



## 513-12 Construction Project Financing

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Addendum 001  
January 24, 2012

- 1) Is the library and parking structure one legal description or are they separate parcels/projects? **The property is currently one legal description (10 City lots). Upon completion of the construction of the Project, the library, CMC space, and parking structure will be condominiumized, and will have separate legal descriptions.**
- 2) Is the bond financing specifically for the library and the CMC financing for the parking structure or is it all one project with comingled funding? **The library bond financing is to fund the Library's share of obligations for the entire project, including the library, foundation, site improvements, etc. CMC is seeking a bank loan to fund its share of obligations for the entire project, including parking structure, foundation, site improvements, and CMC's portion of the building (part of second floor and common areas).**
- 3) When do the library funds go into the project? **Library funds will be paid into the project, along with CMC funds, as construction proceeds. The Library and CMC have retained ARC Integrated Program Management, Inc., as the owner's representative on the project for both parties. ARC will collect all invoices, review them for accuracy and submit each entity's individual portion for payment. CMC and the Library District will then pay invoices directly to the general contractor. Statements are to be submitted on a pay-as-we-go basis each month.**
- 4) Is the property encumbered or can we take a first deed of trust on the property(s)? **CMC will not own the property until after it is condominiumized, and then will own a portion of it. CMC does not intend to use this property as security for the loan. CMC intends to secure this project with other real property, to be determined in cooperation with successful bidder.**
- 5) Can you provide the project budget(s) (including land, soft costs, hard costs and contingency)? **Please see the posted documents on the CMC website (more information below).**
- 6) Can you give us more specifics on your general contractor, FCI, so that we can research them? **Our general contractor's website is <http://fciol.com/>.**

- 7) Can we get a copy of your standard contract and indemnification agreement as conditioned in Section V of the RFP? **Our standard terms and conditions are available on our website and posted to [www.coloradomtn.edu/purchasing](http://www.coloradomtn.edu/purchasing) for your convenience. Please note that these are standard terms and conditions that the college uses for all procurement transactions as part of our purchase order. Any items that are not applicable to this transaction will be not applicable. CMC will execute the necessary and reasonable loan documents.**
- 8) What amount and type of insurance do you require the bank to have as conditioned in Section V of the RFP? **Please see #7.**
- 9) I do not see any information under RFP #513-12 at [www.coloradomtn.edu/purchasing](http://www.coloradomtn.edu/purchasing). Where do I find the audited financial statements? **Please see [www.coloradomtn.edu/purchasing](http://www.coloradomtn.edu/purchasing). Please select the “Bids, RFP’s...” section of the website and choose this project’s link.**
- 10) Are completion and repayment guarantees available? If so, from whom? **A performance Bond and Payment Bond will be required from the General Contractor as part of the final Guaranteed Maximum Price acceptance. The contract with the Contractor includes the following:**
- § 11.4 Performance Bond and Payment Bond**
- § 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract. Such bonds shall be issued in an amount equal to the total Contract Sum by a surety company licensed in the state where the Project is located, with a current A.M. Best rating of at least A- X, included on the U.S. Treasury Department’s listing of approved sureties, shall be on such terms as are required by C.R.S. 38-26-101, et seq., and acceptable to the Owner and Construction Manager, or as expressly agreed otherwise by the Owner and Construction Manager in writing.**
- 11) I noticed that within the RFP references the successful bidder needing to sign your standard contract. Do you have a form of that agreement you can share? **Please see #7.**
- 12) Is the new project available as collateral? **No. See #4. The college will secure the loan with other real property owned by CMC.**
- 13) Can you please provide more detail on the new project including;
- a. Total project scope, budget and sources/uses of funds?

**CMC/Library Building:** A 28,000 gsf two-story mixed-use building to be used primarily as the Glenwood Springs Library of the Garfield County Public Library District and as classroom/office space for Colorado Mountain College over a lower level of parking. The site consists of 10 city lots at the southwest corner of 8<sup>th</sup> Street and Cooper Avenue. The Glenwood Springs Library will be located on the first level and include approximately 14,000 gsf including tenant finish and FFE design services. The second level will include approximately 4,000 gsf for future library expansion and approximately 10,000 gsf for use by Colorado Mountain College. The second floor will be constructed to a core-and-shell level of finish. The building will include a lobby common to both floors included in the gross areas noted. The lower level will include a single level of parking, partially below grade with mechanical ventilation to accommodate approximately 65 parking spaces to be used primarily by the staff of Colorado Mountain College. The lower level will have a dimension of approximately 100 ft x 250 ft. The project will include improvements to the public right of way including sidewalk and curb along 8<sup>th</sup> Street and Cooper Avenue fronting on the 10 lots. The project will also include re-striping of the parking spaces on Cooper Street between 8<sup>th</sup> Street and 9<sup>th</sup> Street.

**Public Pedestrian Plaza:** A hardscape/softscape plaza of approximately 7,000 sf to be located south of the CMC/Library Building on the southernmost three lots of the site, over the south end of the parking garage. The plaza will include features to incorporate outdoor pedestrian uses by the CMC/Library Building and connect to the alley west of the site.

- b. Who is the owner of the property currently? **The City of Glenwood Springs. The property will be conveyed to the Library District on January 31, 2012, and later condominiumized for ownership by the Library and CMC.**
- c. Was a separate entity formed for the project? **No.** If so does CMC have any ownership interest in that entity? **A condominium association will be formed after construction is complete. CMC will have an ownership interest at that point.**
- d. Will the project be divided into condos? If so, how? **Yes. Upon completion of construction the project will be condominiumized. It is not yet determined exactly how many units there will be. The college anticipates that it will own the parking structure and a portion of the second floor, and the Library will own the main floor library space plus a portion of the second floor. Both entities will have a pro-rated interest in common areas.**
- e. When will the project break ground? **The current plan is to break ground on April 2, 2012.**

- 14) How will the parking garage be set up?
- a. Just for CMC and Library? **Just for CMC.**
  - b. Public? **CMC may open the structure to the general public on evenings and weekends.**
  - c. Spaces offered to any other entities for lease? **No.**
- 15) Is CMC expecting to do an “Annual Appropriation of Future Revenues” or a “Pledge of Revenue?” **Annual Appropriation of Future Revenues.**
- 16) Can we be provided the Bond Terms to review any prohibition or limitations set by covenants? **This project does not involve a bond issue by CMC. We are seeking a private bank loan.**
- 17) Is CMC looking for a 3/5/10 term with 3/5/10 year amortizations? **Yes. CMC will consider your ideas for any repayment structure that will lower the overall cost of borrowing.**
- 18) Can you identify the specific collateral opportunities that would be available for the proposed loan (i.e. - specific real estate parcels, building(s) etc.)? **CMC intends to secure this loan with other real property owned by CMC and will determine which property(ies) in consultation with the successful bidder.**
- 19) I would like clarification on the statement in paragraph 3 of the Introduction, regarding the "borrowing cost at a three, five and ten year amortized term along with any other options or suggestions...". Are you in fact looking for fully-amortized terms of three, five and ten years or are you requesting a longer amortization (15 or 20 years, for example) with fixed-rate terms of three, five and ten years? **Please see question 17.**
- 20) Are you anticipating pledging your interest in the project as collateral? Would any sort of pledge be at parity with the library district bondholders, or would it be in a senior/junior position? **CMC will secure the project with separate real estate owned by CMC. See above, #4, 12, and 18.**
- 21) Could other real estate assets of Colorado Mountain College be pledged to secure the project financing? **Please see #18.**
- 22) Has your counsel identified the construction project as an essential use asset? **We are not familiar with the term “essential use asset.” The CMC Board of Trustees has determined that this project will further the educational mission of the College pursuant to Colorado statutes.**

- 23) Will the proceeds of the loan flow through the same trustee that is administering the proceeds of the bond issuance on behalf of the Library District / City of Glenwood Springs? **No. CMC's financing is separate. See #3.**
- 24) Could you share with us your approved budget & forecast financial statements for fiscal years 2012 & 2013? **CMC's fiscal year ends on June 30. All available financial statements are posted. The Colorado Mountain College Board of Trustees will approve the 2012-2013 budget in June, 2012. Please see [www.coloradomtn.edu/purchasing](http://www.coloradomtn.edu/purchasing). Please select the "Bids, RFP's..." section of the website and choose this project's link.**
- 25) What specifically is the collateral available to the lending institution to secure the \$4.8 million loan? Please provide the estimated value of the completed product broken down between land and improvements. **See question 18. This project will be conveyed to CMC by the library after it has been condominiumized. The college anticipates that it will own the parking structure and a portion of the second floor (as condominium units) and have a pro-rated interest in common areas.**
- 26) Will there be any additional encumbrances to the property taken as collateral besides the lending institutions 1st DOT? Please see above regarding condominium ownership. **CMC's condominium ownership will be subject only to title exceptions of record. CMC intends to pledge other real estate as collateral for the loan; see #4 and 18.**
- 27) Are additional financial statements available? We would be interested in reviewing June 30, 2010 audited financial statements and year-end 2011 unaudited financials if available. **Please see #24.**
- 28) Is CMC interested in an interest only period of repayment during the construction phase of the loan? The full \$4.8M balance would then be amortized upon completion of the construction phase. **Yes, if this lowers our overall cost of borrowing.**
- 29) Has a phase 1 environmental report been prepared for the subject property and is environmental insurance available? If one has not been prepared, will this be done prior to closing? **The City has not prepared a Phase 1 report as preliminary reports indicate "there does not seem to be any historical use of Lots 23-32 of Block 37 in the Original Townsite to warrant an Environmental Assessment". We are currently getting proposals to have a Phase I environmental report completed.**
- 30) One of the TABOR limitations we understand is the requirement that you are unable to commit to a long term project longer than annually. Will this limitation be in place on this RFP? **Yes. TABOR prohibits public entities from committing funds beyond the current fiscal year. Loan repayment will be subject to annual appropriation of funds by the CMC Board of Trustees. (All College liabilities are subject to this limitation and have been since TABOR passed.)**

- 31) Questions were raised on the issue of collateral. Primarily, what is the nature of security interest the Library bond financing would require and if a lender would be able to secure a senior position for its proposed financing in conjunction with the Library filing. It is our understanding the bank would not be able to perfect its security interest in the CMC owned portion of the building until building is completed. Is it possible to speak with the bond counsel for the Library district to resolve this question? **The loan will be secured by other real property owned by CMC. See above.**
- 32) My understanding is that CMC is requesting 100% financing on the request with the intent of rapidly reducing the indebtedness. One such vehicle was the sale of current offices at 9th and Grand in GWS...is CMC willing to pledge a security interest in this building to strengthen the request? At the same time, are you prohibited from doing so due to TABOR restrictions? **Yes, CMC is willing to consider a pledge of security in its property at 9<sup>th</sup> and Grand. TABOR does not restrict the College from pledging assets to secure debt. Please see also question 18 and 30.**
- 33) Early indications are the space will remain empty, as unfinished "shell space", to be completed at a later point in time...are there any long term plans for this as classroom or admin space? **See #13(a) above. CMC's second-floor space will be finished as "core-and-shell," and later finished for use as classroom and office space as needed.**
- 34) Library District issued debt for their portion of the proceeds to build the library and parking structure. Wondering if the site was pledged via a ground lease to secure that financing? More importantly, what will be the security for this loan? Would the College be in a position to pledge a ground lease to another campus to secure? **Please see question 18.**
- 35) Source of revenue to service the debt? **General revenues of the college. There are no new revenues specifically associated with this project.**

**Thank you again for your interest in our project. We hope the answers provided above are helpful. If you are still unclear about something we ask that you please state your assumption and submit based on that. The selection committee will consider any information you submit and we encourage you to provide your ideas and submit alternative bids if you wish. The College is interested in maximizing our flexibility and minimizing our borrowing costs. You may email questions to [sboyd@coloradomtn.edu](mailto:sboyd@coloradomtn.edu) regarding the submittal process at any time. Please be sure to check the website at [www.coloradomtn.edu/purchasing](http://www.coloradomtn.edu/purchasing) in the "Bids, RFP's...." section under this project. We look forward to working with you.**

**Revised timeline – as of January 24, 2012**

	<b>CONSTRUCTION PROJECT FINANCING RFP TIMELINE</b>	<b>DATE</b>	<b>TIME</b>
<b>1</b>	<b>ISSUE DATE</b>	<b>01-06-2012</b>	<b>4:00 PM</b>
<b>2</b>	<b>QUESTIONS DUE FROM PROSPECTIVE VENDORS VIA EMAIL (OPTIONAL)</b>	<b>01-13-2012</b>	<b>4:00 PM</b>
<b>3</b>	<b>ADDENDUM RELEASED WITH ANSWERS TO OUTSTANDING QUESTIONS (IF NECESSARY)</b>	<b>01-24-2012</b>	<b>4:00 PM</b>
<b>4</b>	<b>REQUEST FOR PROPOSALS (RFP) DUE</b>	<b>02-03-2012</b>	<b>4:00 PM</b>
<b>7</b>	<b>TARGET AWARD DATE</b>	<b>02-29-2012</b>	<b>4:00 PM</b>