

Questions and Answers for the AETC Group I Industry Forum, 20 – 24 Sep 04

	Question and its location where asked:	Answer:
1.	Forum: When will the Standard and Poor's rating of the project be done?	AETC anticipates that the draft S&P rating will be completed and published midway through the 60-day proposal development period.
2.	Forum: How many of the inadequate units are inactive?	Appendix B of the Statement of Need (SON) will identify the units for each installation and whether they are inhabited, vacant or cannot be occupied due to their condition.
3.	Forum: Are lenders identified for developers to work with?	Appendix AA is the list of Lenders of Interest. Each Offeror must obtain a financial proposal from at least three of the listed lenders. The Offeror may also submit proposals from other lenders who are not listed in Appendix AA.
4.	Forum: Are there any recourse carve outs?	Yes. Any Government direct loan will be documented using FHLMC documents, which include recourse carve-outs for rents, security deposits, insurance proceeds and condemnation proceeds received by the Borrower, the payment of insurance, taxes, assessments, ground rents and lienable charges, the performance of all environmental covenants and certain lender costs and expenses.
5.	Forum: Is there a market rate reverter included in the default? What is the lender community discussion regarding default?	Yes. The government reserves the option to adjust base rent of the leased premises to fair market rental value if the leased premises are acquired by either a lender or another party approved by the Government after an event of default and the exercise of lender remedies. Such rent is payable only if project receipts are available for such purpose.
6.	Forum: How much review and comment submission is desired with the initial proposal?	The Government will take into consideration comments on the SON and Appendices as it finalizes the RFP for this project.
7.	Forum: Is there a senior bond extraordinary call provision?	The Government has not specified any required bond financing terms. Each Offeror may structure bond financing in any way the Offeror deems appropriate to respond to the RFP.
8.	Forum: In the solicitation process, who approves the Highest Ranked Offeror?	The most advantageous proposal is first reviewed by the Air Force Executive Steering Group and then approved by the Headquarters, Air Education and Training Command Source Selection Authority.
9.	Forum: Why is there a 6 to 9 month wait to gain closure after the Apparent Successful	Previous experience has shown that it may take this long to close on the project once the ASO is named.

	Offeror (ASO) is named?	
10.	If there is no Government Loan required by the Offeror, should it take as long to obtain the approval?	Experience has shown that the closure time would be the same regardless of whether a Government loan is involved or not.
11.	Forum: What actions does the ASO have to do during this 6 to 9 month period?	During this period the ASO and the Government will work together to finalize all documents for the transaction. There are no further deliverables during this period.
12.	Forum: In the financing of the project, why did the Air Force use the hard number of 1.20 as the Debt Service Coverage Ratio (DSCR)?	The Government pro forma uses the first loan DSCR at 1.20 for current projects it has undertaken because this is the first lien ratio that is generally accepted in the private sector for these type projects. This is only an assumption. The actual DSCR to be achieved may be different depending on the lender and the Offeror.
13.	Forum: Has there been consideration given to retaining the surplus units at the installations instead of demolishing them?	Consideration was given to retaining surplus units past the ten-year limit on keeping the surplus units, but the decision was made to retain only the number of units determined by the Housing Requirements and Market Analysis to be the requirement.
14.	Forum: Have the four bases contained in this project been reviewed for Base Realignment and Closure?	No. Housing privatization and BRAC actions are independent of each other. This project will go forward at this time independent of any BRAC actions.
15.	Forum: Must the developer meet local construction codes?	The Offeror must meet local building codes in their work. Government inspections will be done by the Air Force, not by the local municipality.
16.	Forum: Can pictures be taken during the housing tours?	Pictures may be taken during the tour of the exterior of the homes and the interiors of unoccupied housing.
17.	Forum: Is the \$70M Government Direct Loan conservative?	The Government estimate provides for the minimum requirements and allows the Offeror to satisfy all requirements.
18.	Forum: Is the Government providing a warranty of this condition for those units with a CAM Score above 3.75?	No. The CAM scores reflect the Government's assessments of the condition of the unit. Offerors need to make their own determination of the condition of the housing units. All units and other improvements are conveyed As-Is and without warranty.
19.	Forum: Are the Vol IV submittal requirements contained in the Statement of Need for all Offerors?	No. Vol IV is just for the one Offeror who is determined to be the Highest Ranked Offeror.
20.	Luke: Are the green common areas taken care of by the homeowners?	No. Currently, green common areas are maintained by the installation.
21.	Luke: Who owns the chain link fences	Most chain link fences are rented by the occupants.

	around the houses?	The others are owned by the occupants.
22.	Luke: Has hurricane insurance been factored into the Government financial model?	No hurricane or flood insurance costs were included in the Government financial model for the Tyndall AFB housing.
23.	Luke: What is the general quality of existing infrastructure?	The existing condition of infrastructure on the bases is described in Section 2 of the SON.
24.	Luke: What is the general policy on the maintenance of infrastructure at each base?	Infrastructure on the base is maintained by the Air Force in accordance with its internal policies and applicable law.
25.	Luke: Are units going to be sub-metered for utilities?	The Successful Offeror (SO) must meter units to be kept longer than one year for electric and gas consumption. Water, sewer and refuse are to be paid by the SO out of rental income.
26.	Altus: Can you provide information on the three bridges in the housing area?	Information regarding the condition of the three bridges in the Altus AFB housing area will be placed on the PSCMHC web site, www.pscmhc.com .
27.	Altus: Please clarify the policy on additional base visits. Our understanding is that there will not be another "industry" visit, but individual visits may be arranged through the base contacts listed.	There will not be another Industry Forum for Group I or any of the four bases. If an Offeror wishes to return to a base to perform further due diligence, they will need to make arrangements directly with the installation program managers that are listed on the PSCMHC web site, www.pscmhc.com .
28.	Sheppard: What information is available for the condition of the existing facilities?	The Government's assessment of the condition of the existing facilities is listed in the SON Section 2.0. Additional information is available on the PSCMHC web site, www.pscmhc.com .
29.	Sheppard: What is the location of the 102 renovated units in the Capehart housing area?	The location of the 102 renovated Capehart units at Sheppard AFB will be identified in Appendix B.
30.	Sheppard: Is the infrastructure in place in the open areas that once had homes in the Wherry housing area on Sheppard AFB?	Yes. The infrastructure lines were capped when the housing was demolished, but the open land adjacent to the golf course has no infrastructure in place.
31.	Sheppard: How is the police and fire protection handled?	The Government currently provides police and fire protection and intends to continue this service. The cost of such services to the SO will be estimated annually in accordance with the formula attached to the Lease.
32.	Sheppard: Does the equipment and furnishings stay in the housing office and maintenance facility? Who pays for the utilities for these facilities?	No equipment or furnishings will be conveyed with either of these facilities. The SO will pay for the utilities for these facilities if occupied by the SO.
33.	Sheppard: What type of jurisdiction is applicable to the Capehart housing area at Sheppard AFB that is located off the main installation?	The jurisdiction for this area is exclusive Federal.
34.	Sheppard: What about EPA issues and	An Environmental Baseline Survey for each of the

	Radon?	bases has been completed and is available on the PSCMHC web site, www.pscmhc.com .
35.	Sheppard: Who will do refuse collection?	The SO will be responsible for refuse collection.