

Seattle Colleges District VI



SEATTLE COLLEGES

Central · North · South · SVI

REQUEST FOR LETTERS OF INTEREST

Development of Student Housing

TABLE OF CONTENTS

A. INTRODUCTION	5
B. SCOPE OF WORK/PRODUCT TO BE PROVIDED	6
C. INFORMATION TO BE PROVIDED BY RESPONDENTS	8
D. EVALUATION CRITERIA	8
E. SITE VISIT, QUESTIONS AND SOLICITATION REQUIREMENTS	9
F. SELECTION PROCESS	10
G. CONTRACT AWARD, NOTIFICATION AND NEGOTIATIONS	11
H. ADMINISTRATIVE INFORMATION.....	12

RFI Issued on:	Proposals Due:
September 24, 2018	2:00 PM, October 25, 2018

REQUEST FOR PROPOSAL

Development of Student Housing

North Seattle College is seeking proposals from real estate developers capable of developing and operating on-campus student housing. The College is located at:

- 9600 College Way North, Seattle, WA 98103;

The College intends to construct student housing on the South end of the campus to accommodate domestic and international students consistent with the findings of the Student Housing Feasibility Study conducted by Spectrum Development. The October 27, 2017 report can be accessed through the Facilities page of the College website.

We seek proposals for an assignment or sale of development rights for the purpose of constructing student housing on site.

The College will not obligate the state of Washington to serve as a guarantor of any debt or other financial obligation undertaken to construct improvements on this site. The College is, however, willing to participate in a Public/Private Partnership (P3) to enable student housing to be developed on this site. Any role for the College in a P3 development scheme is subject to approval by the College's governing bodies and must be allowed under Washington State law.

Development at this site is subject to the City of Seattle Land Use and Building Codes, including a Major Institution Master Plan entered into by the College with the City of Seattle.

Responses to this request will be used to select a developer(s) to be invited to submit a detailed development proposal. Responses can be from individual development firms or from developers proposing a project-specific partnership or consortium.

Respondents are asked to incorporate in their response:

- 1) A long-term lease payment schedule for all property leased from the college; and
- 2) A description of the financing model the respondent proposes with a preliminary pro-forma development budget; and
- 3) An explanation of how the financing of the Student Housing Development will not constitute a state financing contract as defined under RCW 39.34¹.

¹Bidders are encouraged to consult a land use attorney familiar with this statute before responding to this RFP. As interpreted by the WA State Office of the State Treasurer, real estate agreements may be deemed a State Financing Contract, even if they do not match the statutory definition of a financing contract, if they satisfy any one of the following criteria:

- Present value of lease payments > 90% of fair market value
- Lease term > 75% of useful life
- Lease includes a bargain purchase option
- Lease provides for transfer of ownership

Responses should address the following deal points:

- a) the development concept
- b) ability to provide for affordable/low income student housing units
- c) housing unit and bed yield
- d) estimated total cost of development
- e) proposed financing method and sources of financing and the rationale for this approach
- f) the modeled room rental rates for the student housing units once developed
- g) anticipated schedule for remodeling and refurbishment of the housing units during the lease term
- h) disposition of property improvements upon retirement of the development debt or completion of the ground lease term.

Respondents should estimate the cost of financing and enumerate all associated transaction fees and legal expenses, including fees to be earned by the respondent and/or developer(s) during the pre-development and construction phases.

Respondents will be evaluated by the College on their prior experience in similar student housing projects and on the qualifications of the development team to execute the project. Prior experience within the development team constructing or developing in the city of Seattle, while not a prerequisite, is deemed a plus.

Site Visit: Those interested in responding to this solicitation are strongly encouraged to attend a site visit on October 1st, 2018, from 11 am-Noon. The Conference will meet in the North Star Dining Room CC1254, located on the first floor of the College Center building.

Obtaining the RFP: Copies of the Request for Proposal may be obtained from the Procurement Coordinator identified below.

Questions: Any questions or requests for further information must be submitted in writing no later than October 3rd, 2018, to the Procurement Coordinator identified below.

Craig Bush
Procurement Director
Telephone: (206) 934-4139
Fax: (206) 934-5523
Email: craig.bush@seattlecolleges.edu

Submission Deadline: Sealed responses (one original and four (4) copies), must be received in time to be stamped in by the Purchasing Department not later than 2:00 PM, October 25, 2018 at the address below:

Purchasing Department
Seattle College District VI
Siegal Center
1500 Harvard Avenue
Seattle, Washington 98122-3803

Rights Reserved: The Lessor reserves the right to waive as informality any irregularities in submittals, to reject any and all responses, to amend the solicitation as necessary, and to cancel the solicitation at its sole discretion.

Seattle Colleges District VI
Request for Proposals
On-Campus Student Housing
North Seattle College

A. INTRODUCTION

- 1) **Lessor:** The Seattle College District VI, generally referred to as “The Lessor” for purposes of this solicitation is an academic institution authorized under the laws of the State of Washington. The Seattle Colleges serve all of metropolitan Seattle and its surrounding communities, and comprise the largest community college district in the state, educating nearly 50,000 students each year.

North Seattle College (NSC) is one of the three colleges in the Seattle College District. Founded in 1970, NSC is committed to changing lives through education. It is one of the thirty four community and technology colleges in the state of Washington and is governed by a five member board of trustees. Land and buildings occupied by the college are held in trust for Seattle Central by the Washington State Board of Community and Technical Colleges.

North Seattle College’s primary goal for the development of on-campus student housing is to provide student housing for domestic and international students enrolled in the College that will foster an active, cross-cultural, living and learning environment. The College commissioned a Student Housing Feasibility Study performed by Spectrum Development. The Feasibility Study included an analysis of overall project feasibility, housing demand, market rate survey, optional program variations, cost models, sustainable site opportunities, potential financial models and development strategies. The October 27, 2017 report can be accessed through the Facilities page of the college website.

The Lessor desires student housing which is responsive to the expressed desires of our students for more single-occupant bedrooms and/or suites with shared bathrooms and kitchen facilities. The college has a food service kitchen and operates the Grove café in the HSSR Building. The college also and has a health and wellness facility - the Roy Flores Center.

- **General:** The Lessor is seeking proposals from real estate developers with a background in student housing development where the partner/beneficiary is a public higher education college or university. This land parcel is subject to a Major Institution Master Plan (MIMP) under Seattle Land Use Code Section 23.69.032. The Southern section of the campus is designated MIO-37’, which establishes a 37-foot height limit within the area, and the underlying zoning is L-1, Low-rise 1, multi-family residential. The Western section of the campus is designated MIO-50’ and the underlying zoning is L-3. Development of student housing is not an approved use under the current MIMP. The College anticipates that it will take the lead with the city of Seattle in a request to either update the MIMP to allow for student housing or seek a contract rezone from the city to

allow for student housing up to the MIMP height limit. Note that construction work on the campus must be include “Prevailing Wage”.

2) **Contract Form & General Terms and Conditions:** In submitting a response, the Respondent confirms that it is prepared, if invited by the College, to submit a more detailed response, a detailed timeline, a financial pro forma and proposed contract terms.

3) **Document Location:** The Contract Form and General Terms and Conditions are available for review and downloading at the Lessor’s website at <http://www.seattlecolleges.edu/business>.

In the event that you are unable to view or download the documents, please contact the Procurement Coordinator for this solicitation.

B. SCOPE OF WORK/PRODUCT TO BE PROVIDED

The College expects that a winning respondent will expeditiously develop student housing on the North Seattle College campus.

Submission Requirements

• Development Team Capacity

Respondents must include a description of who they are, the development and management team, and the individuals to be involved in the development effort. This description should include the following information:

- A description of the proposer and status of the organization (e.g., whether a for-profit, public development agency, not-for-profit or charitable institution, a general or limited partnership, a corporation, LLC, LLP, business association, or joint venture);
- The name, address and telephone number of the proponent, the name of any representative authorized to act on its behalf, the name of the contact to which all correspondence should be addressed, and the names and primary responsibilities of each individual on the development team;
- A summary of the proposer and the development team’s experience, collectively and individually. Particular attention should be given to demonstrate experience with projects of a similar scale and complexity. Proposer should demonstrate the ability to perform as proposed and to complete the project in a competent manner. Please enumerate the Respondent and development team’s experience with project permitting in the City of Seattle.
- Ability to secure financing thru conventional or public/private partnership models.
- Capability to design and construct a multi-unit housing project under a MIMP or other master plan;
- Provision of at least three (3) references with contact names, title and current telephone numbers who can provide information to North Seattle College concerning the Respondent’s experience in similar projects;

- Identification and description of 3 to 5 of your projects that are most similar to that being planned, including contact information of the development's sponsors or partners, if any, as well as a listing of all mixed-income residential projects developed over the last ten years.

- Development Concept

The response must include a description of the proposed development concept, including but not limited to:

Development program:

- Proposed uses by aggregate square footage, both housing and ancillary services to the housing, as well as any retail or commercial space;
- Preliminary floor plans;
- The yield in student housing units and beds;
- Proposed mix of unit types and beds allocated to each type of unit;
- Sample layout for each unit type;

Proposed pricing scheme per bed for student housing by type of unit;

- Description of non-residential uses, including proposed square footage, and the anticipated use or uses.

Deferred Maintenance / Unit Refurbishment program:

- Schedule on which units will be remodeled and/or refurbished;
- How the cost for remodeling and refurbishment is accounted for in the project pro-forma.

Property valuation:

- Valuation of the property and proposed schedule of lease payments;
- Lease term desired by the proposer/respondent.

- Project Pro Forma

The response must include a financial pro forma for the proposed development, including but not limited to:

- Estimated cost of construction and all related development costs
- Estimated cost of financing, including legal fees, loan origination charges and any anticipated commissions
- Assumptions underlying the projected financial performance of the project, such as occupancy rates, rent escalation, etc.
- Projected net operating income by year over the life of the development rights lease

- Project Schedule

The proposal must include a development schedule for key milestones and projected completion date, including but not limited to:

- All necessary permitting and entitlement submissions and approvals;
- Target date for completion of construction;

- Financing Approach

The College desires this property to be developed in a timely and market-responsive manner. Respondents are asked, to describe how they intend to finance, design, development and construction of the student housing.

The cost of financing, including origination fees, legal expenses and debt servicing will be an important consideration in comparing proposals. Sufficient information and recent examples of the respondent's successful placement of debt instruments on similar higher education housing projects is required.

Respondents need to clearly explain how any construction debt will be secured. If the development proposal includes distribution of income to the College, whether in compensation for the grant of development rights or a distribution of income from operations, a table showing the order of priority for payments to all secured and unsecured lenders, investors or equity partners must be provided.

C. INFORMATION TO BE PROVIDED BY RESPONDENTS

Your response must contain one original and two (2) copies of:

- 1) **Proposal/Specifications:** A complete description of the proposed student housing structure development and development team as outlined in Section B above;
- 2) **Organizational History and Ability:** A clear demonstration of your organization's history and experience providing services comparable in size and scope to that described in Section B of this solicitation;
- 3) **Management Staff Experience:** Evidence of the expertise and experience of key personnel to be assigned to this project (resume, C.V., or similar applicable documents), to include evidence of certification or authorization to perform the services specified, if such certification is required by law, regulation, or requested in this solicitation;
- 4) **Proposed Cash Flow to Lessor:** Detailed information of the proposed compensation to the Lessor over the life of the project;
- 5) **Required Forms:** Completed copies (signed when requested) of all forms appended to this solicitation.
- 6) **Content Organization:** To facilitate evaluation, responses should address each element above. The material should be organized in the order of the outline above and clearly address the issues set forth in the evaluation criteria specified in Section D of the Solicitation.
- 7) **Amendments and Withdrawals:** A Respondent may amend a Response at any time prior to the date and times specified for receipt of responses, and withdraw from the selection process without recourse at any time.

D. EVALUATION CRITERIA

Responses will be reviewed by the College to determine whether to proceed to contract for development of this parcel. Responses will be evaluated for

- 1) The economic value to the college;
- 2) The design of the project and the desirability of the finished student housing units to our student body;
- 3) The price to be charged to students for the housing relative to all other respondents;
- 4) The college's confidence in the respondent's development team and their ability to perform the desired development services based on prior and qualifications of the team;
- 5) The ability of the respondent to arrange financing and any ancillary benefits to the College from the proposed use of the property.

In preparing the response, it is important for Respondents to clearly demonstrate their expertise in all facets of the project described in this document. Because multiple areas of expertise may be required for successfully providing the requested product, the Respondent, (either through in-house staff or sub-contractors), must demonstrate expertise and have available adequate quantities of experienced personnel in all of the areas described.

Respondents should be aware that any ground lease or development agreement is subject to approval by the Seattle Colleges District Board of Trustees. After approval by the Trustees, any lease or development agreement will be submitted for review and formal approval by the Washington State Board of Community and Technical Colleges.

Respondents are encouraged to identify and clearly label in their response how each criterion is being fully addressed. Evaluation of responses to this solicitation will be based only on the information provided in the response, and if applicable, interviews, and reference responses. The Lessor reserves the right to request additional information or documentation from the Respondent regarding its response documents, personnel, financial viability, or other items in order to complete the selection process.

If a Respondent chooses to provide additional materials in their response beyond those requested, those materials should be included in a separate section of the response. In submitting a response, the Respondent agrees that any costs or prices proposed shall be valid for a minimum of 90 days from the response due date.

E. SITE VISIT, QUESTIONS AND SOLICITATION REQUIREMENTS

- 1) **Site Visit:** Consultants are strongly encouraged to attend a Site Visit at the time and place referenced on Page One of this Request for Proposals (RFP), and as advertised in the *Seattle Daily Journal of Commerce*, the *Puget Sound Business Journal* and posted on the State's bid notification system. Failure to attend the Visit will not relieve the Respondents of any responsibility for information provided at that time.
- 2) **Due Date for Questions:** Technical questions regarding substantive matters related to this RFP or requests for further information must be submitted in writing in accordance with the deadline and submission requirements specified on Page One of this RFP.
- 3) **Due Date and Place for Submission:** Sealed responses must be received by the Lessor by the date and time and at the place specified on Page One of this Solicitation. Responses must be labeled on the outside of the envelope or other container holding the response with the Solicitation, and the Respondent's Name, Address, and Telephone Number.

Upon receipt of each Response, the Purchasing Department will date-stamp it to show the exact time and date of receipt. Upon request, Purchasing will provide the Respondent with an acknowledgment of receipt. Respondents are encouraged to ensure that their response arrives sufficiently prior to the deadline to permit this action. The deadline is firm as to place, date, and time. The Lessor will not consider any response received after the deadline and will return all such responses unopened.

All responses shall become the property of the Lessor upon receipt.

Faxed or e-mailed responses are not acceptable and will not be considered.

- 4) **Required Number of Copies:** Respondents to this RFP shall submit one original Response in electronic form via email and one hard copy print form along with the required number of copies to the address stated on Page One of this Solicitation. Each of the forms indicated below must also be completed and submitted with the original response:

- a. Respondent Fact Sheet
- b. Relevant Development Experience

- 5) **Addenda:** In the event there are changes or clarifications to this Solicitation, the Lessor will issue addenda as necessary. Addenda will be transmitted to Solicitation recipients via email, fax transmittal, US Postal Service, or other delivery service as is most efficient and economical.

Respondents are cautioned not to seek any information regarding this solicitation from any Lessor personnel other than the Procurement Coordinator. Any such action may constitute grounds for rejection of a response. Only written information provided via addenda shall be deemed binding on the Lessor.

- 6) **Rights Reserved by the Lessor:** The Lessor reserves the right to waive as informality any error or irregularity it finds in a response. Informality is an immaterial variation from the exact requirements of the competitive solicitation, having no effect or merely a minor or negligible effect on quality, quantity, or delivery of the supplies or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of, or be otherwise prejudicial to bidders.

The Lessor also reserves the right to reject any or all responses, and to cancel a solicitation at any time prior to execution of a contract.

- 7) **Notification:** The Lessor will generally not disclose the names of respondents, or the number of respondents until a contract has been awarded.

F. SELECTION PROCESS

- 1) **Determination of Responsiveness:** Responses received by the time and date specified for receipt will be reviewed initially to determine responsiveness. To be considered responsive, a response must reflect all required components, and be sufficient in clarity and detail to be effectively evaluated. The Lessor reserves the right to consider the actual level of Respondent's compliance with the requirements specified in this solicitation and to waive informalities in a Response. Evaluation panels will only evaluate Responses meeting this requirement. Any Respondents whose response is determined to non-responsive will be notified of the determination in the most expeditious and timely manner available.

- 2) **Evaluation of Responses:** An evaluation panel will review all responses to this Solicitation that have been determined to be responsive. Based on its initial evaluation, the panel may:
- a. Make a recommendation to the Purchasing Manager and request authority to negotiate a Contract with one or more proposers;
 - b. Seek additional information from Respondents and/or invite Respondents to attend an interview or make a presentation, and make a recommendation to the Purchasing Manager upon consideration of the additional information; or
 - c. Determine that development of the College parcel referenced in this Request for Proposal is not in the College's best interests at this date and inform the Respondents of that determination.
- 3) **Determination of Responsibility:** The Lessor reserves the right to conduct reference checks, either during or immediately after the review of responses, or any subsequent point in the process selection process.

In conducting reference checks, the Lessor may include itself as a reference if the Respondent has performed work for the Lessor, even if the Respondent did not identify the Lessor as a reference.

In determining Respondent's responsibility, the following elements shall be given consideration:

1. The ability, capacity, and skill of the Respondent to perform the contract or provide the service required;
 2. The character, integrity, reputation, judgment, experience, and efficiency of the Respondent;
 3. Whether the Respondent can perform the contract within the time specified;
 4. The quality of performance of previous contracts or services;
 5. The previous and existing compliance by the Respondent with laws relating to the contract or services;
 6. Responses provided by the Respondent's references;
 7. The Respondent's demonstrated record of fiscal and financial integrity;
 8. The Respondent's previous performance providing goods and/or services to the Lessor, whether the Lessor was or was not listed as a reference; and
 9. Such other information as may be secured having a bearing on the decision to award the contract.
- 4) **Protest:** Any protest of the selection process shall be resolved in accordance with the Lessor's Protest Policy and Procedures, which can be obtained from the Procurement Coordinator.

G. CONTRACT AWARD, NOTIFICATION AND NEGOTIATIONS

- 1) **Contract Award:** Upon review and approval, the Lessor will notify the selected contractor of the award, and commence negotiations to execute a contract. The Lessor will also notify any other Respondents of the award.
- 2) **Negotiations:** The Lessor shall, if necessary, negotiate with the most qualified Respondent, as determined by evaluation of the responses and, if applicable, interviews or presentations. If the Lessor is unable to reach agreement with the highest ranked firm,

it may negotiate with the second highest ranked firm, proceeding in turn to each firm, in order of rank, until a contract is executed.

H. ADMINISTRATIVE INFORMATION

- 1) **Minority-owned and Women-owned Business Enterprises:** The Lessor strongly encourages minority-owned and women-owned businesses, socially and economically disadvantaged business enterprises, and small businesses to submit responses, to participate as partners and/or to participate in other business activity in response to this RFI.
- 2) **Basic Eligibility:** The successful Respondent must be licensed to do business in the State of Washington and must have a state Unified Business Identifier (UBI) number. In addition, the successful Respondent and any subcontractors must not be debarred, suspended, or otherwise ineligible to contract with the Lessor, and must not be included on the United States Government's "List of Parties Excluded From Federal Procurement and Nonprocurement Programs" or the State of Washington's listing of debarred or suspended contractors.
- 3) **Other Contracts:** During the original term and all subsequent renewal terms of the contract resulting from this Solicitation, the Lessor expressly reserves the right, through any other sources available, to pursue and implement alternative means of soliciting and awarding similar or related services as described in this Solicitation.

- 4) **Defined Terms:** Terms utilized in this solicitation are defined as follows:

All defined terms included in the General Conditions are deemed to apply as defined terms in this solicitation. The terms below are also defined terms for purposes of the Solicitation.

Addendum: A change to the specifications, terms, conditions, or schedule of a solicitation transmitted to potential Respondents in writing by the Procurement Coordinator.

Procurement Coordinator: The individual identified by the Lessor as the sole party to receive inquiries or questions concerning this Solicitation.

Respondent: Individual, Corporation, Partnership, or other party who submits a response to this solicitation. The common terms Bidder, Proposer, and Offer or, Contractor, or Consultant are considered to be equivalent terms for purposes of common understanding.

Response: The complete body of material provided by the Respondent pertaining to the solicitation, including any written documents, samples, literature, or verbal communications during oral interviews or presentations. May also be referred to as "Proposal" as in Request for Proposals

End of Solicitation, other than forms and attachments