Questions regarding the RFQ for a Medical Office Building (MOB)  
On the Western Carolina University Millennial Campus

Ground Sub Lease

1. Does the Board of Trustees of the Endowment Fund of Western Carolina University ("Endowment Fund") expect to receive the extension of the ground lease from sixty-five (65) to ninety-nine (99) years prior to execution of this development contract?

   Yes.

2. What are the proposed terms, duration and language of the sub-ground lease with the third party developer? If the Endowment is successful at amending the ground lease to 99 years, will they then sign a 99 sub-ground lease with the MOB developer?

   The Endowment Fund would entertain a sub-ground lease term of any number of years – short of 99, depending on the proposed transaction and subject to the approval of the UNC President/Board of Governors.

3. At what rate will The Endowment Fund sub-ground lease the site back to the selected Developer?

   Additional details of the lease terms will be a component of the next round of selection with shortlisted developers.

4. Is it anticipated that the ground lease expense would be a pass-thru operating expense to the tenant(s)?

   Developer decision.

5. What types of restrictive covenants are anticipated in the ground lease?

   Only guidance available at this time can be found by referencing Section IV (Project Design Concepts and Criteria) of the RFQ. Additional details of the lease terms will be a component of the next round of selection with shortlisted developers.
6. Is there a forecasted, projected, or historical baseline available for ground lease values associated with this or similar facilities on the University's campuses? If so, will those values be made available for review prior to the formal proposal submission date?

Additional details of the lease terms will be a component of the next round of selection with shortlisted developers.

7. What are the specific limits of the ground lease associated with this proposed facility, i.e., building footprint only, building plus added parking, or?

Baseline expectation is building footprint plus added parking. WCU to be open to alternative proposals from shortlisted developers.

8. What right of way documents or similar will be granted or required for access to this facility and are there any costs associated or expected with those requirements for the developer?

Additional details of the lease terms will be a component of the next round of selection with shortlisted developers. WCU does not foresee any costs associated with right-of-way, easements or site and utility access requirements.

**Occupancy and Sub Leases**

1. Regarding leasing structure for the project, does WCU intend for the building to be a 100% build-to-suit, providing one lease for the entire premises, or does WCU intend to serve as the anchor tenant with the balance of space leased to third party providers?

WCU does not have any current need for space in this building. We are seeking a developer to provide full service development and project management services including designing, financing, constructing and managing a medical office building. Seeking and leasing to project tenants is a responsibility of the developer.

2. Are there any non-university third party tenants that have expressed interest in leasing space in the building?

Interest from non-university third party tenants has been expressed; however, it is the developer’s responsibility to seek and obtain tenants.

3. How much vacant space exists in the 160,000 SF Health & Human Services Building that may compete with this new building?

None. The current available space is already leased.
4. Does the University, Endowment fund, or WCU Research and Development Corporation plan to lease back the space in the building from the Developer in the form of a master lease? If no, would either entity directly lease any space in the building, e.g. collaborative/educational space?

No, but future university programs may have interest in leasing available space.

5. Will the University provide a guarantee of occupancy related to this proposed facility?

No.

6. Has Western Carolina University, the Endowment Fund, the Millennial Campus or any other affiliated party (collectively the "University") entered into any definitive agreements for tenants associated with this proposed facility? If so, will those agreements be made available for review prior to the formal proposal submission date?

No agreements have been made and none are being sought.

7. Is there an awareness by the University of potential tenants for this facility, and are there any verbal commitments or other expressions of interest related to this proposed facility? If so, will those commitments or expressions of interest be made available for review prior to the formal proposal submission date?

Interest from non-university third party tenants has been expressed; however, it is the developer’s responsibility to seek and obtain tenants.

9. Understanding that a forecast of tenant occupancy is critical for the sourcing of development financing for this facility, does the University possess any pro-forma, studies, forecasts, projections or historical information related to occupancy for this proposed facility? If so, will those documents be made available for review prior to the formal proposal submission date?

WCU has no such documents.

10. Will the tenant(s) sign a 15 year or longer lease?

Developer decision.

11. What is the initial lease term and what expenses will be paid by the landlord under the lease?

Developer decision.
12. Will the landlord be responsible for any tenant improvement allowances? 
Developer decision.

13. Will all of the available space be built out and occupied upon Certificate of Occupancy? 
Developer decision.

14. How much of this building does WCU intend to lease, if not the entire building? 
None. WCU does not have any current need for space in this building.

15. Does WCU have a 3rd party healthcare provider committed to leasing space in the MOB? If not, will that be the developer’s responsibility or will WCU provide the healthcare partner? 
This will be the developer’s responsibility.

16. Will there be any speculative space in the building or will it be completely leased and built out as one phase? 
Developer decision.

**On-site Parking**

1. Please describe how you anticipate the MOB will be parked. Will the 30+ spaces that need to be constructed for phase 1 be exclusively used by any user or are they a net add to existing shared parking for the current and future facilities? 
Baseline expectation is that the 60+ parking shown in Phase I is a combination of net add to existing shared parking for the current and future facilities and that parking for MOB will be absorbed into existing and added inventory. WCU to be open to alternative proposals from shortlisted developers.

2. Are the 60+/- additional parking spaces noted on Phase 1 as “if required” intended to be a component of this proposed facility and carried as a cost of the developer? 
Yes.
3. Is any portion of the existing parking facilities available for designation or assignment to this proposed facility and its tenants?

Baseline expectation is that the 60+ parking shown in Phase I is a combination of net add to existing shared parking for the current and future facilities and that parking for MOB will be absorbed into existing and added inventory. WCU to be open to alternative proposals from shortlisted developers.

4. Will Western Carolina University or the Millennial Campus maintain the grounds and parking areas associated with this proposed facility beyond those specified in the specific limits of the ground lease?

Additional details of the lease terms will be a component of the next round of selection with shortlisted developers.

**Building Site, Utilities**

1. Will an existing phase 1 report be available for the developer for the site? Has any previous work been done with the site from an environmental/historical use perspective? We noticed the existing chimneys from what appears to be an old structure directly behind where the new MOB is proposed to be located and wanted to be certain all archeological and environmental reports were completed for that previous use of the property.

During the development of the HHS Building, an Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) was performed, including archaeological assessment.

2. The existing storm water retention device/sediment trap that's in front of the Health and Human Services Building and shown on the conceptual site plan as being behind the new MOB site. Was it sized to handle the storm water from this new MOB? Do you anticipate it will need to remain in place and operational during the development of the MOB?

This was designed solely for storm water associated with the HHS building.

3. Are there existing storm water Best Management Practice's (BMP) already on site that this project may drain into, or will a new BMP need to be created as part of this phase?

A new BMP plan will need to be developed solely for this project.

4. Is there a designated area for where the new BMP must go? Underground vs. above ground? Preference on BMP type?

No current designation. Location and type to be determined with selected developer during programming and design phase.
5. Who are the local utility providers that already bring services to the HHS Building?

Reference Question (7) below.

6. Assuming the building performs as a retaining wall system, depending on height of slope, can parking be under the building? Consistent with sustainable/LEED site design principles, this would reduce impervious area and heat island effect.

Developer decision. This can be evaluated with the selected developer during the programming and design phase.

7. Please confirm or answer the following questions or assumptions regarding site utilities:
   a. Who is the primary provider of domestic water and sanitary sewer?

      Tuckaseigee Water & Sewer Authority (TWSA), Jackson County, NC.
   
   b. Is natural gas confirmed as available to the site and is that provider PSNC Energy or whom?

      Natural gas is not adjacent or within close proximity to the site. Closest point of connection to PSNC is at the intersection of Speedwell Road and Forest Hill road.
   
   c. Is Duke Energy the primary electrical provider or whom?

      No. Western Carolina Power Company is the provider.
   
   d. Who is the cable television provider for this site?

      Morris Broadband. Developer to verify.
   
   e. Is Balsam West the primary internet/data/fiber services provider to this site or whom?

      Yes.
   
   f. Is Frontier Communications the primary telephone service provider to this site or whom?

      Yes.
g. Are there any known or understood impact fees associated with any utilities for the proposed facility?

Known impact fee associated with water and sewer (TWSA).

h. Will primary electrical power services and other utilities be required to be underground for this proposed facility?

Yes. Services to be underground from Little Savannah Road.

i. Will required rights of way for utilities be provided across the Millennial Campus at no cost to the selected developer?

Yes with routing/locations approved by Owner.

j. Is there a District Cooling Plant or Central Energy Plant available on the Millennial Campus for use by this proposed facility?

The adjacent HHS building does have capability and capacity to support chilled water for the Medical Office Building if deemed viable.

k. If there are district or central utilities available, what are the capacities, type and rates associated with them?

If deemed viable, this will be evaluated with the selected developer during the programming and design phase.

l. Are there any restrictions or other limitations known or expected for this proposed facility associated with any of the primary utilities required (water, sewer, electricity or natural gas)?

None known at this time.

8. Will this campus have an energy plant, or will each building stand alone for building services?

To be evaluated with the selected developer during the programming and design phase. The adjacent HHS building does have capability and capacity to support chilled water for the Medical Office Building if deemed viable.
9. Does Western Carolina University have an internal waste stream handling division (trash, recyclables and sanitation) and will this service be available to this facility?

Yes; however, if selected developer seeks such University provided services, costs and terms of said services shall be negotiated as part of separate management/maintenance agreement.

**Zoning/Permitting, etc.**

1. It is assumed that zoning, permitting, code enforcement, and other regional ordinances will follow those required for Jackson County, North Carolina. Please advise if otherwise.

   Correct.

2. Is this site located within the City or Town limits of the town of Cullowhee?

   There is currently a Cullowhee Planning Area being considered by Jackson County; however, this property is excluded.

3. Are there any specific ordinances, codes, inspections or other restrictions associated with the City or Town of Cullowhee?

   Jackson County is the Authority Having Jurisdiction (AHJ) in regards to codes, inspections, permitting, and other restrictions.

4. Has any geotechnical work (borings, GPR, etc.) been completed on the site where the MOB is proposed?

   Yes. Additional details will be a component of the next round of selection with shortlisted developers.

5. Are there any restrictive covenants that we can review on record that control the overall development of the Millennial Campus?

   No. WCU project representatives will provide guidance to development of this project.

6. Are there any special restrictions or permits associated with this structure due to its proximity to the Jackson County Airport?

   None known.
Architectural/Building/Master Plan Questions

1. Has WCU determined a desired minimum and maximum amount of square feet that will need to be constructed? If so, what amounts?

   Base programming needs for a building of 30,000 to 35,000 gross square feet (GSF).

2. Prior experience has demonstrated that multi-tenant Medical Office Buildings are customarily 50,000 GSF and above. Why does the RFQ refer to a building of approximately 30,000 to 35,000 GSF?

   This was used to set base programming needs; however, a larger Medical Office building can be evaluated further with the selected developer.

3. Should the building shell be planned to be designed and constructed to I-2 Standard (hospital grade) or business office use (as most healthcare clinics are permitted to operate within)?

   Business Office Use.

4. The RFQ includes an Appendix 3 Project Site and Conceptual Development Phases. Does the preliminary planning for the Medical Office Building (Phase 1) include any consideration of the benefits of maximizing infrastructure extensions and balancing site grading for Phases 2-5 at the same time?

   To be evaluated with the selected developer during the programming and design phase.

5. Other than an above ground sidewalk network, is an underground/over ground connection with the existing HHS building anticipated?

   To be evaluated with the selected developer during the programming and design phase. Physical connection to HHS building is expected and anticipated.

6. Please describe the anticipated use of the building 1A and the desire for interconnectivity between building 1 and building 1A

   Outside of scope for this project. Anticipated use is future development of multi-tenant space with a possible interconnection to building 1A.
7. As the design of the building is considered and planned, is there
    desire/potential for future expansion of the building (such as expanding the
    building to encompass Building 1A as indicated in Phase 1A of the Project
    Site and Conceptual Development Phases)?

    Potential exists. To be evaluated with the selected developer during the
    programming and design phase.

8. If Building 1A is intended to be a separate structure, should the current
    planned MOB be designed with the future inclusion of a connector (covered
    walkway or sky-bridge) in mind?

    Potential exists. To be evaluated with the selected developer during the
    programming and design phase.

9. Please clarify if it is a requirement that this building be LEED certified (like
    the HHS Building), Green Globe or are you just looking for sustainable design
    features?

    Sustainable and energy-efficient design features to be incorporated. LEED
    certification to be considered if project pro forma will support.

10. Is there a central energy plant servicing the site, or will this be a stand-alone
    building? Will this project (phase 1) be developed to service Phase 1A also?

    The adjacent HHS building does have capability and capacity to support chilled
    water for the Medical Office Building if deemed viable. Actual requirements of
    this project to be evaluated with the selected developer during the programming
    and design phase.

11. Is there a specific LEED certification goal in mind for this proposed facility?

    Sustainable and energy-efficient design features to be incorporated. LEED
    certification to be considered if project pro forma will support.

12. Does the existing Health and Human Sciences Building on the Millennial
    Campus carry any specific LEED certifications or other environmental or
    sustainable design designations?

    HHS Building received LEED Gold certification.
13. Knowing that the existing Health and Human Sciences Building will serve as the design anchor for the new MOB, are there any design components, building systems or finish materials that have proved troublesome or underperformed from which we can learn from and avoid in the inclusion of the new MOB?

None known. To be discussed further with selected developer during design and programming phase.

14. Are there any special restrictions or permits associated with this structure due to its proximity to the high tension electrical transmission lines to the north and east of the Millennial Campus?

No. Project is outside of transmission line easement requirements.

15. Who was the Architect(s) of Record for the existing Health and Human Services Building?

Clark-Nexsen, Inc. (formerly PBC+L out of Asheville, NC).

16. Who was the Engineer(s) of Records for the existing Health and Human Services Building?

Stanford-White, Raleigh, NC

17. Who was the Geotechnical consultant(s) of Record for the site development to date for the Millennial Campus?

Mac-Tec, Asheville, NC

18. Who was the Surveyor(s) of Record for the site development to date for the Millennial Campus?

Johnson Surveying, Sylva, NC

19. Will historical boundary, topographical and geotechnical survey documents and plans be made available to the selected developer for this project?

Yes, as available.

20. Can you share more detailed programming for the building (completed or schematic drawings, and color renderings for the facility?)

Not available.
21. Are any existing or prior design and construction documents available for review? Specifically, as-built documentation associated with sitework, storm water structures, parking areas, underground utilities, etc.?

Not available. Construction documents for adjacent HHS building to be provided to selected developer.

22. Who developed the site master plan and phasing documents included as Appendix 1, Appendix 2 and Appendix 3 to this Request for Qualifications?

Clark-Nexsen, Inc. (formerly PBC+I. out of Asheville, NC).

23. Please elaborate on the uses contemplated for buildings in future phases of the Millennial Campus. Do you envision more healthcare related or classroom space or other?

To be determined at a later date. Combination of classroom, office, multi-tenant and health-care related.

Building Use Questions

1. How do you envision your existing nursing and other healthcare related academic programs interacting with the future users of this MOB and integrating within the building program?

A collaborative effort between the College/University and health care partners to help meet the needs of people from the region while providing students opportunities for hands-on education and faculty members with opportunities for professional practice and research.

2. Is there an existing model for a medical office building with dedicated social/collaborative/health-related retail space at another University or somewhere else that you’d like to expand or improve on?

We are not aware of or referencing another known project; however, during the programming and design phase, WCU will work with the selected developer to pursue and meet this vision.

3. Will the healthcare services provided in this facility will be on an outpatient basis? Do you anticipate that the building is a Business Occupancy per North Carolina Building Code?

4. Does WCU have a desire or vision for including an outpatient surgery center in the MOB?

Developer and community partner decision.

5. Can you share specific health-sciences related programs that will be based in this facility?

Developer decision but following programs are located in the HHS: Nursing, Social Work, Speech-Language Pathology, Physical Therapy, Athletic Training, Emergency Medical Care, Environmental Health, Nutrition and Dietetics, and Recreational Therapy. For a complete listing and description, refer to our web site: http://www.wvu.edu/academics/departments-schools-colleges/HHS/index.asp

In addition, the following are potential tenant tiers for consideration:

**Tier 1 – Healthcare directly related to WCU programs**
- Primary Care Physicians (Family Medicine, Internal medicine, Pediatric/geriatric/adolescent medicine, Women’s Health)
- Specialized Medicine
- Medical Device Development
- Rehabilitation
- Behavioral Health
- Healthcare Consulting/Billing/Practice Management
- Prosthetics, Orthotics

**Tier 2 – Healthcare not directed related to WCU programs**
- Oral Health
- Optometry
- Podiatry
- Imaging
- Pharmacy
- Laboratory, diagnostic sciences and treatment

**Tier 3 – Integrative, Alternative, or Complementary Healthcare**
- Natural Products (MS – Chemistry Natural Products Focus)
- Chiropractors
- Acupuncture
- Massage
- Biofeedback
- Public health
Tier 4 – Support/Service
  • Coffee Shop/Food Service (Business)
  • Medical Supplies (Business)

Tier 5 – Not Healthcare but related to WCU Programs
  • Engineering
  • Accounting/Management
  • Other Business Related

Evaluation Process & Developer Selection Questions

1. Is there a grading scale or assignment of points to the evaluation criteria? If so, what is the weighted allocation for each of the 6 evaluation criteria?

   No.

2. Please confirm clarify that with signature of the LOI, the intent is to begin design and programming efforts.

   Yes.

3. In recognition of the listed schedule within the RFQ to select developer by June 5th, sign an LOI on June 12th (for what appears to begin programming and design) and then execute definitive agreements on December 14th, please clarify if the developer will be financially at risk for design and due diligence costs expended between signing the LOI and the definitive agreements? (This is also asked in reference to statements made in Item 15, page 14 of the Article 1 - General Information and Instructions of the RFQ.) Basically, we are trying to better understand what risk exposure we would have between signing the LOI and signing the Definitive agreement 6 months later.

   The plan is to enter a non-binding Letter of Intent (LOI), which will serve as the basis for the key transaction terms. The LOI will be with the Endowment Fund. The Endowment Fund will then begin preparation of the sub-ground lease — to be negotiated with the developer — and subject to UNC approval. The developer is at risk for expenses incurred during this time.

4. The RFQ requests detailed financial information from applicants. Will this information be kept confidential? If not, would WCU consider just requiring this information from the shortlisted developers?

   Financial information requested will depend on the history of the Developer. Information provided will be maintained as Confidential to the extent permitted by law. We may be able to obtain information and return after “in-camera” type inspection.
Other Questions

1. Please describe how the project development parameters/permitting/review process will work. Will the State Construction Office (SCO) review the project for compliance with SCO design standards or will it be under the review of the local planning staff and building standards departments?

Jackson County is the Authority Having Jurisdiction (AHJ). It is anticipated that the NC State Construction Office will perform a cursory review of the plans, but will delegate primary review and inspection responsibilities to the AHJ.

2. Once a Developer and their team are selected, who will comprise the programming, planning and design team for WCU? Department heads? Endowment representatives? Facilities management?

A university group representing all project stakeholder interests will comprise this team.

3. The RFQ mentions the WCU Research and Development Corporation, could they or the endowment fund potentially be a joint venture partner with the Developer in the ownership of the building?

No.

4. Who will manage the building once completed? Will it remain the responsibility of the Developer and their management team?

Developer responsibility.

5. Are any additional documents, plans, supporting contracts, leases, or other forms related to the project available for review prior to submission of the formal proposal?

Additional details of the project and lease terms will be a component of the next round of selection with shortlisted developers.

6. How will this building and campus interface with public and/or campus transportation?

This building's adjacency to HHS will afford it the same transportation options currently available.
7. Are there any specific certifications or designations required by the University to validate minority participation for this project?

No specific certifications or designations required.

8. Specifically, will Tribal Employment Rights Ordinance (TERO) certifications certifying ownership by members of the Eastern Band of Cherokee Indians located within the HUBZone designated Qualla Boundary qualify for the minority participation component of this proposed facility?

Yes.

9. Does the University have any other similar facilities on their collective campuses? If so, please provide a description and location of those facilities.

No.

10. Are any special state, local or regional tax incentives or allowances in place or available for development and construction on the Millennial Campus?

WCU not aware of any.