North Carolina Central University
Request for Qualifications #18-NCCU-01
Public-Private Partnership for On-Campus Student Housing

Addendum #1
Issued: Tuesday, February 20, 2018

Please direct all inquiries concerning this addendum to:

Jonathan Peeler
North Carolina Central University
jpeeler1@nccu.edu
919.530.7403

Wilson Jones
Rieth Jones Advisors
wilson@riethjones.com
336.407.1570
North Carolina Central University (“NCCU” or the “University”) appreciates potential respondents submitting questions regarding the Request for Qualifications #18-NCCU-01 (“RFQ”) issued Friday, February 2, 2018. All questions received regarding the P3 on-campus student housing project (the “Project”) are listed below with answers provided by the University and its advisors.

1. Does the 35-page limit include everything, including title page, table of contents, statement of interest, etc.? Does this include section dividers/tab pages?
   • Per Section 4.C of the RFQ, submissions should be no more than 35 pages in length. The title page and section dividers/tab pages are excluded from the limit, but the table of contents and statement of interest are included in the page limit.

2. Is the 35-page limit, single or double-sided? Meaning teams are limited to submitting 35 faces of content or 70 faces of content?
   • The submission is limited to 35 total pages/faces in length. The University has no preference on single or double-sided response formatting. The total number of pages submitted should not exceed 35 total pages, whether the submission is single-sided or double-sided.

3. Are appendices allowed?
   • No, appendices are not permitted for the purposes of this RFQ.

4. Given the page limit, should proposed team members be limited to developer, finance partner(s), architect and contractor?
   • Per Section 4.C of the RFQ, the University is requesting, but not requiring, that responding development teams identify their preferred architect, contractor, and financing partners to best serve the Project and NCCU. Respondents may list additional consultants and team members if they wish, but it is not required for the RFQ.

5. Based on context, “team members” seems to refer to firms and not individuals. Please confirm that this is correct.
   • Per Section 4.C of the RFQ, the University is requesting, but not requiring, that responding development teams identify their preferred architect, contractor, and financing partners to best serve the Project and NCCU. At a minimum, respondents should list the firms they have or intend to team with for the submission. Please use your discretion on how to list personnel, so long as the 35-total page limit is not exceeded.

6. RE: Requirement #3 – Does “staff by discipline” refer to the entire firm or specifically to the personnel working on this project?
   • Requirement #3 (Section 4.C) refers to the entire firm.

7. RE: Requirement #5 - Do all team members, including A/E firms, need to provide two financial institution references?
   • No, higher education and financial institution references should be for the developer only. References for other team members are not required at this time.

8. Do all relevant projects have to be delivered via a P3 structure?
   • No, not all relevant projects have to be delivered via a P3 structure; however, respondents are strongly encouraged to focus on P3 transactions given the nature of this project and partnership with NCCU.

9. Can we provide more than 5 relevant projects?
   • No, please limit relevant experience to five (5) projects for Tab 2 of your submission, per Section 4.C of the RFQ. Additional projects may be listed and/or referenced in your
submission, but the University wishes to compare only five (5) projects for the Relevant Experience section of all submissions.

10. What is the breakdown of enrollment by class standing (please separate first-time freshman students)?
   • Please see the chart below breaking down enrollment by class standing over the past three academic years:

<table>
<thead>
<tr>
<th>Class Type</th>
<th>Fall 2014</th>
<th>Fall 2015</th>
<th>Fall 2016</th>
<th>Fall 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-time Freshman</td>
<td>925</td>
<td>1,108</td>
<td>1,156</td>
<td>1,275</td>
</tr>
<tr>
<td>Other Freshman</td>
<td>474</td>
<td>529</td>
<td>541</td>
<td>564</td>
</tr>
<tr>
<td>Freshman</td>
<td>1,399</td>
<td>1,637</td>
<td>1,697</td>
<td>1,839</td>
</tr>
<tr>
<td>Sophomores</td>
<td>1,252</td>
<td>1,243</td>
<td>1,330</td>
<td>1,308</td>
</tr>
<tr>
<td>Juniors</td>
<td>1,393</td>
<td>1,317</td>
<td>1,291</td>
<td>1,390</td>
</tr>
<tr>
<td>Seniors</td>
<td>1,510</td>
<td>1,600</td>
<td>1,490</td>
<td>1,251</td>
</tr>
<tr>
<td>Other Undergraduates</td>
<td>363</td>
<td>371</td>
<td>477</td>
<td>567</td>
</tr>
<tr>
<td>Total Undergraduates</td>
<td>5,917</td>
<td>6,168</td>
<td>6,285</td>
<td>6,355</td>
</tr>
</tbody>
</table>

11. How many new beds of on-campus housing demand are supported by projected enrollment increases / trends?
   • Per Section 2.C of the RFQ, NCCU’s Office of Enrollment Management is targeting a 1.65% annual average increase for full-time undergraduate and graduate student over the next three years based on the University’s latest ten-year projections. The estimated annual growth rate in years four through ten decreases to 1.25% per year, consistent with Central’s average growth from 2004 – 2015. While this projected growth is measurable and important to the University’s continued success, enrollment growth is not a critical driver of, or required to achieve, the identified demand for additional on-campus housing.

12. How many first-time freshmen, continuing freshmen, and sophomores currently live on campus?
   • Approximately 1,303 freshmen (1,097 first-time and 206 continuing) and 945 sophomores lived in on-campus housing for the fall 2017 semester. Spring semester occupancy data will be provided as part of the RFP.

13. If the two-year live-on requirement were enforced in the current (2017-18) academic year, how many non-first-time freshmen would be required to live on-campus?
   • The University estimates that as many as 300 additional sophomore students would have been required to live on campus for the 2017-18 academic year if the policy would have been enforced.

14. How many new beds of on-campus housing demand are supported solely by the proposed sophomore live-on requirement?
   • Approximately 40% of the 823 net new beds in the development program will be supported by the sophomore live-on requirement. The remaining 60% of the program is to accommodate first-time freshmen growth, continuing freshmen, juniors, seniors, and graduate students. Please see slide #4 in Exhibit A for projected capture rate by class.

15. For the 1,283 new beds, does the university expect to manage the items they have identified as Operations: residence life, marketing, licensing and have the 3rd Party Manager deliver Maintenance: custodial, repairs and asset management?
• The University is finalizing individual roles and responsibilities for the operations of the Project. The RFP will include a detailed list of all operations and maintenance requirements broken out by responsible party (University / Developer / Shared).

16. The RFQ states a shared governance approach between NCCU and the project owner. It further states the RFP will provide greater detail defining the concept of shared governance. However, are there any initial thoughts as to roles and responsibilities at this time within the shared governance concept that can be shared with all?
• No additional information is available at this time for purposes of this RFQ. The University is finalizing individual roles and responsibilities for the operations of the Project. The RFP will include a detailed list of all operations and maintenance requirements broken out by responsible party (University / Developer / Shared).

17. For the University provided operational functions, will the costs associated with those services be borne by the project or remain a responsibility of the University?
• The associated costs will be an operating expense of the Project. The RFP will include cost information for services provided to the Project by the University.

18. Does the State of North Carolina offset any of the residential living expenses for NCCU students? If so, what are the details? And, if so, would the selected developer receive any of this state-funding? If yes, what would be the expectations?
• No, the State of North Carolina does not directly offset residential living expenses for NCCU students.

19. Is the occupancy level an average year-round – covering the two (Fall / Spring) 15-week semesters, two summer sessions and six- to eight-week periods per year when school is not in session due to holidays, breaks, et al?
• On-campus occupancy refers to the average percentage of total system beds filled during the fall and spring semesters. Summer occupancy and other non-primary revenue sources are not included in this average. Additional details regarding non-academic year revenue streams that may be part of this Project will be included in the RFP.

20. Does NCCU have any applicable standards as to what constitutes ‘community’ beds (i.e., beds per bathroom, per kitchen space, etc.)?
• Yes, the University has standards and they will be specified as part of the RFP.

21. Assuming they have been set for next year, what are the Academic Year 2018-19 rental rates? Can NCCU share rental rate escalations for the last 5-10 years?
• Rental rates for on-campus housing have been set for the 2018-19 academic year. The University has planned a 3.0% increase for all rates compared to the 2017-18 academic year. Future rates and historical escalations will be provided as part of the RFP.

22. Both potential development sites include demolition of existing structures as outlined in the RFQ (though the Chidley site appears to have less potential abatement/demolition compared to the Baynes site). Is NCCU preparing to undertake asbestos/environmental/existing conditions assessments of these existing structures prior to issuing the RFP to shortlisted developers? This information will be most helpful in evaluating the demolition costs and schedules.
• The University will provide additional information regarding the demolition and abatement of the Chidley Main, Baynes, and George Street buildings are part of the RFP.

23. Do you know if this project will include a dining facility as a part of the scope?
• Per Section 3.B.ii of the RFQ, non-housing components of the Project, including foodservice, will be described in detail as part of the RFP. The University anticipates
retail-based dining and possibly a convenience store as part of the Project, but not a full-service, all-you-care-to-eat option.

24. Who currently operates the dining service on campus?
   - Sodexo operates on-campus dining at NCCU.

25. Is NCCU seeking Millennial Campus designation for this project? If so, when do you expect to have a Millennial Campus designation for the subject sites?
   - Per Section 3.E of the RFQ, NCCU is currently pursuing Millennial Campus designation for specific areas of campus that may include the preferred development sites. The University’s plan is to make their formal request to the UNC System office this summer. Additional details on specific parcels and their impact on the Project will be included in the RFP.

26. When do you foresee the completion of the University’s Strategic Plan and Campus Master Plan?
   - The University’s Strategic Plan and Campus Master Plan are currently underway and are scheduled for completion this calendar year. Updates on both initiatives will be provided as part of the RFP.

27. What role will the State Construction Office have in this project? Will SCO be the reviewing and approval agency?
   - Details on the role that the State Construction Office will play as part of this Project will be included in the RFP.

28. Will local approvals be required for zoning and/or plan reviews by the City of Durham Planning Dept., DOT, storm water, etc.?
   - Details regarding planning and zoning approvals will be included in the RFP.

29. Are there height restrictions that will be imposed for the new housing construction?
   - Design guidelines, included height restrictions for the new residence halls, will be included in the RFP.

Additional Information & Clarifications

As part of this addendum, the University would like to provide the following additional information, clarification, and reminders to all potential respondents:

- North Carolina Central University wants to reiterate as part of this procurement process that the institution is committed to making opportunities available to all contractors, in efforts to provide access to University capital projects. The campus is in full compliance with North Carolina General Statute §143-128.2, to have a verifiable ten percent (10%) minority goal participation. NCCU continues to surpass the state’s ten percent goal on most campus projects. The University encourages diversity on all responding teams. This is evident on all of the University’s capital projects to date. NCCU currently has two new capital projects that have joint ventures that are 49% and 25% minority participation, before bidding any packages. Please take this into consideration when forming your development team for the purposes of this submission.

- As a reminder, Developers and their potential team members are not permitted to contact, directly or otherwise, University stakeholders, legal representatives, trustees, advisors, or other related parties associated with NC Central and this opportunity.
Jonathan Peeler (NCCU) and Wilson Jones (RJA) shall be the exclusive points of contact for interested parties.

- All RFQ responses must be delivered by 5:00 PM EST on Friday, March 2, 2018. **Late responses will not be accepted.** One (1) searchable PDF copy not exceeding 10MBs should be simultaneously submitted electronically to both Jonathan Peeler (jpeeler1@nccu.edu) and Wilson Jones (wilson@riethjones.com). Seven (7) hard copies must be delivered to Mr. Peeler at the address listed in Section 4.D of the RFQ.