

Orchard Park Redevelopment and UC Davis West Village Transfer Student Development Opportunities

Stage 2 RFI Questions and Responses

August 11, 2017

Additional Due Diligence Materials

1. Are there UC Davis studies prepared in support of the recent planning efforts for Orchard Park (e.g. Utility capacity studies, arborist report, tree evaluation report on the Heritage Oaks traffic evaluation etc.)?

Everything we have available thus far is in the Appendices. We have an arborist report from January, 2014 but the information is outdated and needs to be updated, so it is not included as an Appendix. A utility capacity study is in progress.

2. The Orchard Park site diagram and description in the RFP indicates all heritage cork oak trees are to be preserved and all other non-heritage oaks are to be removed in conjunction with the demolition of the improvements. However; Appendix 10, Tree Survey, shows additional, non-heritage oaks are to also remain. Will the University please clarify which document prevails (Tree Survey or RFP)?

The tree survey prevails. The Orchard Park demolition plans currently show the retention of all trees outside of Orchard Park Circle. However, that will be revised through the bidding/demolition process. All trees marked in red on the tree survey map will be retained. All marked in green will be removed with the demolition project.

3. May we receive a legal Boundary Map for both sites?

An ALTA survey (pre-demolition) for Orchard Park was provided in Appendix 12. We do not have a legal boundary map for the West Village site. The boundaries at West Village will need to be defined during the project design process.

4. The 2014 Storm water master plan includes Campus-wide improvements to relieve flooding in Russell Park. Solution showed a future plan to build a Detention Basin, approximately 1.5 acres in size, on the northern part of Orchard Park site to alleviate flooding in Russell Park? Is this still being considered? Will this storm water report be issued via Addendum as mentioned in the RFP?

This solution (detention basin on the Orchard Park site) is no longer being considered. A technical memorandum which identifies a new off-site location and subsurface conveyance will be issued as an addendum.

5. There is a site survey for Orchard Park (but not for West Village) and a PGE easement document for each site. Is there a Master Plan for the Site Utilities to inform the Developer of future Capital Improvement projects? Is there other pertinent information (e.g. other existing easements) that the University will provide so we may take them into account in our site layout at either site?

There is no Master Plan for the site utilities at either site at this time. A bicycle/pedestrian easement has been identified on the Orchard Park ALTA survey (Appendix 12). If we can obtain the bicycle/pedestrian easement document, we will issue as an addendum. Otherwise the selected Developer can obtain it when getting a preliminary title report.

6. Are there a Topographic Survey CAD files available for West Village? Orchard Park?

We have pre-demolition CAD files for an Orchard Park topographic survey. We have a topographic survey (PDF and CAD) of only a portion of the West Village site.

7. Does UC Davis have any definite ideas/expectations regarding the width of the east-west open space in the West Village buffer? Knowing this would help us better define the developable acreage.

We do not have any specific width in mind for the east-west open space buffers. However, the north-south open space buffer should be a minimum of 100'.

8. In the West Village site diagram, please confirm that UC Davis does not plan to extend the existing streets, particularly Tilia and Jade, through the student housing site. Does UC Davis wish to connect the current western end of Tilia and Jade streets with a new short north-south street segment? Does UC Davis envision a new north-south street connection from Hutchison Drive to the current western end of Jade Street?

UC Davis does not plan to extend Tilia and Jade Streets to the west. However, all road alignments and connections (including potential ones to Hutchison and between Tilia and Jade Streets) should be considered a part of the collaborative design process with the selected Developer.

9. Can we receive a copy the current West Village master plan? WV Master Plan Site Layout (2016 update), if available. This was previously requested as part of the 6/9/17 Q&A session with UC Davis. At that time, UC Davis referred to RFP responders to the 2003 Master Plan.

We do not think that the West Village Master Plan site layout of 2016 is relevant at this time. The site map in the Stage 2 RFP should be used.

10. Is there a specific program for the 500' X 250' Open Green Space in West Village? Or is the program left up to the development team?

The program development of the Open Green Space in West Village will be a collaborative process with the selected Developer.

11. For West Village, is the loop road a given or may development teams discuss alternatives with the University? What is the purpose of the loop road? Fire truck access? Move in access? Other? Is the loop road to be two lanes? Parallel parking? If so, parking on one or both sides?

The loop road is not a design constraint. The University is open to discussing alternatives. The selected Developer will need to provide adequate access and circulation for emergency vehicles, residents and visitors.

12. Will UC Davis provide broadband cable to Orchard Park? To West Village? If so, what will be the annual cost per bed to the Developer (similar to UC Davis guidance regarding NOA and Fire & Police services?) Will either development be eligible to participate in 'XFINITY On Campus'?

The selected Developer will determine what data, communications and entertainment options will be provided, and will be responsible for the infrastructure costs to extend such services to the residents. Third-party broadband providers have access to both sites, but the Developer may discuss Campus options with the University's Communications Resources as the service provider. It is our understanding that 'XFINITY on Campus' is not available to third-party housing.

13. What is UC Davis' expectation of what services/utilities are included in the monthly rent at Orchard Park? At West Village? Options in Davis and at UC Davis vary by property. Most/all on-Campus

housing options include all costs in the monthly rent. Some P3 properties include additional charges for utilities. Some properties in Davis charge for electricity and certain other utilities/services.

The target rents identified in the RFP should include garbage, water, and sewer. Electricity, gas (if applicable), and broadband could be billed directly from the service provider to the residents, or added to the rent to the extent allowed by law.

14. Does UC Davis have any requirements regarding landline telephone requirements?

UC has no requirements regarding the provision of telephone landlines to residents. However, fire and police will likely require landlines for fire alarms and other emergency communications.

15. How does the University feel about unit mixes where cost per room may imply different financial capabilities?

We are open to all creative solutions.

16. Can Developers get access to Orchard Park? What is the process to gain access?

Access should be obtained by contacting Michael Sheehan (530-752-4265, mtsheehan@ucdavis.edu) in Student Housing and Dining Services.

17. Will utility, (water, sanitary sewer, storm sewer, or fire) and/or traffic impact fees be assessed by the University?

Yes.

18. How will the University calculate the utility connection fees for the sites?

Connection fees will be determined in conjunction with our Campus Engineer and our Campus Utilities groups. They will be based on the design of each Project and the impact each Project will have on each of the infrastructure systems. In addition, there may be off-site traffic impact fees that will be assessed to each Project in accordance with the traffic study to be conducted as part of the EIR.

19. How will the University calculate plan review and permit fees for the projects?

Typically, for P3 projects, the Campus models its fees on the City of Davis fees for similar projects. We will work together with the selected Developer to derive those fees based upon the design of the Projects (square footage, construction type etc.), the cost of construction, and the schedule.

20. Please confirm the above fees are in addition to the Campus fees stated in Section of the Financial Proposal in the RFP "Fees are to be paid to the Campus on an annual basis for the provision of the following services to the projects: Fire Protection, Fire Prevention, and Police services. The estimated fee for FY2020/2021 (July-June), for all three services combined, is \$1.0832 per gross square foot of building area, and will escalate annually at 3%".

Yes. The fees referred to above are typically one-time connection fees or permit and inspection fees. The \$1.0832 per gross square foot of building area is an annual fee that is to cover the cost of ongoing Campus-provided Fire Protection, Fire Prevention, and Police services.

21. Please confirm what required “designs” the University seeks in the RFP response. The introduction to RFP Section III calls for “...representative elevations...” However, RFP Section III C. 8 does not ask for elevations.

Good catch. Please include representative elevations for each building type – not every building, but every type.

22. Will students be charged for off-site parking on UCD Campus? If so, is it possible for the project to collect parking fees from the residents?

Yes. Students will be charged for off-site parking. The revenue for the off-site parking will be used to offset the cost of constructing and operating the off-site parking. So, the revenue should not be considered as revenue to the Projects. The University and the selected Developer will work collaboratively to determine the optimal strategies for delivering, operating, and maintaining the off-site parking.

23. Campus Fees: Are the indicated Campus fees of \$1.0832 per gross square foot inclusive of all annual fees and charges that will be charged by the university to the operator?

At this point, this fee represents the bulk of annual fees and charges. However, there may be additional charges based on a recharge basis for certain fire inspections and environmental health and safety inspections. In addition, there is typically an administrative fee that is paid to Student Housing and Dining Services for oversight of the ground lease and to serve as liaison with the operator.

24. In the case that the supply of market rate units at Orchard Park exceeds the demand by graduate students, will the operator have the opportunity to rent excess market rate units to renters who are not UCD graduate students?

Yes. In our ground lease negotiations, we will include a list that details the priority order and the timing of offering for excess units to non-UCD graduate students. For instance, Student Housing and Dining Services may have the first right to lease excess units, then undergraduates etc. This will be worked out with the selected Developer during the ground lease negotiations.

25. Are the rates provided in the RFP for the master leased beds inclusive of utilities, or can there be a second, pro-rated charge per bed for utility use?

The rates provided in the RFP for the master leased beds for the West Village Transfer Student Housing Project is not inclusive of utilities.

26. Does the \$1.08/SF university fee have to be a direct expense to the project, or can it be paid out of ground rent payments? It has a huge impact on the NOI as it is potentially millions of dollars?

Will there be an opportunity to discuss this fee and how it is charged, as the square footage of the project can vary greatly depending on what decisions are made by UC Davis?

It should be included in the pro forma as a direct expense to the project. Since this is an open book transaction the University and the selected Developer will work together to balance the first costs and continuing costs of the Projects with the goal of affordability for our students. This will be an iterative conversation with the selected Developer.

27. For the 1,200 master leased beds at West Village, does the university have parameters as to what type of units they want single and double occupancy in?

As a rule of thumb, we typically don't like to have more than 6 students sharing a kitchen. So in a four bedroom apartment, two bedrooms could be doubled. Having said that, we are open to other solutions based upon trends in the student housing and multifamily industries.

28. What is the utility income for Zero Net Energy at West Village?

Assume that there will be monthly energy charge for each occupant. The University and the selected Developer will work together to align costs with fund sources and to try to incentivize energy conservation with the students. This will be another iterative conversation.

Financial Proforma Templates

29. *Orchard Park Debt/Equity Template – Proforma Worksheet.* It appears that cell D33 contained a typo in the original formula and the correct formula for D33 should be “=D25-D29-D32”. Please confirm.

Correct. Please revise “=D33--D29-D32” to “=D33-D29-D32”

30. *Orchard Park Debt/Equity Template – Proforma Worksheet.* It appears that cell D34 had a typo in the formula and the correct formula for D34 should be “=D33”. Please confirm.

Correct. Please revise “=D33-D29” to “=D33”

31. *Orchard Park and West Village Debt/Equity Template – Revenue Worksheet.* Is UC Davis really considering triple occupancy rooms under 1BD/1BA type?

No, we are not considering triple occupancy for 1BD/1BA type. Please disregard.

32. *Orchard Park and West Village Debt/Equity Template – RFP Page 24.* Does UC Davis have guidance / assumptions it wishes all Developers to use to determine LTV?

We need clarification on this question. UC Davis Real Estate Services will reach out to the Developer who asked this question for clarification and will post the response the week of August 14th.

33. RFP Page 24 “Each sensitivity analysis shall show the corresponding adjustments to rental rates that would be required to maintain the same degree of financial feasibility as the Baseline pro forma. The sensitivity analyses shall incorporate the assumptions described above in Section IV.D.2, except that the sensitivity analyses shall evaluate the following interest rates”

- Do “corresponding adjustments to the rental rates” mean the sensitivity analyses do not have to incorporate the original rental assumptions stated in Sec IV.D.2? Or we are to only adjust the market rate estimates?
- Does “maintain the same degree of financial feasibility” mean keep the same DSCR?

The preferred lever is the market rate estimates, but if this is not feasible, then show what adjustment is needed from the affordable rents. For maintaining the same degree of financial feasibility, make sure that the minimum DSCR is met.

34. Is “ASF” the same as “rentable SF”?

On the “Program” worksheet, “ASF” should be revised to “USF” (Usable Square Footage). In this worksheet, please list the various apartment offerings, and other spaces (study rooms, fitness,

leasing, etc.) that are not used for circulation or mechanical. GSF should be the gross square footage of all buildings.

35. All Proforma Templates – Hard Cost Worksheet. We do not expect that Rows 47 and 48 are applicable. Please confirm.

Rows 47 and 48 are not applicable.

36. All Proforma Templates – Hard Cost Worksheet. We do not expect that Rows 53 through 62 are applicable. Please confirm. Would you like Developers to replace these Rows with rows regarding amenities spaces, support spaces, and other non-residence spaces to avoid the residence space costs from being influenced by the costs of these non-residence spaces? Please confirm.

Rows 53 through 62 are not applicable, but do not replace these rows with non-residence space costs. We want to see all resident and non-resident costs combined in their respective divisions.

37. Please confirm the University is OK with each Developer making its own assumptions regarding occupancy during the six month lease up period.

Yes. Each Developer may make its own assumptions regarding occupancy during the six month lease up period.

38. In the Proforma worksheet of the financial proforma templates, future cash flows are modelled by extrapolating the cash flows from the first academic year. However the first academic year will differ from future ones due to the lease up period and the lack of the first semiannual debt service payment. May respondents modify the model to correct for the issue described above?

Yes.

39. The Debt Schedule assumes annual debt service payments which coincide with the start and end of the academic year, however a 6 month interest only period as described in the financial assumptions of the RFP, would require the modelling of a semi-annual debt service schedule. May respondents modify the debt service schedule to a semi-annual one?

Yes.

40. To the extent certain financial assumptions have been defined in the RFP document for the tax-exempt bond financing scenario but not for the debt/equity financing scenario, may respondents define these inputs based on their market sounding process?

Yes, as long as Respondents detail the assumptions that are being made.

41. Please confirm the University is OK with Developers modeling interest earnings from any debt service reserve fund as “Other Revenue” that will flow through the proforma.

Yes, as long as all types of Other Revenue are itemized so that this can be tracked.

42. Are Developers allowed to add functionality to the model templates while retaining the overall structure and presentation of the original templates? These modifications would among other things allow for the incorporation of functional capitalized interest calculations, changes in debt sizing terms, incorporation of the actual debt amortization schedule and changes in the equity repayment terms. By making this functionality changes while preserving the template structure and presentation, the model will link calculations to the output presentation worksheets.

Yes, you may add functionality to the model templates while maintaining the overall structure and presentation of the original templates.

43. Currently in the debt/equity templates, the equity investment is modelled as a non-amortizing facility with a constant yield (similar to preferred equity or subordinate debt). By modelling the equity investment more akin to a traditional equity investment by allowing residual cash flows to equity investors, this would more closely resemble the likely structure sought by equity investors, allow for more flexibility in the capital structuring, and ultimately provide a more competitive submission. May Developers adjust rows 32 and 33 of the Taxable Debt and Equity Template Proforma tab in the Orchard Park Debt/Equity template and rows 31 and 32 of the Taxable Debt and Equity Template Proforma tab in the West Village Debt/Equity template to allow for the changes described above?

Yes, you may make the adjustments as described.

44. When pricing the bond issuance, we expect to structure it in such a way that it consists of a set of various individual serial bonds and term bonds to result in the best overall pricing for the overall issuance. As a result of this, the actual bond amortization may differ slightly from level debt service amortization schedule currently assumed in Column C of the Debt Schedule tab of the Debt/Equity templates. May Developers adjust the Amortization schedule to take into account the expected actual amortization of the bonds?

Yes, you may adjust the amortization schedule to take into account the expected actual amortization of the bonds.

Charrette Logistics

45. Does UC Davis seek to have the Developer and the University eat together?

The Developer and University will be eating together.

46. Does UC Davis need for the Developer to arrange for lunch? For morning break snacks/drinks? For afternoon snacks/drinks?

The University will be providing the food and refreshments.

47. Who are the expected charrette attendees from UC Davis? Will the attendees be members of the Selection Committee and Staff? Will there be students representing the three different resident groups; Family, Graduate and Transfer be in attendance at both sessions or will the Orchard Park session only have Family and Graduate students while the West Village session will only have Transfer Students? Will the groups involved in the Charrette be at both sessions?

There will be representatives from Real Estate Services, Office of the President, Design and Construction Management, Student Housing and Dining Services, Capital and Space Planning, Campus Planning and Community Resources, and Graduate Studies and Student Affairs. The group includes graduate students and student family members. All will be involved in both sessions of the charrettes.

48. At what time may Developers enter the charrette room to set up for the charrette?

Developers may arrive as early as 8:15 a.m. There will be an informal breakfast gathering with both University representatives and the Developer teams starting at 8:30 a.m. The charrette should start at 9:00 a.m.

49. Will the room have audio-visual equipment or does the Developer need to bring its own?

There will be a projector, a screen, and a computer in the room. There will not be a microphone. You are welcome to bring your own computer if you prefer.

RFP Response Submittal

50. Do RFP covers, tabs, dividers count towards any page count limitations? Please confirm if the Gantt charts for Tab 2 – Project Approach count towards the 8 page limit? If they do count towards the limit, does the 11 x 17 sheet of paper count as 2 of the 8 pages?

RFP covers, tabs and dividers do not count toward the page limits. The Gantt charts for Tab 2 count toward the page limits. We will count an 11x17 page used for schedules or budgets for legibility as one page. Please limit the use of 11x17 pages to schedules and budgets.

51. Tab 3 – Construction Logistics / Sequencing. Must all staging, materials storage, employee / contractor parking, etc. be located on the respective project site? Or are there additional areas UC Davis will make available for these purposes at Orchard Park and at West Village?

At this time, please assume that all staging, materials storage, employee/contractor parking, etc. will be located on each respective Project site. During the preconstruction phase, the University and the selected Developer will work together to determine the optimal construction staging plan.

52. Financial Proposals. May Developers label their financial proposals, completed Excel Spreadsheets and sensitivity analyses “Confidential”?

Please see Sections VI. A and B for guidance related to Confidential Information and the California Public Records Act.

53. May Developers label any market analyses to support their market rents “Confidential”?

Please see Sections VI. A and B for guidance related to Confidential Information and the California Public Records Act.

54. Will UC Davis please confirm if Developers are to submit a complete RFP response for Orchard Park and a complete RFP response for West Village? For RFP Stage 1, UC Davis requested Developers provide a RFP response volume for Orchard Park and a RFP response volume for West Village. The instructions for RFP Stage 2 response are less clear. RFP Section IIIA3 states “Submit fifteen (15) copies for each Project of your Stage 2 RFP Proposal and an electronic version of the complete Proposal in the unsecured formats noted above via flash drive.” We assume this is a complete response for Orchard Park and complete response for West Village – please confirm.

Each Project should be submitted in a separate book and as a separate electronic file. Please avoid using three ring binders as this makes the distribution of the proposals to the Selection Committee more difficult.

55. Will UC Davis interview all three Developers on September 11 /12?

Yes. We will interview all three Developers on September 11/12. UC Davis Real Estate Services will reach out to each team the week of August 14th to coordinate schedules.

56. Will the responses to the West Village and Orchard Park projects be compiled separately, with fifteen books and a digital copy of each proposal?

Each Project should be submitted in a separate book and as a separate electronic file. Please avoid using three ring binders as this makes the distribution of the proposals to the teams difficult.