



ITN 22-022

STUDENT HOUSING DEVELOPMENT PROJECT

ADDENDUM TWO (2)

Subject: QUESTIONS & RESPONSES

Issue Date: April 27, 2022

Procurement Department
W: 863-874-8428
4700 Research Way
Lakeland, FL 33805-8531
procurement@floridapoly.edu

ALL RESPONDENTS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM BY SIGNING BELOW AND SUBMITTING THIS EXECUTED DOCUMENT WITH YOUR RESPONSE. FAILURE TO EXECUTE AND RETURN THIS ADDENDUM FORM MAY DISQUALIFY YOUR FIRM’S RESPONSE.

This Addendum shall become part of your firm’s response and the subsequent documents if applicable.

The following items are issued to add to, delete from, modify and clarify the ITN and all associated documents. These items shall have full force and effect as the ITN and all associated documents. Responses to be submitted on the specified response due date shall conform to the additions and revisions listed.

Vendor Name: _____

Address: _____

Phone Number: _____

Email: _____

Signature: _____

Question #1:

Point 1.4.2 said:

First Paragraph

The University seeks to purchase Phase 2 Housing and anticipates that the greatest value will be achieved by bundling the purchase of Phase 2 Housing with the development costs for Phase 3 Housing in a single bond issuance.

Fourth Paragraph

The University does not anticipate the use of a Private Entity's equity to fund the Project.

Point 7.1 Tab 7 said

Second Paragraph

For each structure, Private Entities must clearly identify the source of funding for all development. Specifically, Private Entities should address funding sources for the following:

- Senior Debt
- Subordinate Debt (if applicable)
- Other (if applicable)
- Identification of whether any debt is taxable or tax-exempt

Fourth Paragraph

The University does not anticipate receiving proposals that include the Private Entity's or other investor's equity as part of the capital stack.

Considering the before mentioned points, it is not clear in the document what is the expected financial structure of the project. As detailed on Point 1.4.2, it appears that the University will seek funding (public or private) to acquire Phase 2 and also fund Phase 3. However, in Point 7.1, it appears that the funding responsibility will be by the Private Entity but without the Private Entity's or other investor's equity as part of the capital stack. Please clarify

For the purposes of responding to this ITN, the Private Entity should propose the funding structure and terms that it believes align most closely with the University's strategic goals for the Project. The University desires that Private Entities will propose ownership structures that better create outcomes related to University control over the Project, alignment of interest with the University's long-term partner, and the University's cash flow participation. Private Entities may propose creative solutions for achieving financial feasibility. If the University, in the course of negotiations and concept refinement with a selected partner, determines that it can achieve the best value through the use of public financing, the Private Entity will ultimately not be responsible for financing the Project.

Question #2

In 1.2.1 FLORIDA POLY used the term "potentially" financed by Private Entity

Can you please elaborate?

As stated in Paragraph 1 – “Overview of the Development Opportunity,” the University will use either public or private debt financing, depending on the source of capital that generates the most overall benefit for the Project. If private debt financing arranged by the development team provides

the highest value to the University, the University will avail itself of private financing. If private financing does not provide greater value to the University than public financing, then the University will seek to use public debt to deliver the Project. Private Entities should propose structures using private debt financing that they believe provide the most overall benefit for the Project.

Question #3

What amounts of students live on campus for summer session?

The University has experienced depressed summer occupancy in recent years as a result of COVID-19. However, it believes that it has significant opportunity to expand its summer revenues through summer camp and conference business, which has not been pursued actively in the past. A request has been submitted to the current owner for the number of students housed over the last summer.

Question #4

Will the new housing be rented with yearly leases?

The University looks to align with traditional university housing constructs. Florida Poly will consider offering yearly leases to those students who desire to live on campus through the summer, but does not anticipate requiring students to sign a 12-month lease in order to live in the new housing.

Question #5

Why the University is not buying Phase 1?. Are there plans for future acquisition of this Phase?

In contrast to the Ground Lease Agreement for Phase 2, the Ground Lease Agreement for Phase 1 did not include a pre-negotiated purchase price for the building.

Question #6

What is the current outstanding debt on Phase 2 and current outstanding debt on Phase 1?

The purchase price for Phase 2 in a given year is defined in the Ground Lease Agreement and stated in the ITN, irrespective of any outstanding debt held by its current owner. The purchase price following the 2021-22 operating year is \$27,575,000.

Private Entities should not assume the purchase of Phase 1 in their proposals unless instructed to do so by the University.

Question #7

Can we obtain a trailing 12-month revenue and expense report for the 542 beds in Phase 2? Can we obtain the same for 219 beds in Phase 1?

A request has been submitted to the current owner for this information.

Question #8

Is there an actual cash reserve for replacement account for Phase 2? How much?

Upon purchase of Phase 2, the current owner will transfer control of the replacement and repair fund to the University. The current owner is required under the annual operating plan and budget to fund this reserve at \$200.00 per bed per year (with escalation indexed to CPI). A request has been submitted to the current owner for the latest amount in the R&R fund.

Question #9

Is there a condition/inspection report for Phase 2?

The University does not have a facility condition report for Phase 2.

Question# 10

Please provide a copy of the Ground lease document for Phase 2

The University will not provide a copy of the Ground Lease Agreement at this time.

Question #11

Can we view the loan documents & covenants supporting the existing loans of Phase 2 and Phase 1?

Any loan documents and covenants supporting the existing loans are held by the current owner.

Question #12

Are there any summer courses whereby students will occupy Phases 2 or the new beds in Phase 3?

The University offers summer courses and houses students over the summer, though this number has been depressed in recent summer terms due to COVID-19. A request has been submitted to the current owner for the number of students living in Phase 2 for the most recent summer. It is anticipated that this number will increase proportionally to overall enrollment growth. Students also expressed an interest in flexible lease terms up to 12 months. Moreover, the University expects to grow its camps and conferences business over the summer, which has not been pursued actively in the existing housing.

Question #13

Is there a first fill priority on Phase 1 for Florida Polytechnic students to occupy?

No, there is not a first-fill priority on Phase 1.

Question #14

Are there proposed terms for GL for phase 3?

The University will negotiate ground lease terms with a selected Private Entity.

Question #15

Can you elaborate about the Termination clauses?

The Ground Lease Agreement will contain specific Events of Default and associated provisions for termination in such an event. These provisions will be defined during the negotiation period with a selected Private Entity.

Question #16

Is there a specific location for the parking spaces allocate to each Phase?

The University has not yet finalized its desired location for new parking spaces. The residence halls do not currently have designated parking for residents.

Questions #17

Florida Polytechnic reserves the right to adjust ITN to bundle Phase 1
Can you please elaborate?

While not anticipated at this time, the University reserves the right to consider including the purchase of Phase 1 as part of the overall Project. Private Entities should not assume the purchase of Phase 1 in their proposals unless instructed to do so by the University.

Question #18

Are the non-revenue single occupancy beds for the Ras to be included within full-suite or apartment-style units with revenue beds or should Ras have individual units?

RA beds should be provided within an individual suite with a bathroom and eating opportunity in the suite.

Question #19

Are the non-revenue beds for the RAs and Residence Coordinators/professional staff members included within the desired 400/300 counts or are they in addition to and the desired 400/300 counts are for only revenue beds?

Non-revenue beds for student workers (RAs) are included in the total bed counts described in the ITN. Non-revenue beds for professional staff/non-students are not included in these totals, and will be in addition to the 400/300 bed counts.

Question #20

Is the intended site shown in the ITN at the 3 locations adjacent to H1, H2, and S3 (Wellness Center) intended for the 400-bed Housing Phase 3 only? Or for both the 400-bed Housing Phase 3 as well as 300-bed Housing Phase 4?

The site shown in the ITN is intended for both Phase 3 and Phase 4.

Question #21

Does the University intend to engage any continuing service providers for preliminary work to assist in advancing the project schedule, such as surveying, geotechnical engineering, or civil engineering? If so, would the University cover the expenses for these services separately from the project's financial structure?

The University will provide to the selected Private Entity existing survey, Geotech, or other data in its possession. The University does not intend at this time to engage service providers for preliminary work outside the project's financial structure.

Question #22

Do you plan on releasing the list of companies that were selected to participate in the next phase of this solicitation process?

Six teams were selected to participate in Stage II of this ITN:

- Capstone Development Partners
- Michaels Organization
- Pembroke Student Housing + Provident Resources Group
- T&G + Office America Group
- Vestcor
- Zimmer Development Company

Question #23

can get the last property assessment report that was done for the Phase 2 housing

The University does not have a facility condition report for Phase 2.

Question #24

Can you provide the list of companies that were selected to participate in the next phase of the solicitation process for housing?

See Response #22

Question #25

My marketing team is wondering if the printed copies are absolutely necessary. They informed me there is a national paper shortage and we are having a hard time getting supplies.

The University will amend the submittal instructions to require submittal of one (1) original and three (3) copies, rather than the initially contemplated six (6) printed copies. Private Entities must also submit one electronic copy as described in the ITN.

Question # 26

Are W/D required/desired in suites or is a common laundry room serving each floor more appropriate?

Washers and driers are provided in existing semi-suite and apartment units in Phase 1 and Phase 2,

and students perceive these as an important amenity. The University prefers that washers and driers are provided in the new housing full-suite and apartment units.

Question # 27

How many drawers are needed in bedroom drawers?

The University will discuss such detailed design questions with a selected Private Entity.

Question # 28

Please confirm that the 1,500 SF minimum for the Dining component is Gross SF (as opposed to Net SF)? If a C-store style use is contemplated, do you anticipate other back of house prep or seating space to be required for this dining area beyond the 1,500 SF?

The 1,500 SF described for the food service shell space is anticipated to be Gross Square Feet. It is not expected that the food service concept will require additional built square footage, though additional outside seating may be considered.

Question # 29

How does the University define a “warm shell” with respect to dining? Page 16 notes electrical service for HVAC loads, but no additional HVAC trunk lines or Mechanical systems. Please confirm the “warm shell” should omit all Mechanical equipment including trunk lines and mechanical units?

HVAC equipment and HVAC main ductwork should be completed as part of the delivery of a “warm shell” space. The “warm shell” should be enclosed, heated, and cooled, with appropriate, fully-integrated infrastructure to support the shell space.

Question # 30

Can the ‘flex’ to double occupancy be accommodated by bunking beds rather than expanding the SF?

“Flex” occupancy may be accommodated by bunking beds, provided that the additional required furniture (desk, chair, dresser/wardrobe, etc) can fit in the room as well.

Question # 31

Pg. 14 states (1) single-person bed per bedroom – is a single bed a twin bed size?

Single-person beds should be understood as a “twin XL.”

Question # 32

In the absence of a site survey showing buried utilities, should the design team assume that the buildable area to the southwest side of the “site” align with the Phase 1 building edge on the southwest side of the building and nothing can extend beyond this line to the west on the ground floor?

The placement of the New Housing on the site will depend on the concept proposed.

Question # 33

Page 17 of the RFP references expenses that should be assumed [by the developer] within the financial pro forma for the [University] delivery of assignments, billings, marketing, and programming are provided in Exhibit C. Exhibit C does not seem to indicate an amount for these “retained services” expenses. Will Florida Poly be submitting a revised Exhibit C or otherwise providing an estimated cost for proposers to with assumption amounts be provide?

Yes, a revised Exhibit C is being provided along with this Addendum.

Question # 34

Will the University provide any details (permit, duration and cost) regarding the permits required for this project that Florida Poly will issue, as well as other State issued approvals and permit requirements?

The University will work with a selected partner to finalize the permitting approach.

Question # 35

Can the University provide a summary of programmatic areas (including approximate square footages) within Phase 2 that are building management related and could be combined with management areas in Phase 3 or Phase 4 such as staff offices, storage areas, etc.?

Phase 2 does include management-related spaces and the University will look to use management-related space economically in subsequent phases. However, the University will require space in Phase 3 and Phase 4 to accommodate additional staff to manage the new beds.

Question # 36

Page 15 indicates residential units will be accessible using key card security access. Will Florida Poly please provide more detail on the anticipated access control system desired? Is this system used on Phases 1 & 2?

The University will discuss detailed design questions with a selected partner.

Question # 37

Page 16 indicates 3rd party internet service should be provided. Please confirm the internet service provider utilized on Phases 1 and 2.

Phase 1, Phase 2, and Florida Poly currently use Spectrum/Brighthouse for the University’s Internet connection, but other providers are available in the area. The plan for how to install, or utilize an existing, fiber/connection path from the chosen Internet service provider to the Project from off-campus must be carefully coordinated with the University.

Question # 38

Page 16 indicates a DAS or similar system should be used, if necessary. Was a DAS system required and used on Phases 1 and 2? Is Florida Poly open to cellular over wireless in lieu of dedicated DAS system?

Residents report issues with weak signal/poor service in Phases 1 and 2. The University will consider a variety of technical solutions proposed by the Private Entity for solving this issue in their concept.

Question # 39

Page 19 outlines operating costs to-be-borne by the University of its 3rd party food service operator. Please confirm funding of capital reserves / asset management of the tenant improvements in this space is included.

The food service space will operate as a triple-net lease.

Question # 40

Is there an expected difference in SF between full-suite units and apartment style units? The descriptions are very similar but for the range, hood, and oven.

The University has not defined the expected square footage for each unit type. Apartment-style units should provide a step-up option providing additional in-unit spaces or amenities compared to full-suite units.

Question #41

Is there a suggested ratio of common area to total area for the Phase 3 and 4 buildings?

The University does not have a suggested ratio of common area to total area for Phase 3 and Phase 4.

Question # 42

If the rate of inflation is higher than the 2.25% restriction on rental rate increases, will the University support higher rate increases to keep up with inflation?

The University will consider future rental rate increases that are required to meet financial parameter that are negotiated under the terms of the Ground Lease.

Question # 43

Is there a budget figure the University would like all proposers to use in their pro forma for the responsibilities that will be funded quarterly for Assignments/Leasing, Billing/Collections, Marketing, Programming and Security? With res-life retaining these responsibilities, what control or influence will the Private Entity have if the University is not guaranteeing occupancy or entering into a first-fill policy or support agreement?

See response to Question 33.

Question # 44

Given supply chain issues and labor shortages in the construction market, what is the earliest date the Private Entity can begin construction of Phase 3?

The University will work with its selected partner to refine the Private Entity's proposed project

schedule. The beginning of construction for Phase 3 will be contingent upon, among other things, the successful negotiation of partnership agreements and Board of Governors approval.

Question # 45

Is there a restriction (vs a preference) on the type of allowable financing structure to propose for funding of the development of Phases 3 and 4? Can the purchase of Phase 2 be independent of the financing of Phase 3 and 4?

The University does not wish to dictate allowable financing structures so long as they align with the University's stated goal of retaining control over the residential experience and maximizing its participation in project cash flows while accessing funds at the lowest cost of capital for the Project.

Question # 46

Will the building permits for Phases 3 and 4 be permitted through the City of Lakeland or the on-campus building official?

Building permits will be issued through Florida Poly as the Authority Having Jurisdiction.

Question # 47

Given that the University will control the leasing process, is Fair Housing the expected compliance standard that will be followed for on-campus housing? If not, please explain how the concept of "reasonable accommodation" as interpreted and implemented by the University should be factored into the pro formas for Phases 2, 3 and 4 as a concession to residents.

The University has a policy specifically for single room reasonable accommodations available here: https://floridapoly.edu/general-counsel/assets/policies/fpu_3.0042p_student_requests_for_housing_accommodations_disability_2022.1.28.pdf. The University and the University's contractors must comply with the Americans with Disabilities Act of 1990 (ADA) Title II, as amended by the ADA Amendments Act of 2008, Section 504 and Section 508 of the Rehabilitation Act of 1973, Title VI and VII of the Civil Rights Act of 1964, and all other federal and state laws and regulations that prohibit discrimination on the basis of disability. The cost of complying with these laws, specifically providing reasonable accommodations, should be assumed by Private Entity.

Question # 48

As housing operator, will the University indemnify the Private Entity, as owner of the buildings, for incidents and claims?

The University will negotiate this topic with a selected Private Entity.

Question # 49

What is the expected location of the new parking spaces to the proposed housing?

See response to Question 16.

Question # 50

Given the rate study in the B&D report, can the rental rates in Phase 2 be reset to market after

purchase of the building?

The University does not anticipate that the rental rates for Phase 2 will be reset following the purchase of the building.

Question # 51

Please provide current capacity and usage of the chilled water facility. Is there ability to expand the current facility and a known cost for expansion of the facility, if needed?

The existing chilled water facility has sufficient capacity to serve the New Housing.

Question # 52

At the on-site meeting, there was mention of the Division of Bond Finance. Has there been dialogue with the Division of Bond Finance regarding financing of the purchase of Phase 2 or the development of future housing phases? If so, was there feedback that would provide helpful insight into potential financing structures?

The University desires to utilize the most advantageous source(s) of capital that align with its overarching objectives for the Project and the ownership structure outcomes described in Response #1.

Question # 53

Can FPU provide the team with a surveyed site plan for the identified areas for H3 and H4? This would include topography and underground utilities.

The University will provide any existing survey, topographical, utility, and/or Geotech data to a selected Private Entity.

Question # 54

Does the existing FPU central chiller plant have capacity to serve the new H3 and H4 buildings? They would be similar in size to H1 and H2?

See response to Question 51.

Question # 55

Can FPU provide the team with information related to existing trash collection operations for H1 and H2 including any recycling programs, composting, compactors, trash pick-up schedules, and any preference for the use of trash chutes vs. trash rooms.

The University will discuss specific design questions during subsequent stages of this solicitation.

Question # 56

Is there a geotechnical engineering report for the site, or adjacent sites?

See response to Question 53.

Question # 57

In addition to the individual microwave and sink in each Suite, is there a desire for a Common Kitchen for student use?

Access to a communal kitchen would be considered an attractive amenity for students living in full-suite units.

Question # 58

Please clarify the University's intent for laundry in every unit type, apartments and suites. Can the Suites share in a central laundry?

See response to Question 26.

Important Note: Any and all other information (not changed by this addendum or any other addendum) contained in the original ITN document and all associated attachments remains the same and unchanged.

