

Madrone Community Development Foundation (501c3) University of Memphis Park Avenue Campus Student Housing Project

Applicant: Madrone CDF PropCo LLC (A Tennessee limited liability company, the sole member of which is Madrone Community Development Foundation)
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Union Development Holdings LLC (Developer)
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Application Summary: The Project is the development of a Purpose-Built Student Housing Facility located on the Park Avenue Campus of the University of Memphis (the “University”) as a Public-Private Partnership (“P3”), designed pursuant to the specifications of Request for Proposals (RFP No. 05152023) issued by the University on May 15, 2023. After a competitive procurement process, including a “best and final offer” round, Union Development Holdings, LLC was awarded the right to develop the Project. The Project will

consist of approximately 542 units, as further described in this Application and its Exhibits, for the benefit of providing affordable housing to University students. As the University’s athletic training facilities and Nursing School are located on the Park Avenue Campus, the targeted cohort for living at the Project will be student athletes and nursing students. The Project will break ground in June 2024 and will open for students in August 2026. This housing will provide immeasurable economic benefit to the University and the surrounding area, transforming the Park Avenue Campus into a sought-after education destination. With competitive rental rates, the Project will also alleviate some need for housing for students. See attached pro forma cashflow statement for Project income and expenses. The Project will be owned by a single-asset, special-purpose entity LLC (the “PropCo”) that will be a wholly-owned subsidiary of Madrone Community Development Foundation, a qualified 501(c)(3) not-for-profit organization. The Project will be subject to a Ground Lease between the University and the PropCo whereunder the University will receive distributions from the Surplus Fund as variable base rent. The Development Team has engaged a nationally recognized Bond Counsel firm, Kutak Rock LLP, who has extensive experience in tax-exempt financing for this structure. This structure is regularly utilized in the student housing market, including recently at the University of Tennessee-Knoxville, and provides a means to efficiently develop affordable student housing with a private developer.

Total Units	BR/BA	Units	SF	Rent:	Rent: \$/SF
243	Studio	72	427	\$1,149	\$2.69
	2 BR/2 BA	107	717	899	2.51
	4 BR/4 BA	64	1284	725	2.26

Total Bond Issue Proposed (Not to Exceed): \$85 million
Total Bond Cost per Unit \$288,066

Location: Park Avenue campus of The University of Memphis