

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State Polytechnic University, Pomona Lanterman Real Property Strategy

Presentation By

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Summary

In May 2015 the California State University Board of Trustees authorized the chancellor to negotiate and execute the terms of a Memorandum of Understanding (MOU) with the state to accept on behalf of the Board of Trustees the interest in 287 acres of real property, known as the Lanterman Development Center (Center). The Center was previously operated by the California Department of Developmental Services. This information item summarizes the actions taken by California State Polytechnic University, Pomona to determine the feasibility of retaining, repurposing, and developing the land.

Background

In July 2016, the California Department of Finance and the CSU executed a MOU, which indicated the intent to transfer the Lanterman property to the CSU to support its educational mission and stated that the CSU will undertake development planning of the Lanterman property within the context of the historical parameters of the site. The Department of Finance agreed the university could assess the site and determine by September 1, 2017 if it could be developed given the historical district constraints.

Subsequent to the execution of the MOU, Cal Poly Pomona engaged the Urban Land Institute to conduct a preliminary study. The study recommended the establishment of a campus team to partner with a pre-development consultant to oversee and direct the necessary due diligence work. The firm of Brailsford and Dunlavey was selected to serve as the owner's representative and assist in the selection of consultants to perform the necessary pre-development due diligence and feasibility studies.

Pre-Development Findings – Challenges and Opportunities

Hellmuth, Obata & Kassabaum (HOK) was selected to perform the pre-development feasibility studies. The HOK team's assessment of the Lanterman site included a comprehensive high-level site analysis that examined the surrounding region, existing site conditions, the local climate, site topography, geotechnical characteristics, available open space, building conditions, historical significance, and readily developable zones.

The HOK team evaluated potential uses for the property given the need for preservation and challenges presented by the site. These included academic use, offices, laboratories, industrial and workshop space, and housing. HOK also developed several financial models to test the various uses and related sensitivities. Additionally, the HOK team completed an assessment of traffic demands and suggested transportation mitigation measures.

Overall, HOK's findings strongly suggest the property holds great potential for development over time. The site is a large contiguous piece of land with a character defining historic setting. Although the property is eligible for designation as a historic district, there is ample open space where new construction may take place to support the mission of the university. The property has great potential for becoming an integral part of the campus.

Lanterman Real Property Strategy

The development of the Lanterman property will encompass a comprehensive, long-term strategy over ten or more years and will occur in phases. The initial development projects will be structured to generate revenue to support subsequent projects. Plans will evolve during the development of the property and may be adjusted as development moves forward. The campus is prepared to be responsive to market changes, financial conditions, and the needs of the campus and the surrounding community.

A Request for Qualifications/Request for Proposals will be issued to engage a master developer or a team of developers to partner with the university to create a land parcel plan, infrastructure program, phasing plan, land use programming, business plan, and associated California Environmental Quality Act (CEQA) documentation. The campus will seek experienced developers who possess a demonstrated understanding and appreciation of the Cal Poly Pomona mission, expertise with historical preservation, and sensitivity to the campus priorities and the needs of the surrounding communities. Properly structured, a partnership with a developer will benefit the campus and lead to a financially stable development plan. The proper development of Lanterman is expected to provide a future revenue stream for the campus to further advance the university's educational mission.

Prior to the execution of commitments for the development and use of the Lanterman site, projects will be presented for approval at future meetings of the Board of Trustees. In addition, any related environmental documents, master plans, amendments to the capital outlay program, schematic plans, financial plans, and other key business points will be presented for board approval.

Next Steps

Based on the board's resolution in May 2015, the chancellor will inform the Department of Finance of the university's intention to retain and develop the Lanterman Site. Development of the Lanterman site provides opportunities to strategically address the academic program needs related to the long-term development of Lanterman and campus lands. Attention will be given to innovation in the areas of academic excellence, sustainability, and environmental responsibility. The campus will build strong working relationships with the neighboring communities and contribute to the quality of life and economic vitality of the region. The campus plans to develop an outreach program to solicit broad input and ensure that various constituents inside and outside of the university are kept informed of development considerations and plans.

