REQUEST FOR INDUSTRY COMMENT ("RFIC"):  

A. INTRODUCTION  

The University of Houston ("UH") is soliciting information that UH may consider for use in a subsequent solicitation for the selection of one or more of the following:  

- Development Partners interested in entering into an agreement(s) and/or ground lease(s) for the long-term planning and development of some or all of a 40-acre property designated for Industry Partnerships at the University of Houston at Sugar Land instructional site;  
- Industry Partners that would be interested in performing joint research with the University and occupying space in a new facility at the University of Houston at Sugar Land instructional site;  
- Industry Partners that would be interested in developing and occupying their own facility for the purposes of joint research and collaboration with the University at the Sugar Land instructional site.  

This RFIC is informal, and its aim is to deliver market responses through written feedback from participating parties by September 6, 2022.  

This RFIC is not the start of a market procurement or a legally binding agreement between UH and respondents or any external parties.  

B. PURPOSE  

UH invites your participation in this RFIC as the first step in developing a formal procurement to guide the development of an Industry Partnership Zone at UH at Sugar Land – see Figure 1.  

The primary purpose of this RFIC is to:  

1. Measure the level of industry interest in participating in a future procurement;  
2. Obtain industry input to questions outlined in Section I (Information Requested) of this RFIC; and  
3. Seek the participation of industry leaders in individual meetings or calls to obtain additional input on the proposed development including project delivery and financing mechanisms.  

UH is particularly interested in seeking feedback from industry experts to ensure that any subsequent procurement process and/or real estate transaction appropriately reflect opportunities and challenges the private sector believes are inherent in a future procurement process. UH is also seeking concise recommendations on how to best leverage proposed opportunities and overcome potential challenges. Although corporate marketing materials will be reviewed, responses to this RFIC are encouraged to be concise, thoughtful, and responsive to the questions outlined in Section I that are deemed relevant and appropriate to the responder.
C. UNIVERSITY OVERVIEW

The University of Houston System ("UH System") comprises the largest Texas state institution system of higher education located in an urban, metropolitan environment. As the region’s largest provider of comprehensive university services, from the baccalaureate to the doctorate, the UH System plays an essential role in meeting the higher education needs of the Houston metropolitan area and Texas as a whole. The UH System serves more than 75,000 students, has an annual budget that exceeds $2.07 billion, and produces a $6 billion-plus economic impact on the Greater Houston area each year. The UH System’s research and scholarship are globally significant, nationally competitive, and serve as an engine for economic development, while its public service activities enhance the quality of life in the region.

The UH System includes the University of Houston, UH-Clear Lake, UH-Downtown, and UH-Victoria, as well as instructional sites in Sugar Land, Katy, Northwest Houston, and Pearland.

The University of Houston ("UH") main campus has a student population of approximately 47,000 students. UH employs over 3,100 faculty members and approximately 3,800 staff members. Founded in 1927, UH is the flagship institution of the UH System and the third-largest university in Texas. Its campus spans 667 acres in southeast Houston.

Other surrounding UH System universities include:

- the University of Houston-Clear Lake, located in the far southeast Houston-area, which has a student population of approximately 10,000 students, 500 faculty, and 600 staff members;
- the University of Houston-Downtown, located in downtown Houston, which has approximately 15,000 students, 800 faculty, and 650 staff members; and
- the University of Houston-Victoria, located approximately 100 miles southwest of Houston, which serves over 4,100 students, 130 faculty, and 300 staff members.

The University of Houston at Sugar Land is an instructional site of the University of Houston. Located at Highway 59 and University Boulevard in Sugar Land, Texas, this site boasts 270 acres of highly desirable property, including Highway 59 frontage and approximately 200 buildable acres.

UH at Sugar Land offers programs and classes from six UH colleges: the College of Technology, the College of Nursing, the College of Education, the College of Liberal Arts & Social Sciences, the C. T. Bauer College of Business, and the Graduate College of Social Work. There are more than 3,000 students at UH at Sugar Land pursuing studies of discovery and innovation that mold them into the next generation of leaders, educators, and professionals, with a goal to reach 10,000 students by 2029 according to the 2019-2023 Strategic Plan. Students seek out these programs for the same reasons we offer them—real world implications and applications. This instructional site is tightly tied to the local community in creating a professional workforce for Fort Bend County and beyond. The site is a shared space with Wharton County Junior College, which offers its own unique curriculum and includes the Texas common core courses.

D. PROJECT OFFERING

1) VISION & UNIVERSITY OBJECTIVES

The overall vision for the Industry Partnership Zone is to create a community where academia and industry intersect to create an innovative ecosystem bringing people and ideas together to advance research, technology commercialization, incubation, and economic development. UH is looking for key partners whose work overlaps with the program offerings at the Sugar Land instructional site in order to leverage the intellectual capital available in the form of faculty and students. UH at Sugar Land is
most focused on advanced manufacturing, logistics and supply chain, and biotechnology, but is open to adjacent sector partners as well. These partnerships would work in tandem to offer internships, research collaborations, and intellectual property (IP) leading to patent development.

The project objectives for UH are as follows:
- A long-term collaborative industry partner(s)
- A project that is revenue generating (i.e., patents, IPs, share of lease revenue, ground lease rent, etc.)
- An up-front capital investment and/or securitizable long-term commitment from a partner(s)
- An overall alignment with UH academic mission, goals, and objectives
- A space for potential additional research and employment opportunities for faculty and students
- A sustainable, state-of-the-art research hub

2) VALUE PROPOSITION TO PRIVATE SECTOR

UH can present a high value proposition to potential partners, characterized by:
- Land that is zoned and ready for development
- Joint research revenue
- Access to leading research faculty at both UH at Sugar Land and potentially the wider UH research faculties
- Highly employable and rapidly growing student body and pipeline for industry workforce
- Reputational benefits of being partnered with a leading University
- Suburban environment with relatively low cost of living
- Access to leading medical, energy, and technology companies

Nationally recognized faculty are eager to collaborate with private sector partners to generate cutting edge advancements and further the intellectual capital at UH through research, IPs, and patent development. Early engagement with students through internships and research collaboration allows a partner to train future employees and ensure they are ideal for the industry workforce.

UH is prepared to invest land and resources into a partnership that will allow all parties to succeed. It is already a leader in the academic space and plans to continue to grow its prestige, having developed a vision of becoming a top 50 university. This will only increase the brand value of said partnership and could also provide extensive media coverage for the Industry Partnership Zone and its associated partner(s).

Beyond the UH partnership, the larger region offers significant appeal to potential partners. The City of Sugar Land is an innovative hub for many growing industries, particularly in advanced manufacturing, biotech, financial services, energy technology, and research and development. Fort Bend County is already home to several advanced manufacturing and technology sector companies and will likely continue to serve as a targeted site for those industries.

The region is also enticing to employees looking for a high quality of living as well as employment options. The region offers a suburban environment with an affordable cost of living, a diverse and highly educated population, and highly rated local school districts. Fort Bend County leads the Greater Houston Metro region in many key demographics including education level, diversity, household income, talent attraction and skilled job growth.
3) POTENTIAL COMMERCIAL STRUCTURES AND TRANSACTION PARAMETERS

UH analyzed a variety of project delivery models and is open to discussion regarding commercial and transactional arrangements. Regardless of structure, the Project must meet the UH’s vision and objectives, as described in Section D.1. The Project should reflect clear higher education purposes in support of the campus’ educational mission. The following use types have been considered at this point and all are acceptable as a portion of the Project:

- Commercial Office
- Advanced Manufacturing R&D
- Flex Space
- Laboratory / Research
- Shared Academic / Classroom
- Supporting Commercial Development and Relevant Retail

UH is seeking feedback and suggestions from the market on three high-level options that have been discussed up to this point. In addition, UH is open to hearing ideas for additional procurement or project delivery options that they may not yet have considered. The three primary options under initial consideration are:

- **Industry Partner Development**: UH would retain legal ownership and allow an Industry Partner with sufficient resources to develop the project (in alignment with UH’s Vision and Objectives, see Section D.1.) and occupy it. Levels of university financial commitment could be discussed including ground lease levels, expectations for research opportunities, and related revenue sharing.

- **Development Partner Led**: A Development Partner would take on all risk for developing the project and finding Industry Partner lessees. The lessees would need to be in line with the UH’s Vision and Objectives and would be subject to the UH’s approval. The Development Partner would operate and maintain the project over a long-term lease, with repayment from the lease revenues.

- **Availability Payment P3**: UH would find Industry Partners willing to enter into a long-term tenant lease. Then, UH would identify a development partner to design, build, finance, operate, and maintain (DBFOM) the project, with the UH making payments to the development partner based on the availability of the building and the partner’s operating performance out of UH’s operating and capital budgets. UH would retain the lease payments.

Outside of these stipulations, the UH is open to discussing commercial structures, ground leases, other types of leases, and various security structures that could be used to raise the capital to build the project, within certain parameter. However, UH is not currently considering issuing general revenue bonds for this purpose. In addition, there may be certain restrictions associated with the site zoning or allowable uses on State land of universities, but UH is open to hearing ideas that potential partners may have that would help allocate risk efficiently between parties or transfer it largely to the Development and/or Industry Partner(s).

4) SITE PARAMETERS AND EXISTING CONDITIONS

**Location** – The land is located at the University of Houston at Sugar Land instructional site, located at 14004 University Boulevard, Sugar Land and can be accessed from University Boulevard. The 40-acre parcel will have frontage along U.S 59 Frontage Rd - refer to Figure 1 for the Masterplan.

**Description** – The 40-acre parcel designated for Industry Partnerships is an irregular-shaped parcel along the Western portion of the instructional site, highlighted in BLUE on the Masterplan (Figure 1).
The site is located southeast of the existing College of Technology building and is a vacant, greenfield site.

**Environmental** – UH completed an Environmental Study in 2007 which included a portion of the Industry Partnership Zone property. No known or suspect environmental conditions were identified in the area, and it was the Environmental Professional’s opinion that there were no recognized environmental conditions connected to the area studied. The University is considering obtaining an updated environmental study that examines the entire Industry Partnership Zone.

**Infrastructure** – There is no existing infrastructure within the 40-acre Industry Partnership parcel. UH is aware of utility connections to the instructional site generally; however, any new infrastructure required to serve the site for new development would need to be provided as a part of the project.

**Land Use Parameters** – The Industry Partnership Zone is subject to a Land Use limitation that the UH must use the property for ‘Higher Education Purposes’. State institutions of higher education, like UH, have the authority to undertake a wide variety of activities that are not strictly educational but that still support the UH’s educational mission. UH currently builds partnerships with other educational institutions, community organizations, government agencies, and private entities to serve the region and to create additional learning opportunities for its students through internships and other programs. One example of such a partnership is the Fort Bend County library branch located at the UH at Sugar Land instructional site, which mutually benefits UH and community. This partnership, like the partnerships we are seeking for the Industry Partnership Zone, has enabled the UH to further its mission, achieve revenue potential, and continue its drive for tier-one university status.

**Master Plan** – The Master Plan serves as a guide for future campus build-out but is not a prescriptive or fully developed plan that all future development must follow. Future development shall support the existing campus architectural fabric of massing and exterior finishes while also establishing an identity for the Industry Partnership Zone.

**Building Height Restrictions** – UH at Sugar Land is in the line of the Sugar Land Regional Airport (SGR) runway south approach. The Federal Aviation Administration (FAA) controls the airspace and regulates the heights of buildings around airports that could obstruct the safe operations of aircraft. Based upon the FAA F7460 instructions, it is expected that buildings will be limited to 122’ & 151’ (8 to 10 stories) on the UH at Sugar Land instruction site.

## E. RESPONDENTS

Responses to this RFIC are being sought from a variety of potential respondents:

- Developers interested in building one or more facilities for the future occupancy of an industry partner tenant/s;
- Industry Partners that would be performing joint research or development with UH and interested in occupying space in a new facility;
- Industry Partners that would be interested in developing and occupying their own facility for the purposes of joint research and collaboration with the University; or
- Other industry participants that would be interested in a long-term collaboration with UH.

## F. PROPOSED PROCESS

The RFIC will be issued on Tuesday, August 9, 2022.

The RFIC will be out in the market for approximately four weeks with responses due on **Tuesday, September 6, 2022**.
UH will analyze all responses submitted and will consider potential next steps which may or may not include a future procurement. This RFIC process does not constitute a legally binding agreement between UH and any respondent.

G. GENERAL INFORMATION REGARDING THE RFIC

RFIC COSTS AND EXPENSES

UH shall not be liable for any costs associated with a submittal in response to this RFIC.

PUBLIC INFORMATION

All information, documentation, and other materials submitted in response to this Request for Industry Comment are subject to public disclosure under the Texas Public Information Act (Texas Government Code, Chapter 552.001, et seq.) after the outreach is completed.

If a response includes proprietary data, trade secrets, or information the respondent wishes to exempt from public disclosure, then the respondent must specifically label such data, secrets, or information as follows: “PRIVILEGED AND CONFIDENTIAL – PROPRIETARY INFORMATION.” To the extent permitted by law, information labeled as such will be used by UH only for purposes related to or arising out of evaluation of responses.

OWNERSHIP OF RESPONSES

All submittals received in response to this RFIC will become the property of UH.

RFIC QUESTIONS

All questions regarding this RFIC shall be directed to Beth Johnson, by Tuesday, August 16 at 5:00 PM Central Standard Time to the following email address: bethjohnson@uh.edu

DEFINITIONS

UH System shall mean the University of Houston System, including all universities, teaching centers, and other satellite locations owned or operated by the University of Houston System or the University of Houston.

University or UH shall mean the University of Houston, including its instructional sites owned or operated by the University of Houston.

Respondent shall mean the individual, partnership, corporation, or other entity responding to this RFIC.

RFIC shall mean Request for Industry Comment.

H. SUBMITTAL REQUIREMENTS AND FORMAT

COVER LETTER

Respondents should submit a signed cover letter from an officer, owner, or principal partner(s) with signature authority for the responding entity, to include the following information:

- Entity’s Name
- Entity’s Address
- Entity’s Designated Contact Name, telephone number, and email address
RESPONSE INSTRUCTIONS AND DUE DATE

Respondents should carefully read the information contained herein and submit a response to the questions in Section I to which the respondent desires to respond. UH asks that the Respondent repeat the question number and question at the top of each response.

Responses to this RFIC are due on or before: **Tuesday, September 6 at 4:00 PM Central Standard Time.**

Responses shall be submitted in an electronic portable document format (PDF or Microsoft Word) to Beth Johnson, at the following email address: bethjohnson@uh.edu

The submission shall include the phrase “UH at Sugar Land Industry Partnership Zone RFIC Response” as the subject line with the attached searchable PDF submittal.

We ask that the responses address the questions in Section I in a concise manner and that responses be limited to 11 pages (this does not include Firm profile, marketing materials, or case studies). If a respondent is responding to all sections, this page limit will be increased to 16 pages. There is a minimum font size of 10 for text, except for text in graphics. Emphasis should be on completeness, clarity of content, responsiveness to the requirements, and an understanding of the UH’s needs.

I. INFORMATION REQUESTED

Respondents should provide responses to any and all questions that follow which apply to the potential role the respondent would take in the partnership arrangement proposed and to the respondent’s experience. **Please do not provide commercially sensitive or confidential information in response to this RFIC.**

**KEY QUESTIONS:**

1. Please describe your company, including size (number of employees, revenues, net income, locations, etc.), areas of expertise, focused areas of research and development relevant to this partnership, etc.

2. Please describe any experience you have had in similar relationships or partnerships, particularly with Higher Education institutions.

3. What role would your company be interested in playing in conjunction with the Industry Partnership Zone? (ex. Lessor of space/industry partner, developer, etc.) Please feel free to discuss options not described in the scenarios above if you believe it would be in the mutual interest of you and UH.

For Development Partners who would be interested in developing the facilities, but would not be performing research functions:

D1. Currently, the Industry Partners have not been identified. Would you:

   • Be able to assist in identifying and attracting Industry Partners?
   • Be willing to assume some or all of the occupancy/lease risk associated with the development

     » If so, what would you require to do this? (e.g., anchor tenant with ___% long-term lease)
   • Recommend developing a “master plan” that enables building now for future growth, or building “one-off” facilities as Industry Partners are identified?

D2. What information would you need to be able to master plan this type of project?

D3. What commercial structures would you consider that share risk and reward, cost and benefit
between UH and you? Please provide case studies and projects you have been or are currently involved with in a similar capacity.

D4. What are the biggest advantages you see arising from this partnership arrangement?

D5. What are the biggest challenges you see to a potential partnership?

D6. How can UH provide the most attractive partnership environment, within the constraints of needing this partnership to make long-term financial and institutional sense for UH?

D7. Please describe any experience or insight you have with a similar ‘Higher Education purposes’ Land Use restriction for the property.

For Industry Partners who would be performing research functions:

I1. What areas of expertise would you seek to leverage in conjunction with UH faculty and students? Are there professors/departments that are of particular interest to you for collaboration?

I2. What activities would you anticipate performing in the Industry Partnership Zone? (e.g., research, administrative, training, marketing, etc.)

I3. How do you expect UH faculty and students to participate with you in the Industry Partnership Zone? Are there particular roles you envision them fulfilling?

I4. What would be your main objectives for participating in this partnership?

I5. What types of facilities would you want to occupy in the Industry Partnership Zone (office space, light industrial research flex space, etc)?

I6. All of the options above involve a material commitment from you as a potential partner. These range from making long-term lease commitments to developing your own facility on university property at your own up-front cost. They also include sharing in the financial benefits of the research and development jointly performed in the Industry Partnership Zone.

• Which of these is most appealing to you and why?

• What commercial structures would consider that share risk and reward, cost and benefit between UH and you? Please include real-world examples of these options, as applicable.

I7. What are the biggest advantages you see arising from this partnership arrangement?

I8. What are the biggest challenges you see to a potential partnership?

I9. How can UH provide the most attractive partnership environment, within the constraints of needing this partnership to make long-term financial and institutional sense for UH?
FIGURE 1 – MASTERPLAN OF UNIVERSITY OF HOUSTON AT SUGAR LAND INSTRUCTIONAL SITE

(Industry Partnerships Zone designation in BLUE shading)