



Senior Learning Community

Questions and Answers – Final – November 25, 2013

RFP #SU-070213-1 Development Consulting Services

RFP #SU-070213-2 Operations Management

RFP #SU-070213-3 Investment Banking Services

Proposal Due Date/Time: December 17, 2013/2:00 pm

1. *Question:*

PCAC Liquidity Support – Please provide further information regarding PCAC’s proposed “liquidity support” for the project financing, including: a) the source of this financing (funds currently available or to be made available), b) confirmation of the \$5 million amount, prospects for increasing this amount and what, if any, other sources of financing credit support may be made available by PCAC, Purchase College or the State of NY and c) PCAC’s ability to commit its liquidity support financing at the “Seed” and/or “BAN” stages of financing in addition to Permanent Financing.

- a. RFP Page 19 of 41, Section 6.2.3 and Section 6.2.4
- b. RFP Page 20 of 41, Section 6.2.6

Answer:

- a) **The source of the funds will be Purchase College affiliated entities.**
- b) **PCAC is highly confident of its ability to provide adequate funds and/or financing credit support.**
- c) **The necessity for, and terms and conditions of, any credit support will be determined in consultation with the successful respondents to these RFPs.**

2. *Question:*

PCAC indicates that a certain LTV ratio will be required for permanent financing. Please indicate why PCAC believes this will be a requirement for an all fixed rate tax-exempt financing.

- a. RFP Page 19 of 41, Section 6.2.5

Answer:

PCAC has since determined that LTV ratio may not be a requirement of fixed rate tax exempt bond financing.

3. *Question:*

State of New York Enabling Legislation – Please identify any requirements contained in the authorizing legislation for which PCAC expects compliance to be challenging.

a. RFP Page 36 of 41, Attachment 2

Answer:

PCAC expects the project to comply with all of the requirements of the Enabling Legislation. If compliance with any of the elements of the legislation is determined to be impracticable, PCAC might seek to amend the legislation.

4. *Question:*

Does the college track and/or have access to the people that audit its classes? How many are there? Where do they come from?

Answer:

The college does keep records of class auditing. The number of seniors auditing courses or taking courses as non-matriculated students averages between 150 and 200 per term. The overwhelming majority of these seniors reside in Westchester County and within the expected primary market area for the project.

5. *Question:*

Is there currently any organization or organization in development that might formalize “lifelong learning” at the college?

Answer:

The School of Liberal Studies and Continuing Education (LSCE) serves the non-matriculated students. While many of the college’s organizations will be involved in the promotion of “lifelong learning”, the LSCE will most probably lead this effort.

Purchase College may also seek affiliation with an independent institution for the promotion of lifelong learning.

6. *Question:*

Does the college have access to a list of Museum “members” and/or Performing Arts Center subscription holders (if such exist). Can this list be provided?

Answer:

Both the Neuberger Museum and the Performing Arts Center keep records of their memberships and subscription holders. These lists could be made available to the successful respondents for use in marketing the project.

7. *Question:*

Please make available a copy of the Brecht marketing report.

Answer:

The preliminary market study has been prepared by Brecht Associates for PCAC’s use. It will be made available to the successful respondents for use related to this project after execution of an appropriate confidentiality agreement.

8. *Question:*

Is there a campus master plan or similar document available?

Answer:

There are various studies which can be made available to the successful respondents.

9. *Question:*

It is understood that construction will require prevailing wage, MBE/WBE participation, etc...It is anticipated that construction will be performed by union contractors on a senior learning community project. Questions related to this are as follows:

- a. Is the college utilizing union labor to construct any projects on its campus currently?
- b. Is the college using union contractors exclusively?

Answer:

- a. Yes.
- b. No. The college is required to ensure that all workers are paid prevailing wage on all construction contracts.

10. *Question:*

Is the college required by its own policy or applicable regulation to use union labor for construction?

Answer:

Purchase College is required to ensure that all contractors pay prevailing wage for construction labor. Purchase College is required to comply with all state laws and regulations related to the construction of state facilities, as well as any regulations and policies imposed by SUNY.

PCAC will be required to comply with the specific provisions in the Enabling Legislation.

11. *Question:*

Please describe the lease relationship between PCAC, the college and the Operator after the initial 40-year land lease period. Are automatic extensions possible?

Answer:

PCAC will lease the property from SUNY for a period of 40 years. The Operator will not be a party to the lease. The Operator will have a contract with PCAC consistent with the requirements of the RFP. The Enabling Legislation states that the “initial term” of the lease shall be 40 years but does not prohibit extensions. If term of the contract extends beyond the initial term of the lease, and the lease is not extended, then the rights and obligations of PCAC under the contract with the Operator would be assigned to SUNY, which would have sole possession of the land and would continue the operation of the SLC.

12. *Question:*

Have any cost estimates been prepared related to the four options for closure of the C&D landfill outlined on page 2 of the Preliminary Geotechnical Report? What is SUNY's preferred alternative for closure of the landfill?

Answer:

Detailed cost estimates have not been prepared for the closure options.

Further study of the alternatives will be required once the project team has been fully assembled.

13. *Question:*

Based on the documents of incorporation of PCAC, could the community become an affiliate of a larger system or multi-site organization; inclusive of entering into agreements that would give the larger system some rights of approval for limited aspects of the entity's governance practices?

Answer:

The community could become an affiliate of a larger system or organization. The project could be "badged" with the college and the developer and/or Operator.

The "granting of some rights of approval for limited aspects of the entity's governance practices" would require further discussion, but may be possible if agreed by the Board of Directors of PCAC.

14. *Question:*

Does the college employ any operational staff that are affiliated with labor unions? Is the utilization of union labor for operations a requirement of school policy, applicable regulation or both?

Answer:

There are three principal unions representing Purchase College, SUNY employees – the maintenance, janitorial, grounds and secretarial staffs are represented by the Civil Service Employees Association; faculty and staff personnel are represented by United University Professions; and the University Police are represented by the New York State Police Officers Benevolent Association. A small number of "Management Confidential" employees are not members of a collective bargaining unit.

The utilization of union labor for operations is not a requirement of school policy, applicable regulation or both. There are collective bargaining agreements in place relative to those certain functions at the college.

There are no labor requirements of the PCAC other than those stated in the Enabling Legislation.

PCAC intends to consult with outside legal counsel to obtain clarification of some of the elements of the legislation as it relates to labor issues prior to finalization of any agreements pursuant these RFPs.

15. *Question:*

Section 8 of the Act indicates that the developer must enter in to “agreements” with labor organizations representing or attempting to represent service employees. Does the college or PCAC intend that these “agreements” will bind the operations of PCAC (or its designee) to union contracts or can the “agreements” only require that PCAC (or its designee) make existing and potential employees aware of PCAC’s (or its designee’s) labor practice?

Answer:

PCAC intends to consult with outside legal counsel to obtain clarification of some of the elements of the legislation as it relates to labor issues prior to finalization of any agreements pursuant these RFPs.

16. *Question:*

The Statute authorizing the Senior Learning Community specifies that the construction project either have a project labor agreement (PLA) in place, or in a case where the PCAC does not require a PLA, that the construction process adhere to Section 135 of the State Finance Law, Article 8 of the Labor Law, and Article 15-A of the Executive Law. A review of that language and the language contained in Section 4 of the Statute indicates that the construction of the Senior Learning Community will be considered a State of NY construction project. Will the construction process be required to utilize State of NY procurement procedures for the identification and participation of contractors and subcontractors?

Answer:

While the project is not bound by the full panoply of requirements mandated by the state procurement process, significant elements of that process have been incorporated in the legislation, including the requirement that the contracts be competitively bid and approved by various state regulatory agencies.

PCAC intends to consult with outside legal counsel to obtain clarification of some of the elements of the legislation as it relates to labor issues prior to finalization of any agreements pursuant these RFPs.

17. *Question:*

If the above (*Editor's note: Question #16*) is confirmed, please explain how under Section 6.26, that the construction management firm will be contracted directly with PCAC.

Answer:

Section 11 of the Enabling Legislation gives PCAC the right to contract for the construction of the SLC.

18. *Question:*

Please describe the roles PCAC or the State of New York will play in conducting the procurement process during construction?

Answer:

All procurement will be by PCAC. The State of New York will have no role except to review and approve contracts for compliance, as may be required by applicable law.

19. *Question:*

What will be the procurement requirements or process to select other major team members such as contractor, architect, engineer, interior design, etc.? What factors determine how a firm is qualified to bid and then be selected?

Answer:

Procurement for the design professionals will be competitive and either conducted by RFP in a similar manner to these RFPs or using an RFQ (Request for Qualifications) process. The most qualified firms, based on experience of the firm and its staff members with similar projects, completeness of the proposals, price, and MBE/WBE/MWBE status, will be selected. Construction contractors will be selected based on lowest price among the qualified respondents.

20. *Question:*

Prior to selection of the final development consultant, investment banker, and manager, will each of these parties be able to understand the proposal basics the others have submitted to assure alignment?

Answer:

After selection of the successful respondents, PCAC will work with each firm to ensure alignment of project responsibilities.

21. *Question:*

Prior to selection of the final development consultant, investment banker, and manager, will each of these parties be able to understand the proposal basics the others have submitted to assure alignment? (*Editor's note: repeats question #20*) How will PCAC determine if the proposed SLC project is feasible or viable and will meet its goals? What criteria will be utilized and how may it be measured?

Answer:

PCAC commissioned a senior living financial consultant to perform certain preliminary financial analyses for the project and, as a result of the review of those studies, believes the project to be financially feasible. Once the team contemplated by these RFPs has been assembled, more thorough financial models will need to be developed.

22. *Question:*

Will residents be offered to participate or subscribe to SUNY activities on a price discounted or preferred basis?

Answer:

The residents will be encouraged to participate in the various activities of the college. It is premature to determine whether it will involve price discounts or other preferential incentives.

23. *Question:*

When in the development or operating timeline of the SLC project would SUNY expect any net proceeds from the SLC project flow to SUNY to meet the goal of funding scholarships and new staff? How would these flows be affected by any lender conditions or limitations?

Answer:

Once the team contemplated by these RFPs has been assembled, financial models will be developed. PCAC understands that the models need to accommodate the financial stability of the SLC project.

The project will need to comply with all agreed upon lender conditions and limitations.

24. *Question:*

What would be the expectations, guidelines, or limitations of how SUNY's "ownership" may be used in the marketing of the SLC project to seniors?

Answer:

The use of the Purchase College name and the marketing of the project as being located on the campus and affiliated with the college will be both permitted and encouraged.

25. *Question:*

Is it expected that the SLC project's common areas be oversized to accommodate potential use of faculty and staff of the College?

Answer:

The common areas for the SLC will be sized primarily for the use of the residents. Additionally, if deemed desirable, there may be opportunities for a limited amount of vendor operated facilities such as a convenience grocery store, beauty spa, or even a restaurant venue that could be utilized by faculty, students and staff in addition to the residents.

26. *Question:*

How will PCAC make business decisions regarding the SLC project – how and with whom would the development consultant or manager interact with PCAC to obtain input and decisions, beyond design review, such as budgets, programs, minor contracts, etc.

Answer:

PCAC has designated a project manager for the project who will interface with the Board of PCAC and Purchase College as appropriate, and will have certain authority

regarding decisions affecting the project. Major decisions, such as adoption of annual budgets and the like, will be made by the Board of Directors of PCAC.

27. Question:

Prior to the finalization and funding of seed money or BANs, how will preliminary SLC project costs be funded? Will PCAC or SUNY advance money and be reimbursed such funds?

Answer:

PCAC expects to advance funds as necessary during the initial stage of the project. The amounts, terms, and conditions of this funding will be determined in consultation with the selected development team.

28. Question:

Will PCAC confirm the Liquidity Support Fund and structure prior to the investment banker funding of seed capital or BANs?

Answer:

The form and amount of liquidity/credit support will be determined in consultation with the Investment Banker prior to any financing.

29. Question:

Is there a proposed form of Ground Lease that may be reviewed?

Answer:

The ground lease has not been drafted. It will be consistent with the Enabling Legislation, and will likely give PCAC the right to make all decisions regarding the land and project, except to the extent that any decision could potentially impair the public educational purposes of Purchase College.

30. Question:

With respect to the Development Consultant and assuming successful performance, will it also have the contract to develop subsequent phases or will it be considered in a new RFP in the future?

Answer:

It is our intent to negotiate contract terms that will allow for the extension of contracts provided that certain performance criteria have been met.

Addendum #2 for each of the RFPs will contain the following language:

Revised Section 6.1.4:

PCAC recognizes that the project will most likely be developed in multiple phases. Respondents should assume the first phase of the project to be approximately 200 units. Contracts with the Development Consultant, Investment Banker, and Operator will each be for a specified initial term, and performing contracts (i.e., contracts not in default) will potentially be extendable for one or more additional periods as necessary to accommodate subsequent phases, and the continuing operation of the project. Responses should reflect phasing of the project, and the conditions under which respondent would anticipate a contract to be extended.

31. *Question:*

The legislation references the need for payment of prevailing wages on the SLC but is ambiguous as to whether this requirement only applies to the construction or also the operation of the SLC. Can you clarify the interpretation of the prevailing wage requirement and whether payment of prevailing wages is required both during construction and operation of the community?

Answer:

PCAC intends to consult with outside legal counsel to obtain clarification of some of the elements of the legislation as it relates to labor issues prior to finalization of any agreements pursuant these RFPs.

32. *Question:*

RFP Page 11, Section 1.8. The RFP states that a “preliminary market study” has been completed.

QUESTION: Will the PCAC make the “preliminary market study” publicly available to applicants for use in developing their proposals?

Answer:

Refer to answer to Question #7.

33. *Question:*

RFP Page 13, 3.1.1. The RFP states that project should be developed and operated in a manner “consistent with cutting edge examples of other `college related retirement communities’ in which the senior living component has been successfully integrated into the life and culture of the college campus.” At the Pre-Bid Meeting, one such example was cited – Lasell Village (<http://www.lasellvillage.org/>).

QUESTION: What, if any, other examples do the College and PCAC have in mind as a guidepost for applicants to follow?

Answer:

We are aware of numerous other successful college related retirement communities throughout the country. We encourage further study of some of these examples to help inform and guide the programming, design and development of this facility.

34. *Question:*

RFP Page 15, Section 4.2. The RFP states that the project consists of up to 385 units of “senior housing, with related services and amenities. *** Consideration should be given to the inclusion of some units offering higher levels of healthcare (assisted living and/or skilled nursing) ...”

QUESTION: In light of the stated desire in the RFP to have a “vibrant, active senior population” – who will have less healthcare needs – could such healthcare be made available to such seniors through an on-site home care agency independent from the Operator and the PCAC? Or do all “related services and amenities” have to be provided through the Operator and PCAC, and by their employees?

Answer:

It is not required that all “related services and amenities” be provided directly through the Operator and PCAC. All level of care and operational options should be considered by responders. The final program will determined by the selected development team.

35. *Question:*

RFP Page 16, Section 4.2.4. The RFP states that awardees will be expected to help develop a “comprehensive program for the physical and operational integration of the SLC with the college. This will include provisions for improvement of pedestrian access to the facilities of the college and for the development and execution of programmatic elements that will create incentives for the senior population to avail themselves of the educational and cultural activities of the college.”

QUESTION: Aside from the Neuberger Museum and the Performing Arts Center, are there any other specific programs at the College that PCAC believes should be incorporated into the programmatic elements of the proposal? In addition, are there any possibilities for a physical building connection to better reinforce the senior population interaction with the College programs.

Answer:

PCAC envisions that classes, lectures and performances will be held at the SLC. Also, expansion of the existing audit program, subject to space available, will be pursued. Tutoring, mentoring and guest lecturing by the senior population will also be encouraged. Development of programs that promote these activities should be considered.

A physical building connection to the existing campus buildings is not feasible.

36. *Question:*

RFP Page 17, Section 5.1. The RFP states that the “design criteria” will be jointly developed, negotiated and agreed upon by the awardees, the PCAC and the College.

QUESTION: Will LEED certification be required?

Answer:

LEED certification is not required by the Enabling Legislation. It is not known whether there are any other state statutes that will require certification due to the project being constructed on land leased from a State entity. Alternately, PCAC may decide to voluntarily seek certification if practicable. The determination will be made at a later date.

37. *Question:*

RFP Page 19, Section 6.1.1. The RFP states that the “PCAC will be the ‘owner’ and ‘sponsor’ of the SLC.”

QUESTION: Will the PCAC also be the license-holder of any adult care facility, assisted living residence or nursing home licenses that are obtained for the project?

Answer:

Alternatives for any required licensure will be examined by the selected development team.

38. *Question:*

RFP Page 19, Section 6.1.3. The RFP states that the revenue for the project will consist of “fees for rent and services, and may also include the non-refundable portion of entrance fees.”

QUESTION: Is there a specific preference toward rental or buy-in for this project, in light of financing constraints?

Answer:

No, although it is noted that the Enabling Legislation indicates that the required affordable units are to be rental units.

39. *Question:*

RFP Page 19, Section 6.2. The RFP states that the PCAC intends to retain an “Operator.” Under the Social Services Law and Public Health Law, the: (1) license-holder of an adult care facility or assisted living residence is referred to as the “operator”; and (2) the day-to-day manager is referred to as the “manager.”

QUESTION: If the PCAC will be the license-holder of any such license, can the RFP be clarified to use – or can a proposal at least reference – the term “Manager” for the day-to-day manager to be consistent with the Social Services Law and Public Health Law?

Answer:

Please feel free to provide any clarifications necessary within the proposal.

40. *Question:*

RFP Page 19, Section 6.2.1. The RFP states that “all other personnel will be employees of PCAC and managed by the Operator.”

QUESTION: Is this provision required by the authorizing legislation? If not, would the College and PCAC entertain a proposal in which some other employees – aside from just the “full time management team” – are employed directly by the Operator/Manager?

Answer:

The Enabling Legislation does not require personnel to be employed by PCAC. PCAC will entertain proposals in which some or all employees are employed directly by the Operator/Manager.

41. *Question:*

RFP Page 20, Section 6.3.3. The RFP states that the Development Consultant will be responsible for the sales and marketing of the project from initial project announcement, through preconstruction and until stabilization of the first phase of the project.

QUESTION: Why would the developer be responsible for initial marketing/lease-up (as opposed to the Operator/Manager)?

Answer:

The Development Consultant will have primary responsibility for the management of the project design, including unit mix and design, amenities design and initial pricing, all in consultation with the other development team members. Accordingly, we believe that the Development Consultant should then also be responsible for the initial marketing until stabilization.

42. *Question:*

RFP Page 23, Section 7.2.5. The RFP states that March 2024 is the “end of the initial management contract.”

QUESTION: How will the contract for the Operator/Manager be renewed or rebid in subsequent phases past the initial term?

Answer:

It is our intent to negotiate contract terms that will allow for the extension of contracts provided that certain performance criteria have been met.

Addendum #2 for each of the RFPs will contain the following language:

Revised Section 6.1.4:

PCAC recognizes that the project will most likely be developed in multiple phases. Respondents should assume the first phase of the project to be approximately 200 units. Contracts with the Development Consultant, Investment Banker, and Operator will each be for a specified initial term, and performing contracts (i.e., contracts not in default) will potentially be extendable for one or more additional periods as necessary to accommodate subsequent phases, and the continuing operation of the project. Responses should reflect phasing of the project, and the conditions under which respondent would anticipate a contract to be extended.

43. *Question:*

RFP Page 40, Attachment 6, Preliminary Geotechnical & Environmental Engineering Report (by SESI Consulting Engineers). This report identifies a number of options for landfill closure, including completely removing the landfill to allow for unrestricted use of the site. At the Pre- Bid meeting, however, it was stated that the plan would be to cap the landfill.

QUESTION: Has a final decision been made to cap the landfill or are all options – and future uses – still under consideration?

Answer:

Final decisions have not been made. Proposers wishing to express opinions as to the options should do so.

44. *Question:*

RFP Page 41, Attachment 7, Conceptual Plans. The Conceptual Plans indicate underground parking on the north portion of the site and surface parking on the south.

QUESTION: Are there reasons dictated by the underground conditions that make this necessary?

Answer:

The Conceptual Plans indicate parking under each of the multi-unit “mid-rise” buildings, both on the northern and southern portions of the site.

There are no known significant adverse site conditions that dictate the design shown in the Conceptual Plans.

45. *Question:*

Is PCAC, or another related entity, able and willing to provide an equity contribution (or subordinated loan or guaranty) at the “initial at-risk funding” stage of development should the requested seed capital options be unattractive or unavailable?

Answer:

Yes. Refer to answers to Questions #1, #27 and #28.

46. *Question:*

If the answer is “maybe” or “yes” (*Editor’s note: to the answer of question #45*), what is a range of potential funds/support available?

Answer:

Refer to answers to Questions #1, #27 and #28.

47. *Question:*

What other sources (if any) of credit support (equity, loans, guaranty) are available for any of the financing stages beyond the referenced \$5 million liquidity support fund being contemplated?

Answer:

Refer to answers to Questions #1, #27 and #28.

48. *Question:*

Are all non-management employees of the Senior Learning Center going to be employed by PCAC? If not, then who may employ them?

Answer:

Refer to the answer to Question # 40.

49. *Question:*

Is it a forgone conclusion that the non-management SLC employees will become members of the union that represents comparable employees of Purchase College or PCAC? If yes, what union will represent these employees? Can you provide a copy or summary of the key provisions of the current agreement with the union? Can you provide a sample agreement between the College and an outside management company (food service for example)? Will the employees be subject to the Taylor law?

Answer:

It is not a foregone conclusion that employees will become members of the comparable Purchase College unions.

All current Purchase College union and outside management agreements will be made available to the successful responders.

PCAC intends to consult with outside legal counsel to obtain clarification of some of the elements of the legislation as it relates to labor issues prior to finalization of any agreements pursuant these RFPs.

50. *Question:*

How widely known is it that there is an unlicensed landfill (ULF) on the campus? Does the Purchase community and neighbors know? Do the students, staff, and faculty know? What thoughts does the College have about mitigating the potential risks associated with the ULF? In particular, please respond in regards to the marketing risks (“you expect me to live next to a landfill!”), the potential for downstream lawsuits, indemnification of the parties involved in the SLC, and public relations issues arising from the broader Purchase community.

Answer:

The existence of the unlicensed construction and demolition landfill has been broadly known for more than ten years within the college and within the greater community, including by the questioner. With appropriate design and engineering, the potential risks will be mitigated in accordance with applicable law. Furthermore, and as was described at the pre-bid meeting, the area can be a significant amenity, if, for example, it is converted into a lovely central green area that can be enjoyed by the community. There are no anticipated “public relations” issues. In more than ten years there have

been no issues raised with respect to potential liability. We firmly believe the right team can appropriately address this relatively minor issue.

51. *Question:*

Can you provide a copy of the NYSDEC approved Landfill Closure Plan, the Post Closure Monitoring and Maintenance Manual, and any other NYSDEC approved plans or specifications referred to on page 10 of Appendix 6.

Answer:

A new or amended Landfill Closure Plan will need to be prepared to reflect the project.

52. *Question:*

How is “Welfare” of the residents to be assessed and how is it defined? Why, in addition to resident satisfaction, is resident health is listed as an area to be assessed? How might such an assessment be completed?

Answer:

The specific performance and assessment criteria will be negotiated as part of the contract with the Operator.

******* End of Questions *******