

WAYNE STATE UNIVERSITY

South University Village

Woodward Frontage Site

and

Canfield Frontage Site



MIXED USE DEVELOPMENT

Residential and Retail

REQUEST FOR QUALIFICATIONS/PROPOSALS

March 8, 2006

(1)

WSU expressly reserves the right and sole discretion to reject any or all proposals or expressions of interest in the proposed transaction(s) and to terminate discussion with any party at any time with or without notice.

Wayne State University - creating a strong and vibrant campus community

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Wayne State University

Purpose of the RFQ/P:

Attract Private Investment in Housing and Retail

This Request for Qualifications/Proposals (RFQ/P) is being issued by Wayne State University (the University) as part of a program to develop the critical mass of housing and associated amenities necessary to build a more complete and vital urban community surrounding the University's Main Campus. Wayne State University is seeking a Developer to create housing and retail on two sites owned by the University located within the South University Village area. These prime sites fronting Woodward Avenue and Canfield Avenue are directly across from the Detroit Medical Center, which is the largest employer in the City. They present a unique development opportunity to create an urban mixed use development in an established neighborhood that has strong demand for unique properties. The Midtown Area offers Detroit's greatest lifestyle variety, stores, restaurants, libraries, cultural institutions and entertainment. People of all ages and professions are attracted here by the vibrancy of the community.

The purpose of this RFQ/P is to identify and select a qualified developer. Respondents must be experienced, effective, and well-capitalized. The University is seeking proponents who can and will commit to direct equity investment and have the ability to finance their proposed project, not simply project coordination or management.

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WSU expressly reserves the right and sole discretion to reject any or all proposals or expressions of interest in the proposed transaction(s) and to terminate discussion with any party at any time with or without notice.

Summary

The Developer will be selected on the basis of qualifications and experience in undertaking similar mixed use urban redevelopment projects, on a demonstrated understanding of Wayne State University development objectives, and on the demonstrated financial capacity to timely commence and complete the Project. Proponents will be expected to respond to the Initial Development Concept expressed in this RFQ/P document. Proponents must submit conceptual drawings and site plan drawings, including elevations. No architectural drawings are required at this stage of the RFQ/P process. Proponents shall also provide a preliminary financial statement identifying all sources of funds to be used for the Project, an itemized construction budget, and a projection of lease revenues.

This Request for Qualifications and Proposals is being distributed to developers whose public information indicates they have the qualifications and experience to undertake the development envisioned herein. The purpose for issuing this RFQ/P is to identify a Developer to undertake the investment, construction and management of the residential and retail activities described herein. Based on evaluation of the proposals, the University intends to work directly with one of the Proponents to negotiate an Agreement defining the rights and obligations of the Developer and of the University.

The University wishes to see the sites developed as part of its comprehensive plan to enhance the residential neighborhood surrounding the University, while encouraging development of high design quality, with commencement of construction as soon as possible. It is seeking a Developer who can work within the parameters outlined herein.

The selected Developer will be responsible for designing, financing, constructing, leasing and managing residential and retail units on the sites. The University is seeking a Developer who can and will commit to direct equity investment, not simply to project coordination or management.

Background to this RFQ/P – The 2020 Campus Master Plan

In September 2001, Wayne State University President, Irvin Reid presented the final report of the University’s facilities planning process “The 2020 Campus Master Plan for Wayne State University.” The Campus Master Plan was developed to change the focus of facilities beyond the boundaries of the campus and focus outward toward the many communities served by the University.

The 2020 Campus Master Plan includes establishing a gateway presence for the University on Woodward Avenue, Detroit’s Main Street, and opening the “front door” toward the museums, the Medical Center and other institutions of the University Cultural Center Area.

As an underlying goal of the 2020 Campus Master Plan, Wayne State University intends to support development of the critical mass of housing and the associated amenities necessary to build a more complete and vital urban community. In support of this objective, Wayne State constructed three residence halls over the past four years. Additionally the University has entered into Sale and Development

Agreements with developers to convert three former warehouse properties on Canfield and Willis into approximately 85 loft residential units.



Housing Goal

The University has a goal of increasing the number of students, faculty and staff residing within the Campus area by 8,000 by 2020, and creating a quality, safe, affordable, well-maintained residential community. The University is undertaking a plan to implement efficient land use as well as developing structures with appropriate scale and character to the physical surroundings of the area. The Master Plan Design Guidelines (included herein) are an integral part of this RFQ/P.

Wayne State promotes development of a vibrant pedestrian oriented neighborhood in which a variety of retail, commercial and residential uses enhance the academic facilities. The 2020 Campus Master Plan recommends that students, faculty and staff housing be developed in locations throughout the Detroit Campus environs. The South University Village area is a mixed-use neighborhood generally perceived as an attractive urban environment by those who frequent the area. The South University Village area includes 14 University-owned buildings on about 20 acres of land. The current visual anchor of the area is the University Tower apartment building. The area has a variety of uses that support a viable urban university population. A large portion of the area is devoted to housing, including two University-owned and operated apartment buildings and numerous multiple family structures. Several additional residential developments are planned for the area. The Woodward Frontage Site and the Canfield Frontage Site, which offer four acres of development potential, will bridge the Main Campus to the Medical Campus across Woodward Avenue.

Private investment will alleviate housing shortages for market rate apartment style units and complement the student housing being developed by the University. Wayne

State University plans to leverage land, buildings and infrastructure to attract private development investment in housing, retail and commercial uses.

Three new resident halls, totaling 692 units and 1,734 beds, have been constructed on Anthony Wayne Drive to support the demand for undergraduate and graduate housing on the Main Campus.

Wayne State University is offering the Woodward Frontage Site and the Canfield Frontage Site under this RFQ/P to build on the established Midtown residential community creating a critical mass of housing, and an attractive location for neighborhood retail and amenities.

South University Village and the Master Plan Strategy for Wayne State University

The South University Village area extends south of Hancock Street and west of Woodward Avenue and is intermingled with multiple family residential, scattered retail uses and churches. The nexus of an emerging precinct is the University Tower, which includes 300 units primarily occupied by graduate students. It is located on the Cass side of the block containing the

Woodward Frontage Site and the Canfield Frontage Site.

Development of these Sites, in conjunction with rehabilitation of the three other buildings recently sold for development as residential lofts, and restoration of several other historic properties in the immediate neighborhood, will enhance the residential mix throughout the Midtown neighborhood while meeting the escalating demand for residential units and retail services.

According to a 2003 survey of Wayne State University Students, Faculty and Staff 83% of the 1,600 respondents are interested in housing in the area.

In addition to capturing known demand, the South University Village properties are key elements in creating linkages between the University, Cultural Center and Medical Center complexes.

Detroit's Marketplace

Market Analysis

Detroit is the second largest city in the Midwest; only Chicago is larger. Detroit represents 23% of the combined Wayne, Oakland and Macomb county populations that are recognized as the economic engine of the State of Michigan.

According to the US Census Bureau, demographic trends in the five Census Tracts composing the Midtown area suggest a young and growing population. The total population within the Midtown area increased by 10% between 1990 and 2000. At the same time the number of persons over age 65 decreased by 25%. Persons between the ages of 25 and 44 remain the largest group, representing 37% of the population.

Of Detroit's 25 largest employers, ranked by full time employees, 16 are located in the Greater Downtown area, which is shown on the attached map centered on Woodward Avenue running from the riverfront to the New Center area. These entities include, among others, General Motors Corporation, the Detroit Medical Center, Compuware Corporation, the State of Michigan and Wayne State University. These 16 employers collectively have 116,923 full-time employees.

Map of Detroit's Largest Employers

16,500 to 22,000 Employees

11,000 to 16,499 Employees

5,500 to 10,999 Employees

1,100 to 5,499 Employees



Midtown Detroit Neighborhood

A return to city living

Midtown Detroit is a unique area bounded by the Ford Freeway (I-94) to the north, the Chrysler Freeway (I-375) to the east, the Fisher Freeway (I-75) to the south and the Lodge Freeway (M 10) to the west. Midtown, adjacent to the Theater and Stadium Districts, is in the center of the employment, cultural and educational forces of Detroit. Sixteen of Detroit's largest employers are located nearby. Development is on the rise within Midtown, with several new developments underway. These projects, along with the Woodward Frontage and Canfield Frontage sites will bring about significant change to the South University Village area. Within a 1 ½ mile radius are more than 4,200 housing units. While the majority has been rental for the past 40-50 years, the marketplace is changing. There are currently more than 1,400 units of housing planned for the area, 58% of which will be for sale housing at an expected average price of \$212,000. Clearly people feel comfortable investing their savings in housing in the Midtown area. Professionals between the ages of 45 and 70 who are empty nesters are starting to relocate close to universities to be part of the intellectual and cultural activity that surrounds and emanates from university campuses. The opportunity exists to capture a component of this new lifestyle trend.

Retail Development

Midtown has a multitude of independently operated commercial/retail establishments. The area is known for a core of long standing restaurants. National chains are beginning to locate in the area. Recent surveys indicate additional demand for financial, drug, grocery and restaurant opportunities. Cultural, educational and medical entities have recently invested more than \$1 billion to upgrade and expand their facilities. They remain the foundation of the community.

TechTown is the new entrepreneurial Research and Technology Park sponsored by Wayne State. **TechOne** recently finished a \$12 million office redevelopment in a former General Motors design building. The building provides amenities to entrepreneurs, including wet and dry labs, Internet2, and flexible office space. Current tenants include biotech, alternative energy, and microtechnology companies. Located across the street from TechOne is **NextEnergy**, a cutting-edge alternative fuel research center which opened recently. Containing an 18,400 square foot laboratory space, training rooms, auditorium, and exhibition space, NextEnergy aims to make Michigan a center of alternative energy research.

Existing Housing

On-Campus Housing



Wayne State University provides 662 apartment units in four different properties. The apartment properties (pictured on the left) include Chatsworth Tower, Helen L. DeRoy, Sherbrooke Apartments and University Tower. University housing offers a number of options for on-campus apartments. Whether you want to live in a modern apartment building with views of the city or a historic apartment in the heart of campus.

The University built three student residence halls between 2002 and 2005, with a total of 692 units and 1,734 beds with various suite options and a complement of meal plans.

The University has established a web site www.housing.wayne.edu which provides information on its housing program and available amenities, including a link to available neighborhood housing to support its goal of increasing the student, faculty and staff population throughout the Midtown area.



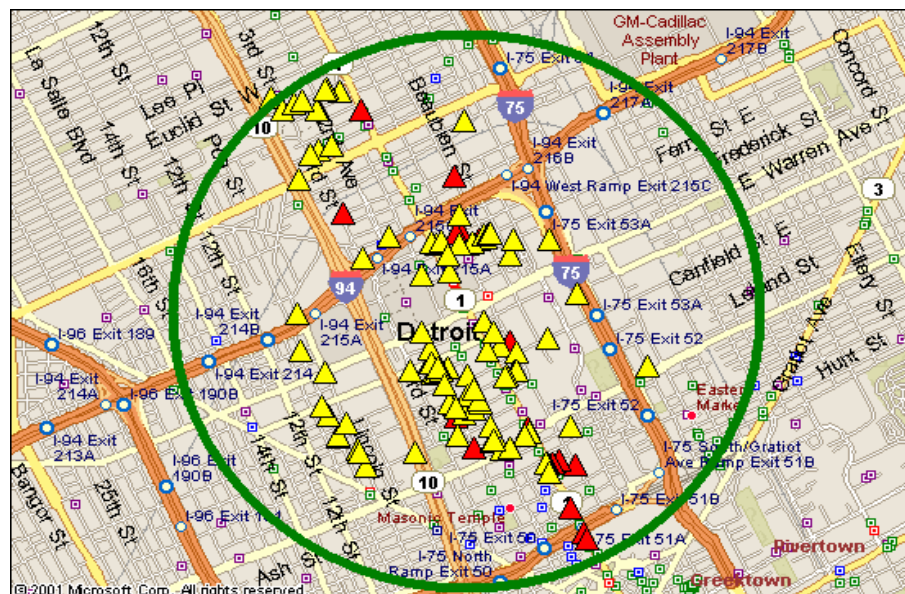
Summary of Existing Neighborhood Housing Off-Campus Midtown Area Housing

Taktix Solutions conducted an analysis of residential and retail offerings in the Midtown area. The entire report is available at www.taktixsolutions.com. Within a 1.5 mile radius from the center of the WSU campus approximately 4,275 off-campus housing units exist. Existing units represent a wide variety by type with varying degrees of quality of housing products. The product offering is primarily rental, including studio apartments (14% of the market), 1 bedroom/1 bathroom (39%), two bedroom units with 1 to 2.5 bathrooms (29%), three bedroom units (10%), four bedroom/2 bathroom units (1%), and less than 1% 5 bedroom units. Condominiums or town homes represent 7% of the existing market.

Midtown Area Housing

▲ Planned New
Housing 1,937 Units

▲ Existing Housing
4,275 Units



There are 20 planned housing projects that have been announced within the Midtown Area. Developments for which plans have been announced include 838 for sale units at an expected average price of \$213,000 and 605 rental units at an average rental rate of \$1.10 per square foot per month.

Cultural and Entertainment

The University is located within the cultural core of Metropolitan Detroit. Midtown Detroit boasts a variety of attractions that create an inspiring and creative environment with something for everyone. The Detroit Public Library, which houses the only U.S. Patent Office outside of

Washington D.C.; the recently expanded Detroit Science Center; the C.H. Wright Museum of African American History, which is the largest African American Museum in the United States; the College for Creative Studies; the Detroit Institute of Arts, which is home to the fifth largest art collection in the United States, and is currently undergoing a \$160 million renovation and 50,000 square foot expansion; the Detroit Medical Center; and Detroit Symphony Orchestra Hall, which opened its \$88 million expansion in October 2003, are just a few of the major Midtown attractions.

Filling the retail void

Commercial development has occurred in pockets or nodes throughout Midtown. Market study results indicate that within a 1.5 mile radius of the center of Campus, namely Woodward at Warren, the majority of existing retail is owned and operated by small entrepreneurs. Several national franchisees have opened stores on or nearby the University over the last five years. Kinko's, Barnes & Noble, McDonalds, Starbucks, Einstein Bagels, Jimmy Johns and TCBY are but a few of the national chains which recently located at the University.

Located within a quarter mile radius of the Woodward and Canfield Frontage Sites residents will find other neighborhood retail establishments, including a bakery, several moderately priced restaurants and a high end restaurant, a clothing boutique, micro-brewery and art gallery.

Seizing the opportunity

Current business, political and economic conditions create a unique opportunity to meet the increasing demand for centrally located neighborhood housing. Following the investment by General Motors Corporation to locate its World Headquarters in Downtown Detroit, Compuware Corporation also selected Downtown Detroit as the site of its World Headquarters, consolidating several facilities and bringing more than 4,000 new employees downtown. In 2003, EDS choose Downtown Detroit as the location to consolidate operations supported by over 1,500 employees. In December 2005 PriceWaterhouseCoopers consolidated its suburban and downtown offices into a new office building adjoining Ford Field in the Lower Woodward Corridor. In the spring of 2006 Ernst and Young will move 100 employees from Troy to a newly constructed building in the Campus Martius Project downtown. The downtown casinos currently have approximately 1,200 hotel rooms under construction. Discussions are also underway to construct a new national headquarters for Rock Financial and its 4,200 employees in downtown Detroit.

As corporate sector investments have been made, the public sector supported revitalization of the New Center Area by consolidating operations of State Governmental Offices and Detroit Public Schools as the foundation for a new Government Center. Midtown, which is the home of the University, Cultural Center attractions, and the Medical Center, links Downtown to the New Center Area. The Midtown neighborhood revitalization is supported by a cohesive collaborative strategy which includes investment by the University, foundations, philanthropic donors, and others in the public and the private sector.

South University Village Development Objectives

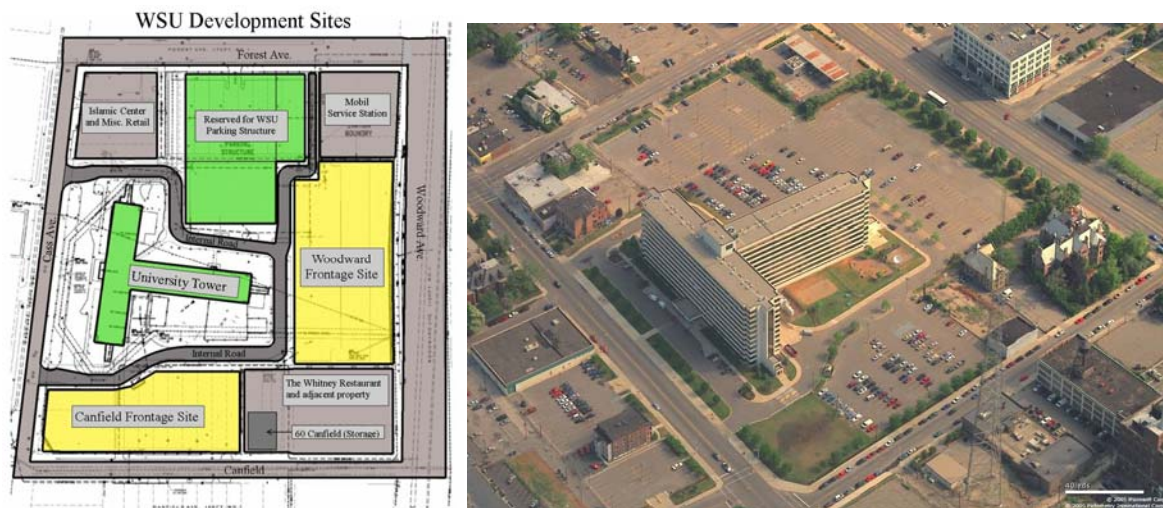
The broad Development Objectives for South University Village are intended to guide implementation of the vision. The Objectives are:

- **Create connections between all the functions and activities of the University and the Midtown neighborhood**
- **Serve as a home to a rich and diverse community**
- **Present a compelling and competitive setting for research, teaching and residences**
- **Provide an environment convenient and compact in scale and form**
- **Celebrate continuity with the traditions of the University and the city that is its home**

Development Opportunity

The Woodward Frontage and the Canfield Frontage Sites

Two frontage sites on one city block present an unusual development opportunity for new construction on Woodward Avenue and Canfield Avenue. The sites are flanked by retail to the north and south and surrounded by business, academic and cultural organizations. The sites are shown on the map below and described in detail on the following pages and in the survey posted to www.taktixsolutions.com.



Developers are encouraged to be innovative and submit the development concept they believe brings the highest and best feasible uses to the Sites

Development Concept

Construction of a mixed use project to provide market rate housing and neighborhood retail in mid-rise buildings on approximately 4 acres. The Woodward Frontage Site is envisioned as having first floor retail with residential units above. The Canfield Frontage Site is more likely to only contain residential units. New development is anticipated to displace current surface parking available for the residents of University Tower and other University parking. The University intends to build a parking deck fronting on Forest Avenue into which this parking demand will be relocated (see detail below). A Financial Institution has expressed interest in locating a branch banking facility within the proposed mixed use complex. The University expects to make the Woodward Frontage Site available for development under a ground lease for a period up to 99 years. The University will consider a proposal involving either a long-term ground lease or an outright sale of the Canfield site. The University is willing to sell this site to a developer willing to commit to build for sale residential units. In considering a proposal involving the sale of the Canfield property, the University will take into consideration the proposed use as well as the increase in price related to the sale.

In 2002, PAPAGEORGE/HAYMES, a Chicago based architectural firm, was commissioned to create an **initial design concept** for the Woodward Frontage Site that would complement the architectural character of the neighborhood. Their design [as shown below] proposed first floor retail fronting on Woodward Avenue with four stories of apartments above and behind totaling approximately 135 units located immediately north of the Whitney Restaurant. The University subsequently decided to also make the Canfield Frontage Site available for development.



- **Parking**

The University intends to build a 4 - 6 story parking garage on Forest Avenue west of the gas station which fronts Woodward Avenue. The deck will serve residents of University Tower as well as other University parking needs. The deck will be owned and managed by the University. In determining the ultimate size of the deck the University is open to discussing arrangements with the chosen developer for a portion of the demand created by construction of new retail and residential buildings to be met by spaces in the deck.

- **Tax Increment Finance District**

Wayne State intends to work with the developer chosen for the Project to establish a Tax Increment Finance District (TIF) which would incorporate the block bound by Canfield, Cass, Forest and Woodward with select adjoining properties in order to support the financing of the parking deck and site infrastructure.

- **Potential Retail Tenant**

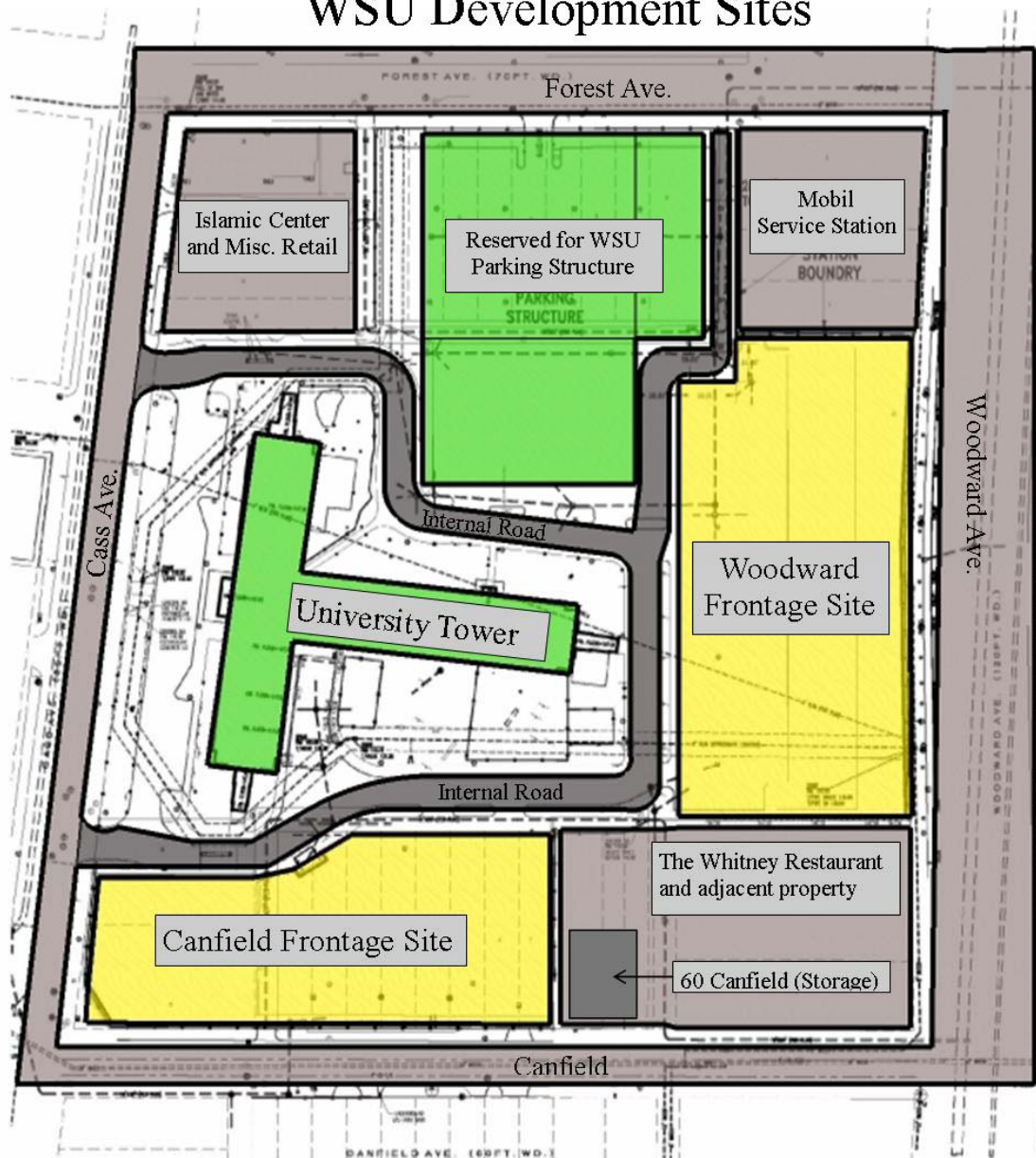
The University has had several discussions with a local Financial Institution regarding their interest in locating a branch banking facility within the campus area. The following site requirements are provided for consideration of the economic feasibility of this opportunity:

- 8,000 sf (up to two stories in height, 4,000 sf each)
- 15 adjacent dedicated parking spaces
- access to additional customer and employee parking
- 3 lanes for drive-up banking plus a drive up ATM lane
- Orientation to and frontage on Woodward (desired)

Property Description:

The Woodward Frontage and Canfield Frontage Sites are each approximately 2 acres in size. They are currently being used by the University for surface parking. The University plans to permit use of the Internal Road that exists on part of the block for access to the Development Sites on a non-exclusive basis. A portion of the Internal Road remains to be built; its exact location and configuration will be determined by mutual agreement between the University and the chosen Developer.

WSU Development Sites



Survey: Property surveys prepared by Metco Services, Inc. can be obtained at www.taktixsolutions.com

WSU expressly reserves the right and sole discretion to reject any or all proposals or expressions of interest in the proposed transaction(s) and to terminate discussion with any party at any time with or without notice.

Design and Construction Requirements

The Developer shall design the housing and retail project to be complementary with the surrounding community. The site development design shall create linkages within the block and to the community by providing efficient and separate vehicular and pedestrian traffic patterns. Building arrangements shall consider adjacent property sizes and setbacks to provide for the best view, access and convenient parking. Building orientations shall provide residents with safe and convenient access to the housing units as well as a variety of unit sizes and configurations. The site design shall provide attractive, pedestrian-friendly streetscapes, a balance of structures, common green spaces, pedestrian and vehicular circulation, and sidewalks.

The site design shall be consistent with good land use planning, practices and economics. It shall incorporate green space, landscaping, underground utilities and to enhance the overall environment of the neighborhood and improve quality of life.

Elevations

Elevation designs shall provide pleasing and interesting appearances, comparable to other quality residential developments currently being built and marketed in the area. The elevations shall be inviting with modulated facades, rooflines, and massing to provide interest. Material and colors shall be varied to break up facades.

Landscaping and Signage

Landscaping of common areas and building unit perimeters shall be designed to enhance the aesthetic quality of each building and the surrounding neighborhood. Both general site and unit landscaping shall provide year-round focus and interest.

The developer shall define entrances to public parking, retail and residential areas with distinctive signage and landscaping. All entrance designs should use accent lighting to further enhance the entrances.

The developer shall use site design elements to create a safe environment (e.g., traffic, lighting, and landscape designs), eliminate places of concealment and discourage undesirable traffic.

Developers are encouraged to be innovative and submit other feasible enhancements to those specifically identified in this RFQ/P

Terms

The University anticipates entering into a Development Agreement with the selected developer. The Development Agreement, setting out the rights and responsibilities of the parties, will deal with the basic business arrangements between the developer and the University, establishing the agreed upon project schedule and financing arrangements.

The Development Agreement will require the developer to obtain required regulatory approvals, indemnify the University; provide a schedule of development, design, and construction; provide equity and debt financing for elements of the buildings and the sites to be developed.

At the closing of the transaction, the University will lease the Woodward Frontage and Canfield Frontage Sites to the chosen Developer under a Ground Lease for up to ninety-nine (99) years

with a companion Operating Agreement. The purpose of the Operating Agreement is to implement the terms and conditions of the Ground Lease of the Property for the operation, management and maintenance of the housing development on University land. As an alternative, the University is willing to sell the Canfield Frontage Site to a developer willing to commit to build for sale residential units if the price proposed by the developer is significant enough. Prospective developers are encouraged to be creative in proposing financial terms to the University on both sites, including consideration of compensation with a combination of base amounts and additional amounts based on percentages of gross sales or revenue.

Execution of the Agreements shall be contingent upon negotiation of acceptable terms and satisfactory evidence that the Developer has:

- Satisfied the requirements of the University
- Provided proof of approved construction and permanent financing
- Deposited the equity contribution in an approved financial institution

Cross Collateralization and Cross Default Provisions

This Project is expected to “stand alone;” thus the Developer is prohibited from cross collateralization and cross default of the Project with any other assets. Moreover, the Developer is prohibited from assigning, pledging, hypothecating or otherwise transferring its interest in the net cash flows or ownership of the Project in part, or in its entirety, without prior University approval, except as such assignment or pledge may be required to secure the initial financing of the Project. Any additional debt shall require prior written University approval.

Financial Tools

Collaboration for Revitalization

University Cultural Center Association (UCCA), is a non-profit membership organization focused on revitalization of the Midtown Area which is anchored by Wayne State University and includes the City of Detroit Cultural District, Detroit Medical Center Campus and several Historic Residential Districts. UCCA through its membership has assembled community based representation, including land owners, residents, business leaders, City of Detroit, Wayne County and State of Michigan representatives, Cultural Institutions and Foundations.

The broad based collaborative initiative has set the vision to link cultural, education and medical campuses; encourage development of medium density housing, commercial and arts related uses; create a pedestrian oriented environment; and re-use historic structures to maintain the urban fabric. In support of implementing this vision the UCCA has adopted the following Priority Strategies:

- Complete streetscape enhancements along Woodward Avenue
- Implement a façade grant and low interest loan program to encourage the rehabilitation of Woodward Avenue properties
- Develop a number of strategic sites along Woodward with appropriate mixed-use projects
- Develop a “Greenways” plan for the district to connect anchors and neighborhoods
- Push for the rezoning of Woodward Avenue to encourage appropriate urban development
- Strengthen Woodward as an “Arts Corridor” for the City of Detroit

Woodward Corridor Development Fund

The Woodward Corridor Development Fund was established to encourage the development of new and renovated, quality housing in Detroit's Midtown. Initiatives that will be supported are development projects with a predominance of housing. Mixed use developments with an emphasis on housing and only a minor commercial component may also be considered. Uses of financing from the Fund may include, by way of example and not of limitation, predevelopment activities (feasibility and planning studies, architectural and environmental plans, legal analysis and structuring), site improvements, renovation and new construction. For more information visit www.detroitrenaissance.com

Detroit Investment Fund

The Detroit Investment Fund exists to invest in projects that have the potential to stimulate economic development within the city of Detroit while generating a return for the Fund's investors. Funds are available from \$500,000 to \$2 million for residential and neighborhood retail development undertaken by experienced developers. The Fund provides capital loans to leverage owner equity to assist developers in meeting the financial requirements of commercial lenders. For more information visit www.detroitinvestfund.com

Fannie Mae

The Fannie Mae American Communities Fund is dedicated to investing in neighborhoods that lack adequate access to equity capital for the development of affordable housing and related facilities. Investments will be structured to meet the transaction capital needs. Funding can be used for initial working capital, land acquisition, or other project needs. Financial support can be provided as equity, participating second mortgages, mezzanine debt or bridge financing. Fannie Mae has national experience with collaborative programs which support residential development surrounding urban campus areas. For more information call the Detroit Office (313-596-6737) or visit www.fanniemae.com .

New Market Tax Credits

New Market Tax Credits are designed to stimulate business development in commercial districts. Tax credits will be allocated over a seven year period to qualified Community Development Entities (CDE's). Each CDE will, in turn, award tax credits to investors who invest in the CDE. A CDE must work with businesses in low income communities. To qualify for a loan, an equity investment, or technical assistance, a business must earn at least half its gross revenue by conducting business in a low income community, 40% of its property must be within that community and 40% of its services must be in that community.

Detroit Empowerment Zone

Benefits to Businesses: The federal government offers tax credits of 20% for up to \$15,000 in wages per qualifying employee who resides in the Empowerment Zone. This creates an increased federal tax deduction for depreciable property. A new category of federal tax-exempt private activity bonds is also available for financing purchases of business property and land. Most tax incentives for businesses are available through December 31, 2009.

Proposal Process

The Request for Proposal/Qualifications is intended to solicit creative high quality proposals for uses, design, architecture, financing and construction of this project. Developers are encouraged to ask questions and seek advice as much as necessary to produce the very best proposal.

It is understood by all parties submitting proposals under the terms of this request that their submissions become the property of Wayne State University and will not be returned. By submitting a proposal the developer agrees to accept the conditions contained in this request. The developer also understands that there is no express or implied obligation on the part of the University to reimburse any expenses incurred on the part of the developer in responding to this request or during any potential negotiation process with the University.

The University has made land surveys available. Developers will be responsible for making their own analyses and decisions regarding the conditions of the sites.

The University will select, per the conditions of this RFQ/P, the very best proposal, then make every effort to see it through to completion.

Submission Requirements

Ten (10) copies of submissions in response to this RFQ/P should be submitted no later than: 5:00 pm EST, April 18, 2006, to TAKTIX Solutions, 211 W. Fort Street, Suite 1620, Detroit, MI 48226.

Any submissions received after this date and time will not be considered. Submissions should be clearly marked Wayne State University: Woodward Frontage and Canfield Frontage Sites Proposal. Faxed submissions will not be accepted.

Mandatory Pre-Bid Meeting

A Mandatory Pre-Bid Informational Meeting will be held March 28, 2006, at 10:00 a.m. at the Adamany Undergraduate Library Auditorium, 5155 Gullen Mall, just north of Warren Avenue. Those planning to attend the meeting must register by Email at: www.taktixsolutions.com . Comments from the meeting may be considered in the design of the project.

Submission Schedule:

RFQ/P Issued: March 8, 2006

Information Meeting: March 28, 2006

RFQ/P Response Due: April 18, 2006

Selection and Notification regarding next step Negotiations/Rejection:
(within 60 days of receipt of responses to the RFQ/P)

Instructions to Respondents

1. General Information

Developers are required to comply with the following provisions while developing their proposal. Where instructions conflict and no order of precedence is specified, the most stringent requirements apply. A reference to, or direction to comply with, a particular section shall include, as appropriate, all subsections thereunder. Any information concerning the RFQ/P given to any prospective developer will be furnished promptly to all other prospective developers that have registered on the www.taktixsolutions.com web site. If the information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective developer, the information will be furnished as an amendment to the solicitation.

The University reserves the right to conduct discussions, if it is determined they are necessary, with any developer. If during the evaluation period, it is determined to be in the best interest of the University to hold discussions, developers' responses to Evaluation Notices and the Final Proposal Revision will be considered in making the "Best Value" decision.

The University is sponsoring this RFQ/P for the purpose of accelerating implementation of its goals under the University's 2020 Master Plan to partner with a developer to expand housing and retail in and around the University. While the University intends to enter into a Development Agreement, it is under no obligation to do so and reserves the right to cancel this RFQ/P and reject all submissions. The University reserves the right in its sole discretion to suspend or amend all aspects of this RFQ/P and to waive informalities and minor irregularities in offers received if the University believes it is in its interest to do so.

Information contained and referenced herein has been obtained from sources believed to be reliable. Wayne State University and Taktix Solutions are not responsible for inaccuracies. By responding to

this RFQ/P, developers agree to hold the University, its officers, employees, and consultants harmless from all claims, liabilities and costs related to all aspects of this RFQ/P. Under no circumstances will the University be liable for any real estate brokerage commissions, finder's fees or other forms of compensation related in any way to activities undertaken by any person as a result of this RFQ/P.

The RFQ/P may be amended by formal amendment document posted to the www.taktixsolutions.com web site. If this RFQ/P is amended, then all terms and conditions, which are not amended, shall remain unchanged. Developers that have registered on the www.taktixsolutions.com web site prior to any amendments will receive notification of changes to the RFQ/P terms and conditions.

2. Submittal Requirements

Clarity and completeness of the proposal is of the utmost importance. Developers may be required to provide additional information. The proposal must be written in a practical, clear and concise manner. Each section must be clearly labeled.

- a. Submittal Letter:** Each developer shall sign the offer and print or type its name on a submittal letter. The person signing the offer must have the authority to sign or bind the company/firm/corporation.
- b. Property Address/Name:** WSU – Woodward Frontage and Canfield Frontage Sites must be printed on the cover of each response, the transmittal cover letter and the outside of the envelope or package in which the response is submitted. Any supplemental drawings, documents or materials must also include the property name.
- c. Project Concept:** Describe the intended use of the property and proposed development. A comprehensive development concept including: 1) Site Plan, 2) Unit Floor Plans including elevations and sections, 3) Utility Plans, 4) Proposed Property Operations and Management Plan, including the approach to day-to-day operations and maintenance, marketing and leasing, 5) Material finishes, 6) Project Budget, 7) Unit pricing, 8) Marketing Plan and 9) Timeline (show an integrated plan identifying all phases of project due diligence, property lease, design, construction, marketing and occupancy).
- d. Executive Summary:** The summary shall succinctly outline the major reasons why the prospective developer, together with others who shall participate in the Project (including, but not limited to, joint venture parties, consultants, professional service firms, major subcontractors, lending institutions, etc.), is qualified to carry out the Project .
- e. Team Strength:** 1) A proposed organization chart and brief commentary, clearly illustrating contemplated Project ownership, identifying all parties to the transaction; 2) Description of the levels of management interaction between the design, construction, and property management teams, and authorities and roles within the project; 3) Description of the extent the proposed design, construction, property management and maintenance teams have worked together on previous projects of similar size and scope and description of corporate management support in the planning,

resourcing, cost control and implementation of the project; 4) A narrative describing the team's management approach to satisfying the project requirements throughout the entire term; 5) A narrative, clearly identifying each principal, partner and/or co-venture proposing to participate in the project including ownership percentages and 6) Description of the legal form of the ownership, development and operating entities.

- f. **Key Personnel and Management:** Include a list of key project personnel proposed to support the project, their roles and professional background, resumes and experience on previous related projects.
- g. **Financial Pro Forma:** A detailed Sources and Uses of Funds and projected sales, lease revenues and expenses.
- h. **Property Taxes:** The developer will be responsible for any property taxes assessed on the property. Developer's proposal should assume that property taxes will be assessed and include such costs in its financial projections.
- i. **Financial References:** The developer shall provide the names, addresses and telephone numbers of at least three credit references for each equity entity, together with letters addressed and mailed to each reference authorizing release of information to the University and to its representative, Taktix Solutions. Credit references shall be limited to responses from major lending institutions, major suppliers or similar businesses that have clear, current and significant financial experience with the developer. If the developer is comprised of two or more partners or co-venturers, the same information is required of each partner or co-venturer.
- j. **Financing:** It is the responsibility of the developer to arrange the necessary debt financing and equity. Developers shall use their equity contributions and private sector commercial loan proceeds for project financing. Developer shall provide a detailed Statement of Sources of Capital, identifying components of debt and equity.
- k. **Project Financing** Developers shall submit a letter of interest from the proposed lender and underwriters evidencing a review of the terms and conditions of the RFQ/P, Proposed Ground Lease, Tax Credits, if any, and related documents and their proposed terms, the credit quality of the developer, and the developer's proposed Project concept. This letter shall include a statement that the lender is highly confident that it can finance the developer's proposed Project. Also the letter shall demonstrate how the equity contribution and mortgage debt or other methods of financing fully fund the Project.
- l. **Developer Conditions:** Developer must include any conditions that must be satisfied prior to entering into a Development Agreement for the sites. The proposal must include a schedule for completing all due diligence activity, securing any approvals required, and securing financing commitments. Each proposal must include a statement identifying the time period for which the proposal remains in effect. This period is not to be less than six months from the due date for submission of the proposals.
- m. **Past Performance Questionnaire:** Appendix D shall be provided by the developer with its response to this RFP/Q.
- n. **Incomplete Submittals:** Incomplete submittals and/or submittals without mandatory forms may be rejected.
- o. **Desired Features and Enhancements**
This RFQ/P identifies both requirements and desired features. Developers are encouraged to submit proposed enhancements which they believe will

enhance the Project, even though they are not identified as requirements or desired features. The University reserves the right to award additional evaluation credit to such desired features and enhancements based on their exceeding the minimum threshold requirements and benefit to the University.

3. Qualifications Submittal

Qualifications

Past Performance

Design and Construction

Business Arrangements, Financial Plan and Structure

Late Submission and Modifications

Any proposal or modification received at the office designated after the exact time specified for receipt will not be considered.

Evaluation and Selection

Authority for the RFQ/P

The issuance of this RFQ/P has been authorized by Wayne State University. Any agreements with successful proponents will be subject to approval by Wayne State University. **The University reserves the right not to make a selection under this RFQ/P.**

Strategy

The University shall evaluate each proposal considering the best possible structure for minimizing the long-term risk and costs while maximizing return to the University. The University is seeking residential and retail development through a financial strategy that maximizes the use of private funding to support the creation of a strong and vibrant campus community.

Evaluation Factors and Sub factors and Their Relative Order of Importance

Criteria	Factors/Sub factors	Order of Importance
Qualifications Submittal	Qualifications: Part A: Business and Financial Factor 1: Business Arrangements Sub factor 1.1: Team Strength Sub factor 1.2: Organizational & Management Approach Factor 2: Financial Sub factor 2.1: Financial Statement Sub factor 2.2: Preliminary Pro Forma Sub factor 2.3: Project Financing Part B: Project Concept Factor 3: Project Concept Sub factor 3.1: Project Concept Sub factor 3.2: Timing Part C: Past Performance	Factors 1 & 2 are of equal importance

Proposal Financial and Technical	Financial: Factor 1: Financial Sub factor 1.1: Project Viability Sub factor 1.2: Financial Strategy Sub factor 1.3: Components of Project Financing Sub factor 1.4: Proposed Pricing Design and Construction Factor 2: Design and Construction Sub factor 2.1 Objectives of WSU 2020 Master Plan	Factor 1 is the most important factor
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Reference Sources and Points of Contact

Appendix A - Site Survey www.taktixsolutions.com

Appendix B - Midtown Area Housing and Retail Report www.taktixsolutions.com

Appendix C - 2020 Master Plan Design Guidelines
www.facilities.wayne.edu/mp/2020/mp.htm

Appendix D - Past Performance Questionnaire (attachment)

Appendix E – Environmental Site Assessment - www.taktixsolutions.com

Information Requests – wsu@taktixsolutions.com

Appendix D - Past Performance Questionnaire

The developer shall ensure that a Past Performance Questionnaire is completed for each project used to demonstrate experience applicable to development of the University's sites. Relevant past performance information is defined as work of a similar nature to the proposed development completed during the past ten years. Questionnaires are to be completed by the developer responsible for the particular project and are to be included in the developer's RFP response.

WSU - RFQ/P Past Performance Questionnaire

Q/ A	I	Business Program Identification		
Q		a. Company / Development name:		
A				
Q		b. Program/Project title (for similar projects of proposed development that has been completed within the last 10 years):		
A				
Q		c. Description of the Project effort (please include magnitude and level of complexity as compared to the proposed project requirements and structure):		
A				
Q		d. Number of Residential Units and type (single family, townhouse, mid rise, high rise, for-sale, rental):		
A				
Q		e. Period of performance:		Answer
Q/ A		i. Original Schedule (number of months)		
Q/ A		ii. Current or actual Schedule (number of months)		
Q/ A		iii. Number of times Schedule changed		
Q/ A		iv. Primary causes of changes to construction schedule		
Q/ A		f. Project budget at time of project kick-off:		
Q/ A		i. Current or actual value at time of completion.		
Q/ A		ii. Number of times project budget changed.		
Q/ A		iii. Primary causes of changes.		
Q/ A		g. Current or actual project value including all changes:		
Q/ A		h. Current or actual completion date, and if not complete, percentage of completion:		
Q/ A		i. Complexity of the project (High, Moderate, Low)		
Q		j. Specific role of the developer and the person(s) and organization(s) identified as participants in the project.		
A		Role	Organization (name, address)	Representative (name, title & address)
				Contact Information Telephone, Fax Number and email
		k. Location of project		

A		Street Address	City	State	Zip Code
	II	Past Performance			Answer
Q/A		a. Overall Quality (Excellent, High, Moderate, Low)			
Q		b. Key management personnel Qualification to perform the requirements of the project.			
A		Organization	Name	Qualifications	
Q		c. Describe recordkeeping process and procedures for creation, distribution and review of project reports.			
A.					
Q		d. Demonstrated financial stability during the project construction and on-going operation and management.			
A					
Q		e. What is/was the criteria and process for modification of project costs.			
A					
	III	Business Relationships			
Q		a. Describe how well the developer's team members and subcontractors solved problems. Provide at least one example specific to the project.			
A					
	IV	Management			
Q		a. Was a specific management team dedicated to this project? Please describe structure and organization and changes throughout development cycle and ongoing operations.			
A		Construction Team			
A		Ongoing Management Team			
	V	Technical			
		a. Did the project meet general and detailed design specifications and requirements?			
A					
	VI	Property Management			
Q		a. How well did the property management plan meet required objectives?			
A					
Q		b. How would you describe the timeliness/courtesy of responses to resident complaints?			
A					
Q		c. Please describe the timeliness and quality of the change of occupancy maintenance program.			
A					
	VII	Financial Strategy			
Q		a. Was the financial plan adhered to? (If, "No", please reference and explain.)			
A					
Q		b. Were any changes made to the financial strategy or plan? (If "Yes", please reference and describe the change and its effect.			
A					
Q		c. Were there any cost overruns involved with this project? (If, "Yes" please reference and explain.)			

A		
Q		d. Were there any strengths and/or weaknesses with the developer's financial strategy?
A		
Q		e. Were the underlying pro forma financial assumptions sound? (If "No", please explain.
A		
Q		f. Were the pro forma financial objectives met? (If "No," please explain.)
A		
	VIII	Construction Management
Q		a. Were there any instances where subcontractors were not paid? (If "Yes", please explain)
A		
Q		b. Were any liens placed against the project? (If, "Yes", please explain)
A		
	IX	General Information
Q		a. Has any company related to the developer filed for bankruptcy in the past ten years? (If "Yes," please reference, indicate date, type of charges, and disposition of case)
A		
Q		b. Have any key personnel associated with this developer been indicted on any criminal charges within the past ten years? If "Yes", please indicate date, type of charges and disposition of case.)
A		
Q		c. Has the developer's line of credit been increased/decreased by 25% or more during the past ten years? (If "Yes", please indicate date and reason for change.
A		
Respondent Information		
Company Name		
Address		
Authorized Representative Name		
Authorized Representative Title		
Authorized Representative Signature		