

REAL ESTATE DEVELOPMENT

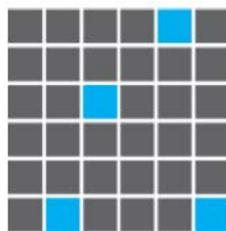
Request for Qualifications and Statement of Interest

For

USU-Moab Campus Housing & Multifamily Residential Development

Moab, Utah

Issued July 11, 2018



State of Utah
School and Institutional
TRUST LANDS ADMINISTRATION
Planning and Development Group
675 East 500 South, Suite 500
Salt Lake City, Utah 84102
801-538-5100

REQUEST FOR QUALIFICATIONS AND STATEMENT OF INTEREST

The State of Utah, School and Institutional Trust Lands Administration (“Trust”) has master planned a mixed-use, multi-family, and student housing project (“Project”) surrounding the future Moab Utah State University (“USU-Moab”) campus located on Highway 191 at the intersection of Mill Creek Drive, in Moab, Utah. The Project encompasses 320+/- acres and has been jointly planned by the Trust and USU-Moab.

INTENT

The Trust is soliciting statements of interest and qualifications for development and/or purchase of the Project. The purpose of this request is to allow the Trust to ascertain the experience, compensation structure and resource commitment of developers interested in working on this Project with the Trust. *Substance in the response will carry more weight than form or manner of presentation.*

The Trust anticipates selecting a master developer and entering into a contract wherein the selected developer will provide all resources to execute the vision of the Housing Master Plan in support of USU-Moab; or an alternate plan if approved by Moab City (“City”) and the Trust. It is intended that the selected developer will implement the development plan in a phased approach that responds to market conditions and results in a high quality, balanced mixed-use residential community supporting both the housing needs of the USU-Moab campus as it grows as well as housing needs of the Moab community.

While purchase offers will be considered, the Trust anticipates preference for a transaction in which the Trust will act as a non-subordinated land partner in a development-lease structure. In this scenario, the selected developer would bring all capital and operate as either i) a “land developer” intending to wholesale “ready to build” land to builders; ii) a “land developer-builder” selling buildings at retail; or iii) a combination of i and ii. Additionally, the selected developer should propose a transaction structure for long term involvement in the ownership/operation of the student housing units.

Compensation structures to the Trust should reflect the level at which the developer intends to operate. The Trust desires to be compensated at a gross price point so it will not be obligated to audit developer expenses. The Trust encourages additional and/or other compensation structures that could include performance-based bonus payments, profit participation, percentage rents of revenue-producing improvements, and/or reimbursement of previous (and potentially future) infrastructure investments.

REQUEST

The Trust requests statements of interest and qualifications from developers to implement the Project. In their statements of interest and qualifications, developers are encouraged to provide their views on the viability of the Housing Master Plan and to propose alternatives if such would improve the developed Project and the Trust’s economic returns. Supporting the USU-Moab’s housing and community affordable housing needs with this development will be critical factor in the determination of the best partner for the Trust.

EXPECTATION

The Trust anticipates the Project to be developed as a high-quality mixed-use master planned “campus type” community in keeping with, or surpassing, the standards established in the planning documents prepared to date.

TIMING

The Trust expects to enter into negotiations with one or more qualified developers, depending on the nature of qualifications and statements received. The Trust anticipates concluding a development lease, development agreement or purchase agreement with the selected developer in late 2018. At that time, the selected developer would assume full responsibility for the Project. Depending upon the specific agreement reached with the Trust, the Trust may retain partial prior approval authority for subsequent submittals to the City made in the normal course of development. It is expected that the developer would be able to commence development in early 2019. The Trust anticipates that the Project will be governed by appropriate design guidelines, CC&Rs, community association, etc., and that the selected developer would enter into a development agreement with the City regarding a number of these and other matters.

PROPERTY AND DISCLOSURES

The following information about the Project, including disclosures, is believed to be accurate but is not warranted by the Trust. The information, in this document and separate files on the Trust’s website, is presented for convenience only and may not represent the true conditions of the property. It is the developer’s responsibility to collect and use the correct information for its statement of interest.

LOCATION

The Project is located south of downtown Moab on the west side of Highway 191 at the intersection of Mill Creek Drive (see Figure 1), within Sections 17-18, Township 26 South, Range 22 East, SLB&M, Grand County, Utah. The Project is situated south of the “city center” of Moab (see Figure 2) and surrounds the USU-Moab property.

GENERAL DESCRIPTION

The Project is located on sloping terrain, which has a mix of hazards and development challenges. The Project area was annexed into the City of Moab under a pre-annexation agreement outlining a variety of mixed uses ranging from low-, medium- and high-density residential products and ancillary retail supporting the USU-Moab campus.

MASTER CONCEPT PLAN AND VISION

In cooperation with the City, the Trust and USU-Moab master planned the Project including project roadway alignments (Mill Creek Drive Extension specifically) which have been planned and partially dedicated to the City.

The Trust has not laid out the more detailed residential roads or lots within development parcels, parks, or other elements that will be finalized as planning is refined. These elements leave the developer with latitude to size lots, building units, and vary density within development parcels in response to the market and the developer’s vision.

Integral to the Trust’s and USU-Moab’s plan is the location and concept of having the campus central to the Project and the development supporting the USU-Moab campus. The Trust and USU-Moab have agreed that housing will not be located within the 40-Acre USU-Moab Campus Parcel. The USU-Moab campus is planned to incorporate numerous sustainable building practices. While individual housing projects may not be as complex as USU-Moab’s building plans nor be able to incorporate as many sustainable development practices into the design and construction, proposals should include information on how the housing projects can support USU-Moab’s vision for the campus so that the projects are seen as a whole community.

While the Trust values this vision for the Project and believes that it can yield the highest ultimate return to the Trust and its developer-partner through creating a desirable campus community, the Trust’s highest priority is the financial return to the Trust from the Project. The Trust encourages developers to respond frankly to this vision in their statements of interest, and is open to alternative development concepts if a developer can demonstrate a higher return to the Trust and better project from a variation to this concept.

PROPERTY DISCLOSURES

Acreage – The Project has 320+/- acres, approximately 62 of which are available for development:

USU-MOAB CAMPUS – HOUSING	ACRES
Student Housing Pods	11.8
Multifamily Housing Pods	26
Single Family Pods	22.5
Transitional Use’s	2.2
TOTAL	62.5 +/-

Pre-Annexation Agreement – In 2012, the City, USU-Moab, and the Trust signed a pre-annexation agreement and completed overall site master planning for the Project. The pre-annexation agreement includes commitments by the Trust to adhere to the 2012 Development Master Plan as well as the appropriate City approval process. Copies of these two documents are included in this RFQ.

Updated Master Plan – In 2016, the Trust created an updated master development plan (“Master Plan”) and schematic housing types that incorporate possible student, workforce, and entry level market-rate housing types. The Master Plan and housing types were developed as a response to USU-Moab updating their proposed 1st phase building in 2015, and have been discussed at public workshops but have not been formally presented to the City. The selected developer will need to build on this work and it will be the developer’s responsibility to process changes and final plans through the City after the Trust’s approval.

Phasing Concept – The Trust believes that developers should consider a phasing plan that commences with a mix of student and workforce housing to support the needs of USU-Moab in the central portion of the Project, and then work northward toward Highway 191. As the campus

builds out, additional student housing will be required to the south of the campus. The selected developer will need to be patient to fully build out the Project.

Trails & Pedestrian Connections – The development has been planned as a ‘College Campus Community’ and the Trust’s vision is to support not only the USU-Moab campus but the Moab business community with workforce housing. Therefore, pedestrian and bicycle connectivity will be critical to the overall development. There are existing mountain bike trails on the property as well as dedicated road bike routes and multi-use pathways. The Project will need to supplement the existing trails and bike routes where needed.

IMPROVEMENTS

The selected developer will be responsible for supplying all onsite and offsite improvements related to the Project, other than the Mill Creek Drive Extension that is under construction by the City. The Trust expects interested developers to perform their own investigations regarding all aspects of the Project, including requirements and opportunities for onsite and offsite infrastructure and amenities. The Trust anticipates that the statements of interest will highlight the developer’s thoughts about the following improvements:

Access – The City’s Transportation Master Plan (<http://www.moabcity.org/>) defines the major collector and arterial roads. The major roadway through the Project and USU-Moab campus is the extension of Mill Creek Drive to the campus and then running south and looping back to Highway 191. The first section of this roadway is being constructed through a partnership with the City, USU-Moab and the Trust. The developer will need to widen the roadway and extend it as the Project and campus are built out.

Culinary Water & Sanitary Sewer – The City and Grand Water & Sewer Service Agency have reviewed The Master Plan. The developer will be required to work with both agencies for culinary and secondary water and sanitary sewer services.

Parks and Trails – The Master Plan calls for significant open space (both natural and improved park space). The Trust encourages the selected developer to work closely with the City in planning any parks and trail connections. The developer will be responsible for the design and construction of neighborhood trail systems throughout the Project.

Storm Drainage – The City will require a storm drainage plan prior to substantial development.

PROPERTY CONDITION

The Trust’s property in this land offering is vacant land in an as-is undeveloped condition and will not be improved further by the Trust. Prospective developers are encouraged to visit the property, which is readily accessible by automobile and 4 wheel drive vehicle.

DEVELOPER OBLIGATIONS

The developer selected to develop the Project will be responsible for all aspects of the Project including capital investment, full execution of the Master Plan including obtaining all further City approvals, resolving any offsite and onsite issues including utilities, and performing all additional testing, engineering, planning, marketing, construction, and managing of contractors.

ADDITIONAL INFORMATION

For additional information about the Project:

- *Trust & USU-Moab Documents* – Included with this RFQ are eight documents:
 - 2012 Future Moab Campus Master Plan
 - USU-SITLA Pre-annexation Agreement 2012
 - USU-Moab Feasibility Study Update 2015
 - Master Land Use Plan - 2016 Update
 - Housing Types
 - Mill Creek Drive:
 - 60% Design Boards
 - 100% Construction Drawings
 - Roadway Dedication Plat for Mill Creek Drive Extension

Check this RFQ website for updated information before submitting your qualifications and statement of interest: <http://trustlands.utah.gov/projects/moab-usu-campus-housing/>

- *City Documents* – City development code, as well as land use, zoning and transportation maps and plans can be accessed on the City website: <http://www.moabcity.org/> Additional questions regarding City codes and/or process can be directed to the City Planner; Jeff Reinhart at 435-259-5129
- *Other Questions* – Contact Troy Herold at 801-538-5170 or therold@utah.gov. Answers to questions will be posted on the RFQ website and available to all developers.

SUBMISSION REQUIREMENTS

Any developer wishing to receive consideration should submit the following (*Substance in the response will carry more weight than form or manner of presentation*):

A. Qualifications

1. History – The Trust seeks to partner with experienced and well capitalized real estate developers. Provide background information such as a brief history of the developer, years in business and any other information communicating capabilities including numbers of master-planned residential land/lots developed and sold, and commercial and/or industrial land developed and leased or sold.
2. Personnel – Identify and provide resumes for all principals and key personnel who will be involved with the Trust and the Project. Provide contact information for the primary individual(s) representing the developer.
3. Relevant Developer Experience – An overview of campus and multi-family/workforce housing as well as mixed-use project experience over the last 10 years. The overview should outline the type(s) of transaction, position in the transaction(s) and the services provided by the principals and key personnel identified above.
4. References – Names and contact information for at least 3 current or recent-past references to demonstrate general professional integrity and reputation of the developer held within the business/public community.
5. Financials¹ – The Trust seeks to partner with well capitalized developers. Provide the following financial information for the developer:
 - The guarantee relationship that will exist between the development entity and its sponsors or participants if the entity undertaking the development will be specifically formed for this Project or represents a subsidiary or joint venture.
 - Provide the following information for the development entity or, in the case of a specifically formed company, for each of its guarantors:
 - Three (3) most recent years of audited financial statements.
 - Two (2) credit references, preferably involved in projects of similar scope.
 - The development entity’s ability to commit capital to the Project.
 - A statement of willingness to contribute unsecured capital to the Project (the Trust believes it will take a minimum of \$5-10 million to initiate the Project).

B. Statement of Interest

1. Vision – Summarize developer’s vision for the Project. Drawings and/or plans may be submitted to support the respondent’s vision; however, the respondent is not required to submit any plans or drawings.

¹ The Trust recognizes the sensitive nature of the financial information request. Financial information should be labeled “*Confidential*” and submitted in a separate electronic file or under separate cover. This information will be used by the Trust for evaluation purposes only and will be kept confidential.

2. Strategy – Outline developer’s strategy for developing the Project including:
 - Interest in developing all or a portion of the Project, and
 - Developer’s depth of involvement in the development, e.g. a) “land developer” intending to wholesale “ready to build” land to builders; b) “land developer-builder” selling or leasing buildings at retail; or c) a combination of a and b.
3. Transaction – Proposed transaction style: purchase, development-lease structure or another type of transaction.
4. Compensation – Proposed compensation structure that dovetails with the proposed transaction style identified above.
5. Other Information – Identify and discuss any other information that you believe the Trust should be aware of or should take into consideration when reviewing your submission.

SUBMISSION INFORMATION

Date and Time: By 3:00 pm Mountain Daylight Time on Friday August 31, 2018; no exceptions.

Format: Electronic file (PDF preferred) *or* three (3) paper copies.

Financial information should be labeled “*Confidential*” and submitted in a separate electronic file or under separate cover.

Submission Method/Location:

Electronic: therold@utah.gov

Paper: School and Institutional Trust Lands Administration
Attn: USU-Moab RFQ
675 E. 500 South, Suite 500
Salt Lake City, UT 84102
801-538-5100

GENERAL CONDITIONS

Brokers are encouraged to work with prospective clients to make them aware of this offering. The Trust will not compensate brokers for their work; brokers must seek compensation from their client. Brokers will be required to submit a copy of their client agreement to become involved in the selection process.

The selection of entities for negotiation and the modification of any resulting proposal are at the sole discretion of the Trust. Selection decisions will be based primarily on financial capacity, development experience, qualifications of key personnel, and transaction proposal; however, a subjective component is likely in the selection process.

The Trust may consider all information available to it in reference to the qualification and ability of the submitting entity, including past performance with the Trust.

The Trust reserves the right in its sole discretion to waive irregularities of any kind in responsive submissions, to reject any and all submissions, to accept any submission it feels serves the Trust's and Project's interest, and to extend submission deadlines.

No right whatsoever shall inure in the respondent by virtue of its selection, until such time as a contract has been fully executed.

All expenses incurred in preparing submittals are the sole responsibility of the respondent.

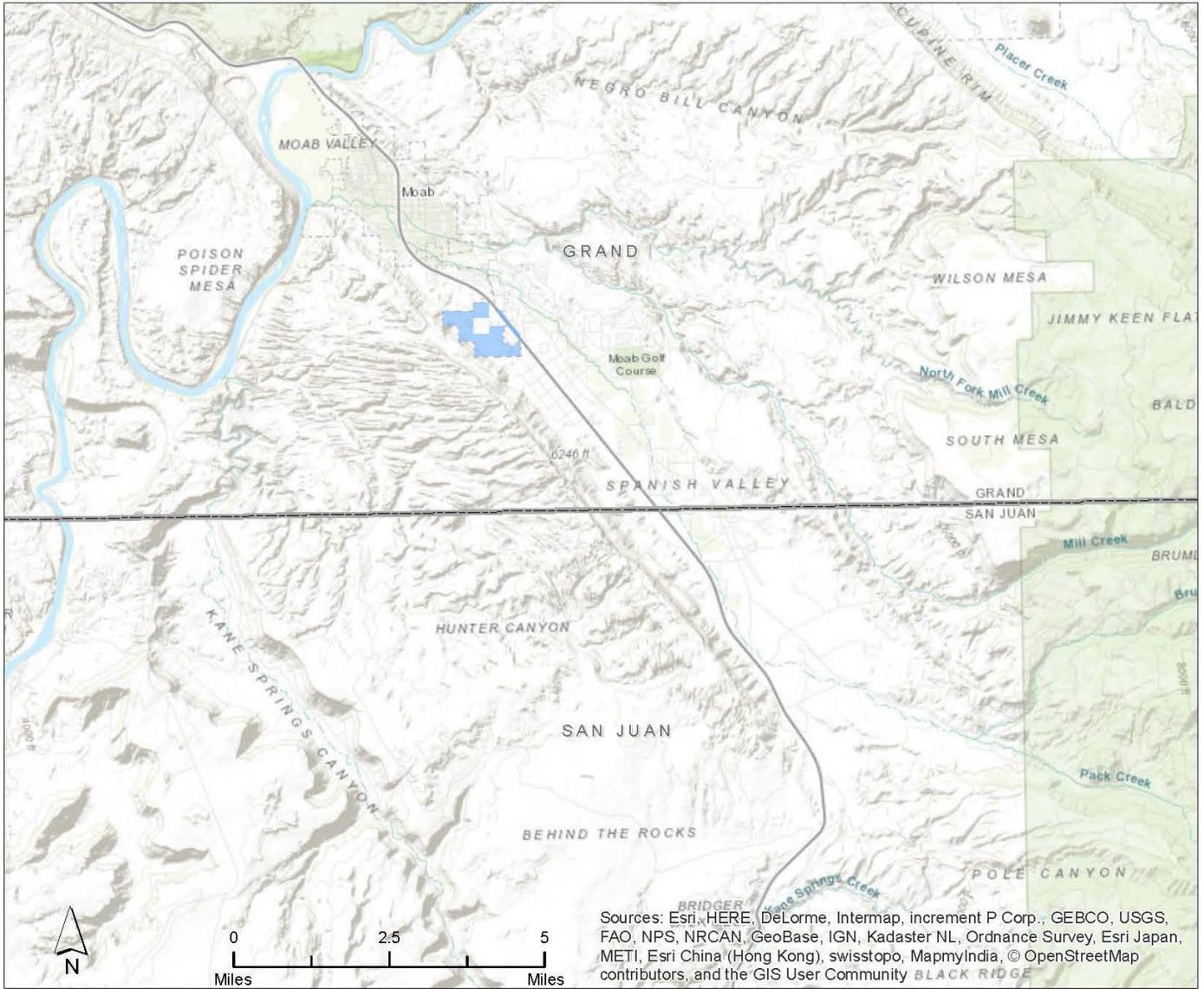
Any proposal may be withdrawn at any time prior to the scheduled submission closing time.

The Trust will not return any copies of submitted proposals and will retain each submission.

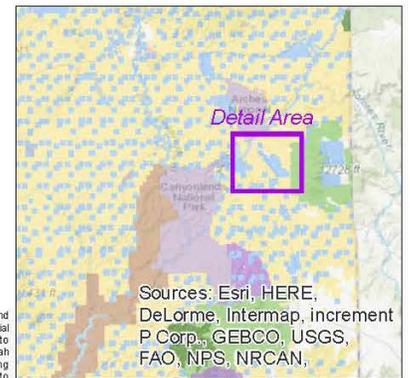
Financial information that is specifically labeled "*Confidential*" by the respondent will be held confidential by the Trust. All other portions of submitted proposals will be public after the Project developer is selected and contract documents are signed, pursuant to the Government Records Access and Management Act (Utah Code Title 63G subsection 2).

Proposals will not be publicly opened.

Figure 1: Location map for the Trust's USU-Moab Project.



 Project Area



Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. SITLA provides this data in good faith and shall in no event be liable for any incorrect results, or any special, indirect or consequential damages to any party, arising out of or in connection with the use or the inability to use the data hereon. Land parcels, lease boundaries and associated SITLA data layers may have been adjusted to allow for visual "best fit". The Surface Ownership Land Status data (if present) are maintained by SITLA to reflect current trust land status and surface ownership. Basemap image provided by Utah AGRC. Please Note: While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated SITLA ownership GIS data may require contacting the GIS staff directly 801-538-5100 or TLA-OIS@utah.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention. Produced: June 14, 2018 - sgould

Document Path: V:\GIS\Development\LMBS_DEV\Projects\EagleMtn\RFPRFP.mxd

Coordinate System: NAD 83 UTM Zone 12N

Figure 2: Location map showing the Trust's USU-Moab parcel (in blue) within Moab City limits

