



Memorandum

DATE: April 3, 2017

TO: President Soraya M. Coley and Cabinet Members

FROM: Benjamin F. Quillian, Ph.D. *B.F.Q.*
Special Advisor to the President

cc: Walter Marquez
Sandra Vaughan-Acton
Sadiq Shah
Michael Woo
Steve Relyea
Steven Lohr
Jennifer Glad

RE: Lanterman Feasibility Study Phase II Progress

The HOK team is continuing to make progress on the feasibility study and is now approximately half way through its work. Danielle and I, along with our Owner's Representatives have been having regular conversations with the HOK team leaders to ensure we keep the study moving in the best possible direction to support Cal Poly Pomona's academic mission, preserve the historical significance of the site, and identify possible revenue streams. Going forward, Danielle, Sandra and I will be interacting with the HOK team on a more regular basis. We are planning additional face-to-face working sessions with the HOK team to give the team a deeper familiarity with the planning processes of the Cal Poly Pomona campus and a more complete understanding of campus expectations.

We invited Steve Lohr and Jennifer Glad of the Chancellor's Office to attend the third workshop held on March 17, 2017. It was a productive meeting. Drawing from their work with Ford, Apple and others, the HOK team presented several examples of how R&D space might be developed on the Lanterman site. They provided information on how some of the historic buildings might be repurposed. The team also presented a preliminary land valuation for each of four multi-use concepts. All of the concepts included space being devoted to academic uses, R&D, general office and commercial space, and housing. Each concept varied the weighting of the various uses, giving more square footage to some uses and less to others. In each scenario HOK ran valuations for "base case demand" (the most realistic in the context of current market demand) and "upside potential demand" (the most optimistic given the potential to create and increase market demand). The exercise helped bracket our expectations of revenue generation appropriately.

The next workshop will focus on risk and mitigating strategies. The HOK team will also work with our working group to validate and refine inputs being used for the financial model and begin the process of "market sounding outreach" -- obtaining preliminary information from the development community.

If you have questions or need additional information, please contact me.