that, in the event of receipt of an adequate number of proposals, which, in the opinion of the Procurement Manager, or designee, require no clarifications and/or supplementary information, such proposals may be evaluated without further discussion. Hence, proposals should be submitted initially on the most complete and favorable terms from a technical standpoint which bidders are capable of submitting to the FCEDA. Should proposals submitted require additional clarification and/or supplementary information, bidders should be prepared to submit such additional clarification and/or supplementary information, in a timely manner, when so requested.
6. Proposals that, after discussion and submission of additional clarification and/or supplementary information are determined to meet the specifications of this Request for Proposal, will be classified as “acceptable.” Proposals found not to be acceptable will be classified as “unacceptable” and no further discussion concerning the same will be conducted.

7. An award may be made to as many bidders as deemed necessary to fulfill the anticipated requirements of the FCEDA.

8. We anticipate that the contract will begin April 1, 2020 and the findings will be presented before December 31, 2020.