



Letter of Interest (LOI)

Regarding: Austin [re]Manufacturing Hub

Note: For further instructions on filling out this form, please hover over the yellow speech bubbles.

Submit completed forms to ecopark@austintexas.gov no later than October 19, 2015.

In response to Austin Resource Recovery's (ARR) desire to lease land at 10108 FM 812, Austin, Texas, _____ is pleased to submit the following Letter of Interest (LOI). The general terms and conditions under which Landlord/Tenant will consider a lease are provided below:



BUSINESS USE: _____



TRACT: There are 88.5 leasable acres at the Austin [re]Manufacturing Hub in 3 distinct areas with 11 tracts of various sizes available. Areas A & B will be developed in Phase I of the project. Area C will be developed in a subsequent phase. Please see <http://austintexas.gov/ecopark> for tract and area maps.



Area A: Storm water detention and water quality retention will be provided for tenants in Area A. Transportation infrastructure will be developed in Phase I of the project.

- ☐ Tract 1, 6.13 acres
- ☐ Tract 2, 6.89 acres
- ☐ Tract 3, 7.72 acres
- ☐ Tract 4, 12.72 acres

Area B: Tenants may be able to access conveyance channels yet will be responsible for building their own storm water detention and water quality retention ponds. Transportation infrastructure for all tracts but Tract 8 will be developed in Phase I of the project.

- ☐ Tract 5, 6.66 acres
- ☐ Tract 6, 7.55 acres
- ☐ Tract 7, 12.71 acres on Corner - NOTE: Tract 7's transportation can be available in Phase I of the project if tenant is willing to construct the driveway apron on FM812. Otherwise, the transportation infrastructure for Tract 7 will be available in Phase 2.

Area C: Because transportation infrastructure will not be available until Phase 2, Area C is not available for leasing immediately. ARR is open to LOIs from potential tenants for tracts in Area C yet encourages applicants to consider Areas A or B first. Area C tenants will be responsible for building their storm water detention and water quality retention ponds and can access existing conveyance channels.

- ☐ ~~Tract 8, 8.42 acres~~ (Not available; for public administrative & maintenance facilities)
- ☐ Tract 9, 5.65 acres- NOTE: Tract 9 does not have gravity access to the waste water system and the tenant will need to install a pressurized system on site.
- ☐ Tract 10, 6.28 acres
- ☐ Tract 11, 7.80 acres

[For combined configurations, mark all that apply.]




Other: ARR has some flexibility in the size and configuration of its tracts. Please provide preferred configuration below if the current site plan is not adequate.

- ☐ No preference.



☐ Interested in subleasing space only. Square Footage desired: _____

Sublease Only: Check here if you would like to have your company's information shared with all primary Hub tenants, in order to identify potential space for your firm: ☐ 

TERM AND COMMENCEMENT: The term of the lease shall be for _____ Years*, commencing upon the earlier of a) the date that Tenant has received their Certificate of Occupancy or b) 18 months after the lease execution. If a lease is executed prior to the Landlord's completion of basic infrastructure construction, the lease will commence the earlier of a) the date that Tenant has received their Certificate of Occupancy or b) 18 months after Landlord's construction of basic infrastructure is complete.

**Initial Lease Term may be no more than 20 years.*

RENEWAL OPTIONS: _____ Option(s) for a renewal term of _____ Year(s)

MINIMUM COMMUNITY BENEFITS REQUIRED OF ALL TENANTS:

Please check the boxes below to indicate your willingness to comply with each of the minimum community benefit requirements:

- ☐ Must contribute to the City of Austin's Zero Waste goal.
- ☐ Willing to commit to paying all workers at least \$11.39 per hour and to require contractors and subcontractors to pay the prevailing wage to all construction workers.
- ☐ Willing to comply with the City of Austin's M/WBE Program Requirements and Worker Safety Requirements.
- ☐ Willing to submit an annual report of volumes diverted from landfills.
- ☐ Must not be a waste-to-energy project.

Please refer to Appendix A more information on these requirements.

BASE RENT: Rent proposals will be evaluated against current market rent along with an analysis of the project's community benefits. The Yearly Base Rent per rentable square foot for the Tract during the lease term shall be as follows (parties interested in subleasing only may skip this section):

Year 1 \$ _____/ Year	Year 11 \$ _____/ Year
Year 2 \$ _____/ Year	Year 12 \$ _____/ Year
Year 3 \$ _____/ Year	Year 13 \$ _____/ Year
Year 4 \$ _____/ Year	Year 14 \$ _____/ Year
Year 5 \$ _____/ Year	Year 15 \$ _____/ Year
Year 6 \$ _____/ Year	Year 16 \$ _____/ Year
Year 7 \$ _____/ Year	Year 17 \$ _____/ Year
Year 8 \$ _____/ Year	Year 18 \$ _____/ Year
Year 9 \$ _____/ Year	Year 19 \$ _____/ Year
Year 10 \$ _____/ Year	Year 20 \$ _____/ Year

OPERATING EXPENSES: Triple Net. Triple Net includes:

- 1) Common Area Maintenance: \$0 per year
- 2) Property Tax. The 2014 property tax rate is 3.6088%, which includes the following taxing jurisdictions: City of Austin (0.4809), Travis County (0.4563), Del Valle Independent School District, (1.47) Austin Community College (0.0942), Travis County Healthcare District (0.1264), and Travis County Emergency Services District (0.981).
- 3) Insurance: Please see Appendix B for standard City of Austin lease agreement insurance requirements.

SECURITY DEPOSIT: 2 month's Base Rent at the Year 1 rate (\$ _____)

A construction deposit of \$20,000 shall be paid at the time of lease execution, which will be refunded to Tenant when evidence of Certificate of Occupancy is presented.



UTILITY REQUIREMENTS

Electric Needs:

Peak Monthly Demand in Kilowatts (KW):

Average Monthly Usage in Kilowatt Hours (kWh):

Average Monthly Load Factor:

Dual Feed Required:

☐ Yes ☐ No

Current Rate (cents per kWh):

☐ Primary Service ☐ Secondary Service

Water Needs:

Average Monthly Usage (Kgal):

Meter Size:

Waste Water Needs:

Average Monthly Discharge (Kgal):

Natural Gas Desired?

☐ Yes ☐ No

Average Monthly Demand (Kft3):



FINANCING REQUIREMENTS

Will the project be seeking to close any gap in financing through a public program?

☐ Yes ☐ No

SUBLEASING INTEREST

Are you interested in subleasing space to other re-manufacturing businesses?

☐ Yes ☐ No

If yes, please indicate the square footage you anticipate making available for subleasing. _____

RECYCLING/REUSE INFORMATION

Please describe the material types diverted and how they will be diverted (i.e. repair, processing, reuse, etc.) on site:

Please describe any non-recycling/reuse functions that would be performed on the site:

Anticipated volume of materials diverted per year: _____

JOB CREATION INFORMATION



Total new full-time, permanent jobs created within the first three years of operation, excluding any jobs that would relocate to the Austin [re]Manufacturing Hub from within Central Texas:

Number of Jobs:

Average wage:

Median wage:

Lowest wage (\$11.39 minimum required):

Jobs created that require less than a college degree:

Number of Jobs:

Average wage:

Median wage:

Lowest wage (\$11.39 minimum required):

Jobs created that require less than a high school diploma:

Number of Jobs:

Average wage:



Median wage: _____
Lowest wage (\$11.39 minimum required): _____

Expected Start Date for Construction: _____
Expected Completion Date for Construction: _____

ADDITIONAL COMMUNITY BENEFITS PROPOSED BY TENANT

Will the project create jobs for hard-to-employ individuals, such as veterans, formerly incarcerated individuals, refugees, individuals without post-secondary degrees, or other individuals with employment barriers or employ a social entrepreneurship business model? ☐ Yes ☐ No
If yes, please describe below and provide as much detail as possible:

Will the project construct in a manner that will meet a LEED or Austin Energy Green Building rating standard? ☐ Yes ☐ No

If yes, please describe below and provide as much detail as possible:

Are there other characteristics of the project that will provide community benefits? ☐ Yes ☐ No

If yes, please describe below and provide as much detail as possible:

OTHER PROVISIONS:



Broker Referral (optional): The following licensed broker or agent represents Tenant with an active formal Tenant Representation Agreement, and is entitled to a one-time-only referral fee in the amount of 4% of the total rent due over the initial lease term, not to exceed \$20,000, which is payable at the time of lease execution.

Name License Number

This proposal is not intended as, and does not constitute, a binding agreement by any party, nor an agreement by any party to enter into a binding agreement, but is merely intended to specify some of the proposed terms and conditions of the transaction contemplated herein. Neither party may claim any legal rights against the other by reason of the signing of this letter or by taking any action in reliance thereon. Each party hereto fully understands that no party shall have any legal obligations to the other, or with respect to the proposed transaction, unless and until all of the terms and conditions of the proposed transaction have been negotiated, agreed to by all parties and set forth in a definitive agreement which has been signed and delivered by all parties.

Name and Title of Authorized Signatory (print)



Signature Date

The Texas Public Information Act provides that information collected, assembled, written, produced, or maintained by the City under a law or ordinance or in connection with the transaction of official business is public information.



APPENDIX C- MINIMUM COMMUNITY BENEFITS REQUIRED DETAILS

1. Must contribute to the City of Austin's Zero Waste goal.

The primary function of each proposed project must contribute to the City of Austin's Zero Waste goal. This includes:

- Value-added processing and manufacturing of would-be waste into new products
- Manufacturing of products that replace a disposable good
- Manufacturing of products that enable the diversion of a waste material from the landfill
- Flexible light industrial space to be leased to recycling, reuse, or upcycling sector firms.
- Incubator or co-working space
- A zero waste-related research and development facility.
- Manufacturing of products which otherwise significantly contribute to Austin's Zero Waste Goal

2. Willing to commit to paying all workers at least \$11.39 per hour and to require contractors and subcontractors to pay the prevailing wage to all construction workers.

The City of Austin desires to create well-paying jobs at the Austin [re]Manufacturing Hub. All Hub tenants must pay all workers at least \$11.39 an hour, the City of Austin's living wage.

All tenants must also require contractors and subcontractors to pay the prevailing wage to all construction works. Prevailing wage refers to the federal and state law that requires public entities to establish certain wage rates. It applies to construction workers on contracts awarded by the public entity for public works projects and is described in chapter 2258 of the TEX. GOV'T CODE. The City has approved [Ordinance No. 030508-031](#), adopting the federal Davis Bacon wage rate schedule. The same prevailing wage rate schedule adopted by the City would be paid by the tenant for all construction it funds.

3. Willing to comply with the City of Austin's M/WBE Program Requirements and Worker Safety Requirements

The M/WBE Program requirements refer to the standards and principles of Chapters 2-9 A through 2-9D of the City Code regarding minority-owned and women-owned business enterprises. More detailed information about this program is provided online at <http://www.austintexas.gov/smbdocuments>

Tenants must also comply with the standards and principles of the City's OSHA Worker Safety Training Requirements, which include a mandatory 10 hour OSHA approved worker safety class and a 30 hour OSHA approved supervisor safety class. Please refer to the text of Resolution [#20110728-106](#).

4. Willing to submit an annual report of volumes diverted from landfills

In addition to reporting on any community benefit performance measures included in the lease agreement, tenants will be required to submit reports to the City of Austin regarding their annual diversion of materials from the landfill.

5. Must not be a waste-to-energy project.

The Austin Resource Recovery Zero Waste Master Plan prohibits waste to energy (WTE) as an undesirable disposal activity. A WTE project is defined as a project that processes solid wastes in a facility that operates above ambient biological temperatures (more than 200 degrees F.) to recover energy or materials, excluding projects that require thermal depolymerization for converting plastics to oil. Plastics-to-oil projects are not considered WTE projects but are considered a downcycling, last resort option for materials that cannot be diverted through traditional recycling or upcycling.



APPENDIX B

STANDARD CITY OF AUSTIN LEASE AGREEMENT INSURANCE REQUIREMENTS

ARTICLE 1 Lessee's Insurance Requirements

1.1. General Requirements: Lessee shall carry insurance in the types and amounts indicated below for the term of the Lease.

Within five (5) days of the execution of this Lease, Lessee shall obtain the required insurance and provide the City a Certificate of Insurance as proof of coverage. If coverage period ends during the term of the Lease, Lessee must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of this Lease.

Approval of insurance by the City and the required minimums does not relieve or decrease the liability or responsibility of the Lessee hereunder and will not be construed to be a limitation of liability on the part of the Lessee.

Insurance coverage must: (a) be written by companies licensed to do business in the State of Texas at the time the policy is issued, and (b) with an A.M. Best rating of B+VII or better.

All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall indicate:

City of Austin Real Estate Services
Attention: Property Management
505 Barton Springs Road. Suite 1350
Austin, Texas 78704

The "Other" insurance clause does not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in this Lease, covering both the City and Lessee, will be considered primary coverage as applicable.

If insurance policies are not written for amounts specified below, Lessee shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it must follow the form of the primary coverage.

City shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

City reserves the right to review the insurance requirements set forth during the effective period of this Lease and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by City based upon changes in



statutory law, court decision, the claims history of the history of the industry or financial condition of the insurance company as well as the Lessee.

Lessee shall not cause or permit any insurance to lapse or to be canceled during the term of this Lease.

Lessee shall be responsible for premiums, deductibles and self-insured retention's, if any, stated in policies. All deductibles or self-insured retention's will be disclosed on the Certificate of insurance.

1.2 Specific Coverages:

(1) Commercial General Liability Insurance:

The Policy must contain the following provisions:

- a) Blanket contractual liability coverage for liability assumed under the Ground Lease Agreement and all contracts relative to this Ground Lease Agreement
- b) Independent Contractors coverage
- c) City listed as an additional insured, endorsement CG 2010, or equivalent
- d) Thirty (30) Day Notice of Cancellation in favor of City, endorsement CG 0205, or equivalent
- e) Waiver of Transfer of Recovery Against Others in favor of City, endorsement CG 2404, or equivalent

Provide coverage's A & B with minimum limits as follows:

A combined bodily injury and property damage limit of \$1,000,000 per occurrence.

(2) Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$1,000,000 per occurrence for bodily injury and property damage. The policy shall contain the following endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation endorsement CA 0444, or equivalent
- (b) 30 day Notice of Cancellation endorsement CA 0244, or equivalent
- (c) Additional Insured endorsement CA 2048, or equivalent

(3) Property Insurance

All risk property coverage including but not limited to fire, wind, hail, theft, vandalism and malicious mischief for all real and personal property of the City placed in the care, custody, and control of the vendor. Coverage shall be provided for 100% replacement cost of the property, with a 100% coinsurance clause. The limit of liability shall be a minimum of [value of improvements]. The City of Austin shall be shown as mortgagee/loss payee on the policy as Their Interest May Appear.



ARTICLE 2 Lessor's Commercial General Liability Insurance

2.1 Lessee understands that Lessor is a self-insurer and does not maintain commercial general liability insurance coverage.

ARTICLE 3 Requirements for Contractors performing work on the Premises

3.1 General Requirements:

Contractor's insurance coverage must be written by companies: (a) licensed to do business in the State of Texas at the time the policies are issued, and (b) with an A.M. Best rating of B+VII or better.

All endorsements such as additional insured, waivers, and notices of cancellation endorsements as well as the attached certificate shall indicate naming the City of Austin as follows:

City of Austin Real Estate Services
Attention: Property Management
505 Barton Springs Road, Suite 1350
Austin, Texas 78704

The "other" insurance clause does not apply to the City where the City of Austin is an additional insured shown on any policy. It is intended that policies required in the Contract, covering the City and the Contractor, will be considered primary coverage as applicable.

If insurance policies are not written for amounts specified above, Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it must follow the form of the primary coverage.

The City shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

The City reserves the right to review the insurance requirements set forth during the effective period of this Temporary Use Agreement and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.



The Contractor shall be responsible for premiums, deductibles and self-insured retention's, if any, stated in policies. All deductibles or self-insured retention's will be disclosed on the certificate of insurance attached.

The Contractor shall provide the City thirty (30) days written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.

If City owned property is being transported or stored off-site by the Contractor, then the appropriate property policy will be endorsed for transit and storage in an amount sufficient to protect the City's property.

The insurance coverages required under this contract are required minimums and are not intended to limit the responsibility or liability of the Contractor.

3.2 Specific Coverages: Insurance Requirements for any agreements containing provisions for contractors cleaning, maintaining, repairing or working on Premises:

Contractor shall carry insurance in the types and amounts indicated below for the duration of the Contract, which includes items owned by the City in the care, custody and control of the Contractor prior to and during the period during which services are provided.

(1) Workers' Compensation and Employers' Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Section 401) and minimum policy limits for employers liability of \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee. The City will accept workers' compensation coverage written by the Texas Workers Compensation Insurance Fund.

The Contractor's policy must apply to the State of Texas and include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, form WC 420304, or equivalent
- (b) 30 day Notice of Cancellation, form WC 420601, or equivalent

(2) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$500,000 for coverages A & B. The policy must contain the following provisions:

- (a) Blanket contractual liability coverage for liability assumed under this contract and all contracts relative to this Temporary Use Agreement.
- (b) Completed Operations/Products Liability for the duration of the Warranty period
- (c) Explosion, Collapse, and Underground (X, C, & U) coverage.
- (d) Independent Contractors coverage.



- (e) City of Austin shown as an additional insured, endorsement CG 2010, or equivalent.
 - (f) 30 day notice of cancellation in favor of the City of Austin; endorsement CG 0205, or equivalent.
 - (g) Waiver of Transfer Right of Recovery Against Others in favor of the City of Austin, endorsement CG 2404, or equivalent.
- (3) Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The policy shall contain the following endorsements in favor of the City of Austin:
- (a) Waiver of Subrogation endorsement CA 0444, or equivalent
 - (b) 30 day Notice of Cancellation endorsement CA 0244, or equivalent
 - (c) Additional Insured endorsement CA 2048, or equivalent