RESOLUTION NO. 15-137

A RESOLUTION AUTHORIZING THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION TO ENTER INTO A COMMERCIAL LEASING AND PROPERTY MANAGEMENT SERVICES CONTRACT WITH HAYES REAL ESTATE FOR THE PROPERTY AT 501 PROCTER STREET IN PORT ARTHUR, TEXAS

WHEREAS, the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") Board of Directors publicly advertised a request for proposals for the commercial leasing and property management services for the property located at 501 Procter Street, Port Arthur, Texas in *The Port Arthur News* for two (2) weeks; and

WHEREAS, on or about February 20, 2015, PAEDC received one sealed proposal for the commercial leasing and property management services from Hayes Real Estate; and

WHEREAS, on April 6, 2015, the PAEDC Board of Directors approved entering into a Commercial Leasing and Property Management Services Contract with Hayes Real Estate at an amount not to exceed \$1,250.00 per month as described in Exhibit "A"; and

WHEREAS, PAEDC will provide Hayes Real Estate with a small office space on the third floor of the building at 501 Procter Street; and

WHEREAS, the Commercial Leasing and Property Management Services Contract will be for a one-year period with three additional one-year renewable options.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ARTHUR, TEXAS:

Section 1. That the facts and opinions in the preamble are true and correct.

Section 2. That PAEDC is herein authorized to enter into a Commercial Leasing and Property Management Services Contract with Hayes Real Estate for the commercial leasing and property management of the property at 501 Procter Street, Port Arthur, Texas.

Section 3. That a copy of the caption of this Resolution be spread upon the Minutes of the City Council.

READ, ADOPTED AND APPROVED on this High day of A.D., 2015, at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES:
Mayor Frence Mayor Go Jem Freeman
Mayor Prince Mayor As Jem Freeman Councilmembers South, Damilton Mosely, Levin
& Villiamson.
NOES: DOLL.

Deloris "Bobbie" Prince, Mayor

ATTEST:

Sherri Bellard, City Secretary

APPROVED:

Floyd Batiste, PAEDC CEO

APPROVED AS TO FORM:

Guy N. Goodson, PAEDC Attorney

APPROVED AS TO FORM:

Valecia R. Tizeno, City Attorney

EXHIBIT "A"

COMMERCIAL LEASING AND PROPERTY MANAGEMENT SERVICES CONTRACT

That this Commercial Leasing and Property Management Services Contract (the "Contract"):
made on this day of, 2015 by and between the City of Port Arthur Section 4.
Economic Development Corporation (the "PAEDC"), organized under the laws of the State of
Texas and Hayes Real Estate (the "Contractor).

WITNESSETH

WHEREAS, the PAEDC advertised for request for proposals for commercial leasing and property management services to provide commercial leasing and property management services for 501 Procter Street property (the "Property"); and

WHEREAS, responses were received on or about February 20, 2015 and were extensively evaluated by PAEDC staff; and

WHEREAS, through such evaluation it was determine that Hayes Real Estate presented the best response; and

WHEREAS, the PAEDC desires to enter into a commercial leasing and property management services contract with Hayes Real Estate according to the terms stated in the Contract;

NOW, THEREFORE, for and in consideration of the mutual covenants and promises contained herein the parties hereby agree as follows:

I. SCOPE OF SERVICES

1.01-Services

Contractor agrees to perform the services and comply with the provisions specified in the Request for Bid Proposals (the "RFP"), copies of which are attached hereto as Exhibits "A" and "B", respectively, and incorporated herein by reference for all purposes. The RFP consists of the Notice to Bidders, Instructions to Bidders, and Specifications for Commercial Leasing and Property Management Services. The RFP and Bid Proposal comprise a part of this contract as if fully set forth herein and such provisions form a part of this contract. To the extent of a conflict or inconsistency between or among the provisions of this Contract document, the RFP and/or Bid, the documents shall control in the following order of precedence:

- 1) this Commercial Leasing and Property Management Services Contract document;
- 2) the RFP;
- 3) the Bid.

Vendors are responsible for inspecting the Property prior to submitting bids.

II. COMPENSATION

2.01-Payments

The Contractor shall perform the services required by this contract for \$1,250.00 per month plus small office space located on the third floor of the Property and bill the PAEDC. Invoices shall be submitted on or before the 10th day of each month for services performed in the preceding month. Payment shall be made within 30 days of receiving the invoice. Contractor shall notify the PAEDC and the management and leasing agent of any changes of address, phone number, or email within five (5) days.

III. TERM

3.01-Term

Subject to the provisions of this Contract the term of this Contract shall commence on approval by City Council and shall terminate one year later unless terminated earlier in accordance with the provisions hereof. The Contract shall be for one (1) year with three (3) additional (1) year renewable options. Renewal shall be the sole option of the PAEDC if agreed to by the Contractor. The PAEDC may cancel this contract without cause upon thirty (30) days written notice prior to the date of termination.

Then notice prior to the date of termination.
IN WITNESS WHEREOF, the parties have made and executed this Contract in multiple copies, each of which shall be an original, as of this day o, 2015.
ONTRACTOR: IAYES REAL ESTATE
y:
ame:
itle:
HE CITY OF PORT ARTHUR SECTION A ECONOMIC DEVELOPMENT CORPORATION
y:
ame:

EXHIBIT "A" TO THE CONTRACT

REQUEST FOR PROPOSALS

COMMERCIAL LEASING AND PROPERTY MANAGEMENT SERVICES FOR 501 PROCTER

CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION

The City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") is issuing this Request for Proposals (RFP) for qualified leasing and property management firms (Contractor) to manage and lease commercial office space located at 501 Procter Street.

I. GENERAL SCOPE OF SERVICES

The selected Contractor shall provide all labor, supervision, equipment, supplies and materials to perform the services described in this RFP and the resulting contract documents in accordance with existing PAEDC policies, including any other specialized reporting, if necessary.

The services include, but are not limited to: daily tenant management and tenant relations services; coordinating tenant move-in and move-outs; negotiation and facilitation of new leases and renewals; marketing of available space; facilitating annual building inspections; providing billing and tracking services; generating and submitting all reports required by PAEDC, including monthly financial statements; and performing all the property management and leasing and general management services identified in the contract. PAEDC reserves the right in their sole discretion to add, expand, modify, or remove elements from the above referenced scope of services.

PAEDC anticipates awarding a contract with one-year options. Option years will be exercised at PAEDC's sole discretion.

II. SUMMARY OF PROPERTY

The following provides summary information regarding the PAEDC Property:

A. 501 Procter – Leasing and Property Management

III. PROPOSAL REQUIREMENTS

B. Pre-Proposal Meeting

Respondents may attend a pre-proposal meeting scheduled for February 18, 2015, 2:00 to 3:00 p.m. at 501 Procter St. Port Arthur, TX.

C. Content

Proposals must contain the information listed below. If the required information is not provided, the proposal may be determined non-responsive and not evaluated further.

- 1. Transmittal Letter: Include a letter of transmittal introducing your firm, designating a single point-of-contact, and providing the appropriate contact information, including mailing address, telephone number, and e-mail address.
- 2. General Information: Provide general information regarding your firm's qualifications, history, organizational structure, size and primary expertise. Please describe your firm's presence in the Port Arthur area (i.e., offices, resources and staffing within 30 miles of Port Arthur).
- 3. Project Understanding: Discuss your firm's understanding of the Port Arthur community and the unique opportunities and challenges PAEDC faces in managing its 501 Procter Property.
- 4. Project Approach: Discuss your firm's approach to each of the following property management issues: 1. providing high-quality customer service to both the PAEDC and existing and future tenants; 2. balancing the needs of tenants with the sometimes conflicting needs of PAEDC; and 3. balancing revenue generation, marketing efforts, and good asset management with the need to maintain flexibility for future redevelopment of the property.
- 5. Project Qualifications and Experience: Describe your firm's relevant and specialized qualifications and experience, and its role in current and past projects of similar scope and complexity. Provide at examples of relevant experience on similar projects that highlight your firm's ability to provide superior performance on this project. Please also provide a list of all properties managed by your firm in the last five years. The property list should include the name; location; size; type of property; any special circumstances relevant to this project; the length of time your firm has managed each property; percentage of ownership you have in each property, if any; name of owner; and a reference contact.

- 6. Key Personnel: Provide the following information for all offand on-site management personnel who will be assigned to this project; resume; description of comparable projects that demonstrate this person's relevant qualifications; information on their credentials (e.g., licenses, certifications, professional affiliations); and three professional references for each staff person.
- 7. Reporting and Systems Capabilities: Please provide the following information regarding your firm's reporting and system capabilities:
 - a. A list and brief description of the financial and operational reports that would be made available to PAEDC.
 - b. A copy of a management plan for a property similar to 501 Procter Property managed by the Respondent within the last five years. The plan can be redacted to delete the property name. If this or any other submittal item is confidential, please provide in a separate envelope that clearly states, "Confidential" on the front.
 - c. A copy of actual monthly financial and operational reports for a similar property managed by the Respondent within the last five years. Include summary reports and table of contents for detailed schedules that are typically attached. These reports may be redacted to delete property names and identifiers for confidentiality purposes.
 - d. A copy of a marketing plan for a comparable property and several examples of marketing materials for an entire property, as well as single buildings targeted to particular type of tenants.
 - e. A summary of quality control systems and procedures your firm has in place that help ensure high-quality customer services, accurate lease and financial tracking and effective recommendations for ongoing improvement.
 - f. A summary of the technologies your firm offers that ensure an effective and cost-efficient management operation. Please include all software and database programs utilized by your company.
- 8. Proposed Price: Please include a price for providing leasing and property management services for 501 Procter Property based on the Scope of Services in Exhibit B. Also include your proposed commission rate for new tenants and lease renewals.
- 9. Other Requirements: In order for your firm to be considered qualified, and responsive, you must submit current copies of, or

statements addressing, the items listed below. If this information is not provided, your proposal will be determined non-responsive and not evaluated further.

- a. Certificate(s) of Insurance reflecting the extent and form of current coverage.
- b. List any pending administrative or judicial actions against your firm (or any principals of your firm), including debarment actions; and current status of results thereof.

D. Submission of Proposals

Submit four (4) hard copies and one electronic PDF copy (via a CD or flash drive) of your proposal no later than <u>February 20, 2015 at 3:00 p.m.</u>, by regular mail, overnight delivery or hand delivery to:

The City of Port Arthur Section 4A Economic Development Corporation Attn: Floyd Batiste 4173 39th St.
Port Arthur, Texas 77642

Proposals that are not received at the designated address by the specified deadline will not be considered. PAEDC will not consider proposals that have been mailed or postmarked prior to the deadline, but which are not delivered to the designated address prior to the deadline. Please provide any confidential information in a separate envelope marked "Confidential."

All copies of your firm's proposal must be enclosed in a sealed envelope marked "Proposal: Leasing and Property Management Services for 501 Procter Property" and the firm's complete name and address. All proposals become the property of the PAEDC.

If you have any questions regarding the RFP, please contact Floyd Batiste by email at fbatiste@paedc.org.

IV. <u>SELECTION PROCESS</u>

A. Selection Criteria

PAEDC will establish a selection team to review and evaluate all proposals received by the deadline. The criteria that will be used in evaluating proposals are listed below and generally correspond with the Proposals Requirements in Section III.

- 1. Demonstrated understanding of the local Port Arthur community and the unique challenges faced by PAEDC relevant to the 501 Procter Property;
- 2. Thoughtful approach to addressing key leasing and property management issues presented by the 501 Procter Property;
- 3. Relevant qualifications and project experience on comparable properties;
- 4. Relevant qualifications and experience of key management personnel on comparable projects;
- 5. Quality, clarity, and appropriateness of sample plans, reports, and marketing materials, as well as quality control and technological system procedures and capabilities;
- 6. Cost competitiveness of proposed price; and
- 7. Compliance with insurance requirements and status of legal actions against the Respondent.

B. Selection of Consultant

PAEDC will select a short-list of qualified firms, based on the selection team's evaluation of the proposals and will schedule interviews with the short-listed firms. Interviews are tentatively scheduled for the week of February 23, 2015 at the PAEDC Office currently located at 4173 39th St. Port Arthur, TX. The key management personnel assigned to the project should be present and actively participate in the interview.

PAEDC may then enter into contract negotiations with one or more of the short-listed firms, based on PAEDC evaluation of the firm's proposal together with the subsequent interview. PAEDC reserves the right in their sole discretion to terminate such negotiations and initiate negotiations with another firm or firms as PAEDC deems appropriate.

PAEDC's final selection for the contract award will not be made on the basis of a numeric score alone, but rather, based on PAEDC's assessment of all phases of the evaluation process. The contract will be recommended at the PAEDC Board Meeting on March 9, 2015 and to the City Council on or about March 17, 2015.

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V. GENERAL CONDITIONS

Any material clarifications or modifications to the RFP or the selection process will be made in writing and provided to all respondents who provide written confirmation of their intent to submit. It is the responsibility of the proposers, prior to submitting a response to the RFP, to ascertain if any notices, clarifications, addenda, or other communications to responders have been issued by PAEDC. Oral explanations or instructions from PAEDC staff, officials, or consultants shall not be considered binding on PAEDC.

Proposer's responsiveness to all items in the RFP will be taken as evidence of the proposer's interest and commitment to the project. A failure to respond completely will be interpreted as a lack of full interest and commitment or a deficiency on the proposer's part.

PAEDC reserves the right to:

- Modify or cancel the selection process or schedule at any time.
- Waive minor irregularities.
- Reject any and all responses to this RFP and to seek new responses when it is in the best interest of PAEDC to do so.
- Seek clarification or additional information from respondents as it deems necessary to the evaluation of the response.
- Request any additional information or evidence from individual respondents, including but not limited to evidence of the proposer's financial status.
- Incorporate this RFP and the selected team's response to this RFP as a part of any formal agreement between PAEDC and the proposer.

All documents, conversations, correspondence, etc. between the PAEDC and proposers are public information subject to the laws and regulations that govern the PAEDC, unless specifically identified otherwise.

All expenses related to any proposer's response to this RFP, or other expenses incurred during the period of time the selection process is underway, are the sole obligation and responsibility of the proposer. PAEDC, will not, directly or indirectly, assume responsibility for these costs.

The respondent shall not offer any gratuities, favors, or anything of monetary value to any official, employee, or outside consultant associated with the contract for purposes of influencing consideration of a response to this RFP.

PAEDC makes no representations about the conditions of the 501 Procter Property.

The respondent shall make its own conclusions concerning such conditions. Information provided in this RFP, made available on the FTP site or otherwise provided by PAEDC staff, or consultants, is provided for the convenience of the responders only. The accuracy or completeness of this information is not warranted by PAEDC.

VI. LIST OF EXHIBITS

Exhibit A Description of 501 Procter

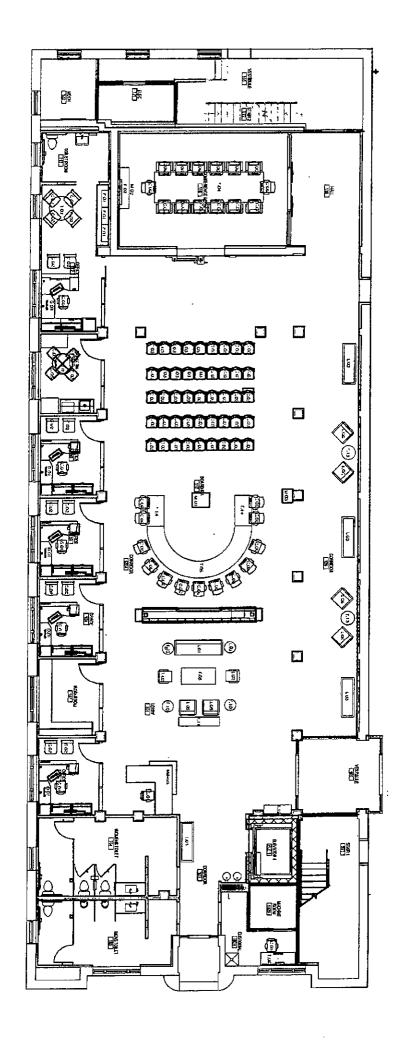
Exhibit B: Scope of Services

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EXHIBIT A

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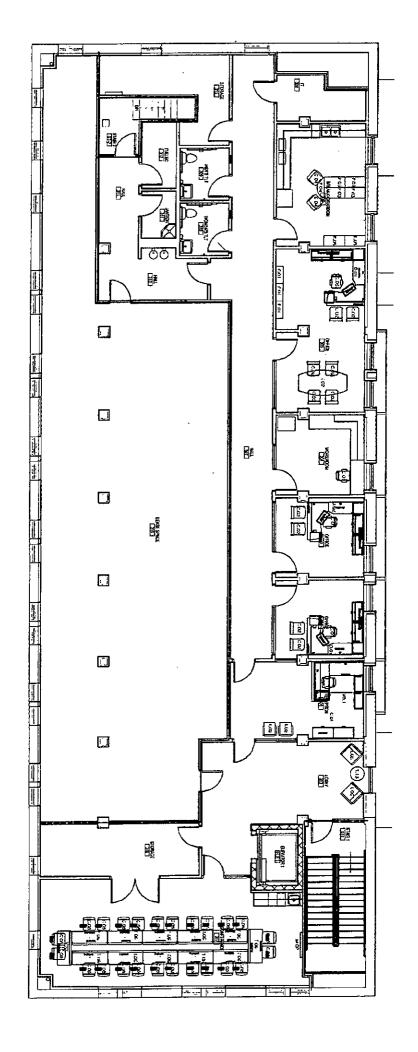


EXHIBIT B

SCOPE OF SERVICES

The Contractor shall lease, operate, manage and maintain the Property in a good and efficient manner consistent with property management techniques generally used in the Jefferson County, Texas area and in compliance with all applicable laws and regulations. More specifically, the services will include:

- Supervise and direct the general operations of the Property.
- Develop and implement a marketing plan for the Property.
- Review applications and qualify tenants, negotiate new commercial leases, and negotiate renewals of existing leases.
- Collection of all rents, security deposits and other appropriate fees.
- Routine inspections and enforcement of lease requirements, including annual inspections prior to lease renewal.
- General maintenance, including responding to tenant complaints. A 24-hour emergency contact must be available and staffed to manage maintenance issues at all times.
- Pay from the Property accounts established by PAEDC all expenses of the Property, including but not limited to, utilities, janitorial services, telecommunication services, and security services.
- Supervise and direct the janitorial service chosen by PAEDC.
- Coordinate with SpawGlass who the Contractor is supposed to call if problems arise in the building under the warranty and obtain from SpawGlass a list of who to call if problems arise in the building under the warranty.

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EXHIBIT "B" TO THE CONTRACT

PORT ARTHUR PROPERTY ANAGEMENT

4101 Turtle Creek Drive Port Arthur, TX 77642

LETTER OF TRANSMITTAL February 20, 2015

Jeff Hayes, President Jason Hayes, Executive Vice President Jeffrey Trevino, Assistant Vice president

(409) 724-0089

hayesrealestate@yaboo.com

Hayes Real Estate has been leasing, building and selling real estate since 1933.

Hayes Real Estate is a company that owns and manages real property. We have five of our own maintenance personnel and relationships with competent sub-contractors in the area.

The 501 Procter Management Plan is on the following pages.

Sincerely,

Jeff Hayes President

Enclosures

MANAGEMENT PLAN

I. RESPONSIBILITY OF OWNER. RELATIONSHIP WITH MANAGING AGENT. DELEGATION OF AUTHORITY TO MANAGEMENT AGENT. (MANAGEMENT AGREEMENT)

A. Owner's Responsibility

The primary responsibility of the owner is to ensure that the property is operated in a manner consistent with good professional management practices and one that is conducive to the preservation and enhancement of a desirable working environment.

The owner assumes the responsibility and has an obligation to:

- 1. Provide decent, safe, and sanitary office.
- 2. Appoint liaison with authority.
- 3. Review monthly progress reports, and statement.
- 4. Accept financial responsibility for the property.

The owner has entered into a Management Agreement with Port Arthur Property Management Company for the day-to-day operation of the property. The Management Company will have full authority to oversee both physical maintenance and financial administration of the property and advise the owner on a regular basis through written reports, financial statements, and verbal communications, as to the status of the property.

B. Managing Agent's Responsibilities

Port Arthur Property Management Company will be the agent of the owner and be responsible to the owner for all its actions in the operation of the property. As agent, the company will have general supervisory responsibilities over basic principles and policies, and the execution of the duties and services as outlined in this management Plan.

The Management Company will have full authority for both the physical maintenance and financial administration for the property with specific policy guidelines established. Some of the duties of the Managing Agent are as follows:

- 1. To develop a specific Management Plan that is consistent with policy guidelines.
- To appoint a qualified Property Manager for the administration of the property.
- To continually monitor the day-to-day operations to ensure that the operational
 policies are fulfilled, keeping in direct contact with the Property Manager for
 solutions when problems arise.
- 4. The entire staff will be qualified and available to apply its skills and expertise to assist the Managing Agent and Property Manager in the day-to-day operations.
- C. Management Fee. \$1750.00 per month for 1 year starting March 1, 2015.
- D. Leasing Commission of 4% of the Gross rental amount.
- E. Owner will make available to Managing Agent space for a desk and table.

II. ACHIEVING AND MAINTAINING FULL OCCUPANCY

A. Marketing

Marketing will be conducted on a continual basis as needed. Signs at the site, newspaper ads in local and regional media, and other media, and other appropriate advertising media will advertise the property. The on-site office will be available for inspection by prospects during regular office hours and by appointment at other times. A property brochure will be developed and used extensively through personal contacts throughout the community.

B Inspection

Whenever possible, and depending upon space availability, the management staff and the prospects will inspect the office prior to accepting a security deposit of signing a lease. The tenant and manager will then sign an inspection/inventory inventory which will list in detail any defects and plans, if any, to correct any defect.

C. A welcome move-in packet containing information, office hours, rent payment procedures, rules and regulations, management responsibilities and obligations, will be explained. The lease and its attachments or addendum's will be carefully explained by the manager.

III. EFFECTIVE MAINTENANCE, REPAIR, AND SAFETY PROGRAM

Management will maintain and comply with all the comprehensive Maintenance Procedures. These procedures cover the daily maintenance occurrences, emergency procedures, safety procedures, and preventive maintenance. Policies and procedures were designed based on operating the property with maximum efficiency.

IV. RENT COLLECTION POLICY AND PROCDURE

1. Rent Collection Policy

The rent collection policy will consist of the application of a system of procedures along with reminders and counseling that will strive to avoid the commencement of legal actions leading to eviction. Policies and procedures regarding the collection and payment of rent are posted in the management office. Some of those policies include the following:

- a) Rent payment is due and payable on or before the first of the month and is payable to the office in the form of check, money order, or cashier's check assessed after the sixth day unless prior arrangements are made with management. Partial payments are not accepted.
- b) It will be the resident's responsibility to communicate with management as to reasons for late payment or promise dates. Any non-communication will be considered as non-intent to pay.
- c) Eviction procedures for non-payment of rent may be initiated on the tenth of the month unless prior arrangements have been made with management.

2. Eviction Procedures

Eviction procedures will be strictly adhered to and fairly administered to all tenants. Renters will receive due notice. In all instances, each individual case will be evaluated carefully before eviction procedures begin.

V. ACCOUNTING PROCEDURES

The Manager has adopted procedures and a system or records and accounting practices approved by the Owner and Managing Agent.

Management will maintain complete files onsite for all tenants, which will include leases, notices, service requests, and any other correspondence or documentation relating directly to the tenant.

Management will provide the Owner will accurate records and financial reports on a monthly basis. All other accounting and bookkeeping will be performed by Port Arthur Property Management Company.

JEFF HAYES HAYES REAL ESTATE

4101 Turtle Creek Drive • Port Arthur, Texas 77642 • 409-728-6464

BUSINESS EXPERIENCE

1993 to Present

HAYES REAL ESTATE, Port Arthur, Texas

- · Active in Real Estate Brokerage, Management and Development
- 2003 Realtor of the Year

1970 to 1992

STONEGATE MANOR, INC.

President

HAYES, INC., Port Arthur, Texas

Vice President/Secretary

- Worked in all phases of operation for the largest residential and commercial development in Southeast Texas. Assisted in development of residential subdivisions, including single family, garden homes, townhouses, duplexes and apartments.
- Successful efforts by our companies have resulted in acquisition of over 6,000 acres from more than 100 owners. We have built in excess of 1,500 single-family homes, 2,000 apartments and two nursing homes.
- Active in office buildings, warehouses, retail shopping centers and airport industrial park facilities.

1966 to 1970

FIRST SECURITY NATIONAL BANK, Beaumont, Texas

Assistant Vice President

 Developed and implemented overdraft loan program for checking accounts, as well as initiating department which introduced Master Card to East Texas.

1965 to 1966

MORGAN GUARANTY TRUST COMPANY

23 Wall Street • New York, N.Y.

Worked in Credit Administration

1962 to 1963

SWANN & EVERETTE - Lloyd's of London, England

• Brokered insurance on the floor of Lloyd's of London

TEACHING TENURE

Instructor, Lamar University & Real Estate Education Inc., for the following classes:

- Real Estate Development
- Real Estate Investment
- Real Estate Finance
- Real Estate Trends and Problems
- Real Estate Property Management and Leasing

Real Estate Broker - 1972 to present

EDUCATION

- G.R.I. Graduate, Realtors Institute
- University of Texas Degree in Finance and Real Estate

COMMUNITY INVOLVEMENT

- Past-President, Port Arthur Industrial Development Corporation
- Past Vice Chairman and Founding Director, Southeast Texas, Inc., a non-profit corporation for economic development with Southeast Texas
- Past-President (two terms) and Founding Director, Mid-South Jefferson County Economic Development Corporation
- Past-President (two terms), Port Arthur Independent School District
- Past-President, (two terms), Board of Realtors
- Served as first Chairman for the Jefferson County Appraisal District
- Past-President (three terms), Young Men's Christian Association
- Served on the Board of Trustees for United Methodist Temple; as Board Member for Salvation Army and CavOILcade; and on Board of Directors for TASB
- Served as Chairman of a 25-member City-wide Citizens Committee, appointed to develop a voting system for City of Port Arthur
- Served on Board of Directors for Port Arthur Little Theatre, United Community Services,
 Texas Artists Museum Society and the American Red Cross
- Member, Rotary Club, past President
- President, Citizens for Good Government
- Treasurer, Port Arthur Chamber of Commerce
- Director, Board of Realtors, Port Arthur Higher Education, Port Arthur School Foundation

MILITARY SERVICE

Served two years in the United States Army Training Administration – Fort Sam Houston, Texas

Personal Data: Married. Three children (adult), 9 grandchildren

The following offices:

- 2950 Commerce and other locations on Commerce Street
- Offices in the Park Place area including the building at 3780 Memorial
- 3731 Blackberry
- 3501 Turtle Creek
- 3500 Hwy 365
- 3800 Hwy 365
- 3820 Hwy 365
- 3400 Hwy 365