

RFQ QUESTIONS & ANSWERS AGGIE SQUARE PHASE 1

1) Can you provide more details as to the format of the developer interviews?

At this time it is contemplated that the developer interviews will consist of three parts: (1) a formal presentation of qualifications by the development team, (2) an interactive work session between the development team and the University to address questions and potential approaches to the project, and (3) a dialogue regarding the list of potential architects and general contractors that the development team has identified for the project. It is not expected that architects and general contractors will be participants in the interviews. More details regarding the developer interviews will be made available to the short-listed teams.

2) What is the anticipated length of the unsubordinated ground lease?

For a private debt and equity financed project, the University anticipates a ground lease term of at least 50-60 years, however the University is willing to work with the selected development team to extend that term if doing so proves beneficial for the project and the overall transaction.

3) What is the anticipated delivery schedule and program for Phases 2 and 3?

There is no predetermined timing for Phases 2 and 3, however the success of Phase 1 will be one of the contributing factors.

4) Is the required horizontal infrastructure for phase 1 only or all 3 phases?

Generally Phase 1 only, as Phase 2 and 3 will have separate connections. There may be an exception regarding onsite drainage, other utilities, and shared amenities if it is most cost or environmentally effective.

5) How will the required horizontal infrastructure be financed?

As stated in the RFQ, it is possible that the University will assume responsibility for funding of project infrastructure if it is necessary for financial feasibility. The specific financing approaches have not been determined at this time.

6) Will State prevailing wage requirements apply to the Aggie Square project?

The University will provide assumptions regarding prevailing wages at the time of the RFP stage.

7) Can you clarify the type of housing, expected density and height limit?

As stated in the RFQ, the housing project will be targeted to a range of resident populations including medical and nursing students, residents and fellows, UC Davis faculty and staff, corporate housing for industry partners, and possibly undergraduates. Regarding undergraduates, the product type for these units should be flexible to satisfy the needs of the

broad range of audiences (i.e. not residence halls without individual kitchens). Housing affordability is a key goal for the project and as such, "affordability by design" will likely form an important component of the overall affordability strategy. With regard to housing density and height limits, the University is open to added height and density beyond that depicted in the RFQ massing diagrams if it proves to be a significant benefit to the project economics. However, the University does not anticipate that the site for the housing project will grow significantly from the concept plan included in the RFQ.

8) Is UC open to greater density and height for the housing as part of the CEQA process?

See response to Question #7.

9) Have there been any City or community requests such as community benefits or off-site requirements during outreach to date?

The University is having ongoing conversations with city officials and community members about potential partnerships that align closely with the stated goals of Aggie Square. Aggie Square is already designed to provide tangible community benefits in specific areas: lifelong learning, workforce development, food & health, life sciences/technology/engineering, etc. We expect the selected development team would be a full participant in any formal discussions of this nature as the process moves forward.

10) What is the program, capacity and service radius for the mobility hub? Who is responsible for managing the hub?

The mobility hub is programmed to serve all the needs of the Sacramento campus, including UC Davis Health and Aggie Square, and will include local and regional electrification of bus service to the hub. The hub is managed through transportation services at the Sacramento campus in collaboration with the Davis Campus, Yolo Bus and Sacramento Regional Transit.

11) Can you clarify the parking requirements and the possibility of UC Davis building a garage on the Phase 2 location?

As stated in the RFQ, the University is proceeding with the design and construction of a new parking garage on the north side of the Sacramento campus. The University is currently working with a consultant to project the parking needs for the campus in the coming years, as well as to analyze TDM strategies to help reduce parking burdens. That analysis, in coordination with the selected developer for Aggie Square Phase 1, will determine what additional parking facilities will need to be built. The Phase 2 site is a likely location for a new facility. It is also likely that some level of on-site parking will be needed to serve the housing project.

12) The RFQ states that one future task of UC Davis is to provide more specific information related to the amount of space UC Davis intends to lease in the project. Will this be available prior to the RFP issuance? Also, will it be provided in detail by use and by building?

It is anticipated that specific University space needs for each building will be identified at the time the RFP is issued.

- 13) UCD has indicated that it is working with university and non-university entities interested in leasing space in the project. Examples include UC Davis Extension/Continuing Education and IBM. Is more specific information available now and can UCD provide specific information related to any related or third party entity leasing space in the project, namely the square footage, term, rent and which building in the project they intend to lease space in?**

The University is currently engaged in a rigorous process for analyzing space needs among a range of academic and administrative departments. Specific details of those needs will be made available at the time of the RFP. With regard to prospective third party tenants, the University has had numerous discussions with several industry partners regarding leasing large blocks of space in the Phase 1 project. Further information with regard to these requirements, including the square footage of each specific use, will also be made available in the RFP.

- 14) Should developers assume that Phase 1 is or can be contingent on a percentage of pre-leasing or does the developer need to be prepared to move forward with construction solely on the leasing commitments provided by UCD at the time of the RFP?**

As a project that will include both the University and private industry as major tenants, it is expected that certain pre-leasing thresholds will be a condition of proceeding with construction. With regard to the major private tenants, the University anticipates that the selected developer will be able to begin negotiating lease terms with those companies that the University is currently in discussions with shortly following selection.

- 15) Would UCD consider phasing any portion of the Phase 1 project depending on the amount of leasing able to be completed prior to a mutually agreed upon milestone?**

As noted in the RFQ, the University is open to potential sub-phasing of the Phase 1 project if certain pre-leasing thresholds are not able to be satisfied or if sub-phasing is determined to otherwise be prudent for the project and the University.

- 16) Any further details about the proposed unsubordinated ground lease structure? Will it be one master agreement for the entire site or individual leases for each component of the project? Will it reflect the potential timing differences of the different components?**

At this time it is being assumed that each component of the project (the lab buildings, the office/lifelong learning building, and the mixed use building) will be on a separate ground lease with the University. If there is any sub-phasing of the project, the individual ground leases will likely have different start and end dates. However, the University is open to other unsubordinated ground lease arrangements if it proves beneficial for the project and the University.

- 17) How much lab space does UC Davis currently own or lease on the UCDMC campus? How much in the greater Sacramento region?**

UC Davis currently owns or leases approximately 320,000 GSF of wet bench research laboratory, laboratory support and laboratory related spaces on, or adjacent to, the Sacramento campus. UC Davis, in the greater Sacramento region, owns or leases approximately 3,500,000 GSF of research laboratory, laboratory support and laboratory related spaces.*

**Excludes the GSF referenced for the Sacramento campus, greenhouses, agriculture field stations, but includes some dry research (outcomes, computational, etc...) research spaces*

- 18) Since developers will be at risk for a portion of the Predevelopment budget if the Regents do not approve the project, can you suggest reasons the Regents may not approve the project?**

The Aggie Square Phase 1 project was presented to the UC Board of Regents Finance & Capital Strategies Committee in May. At this time there have been no questions or issues raised that would give any indication that the project would not ultimately obtain approval.

- 19) What would you estimate is the probability of the Regents not approving the project?**

In addition to the fact that the Regents have not expressed any concerns about the project to date (see #18 above), University staff will work closely with the Regents and with the University of California Office of the President (UCOP) throughout the process to ensure that the project meets the expectations of the Regents and that any potential issues are addressed well before Regents consideration of the project.

- 20) Do you imagine that the new parking structure that's anticipated to be built will serve the new buildings or will parking be on site?**

At this time it is being assumed that the new parking structure planned for the north side of campus (PS4) will serve existing demand on the Sacramento campus and that new parking facilities will be needed to satisfy new demand.

- 21) On the September 5th-6th developer interviews, does the University envision architects and general contractors to participate in those interviews or developers only?**

The University does not anticipate that architects and general contractors will participate in the interviews. See also response to Question #1.

- 22) The RFQ says the University anticipates entering into a lease for a significant portion of the project. Is "significant" more on the 25% side of things, or a majority of the project, or something else?**

See responses to Questions #12 and #13.

- 23) Would the nature of the leases be long term, i.e. 20 or 30 years, or shorter?**

The University does not see a scenario in which it will not maintain a major presence in the project in the long-term. The University is committed to working with the selected development team to identify lease terms necessary to secure project financing and that are acceptable to both the development team and the University.

- 24) With regard to the Institute for Regenerative Cures, how is that set up with collocation? Is there significant outside use there or is it almost all university?**

The Institute for Regenerative Cures, which is a 108,000 gross square foot building, is currently home to university programs occupying 66% of the building and industry partners are leasing 34% of the building. The IRC is home to several research support cores who provide fee-based laboratory support services to university and private industry clients beyond those who currently lease space in the building.

- 25) With regard to the life sciences buildings, is that envisioned to be wet lab space and is that based on feedback you have already gotten from potential partners?**

A majority will be traditional wet bench research laboratory and laboratory support spaces. The balance of the space will be specialized laboratory space which will be further detailed in the RFP.

- 26) Would the developer be required to provide maintenance of the facilities on an ongoing basis throughout the term of the leases or other arrangements, and if so, what level of service is the university requiring on those facilities?**

As privately owned facilities, it is expected that ongoing repairs and maintenance of the buildings will be the responsibility of the private owners, including any major capital replacement improvements necessary to maintain the project in a high quality condition.

- 27) Are there any precedents or examples of other campuses where this has been successful? I'm thinking UC Merced, Mission Bay, UCSF, so are there any examples that you were looking at?**

There are a number of projects that have similarities, in various forms, to what is being envisioned for the Aggie Square Phase 1 project, including UCSF Mission Bay and the Center for Novel Therapeutics at UC San Diego. In addition, UC Davis has a long-track record of successfully implementing public-private projects on ground leases over the years, primarily for student housing and hotel projects.

- 28) While we recognize the RFQ asks for various architects and GC's, can a developer propose a single architect or single contractor as a dedicated part of the team?**

Yes.

- 29) It was mentioned that you are doing some preliminary investigation on the utilities, civil, geotechnical and environmental. Is the University retaining those firms or should they be included on the teams?**

The firms that are currently involved are helping the University develop the technical background to the criteria documents of the RFP. We have civil, preliminary geotechnical, Phase 1 environmental and those types of documents that help feed into the CEQA documents. The University expects that the selected development team will secure the necessary expertise to continue this work moving forward.

- 30) Will the University be posting an attendee list of everyone who attended the Pre-Proposal Conference? Will you be making the presentation available to potential RFQ teams?**

Yes, both the attendee list and the presentation materials were sent by email to all participants who pre-registered and who attended in person and signed the sign-in sheet.

31) Is there a listserv to receive regular updates about Aggie Square?

Yes, interested parties may sign up for the Aggie Square mailing list at <https://leadership.ucdavis.edu/aggie-square>

32) Will you issue a separate RFQ for owner's reps and/or Construction Managers? If not, is there an opportunity for an owner's rep, a PM/CM firm in the Aggie Square project?

There is currently no RFQ for owner's reps or construction managers for the Aggie Square Phase 1 project. Any future need for additional services by the University would be the subject of a separate procurement process.