

University of Houston at Sugar Land

Industry Partnership Zone P3 – Q&A

Event Questions

- 1) **Question:** Does the University envision The Industry Partnership zone development as a single project or a series of 10-12 different partnerships given the opportunity and diversity of opportunities for this site?

Answer: The University is open to different solutions as to how the 40 acres will be built out, including a Master Developer developing all or part of the 40-acres, and/or individual developments. The University expects the development of the 40 acres to be phased.

- 2) **Question:** Does the University have a preferred term? 30 years? 50 years?

Answer: The University is looking for long-term leases, with an initial preference for 30 years. However, this is negotiable, based on what is proposed by the private sector, and the overall economics of the proposed project. The University's legal department would need to be involved in the final determination.

- 3) **Question:** Does the University have development guidelines that would apply to this project?

Answer: There are University design guidelines, as found here - <https://www.uh.edu/facilities-planning-construction/vendor-resources/owners-design-criteria/design-guidelines/>.

The degree to which development within the Industry Partnership Zone would comply with the design guidelines is yet to be determined and any detailed design requirements will be outlined later in the process. Future development shall support the existing campus architectural fabric of massing and exterior finishes while also establishing an identity for the Industry Partnership Zone.

- 4) **Question:** Will there be any opportunity for a TIF or TIRZ at this site?

Answer: While a TIF or TIRZ might be possible, it will depend on the nature and amount of needed infrastructure and public benefit reimbursement. Keep in mind that reimbursable expenses must adhere to what is outlined in the TIRZ 4 Financing Plan for public infrastructure / public improvements at the City of Sugar Land. Other incentives tied to State Statue 312 and City of Sugar Land Government Code 501.002 will likely not apply since the land at UH Sugar Land will continue to be owned by the State. Additional support aside from what's shown in the City's TIRZ 4 Financing Plan would need to be evaluated on a case-by-case basis.

- 5) **Question:** What are the University's spatial or programmatic needs?

Answer: The second College of Technology (COT) Building is currently in design and along with the existing COT Building will serve the majority of COT students once it is complete. However, as the COT programs continue to grow, along with the introduction of new programs at the site, the University anticipates that there may be a need for additional space for university use in new development at the Industry Partnership Zone. This additional space could come in the form of student services, research and office space.

- 6) **Question:** Would the University be open to entering into a joint venture with the future development partner where the land is contributed as equity into the project?

Answer: It would depend on what the development partner proposes. The University would need to review any such proposal with its legal counsel to determine if this is a permissible arrangement for state owned property and understand the risk of the equity component in relationship to the potential upsides for short- or long-term revenue generation. Please note, the University is not interested in selling the land.

- 7) **Question:** Does the University have experience with similar projects? Are there any lessons learned that could influence the model the University would like to pursue?

Answer: UH has studied national and international case studies in relation to this opportunity. Historically, most public-private partnerships the University has pursued have delivered student housing at the University System level, but nothing of the size and type as this Industry Partnership Zone.

Online Questions

- 1) **Question:** The SmithGroup is currently your architect. Do they have to be part of any P3 team, or have they been the planners to date, and is it open for other teams to form?

Answer: The project is open for other teams to form. SmithGroup are the Designers for the second College of Technology building, which is not part of the Industry Partnership Zone.

- 2) **Question:** Does the University intend to provide availability payments/subsidies or will the developer be responsible to take on full rent/revenue risks?

Answer: Currently, all financial and project delivery models are on the table. The university is open to a variety of different structures and risk profiles. Market feedback and the type of proposals the University receives will help to inform the University's position on potential payments/subsidies and leasing/revenue risk.

RFIC Questions

- 1) **Question:** Section H of the RFIC indicates that the response to Section I is limited to 11 pages. As the Cover Letter is noted in Section H, can you please confirm that the Cover Letter is not included in the page limit?

Answer: The Cover Letter is not included in the page limit.

- 2) **Question:** Should the University ultimately decide on pursuing the solicitation, will insight from the Industry Partners who intend on occupying space in the Project be shared with the winning RFP respondent?

Answer: Information related to potential industry partners may be shared with the winning RFP respondent unless the industry partners deem the information to be confidential or proprietary in nature.

- 3) **Question:** We recognize that one of the Project objectives is to generate revenue via patents, IP, etc. Is the University able to facilitate conversations between RFIC respondents and the UH Office of Technology Transfer and Innovation so that we may better understand the University's current performance and activities with relation to technology transfer and monetization?

Answer: Yes, the University is open to facilitating conversations with RFIC respondents to better understand the University's current performance and activities with relation to technology transfer and monetization.

- 4) **Question:** Please confirm that the proposed development site is designated as within a Tax Increment Reinvestment Zone or other similar abatement / incentive structure to assist with the needed infrastructure investment for the site. Are there any other incentives or restrictions applicable to the land?

Answer: The proposed development site is within the City of Sugar Land Tax Increment Reinvestment Zone (TIRZ) #4 per City ordinance 1768. TIRZ #4 is approximately 700 acres, has an approved project plan for area infrastructure, and is set to expire in 2039. The City of Sugar Land is to deposit 50% of the tax increment generated from property tax to fund public improvement projects within the zone. The estimated cost for zone projects is \$50M and non-project investment is estimated at \$1.63B. Additionally, the proposed development area is located within Levee Improvement District (LID) 17. LID 17 had a 2021 tax rate of \$0.545, encompasses 2,331 acres, and provides funding district wide for infrastructure and improvement projects.

- 5) **Question:** Does the University intend to integrate the activities and components of this development with those of the UH Technology Bridge and the greater UH presence? For example, would the University have an interest in relocating or expanding the existing Innovation Center and/or incubator labs to the Sugar Land instructional site?

Answer: The University is open to integrating activities within the wider UH System properties and the proposed Industry Partnership Zone development. However, the University is not currently planning on relocating the existing Innovation Center and/or incubator labs at UH Technology Bridge to the Sugar Land instructional site.

- 6) **Question:** Is there any debt encumbering the land?

Answer: No.

- 7) **Question:** Will the University consider leasing space within the IPZ? Would the University consider space in exchange for reduced or eliminated ground rent payments? If of interest, what range of space needs could the University envision?

Answer: As the COT programs continue to grow, along with the introduction of new programs at the site, the University anticipates that there may be a need for additional space for university use in new development at the Industry Partnership Zone. This additional space could come in the form of student services, research and office space. The University is open to exploring different structures for leasing this space.

- 8) **Question:** Is there a resource to help us better understand how modifications to the master plan guidelines occur? Similarly, where can we find information on zoning or allowable use on the University's state land?

Answer: The University expects that changes to the Masterplan will be required as the Industry Partnership Zone is designed and developed, of which the University is supportive. Modifications would be part of a design review process that is undertaken for any construction project on University property.

While the proposed development site is state owned property and is not required to adhere to local zoning and development regulations, it's the University's intent to be good neighbors within the City of Sugar Land. The property is currently zoned as Business Office (B-O). All development regulations and permitted uses can be found in the City of Sugar Land Development Code Section 2-92. It should be noted the height for the property may be limited to 5-6 stories, given its location in the Airport Height Hazard Overlay for the Sugar Land Regional Airport.

- 9) **Question:** What are the specific zoning and land use parameters for the site? Since the parcel resides within the boundaries of the campus master plan, will the development be subject to further zoning restrictions from the city of Sugar Land or Fort Bend County?

Answer: While the proposed development site is state owned property and is not required to adhere to local zoning and development regulations, it's the University's intent to be good neighbors within the City of Sugar Land. The property is currently zoned as Business Office (B-O) all development regulations and permitted uses can be found in the City of Sugar Land

Development Code Section 2-92. It should be noted the height for the property may be limited to 5-6 stories given its location in the Airport Height Hazard Overlay for the Sugar Land Regional Airport. As noted in the Request For Industry Comment, the Industry Partnership Zone is subject to a Land Use limitation that the University must use the property for 'Higher Education Purposes', meaning any development must support the University's educational mission, but does not have to be strictly for instructional use.