



THE OHIO STATE UNIVERSITY

Administration & Planning
Planning & Real Estate

200 McCracken Power Plant
2003 Millikin Road
Columbus, OH 43210

ap.osu.edu
pare.osu.edu

REQUEST FOR PROPOSALS

**TO GROUND LEASE UNIVERSITY PROPERTY
IN ORDER TO CONSTRUCT AND OPERATE MULTI-FAMILY HOUSING**

ISSUE DATE: January 23, 2017

SUBMISSION DEADLINE: March 10, 2017

This RFP is available for download at <https://pare.osu.edu/opportunities>



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1.0 Introduction and Purpose

The Ohio State University is hereby soliciting proposals from developers to construct and operate apartment housing on undeveloped land owned by the University. This site would be ground leased on the terms set forth in this RFP, and the apartment units would be leased to interested renters.

The University's objective is to increase the number of quality housing options for students with families and/or graduate students near campus, while ensuring that access to such housing can be obtained in a safe, convenient location at an affordable price. Though there will be no restriction on who can lease units in the project, the university desires that the apartments be prioritized for 1) students with families and 2) graduate students. This will be a vibrant and globally diverse living community to include students and their families from all over the world.

2.0 Location and Description of Potential Site

The potential site is a +/- 10-acre area located at the Northeast corner of Kenny Road and Woody Hayes Drive. It is currently used for agricultural purposes. A drawing of the area is included on [Exhibit A](#) hereto.

3.0 Financing

When making its proposal, developer shall consider and provide terms under two possible financing scenarios.

In the first scenario, developer should assume that it will be responsible for securing its own taxable financing.

In the second scenario, developer should assume that financing for the project will be available through a third party-owned, limited liability company that is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (the "501(c)(3)"). Under this scenario, the developer should assume that the facilities are owned by the 501(c)(3), that the site would be ground leased to the 501(c)(3), and that the developer would construct and manage the facility under relevant contracts and service agreements. The developer can expect that the financing cost of capital would be consistent with tax-exempt transaction ratings for "Baa3" rated, tax-exempt student housing bond transactions based on a standalone project arrangement with no guarantee or financial support from the University. The developer can further expect that the transaction would be structured to provide proceeds equal to the cost of the project and to accommodate other customary features such as a debt service reserve fund and minimum net debt service coverage thresholds of 1.2x. For the purposes of its response, developer should assume that the facilities would be exempt from real property tax.

4.0 Ground Lease

4.1 Type and Term

Under each financing scenario, the conveyance of the site will be set forth in a State of Ohio ground lease drafted by The Ohio Department of Administrative Services in accordance with Ohio Revised Code Section 123.17. The ground lease will have an initial term of 30 years, with an option to renew the lease for a like term upon mutual agreement of the parties.



4.2 Rent

Under the first financing scenario described above, the site would be ground leased to the developer and the apartment units would be leased by the developer to interested renters. Under this scenario, developer shall propose a market ground lease rent to be paid to OSU.

Under the second financing scenario described above, developer shall make its development proposal based on a ground lease of the land to the 501(c)(3), which will in turn enter into development and operating contracts with developer.

4.3 Expenses and Real Property Taxes

Under financing scenario 1 or 2, developer will be responsible for payment of any and all project operating expenses. Under financing scenario 1, this will include, without limitation, any and all property taxes that accrue. Under financing scenario 2, developer should assume for the purposes of this RFP that the facilities will be exempt from real property taxation.

5.0 Development Concept and Design Principles

5.1 General Description

This project will consist of up to 450 residential units, with a desired mix of approximately 100 one-bedroom apartments and 350 two-bedroom apartments. In addition, typical multi-family housing amenities should be provided, including a community center and recreational green-spaces. Respondent shall take into account the needs of students with families and/or graduate students in their proposed design.

5.2 Parking

Developer shall construct surface parking that contains 1 stall for each residential unit on the site.

5.3 Prevailing Wage

In accordance with applicable law, each respondent to this RFP shall take into consideration and comply with the State of Ohio's prevailing wage rules and regulations.

6.0 Resident Lease Terms

6.1 Rent

As a part of their proposal, developer shall assume under each financing scenario that it will operate the development and will include a schedule of rents to be paid by residents; units should be designed to provide rental rates at least 25% below the market rate of units in apartment communities within 10 miles of campus. This schedule will be broken down by unit type and will include the maximum annual increase for such rents. The schedule should also include all associated fees that are the responsibility of the renter (i.e. application fee, occupancy fee, deposits, etc.). The university expects that future rate increases would mirror the university's housing rate increases.

6.2 Utilities and Utility Expenses

Developer shall assume that it will be responsible for bringing third party utilities to the site and that it shall not utilize OSU utility services. In order to facilitate comparison between proposals, the cost of heat, water, internet, and trash removal shall be included in the monthly rents proposed by developer, and shall be provided by the developer without additional charge. Cable or satellite TV, electricity, and phone service shall be the responsibility of each residential tenant and shall be paid directly to the service provider.



7.0 Submission Process and Requirements

7.1 Schedule and Deadlines

Question Period Deadline: February 10, 2017
Answer Period Deadline: February 24, 2017
RFP Response Deadline: March 10, 2017

7.2 Submission Instructions

Each respondent must submit the materials outlined below on or before the RFP Response Deadline set forth above. Each submission must include five printed copies of all materials placed in three-ring binders and one electronic copy of all materials on a USB flash drive. Each submission shall be delivered to:

Planning and Real Estate
2003 Millikin Road
Suite 200
Columbus, Ohio 43210

Late proposals will not be accepted.

7.3 Proposal Requirements

Respondent's proposal shall include each of the following:

- a. A summary page stating
 - Number of 1 bedroom units proposed
 - Number of 2 bedroom units proposed
 - Average square feet for each unit type
 - Total number of Units in each building
 - Quantity of Parking stalls proposed
 - Acres of usable greenspace
 - Proposed monthly rent for each unit type
 - Proposed cap on annual rent increases for tenants
 - A detailed description of proposed common area amenities and green spaces
- b. Conceptual site plans that take into account the requirements of Ohio Revised Code Section 123.17 and include general locations of roads, streets, sewers, water lines, waste disposal lines, any other utilities, and similar matters. The respondent is to assume that the University will not supply water, electricity, gas, or any other utility through connection to the University's utilities.
- c. Conceptual building elevations
- d. A proposed design and construction schedule
- e. Typical layouts for each unit type being proposed
- f. Typical finishes for each unit type being proposed
- g. Type of high speed internet planned
- h. Information on how the property will be managed, including
 - number of on-site staff specific to the property
 - method for handling tenant service calls
 - all other relevant property management related information
- i. A statement of qualifications that includes



- A general description of the lead developer and each firm that will be a key members of the developer’s team, including the lead architect, landscape architect, and each development consultant, if any
 - The number of years developer has been constructing apartment homes and examples of recently completed projects
 - The number of projects completed in partnership with major institutions such as universities, including specific examples of recent projects
 - The number and type of apartments owned by developer in Columbus
 - The number and type of apartments owned by developer outside of Columbus
 - Information regarding the financial capacity and responsibility of developer
 - Developer’s plans for protection of the property by insurance or otherwise
 - Developer’s plans for financing the development under scenario 1
 - A description of the developer’s management approach for the construction of the project
 - References
- j. Other information deemed relevant by the developer

7.4 Questions and Communications Regarding this RFP

Interested parties may submit questions concerning this RFP via email to repm@osu.edu

All inquiries must be received by the Question Period Deadline stated above. Notwithstanding the above, individual questions will not be answered directly to the submitter. The University will instead endeavor to answer all questions on or before the Answer Period Deadline by posting the question and an associated answer at <https://pare.osu.edu/opportunities>. The identity of the submitters will not be disclosed, except as may be required by law.

7.5 RFP Modifications

The University may modify this RFP by issuance of amendments sent in the same manner as the original RFP. Amendments will be clearly marked as such and only issued as stated above. Each amendment will be numbered consecutively and will become part of this RFP.

8.0 Selection Criteria

This solicitation, the evaluation of proposals, and any resulting agreements shall be made in conformance with applicable University policies and Ohio law. Any contract or contracts resulting from this RFP will be entered into with the respondent or respondents whose proposal, in the opinion of the University, best accomplishes the goals set forth in this RFP and offers the greatest benefit to the University when considering the total value to be delivered. Factors that will be used to evaluate proposals shall include, but may not be limited to:

1. Affordability of the monthly rent for tenants living in the apartment units
2. Quality/value of the proposed construction and design elements
3. Demonstrated understanding of the University’s objectives
4. Creativity in design solutions
5. Overall reasonableness and feasibility of the proposed development plan
6. The availability and design of the common area spaces for residents
7. Respondent’s qualifications, technical skill, and ability to deliver the proposed project
8. Background and experience of the development team in like ventures or similar projects
9. Timeframe in which respondent can reasonably complete the project



10. Respondent's financial capacity and stability

This RFP merely solicits information, and the University will have no obligation with respect to any proposal, including any duty to negotiate to reach an agreement. Further, the University may choose to enter into a ground lease or other agreement(s) for more or less than the desired number of units set forth in this Request. Without limiting the foregoing, the University reserves the right to reject any or all proposals received in response to this request, request clarification on any or all aspects of proposals, cancel this request at any time, retain all proposals submitted in response to this request, and invite some, all, or none of the respondents for further discussion.

9.0 List of Exhibits

Exhibit A – Potential Ground Lease Site (See Attached)



EXHIBIT A

POTENTIAL GROUND LEASE SITE

**Kenny Road
+/- 10 Acres**

