Date: October 30, 2022

To: All Interested Bidders

From: Julia R. McIlroy, Director

Subject: Request for Qualifications No. 23-07M – P3 Master Developer

This letter will serve as Addendum Number One to RFQ No. 23-07M. All submitted questions and answers are included.

Addendum acknowledgement should accompany your proposal.

If you need additional information, please call (208) 885-6123 or e-mail juliam@uidaho.edu.

Thank you for your interest in the University of Idaho.

________________________________________________________________________

(Company)

________________________________________________________________________

(Signature)
1. Would the University be open to using a similar form of concession agreement as under the utility P3 Master Developer project, though without the upfront payment consideration? This would allow the selected proponent to serve as the master developer and for each student housing buildout to be treated as a CapEx program.
   a. The University may utilize a concession agreement for the housing project(s), however it does not anticipate making annual payments to the Master Developer to repay any initial capital or operating costs.

2. Would the University consider retaining occupancy and revenue collection responsibilities to allow the developer to be repaid via availability payments (similar to the Utility Fee), thereby reducing the cost of capital while realizing appropriate risk transfer?
   a. The University may consider providing marketing, leasing, and collections services to the housing project(s). U of I is not contemplating retaining revenue, demand, or occupancy risk at this time but reserves the right to continue evaluating these options. Respondents must clearly identify in their submission whether or not they will require the University to retain any or all of those risks.

3. We would like to know your current costs per bed in the existing University of Idaho owned student housing. If possible, we would appreciate the costs per individual facility, but if that is not readily available, an average of the costs per bed would be helpful.
   a. This information will be provided during the Request for Proposals phase.

4. Does the university have any specific credit or balance sheet objectives and/or preferences or pre-conceptions around the capital structure used for each component of the project?
   a. The University desires to limit the impact of the project(s) on the overall credit of the institution. U of I is open to different transaction structures that accomplish appropriate levels of risk transfer to the parties, which may be different depending on the type of housing provided.

5. Further, does the University envision the same transaction structure to be used for all components of the project or are you open to evaluating a combination of structures for various components?
   a. The University is open to a combination of transaction structures for the various components of the Project so long as the structure or structures accomplish the institutions goals.

6. Please advise if the cover, table of contents and “Proposal Response Certification” will be counted towards the page limit.
   a. The cover, table of contents, and Proposal Response Certification will not be counted towards the page limit.
7. Does the University have a selected or favored contractual structure (e.g., Ground Lease, Availability Payment) for the projects identified in the RFQ generally? Does the University favor one contractual structure vs. another for each individual project (e.g., renovations of existing housing facilities, new undergraduate housing, new graduate/faculty/market rate housing, new affiliated for-sale townhouses/condos, parking, commercial facilities)?
   a. No, the University does not have a selected or favored transaction structure at this time. U of I and its advisors are continuing to evaluate different opportunities and will provide additional guidance during the RFP phase. Respondents must clarify if there are transaction structures they are not open to utilizing within their response.

8. Does the university have any specific preference for financing? Equity? Bonds? Mixture of both?
   a. The University anticipates the financing for the entirety of the projects may include debt and equity. The amounts and forms of each will depend on the preferred transaction structure agreed upon by U of I and the Master Developer.

9. Does the university expect all projects to take simultaneously, or would the university be open to phasing?
   a. The University anticipates the projects to be delivered in multiple phases. Page five (5) of the RFQ (immediate project, short-term projects, near term projects) includes the U of I’s initial phasing concept which is subject to input provided by interested parties.

10. Does the university envision a ground lease structure? If so, how long of a lease would the university be willing to agree to?
    a. The University is open to a ground lease structure. Previous public-private partnership transactions in the State have been for 50+ years, but the University does not have a minimum or maximum term at this time.

11. Does the management opportunity occur immediately or only upon delivery of the new and renovated housing?
    a. The University is not interested in the Master Developer managing housing facilities that they have not or do not plan to renovate or invest in. The University would consider management transfer ahead of delivery if there is a contractual agreement for the renovation or investment in the future. The timing of the operational transition would be evaluated between U of I and the selected partner to focus on efficiency and consistency of the student experience.

12. With submissions due November 14th for the RFQ, is there an expected timeline for the RFP?
    a. The RFP is anticipated to be issued in December 2022, however the schedule is subject to change at the University’s discretion.
13. In the pre-submission call, the university mentioned the quoted bed figures might be conservative for new development: *The University indicated that an update to the analysis was currently underway to reflect the increased enrollment for fall 2022. Respondents should assume a minimum of the development program identified in the RFQ.*

14. Would the university consider the renovation of less beds and the development of more new beds?
   a. Yes, the University will consider this approach if the alternate approach meets student preferences and affordability needs.

15. Specifically, the potential decommissioning of traditional-style units for more suite and apartment style units?
   a. *The University experienced 100%+ occupancy across all of the residential communities for the fall 2022 semester. The University is open to renovation of traditional-style configurations, which ultimately may reduce the number of beds in the residence halls, but it will need to be implemented in parallel with the new construction so as to not reduce overall housing capacity during any particular year.*

16. The university mentioned the desire to select a master developer for all housing and future phases. Would the selected developer be able to partner or pair with another developer and “co-develop” the potential commercial uses?
   a. *Yes, the Master Developer will be able to partner with other developers for the potential commercial facilities identified in the RFQ.*

17. Obviously, the university has experienced phenomenal enrollment growth over the last few years – does the university have any enrollment projections through 2025? 2030?
   a. The University does not have enrollment projections.

18. Would there be any desire for the university to create / develop market-rate housing geared towards non-university members in the Legacy District to help catalyze the area and drive commercial activity?

   *Yes, the 180-unit apartment-style project is intended to provide housing to graduate students, faculty, staff, and the general market with a preference for University-affiliated residents. The University may consider additional market rate housing in the Legacy Crossing urban renewal district as demand and market analysis justify the expansion. The University’s goal is for the area to become an extension of the already thriving Moscow downtown.*