



## MEMORANDUM – DRAFT

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To	Jeff Bagg, City Planner Michael Owens, Procurement Officer
From	Emily Keys Innes, AICP, LEED AP ND, Principal
Date	June 15, 2021 – revised June 29, 2021
Project	20109 - Easthampton
Subject	Disposition Process and Timeline/Order of Actions
Cc:	

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The purpose of this memorandum is to describe the process of disposing of land under Chapter 30B, using *The Chapter 30B Manual: Procuring Supplies, Services, and Real Property* (November 2016), issued by the Officer of the Inspector General for the Commonwealth of Massachusetts. As envisioned, this memorandum was to have included a discussion of an RFI/RFP track or simply an RFP track. RFI is the abbreviation for Request for Interest (or Expressions of Interest); RFP is the abbreviation for Request for Proposal.

However, the preferred path is to go straight to a process for issuing an RFP. This memorandum will focus on that process.

The City of Easthampton plans to dispose of three elementary schools identified in the *Easthampton Downtown Strategic Plan*: the Pepin, Center, and Maple Street Schools. These schools will be replaced by a new facility in 2022.

This memorandum will describe the disposition process, including key decision points, actions to be taken and the entity with responsibility for those actions, and a suggested timeline that lays out the order of actions. Specific dates will be added to this timeline as the City approaches the development and issuance of the RFP.

Chapter 8 of *The Chapter 30B Manual* describes real property transactions, including dispositions. Because the City knows that it will declare these properties surplus to requirements, the order of the steps in *The Chapter 30B Manual* has been modified to fit this process as discussed in our previous conversations. This shift in the order allows the City's working committee to develop the use restrictions and evaluation criteria as part of the draft RFP, prior to the City's formal declaration.

In addition, this timeline draws from a memorandum from Kat Shove, Esq. and Mark Tanner, Esq. to Mayor LaChapelle, dated May 26, 2021. The memorandum has more detail about the City process and has been inserted in the timeline below.

### Summary Timeline/Order of Actions

Action	Timing: Status	Responsibility
Community One Stop for Growth Application	June 4, 2021: Submitted	City staff
Nominate Re-use Committee	June	Mayor
Notify Re-use Committee	June	City staff
Re-use Committee responses due	June 24, 2021	Re-use Committee members
First meeting of Re-use Committee	September 2021	City, Re-use Committee, consultant
Coordinate meeting(s) with Valley CDC	Fall 2021	City, consultant
Community One Stop for Growth Notification of Award	October/November 2021	
<i>Completion of Areas A,B,C, and D of new school.</i>	<i>November 2021</i>	
If Community One Stop for Growth grant is awarded: beginning of work	November/December 2021	
<b>Step 1: Value and Reuse Restrictions</b>	<b>By December 2021</b>	
<ul style="list-style-type: none"> <li>Appraisal(s)</li> <li>Initial use restrictions</li> </ul>		City, Re-use Committee, consultant
<i>Students move into areas A,B,C,D.</i>	<i>January 2022</i>	
<i>Completion of last two wings.</i>	<i>March 2022</i>	
<b>Step 2: Develop the RFP</b>	<b>January-May 2022</b>	City, Re-use Committee, consultant
<ul style="list-style-type: none"> <li>Evaluation criteria</li> <li>Content</li> </ul>		
School Committee must determine that the property is no longer required for school purposes and inform the City Council. Vote required is 2/3.		
City Council must approve (2/3) vote and Mayor must also approve the transfer of the property from the School Committee to the City.	April or May 2022	

<b>Step 3: Declare the Schools Surplus to Requirements</b> <b>Must be approved by a majority of the City Council</b> <ul style="list-style-type: none"> <li>• <i>Central Register</i></li> <li>• Establish use restrictions</li> <li>• Vote to issue the RFP</li> </ul>	<b>May 2022</b>	<b>City</b>
If Community One Stop for Growth grant is awarded: work completed	<b>June 2022</b>	<b>City</b>
<b>Step 4: Advertise for proposals</b> <ul style="list-style-type: none"> <li>• Local paper</li> <li>• <i>Central Register</i></li> <li>• Press release?</li> <li>• Direct distribution?</li> </ul>	<b>June 2022</b> (Timing deadlines)	<b>City</b>
<b>Step 5: Distribute the RFP</b> <ul style="list-style-type: none"> <li>• Maintain records</li> <li>• Site walk(s)</li> </ul>	<b>June 2022</b>	<b>City</b>
<b>Step 6: Open and Evaluate the Proposals</b> <ul style="list-style-type: none"> <li>• Opening date established in RFP</li> <li>• Evaluation based on criteria in RFP</li> <li>• Written evaluations</li> </ul>	<b>July/August 2022</b>	<b>City, Re-use Committee (?)</b>
Evaluation Committee to make recommendations to the City Council.		
City Council to accept proposal and authorize the Mayor to sign contract.		
<b>Step 7: Submit Disclosures</b> <ul style="list-style-type: none"> <li>• <i>Central Register</i></li> </ul>	<b>August 2022</b>	<b>City</b>
<i>Students occupy new school.</i>	<i>August/September 2022.</i>	
<b>Step 8: Execute Contract</b>	<b>September/October 2022</b>	<b>City</b>
<b>Step 9: Retain Records</b>	<b>Six years after last payment made</b>	<b>City</b>

## Step 1: Value and Reuse Restrictions

The City must determine the value of the property. The City may use its own assessment if the assessment is recent, the property is valued at 100%, and the procedures for determining the assessment are valid. The City may also hire an appraiser. *The Chapter 30B Manual* recommends determining the value of the property as the second step. However, as the City intends to declare these school as surplus to its requirements, it should move forward with the appraisal process as the values of the buildings may have an impact on the use restrictions.

The value of the property is important because it triggers two specific actions.

- If the City chooses to dispose of the property for less than the value, it must post a notice in the *Central Register*. The notice must state:
  - The reason behind the decision.
  - The difference between the determined value and the price the City expects.
- If the **value** of the property exceeds \$35,000, the City must solicit proposals. The threshold is the value of the property, not the price. For example, if the City plans to dispose of each property for \$1, an RFP is required if one or more of the schools has a value over \$35,000.

These two thresholds are important as the value of the schools is likely to exceed \$35,000 and the City may choose to dispose of one or more schools for less than the determined value.

When the City declares the property surplus to its requirements, it must also identify any use restrictions as part of that declaration. For example, the City may require a certain level of affordable housing, or that some or all the building(s) be preserved, or that the community will have access to a specific space or use. The use restrictions will be finalized during the process of preparing the RFP with input from the City and its working committee.

## Step 2: Develop the RFP

The City must develop the RFP (or solicitation). *The Chapter 30B Manual* recommends that the RFP contain the following basic information:

- Description of the property
- Interest in the property
- Any use restrictions
- Evaluation criteria
- Rule for award
- Proposal submission requirements
- Contract terms and conditions

The manual provides additional guidance on each category; this guidance will inform the first draft of the RFP. As a practical matter, the draft RFP will be developed in parallel to the determination of value so that when the City makes the formal declaration, the use restrictions it announces with the declaration are consistent with the draft RFP.

### **Step 3: Declare the Schools Surplus to Requirements**

The City Council must declare that the three schools are surplus to requirements. Accompanying that declaration is the following information:

- Use/reuse restrictions
- Value of the property
- If the City plans to dispose of it for less than its appraised value, then
  - The anticipated price of the property.
  - The public purpose that justifies the disposition at a lower rate.

At the same time, the City council could vote to issue the RFP.

### **Step 4: Advertise for proposals**

The advertisement has specific requirements for timing, content, and location. As noted above, certain thresholds also trigger advertising in the *Central Register*.

#### Newspaper of Local Circulation

Either the *Daily Hampshire Gazette* or *The Republican* should qualify as a local newspaper with sufficient circulation.

- The advertisement should be published at least one a week for two consecutive weeks before the day for opening proposals.
- The last publication must occur at least eight days before opening the proposals.

These are minimum requirements for publication. The City can choose to publish more frequently or in more locations. Online news outlets, while not meeting the requirements for the official advertisement, could also be a good source of information for respondents and the City's own website would be a useful distribution method.

The advertisement must contain the following information:

- Geographic area
- Terms and conditions
- Time and place for submission
- Time and place for awarding the contract
- Where and when people can obtain the RFP

#### Central Register

As noted above, if the City plans to dispose of the schools for less than the appraised value, a notice must be placed in the Central Register declaring the property surplus, for what price, and for which reason(s).

The City will also have to advertise the RFP in the Central Register because the schools are greater than 2,500 square feet. This advertisement must be published at least 30 days prior to opening the proposals.

It is unclear whether the notice and the advertisement can be combined, and this should be confirmed.

The deadline for filing is Thursday by 4pm for publication on the following Wednesday.

#### Direct Solicitation

The City may also inform brokers, developers, and others of the RFP. However, careful records should be kept as to who was directly solicited.

#### **Step 5: Distribute the RFP**

The City must distribute the RFP to anyone who requests it. The state requires that the City document the names, email addresses, telephone number, and fax number of all recipients. Any addenda should go to that same list. If the City issues addenda, it The City should request recipients to confirm receipt and consider extending the deadline, if necessary.

#### **Step 6: Open and Evaluate the Proposals**

The RFP will specify the date and time for the City's opening of the proposals. The proposals are public information once opened, and the City should record the name and the price.

During the process of developing this RFP, the City will establish criteria for evaluating the proposals and must include these criteria in the RFP. The City may only use the criteria within the RFP to evaluate the proposal. The City will establish these as comparative evaluation criteria; in other words, the City will not award the proposal based on price alone. *The Chapter 30B Manual* suggests evaluating proposals based on the comparative criteria first, rejecting those that do not comply, and then by price. The City should prepare written evaluations.

Note that the City can, at this point, cancel the process if the proposals received are not in the best interest of the City.

#### **Step 7: Submit Disclosures**

Prior to signing a binding contract, the City must publish the name of the selected propose and the amount of the transaction to the *Central Register*. If disposing of the schools for less than their value, the City must also provide an explanation and note the difference between value and price. We should confirm whether this replaces the notice discussed in Step 1.

For all submissions to the Central Register discussed in this memorandum, the state has an online submission form:

<https://www.sec.state.ma.us/sprpublicforms/RPSubmissionForm.aspx>

An additional notice to DCAMM is required if a public agency is involved on either side of the transaction.

### **Step 8: Execute Contract**

The City's solicitor should include all the mandatory terms and conditions from the RFP into the purchase and sale agreement.

### **Step 9: Retain Records**

*The Chapter 30B Manual* requires the City to retain the following written documents for six years from the date of the final payment:

- Declaration that property is available for disposition
- Solicitation documents and any amendments
- Public advertisement
- All *Central Register* notices
- All proposals received
- All evaluation materials
- Copy of the disclosure of beneficial interests
- Signed purchase and sale agreement or lease

