



BOARD OF TRUSTEES OF THE  
CALIFORNIA STATE UNIVERSITY,  
on behalf of California State Polytechnic  
University Pomona  
3801 West Temple Avenue  
Pomona, CA 91768

## **Request for Proposal**

**RFP #20-007**

**Addendum #4**

**April 8, 2021**

**LANTERMAN DEVELOPMENT CENTER – MASTER DEVELOPER**

**RFP Due Date:**

**May 10, 2021 by 4:30 PM PDT**

Below are responses to the questions, organized by topic, submitted by interested parties.

## **CPP & CSU Approvals**

### **Development Plan**

1. What assurances can the CSU provide the Developer that the CSU-BOT will ultimately approve the development plan and what protections or recourse does the Developer have if the CSU-BOT does not approve the development plan recommended by CSU & CPP?

*Response: Throughout the planning process, CSU and CPP will work with all parties towards consensus, including consultation with the CSU Chancellor's Office. However, CSU and CPP cannot provide assurances that the CSU-BOT will ultimately approve the development plan. Please refer to information provided in the RFP Section 1e. The typical CSU process for P3 projects is described on the CSU website: <https://www2.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/project-center/Public-Private-Partnership>. This project is currently in the RFP stage of "Stage 4: Due Diligence." CSU has issued an Executive Order describing the BOT approval process, including responsibilities of the campus and CSU, and it is available on the CSU website: <https://calstate.policystat.com/policy/7892685/latest/>.*

*Additionally, in accordance with RFP Section 3.7, please provide a response and/or comments to the Draft ENA as part of the Developer's proposal.*

2. Are there interim steps towards CSU-BOT approval that can provide the Developer greater certainty that the development plan will be accepted?

*Response: Please refer to the response and links provided for Question #1 for clarification of steps toward CSU-BOT approval.*

3. The RFP states that the initial Master Plan will need CSU-BOT approval, and each subsequent project will require separate approval. How is this process being defined?

*Response: Each phase of the Master Plan will be developed under a separate Ground Lease. Processes defining ground lease requirements will be included in the transaction documents. Please refer to the response and links provided for Question #1 for process clarification.*

4. Please identify the anticipated procedure, and the parties involved, for endorsement of the development plan that will ultimately be presented for CSU-BOT approval?

*Response: Please refer to the response provided for Question #1 for process clarification and parties involved for CSU-BOT approval. Some examples of internal and external constituents that will be involved during the planning process of the development plan are described in the RFP Section 2a.*

5. What are the steps to finalization of the Transaction Documents? Are there procedures that will provide the Developer assurances of an agreed upon transaction structure prior to initiation of the EIR and CEQA?

Response: Please refer to the response to Question #1 for the typical CSU process for P3 projects, including information on CEQA and transaction completion as described in Stages 5 & 6 of the link provided. We have been anticipating simultaneous planning of the site development and transaction structure prior to CEQA.

*In accordance with RFP Section 3.7, please provide response and/or comments to the Draft ENA as part of the Developer's proposal.*

6. What are the expectations for CSU approval of retail types on the Site? Will the Developer be required to submit each retail lease for approval?

Response: Please refer to the response and links provided for Question #1 above. As noted in Section 1d. of the RFP, retail space should align with CSU's desire to create a destination downtown or "college town" environment. CSU is open to suggestions of retail types proposed by the Developer, subject to final negotiation and approval by the CSU-BOT. Project description and program will be determined during the ENA period. Processes defining leasing requirements will be included in the transaction documents.

#### **Entitlements and Permitting**

7. Beyond the entitlements processed through the State of California, are there any other entitlement processes required at a local level for the Lanterman Site? Please identify the levels of jurisdiction that will be applicable for entitlements, permits, affordable housing, etc. Oftentimes development impact fees are assessed by cities, counties or other bodies having jurisdiction (e.g. sewer fees, traffic impact fees, school fees, etc.); is there a schedule of development impact fees that can be provided for reference?

Response: As noted in Section 2a. of the RFP, the Developer will be responsible for obtaining all land use entitlements and applicable approvals. All processes and fees are to be investigated by the Developer, with cooperation of CSU and CPP, during the due diligence efforts.

8. We understand that CSU will oversee the entitlement and permitting process. Please provide additional detail regarding the CSU plan check process, any other permitting and procedural milestones, and estimated review/approval time frames.

Response: Please refer to the "CSU Procedure Manual for Capital Projects," linked in the RFP ([https://www2.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Documents/guidelines/Procedure\\_Manual.pdf](https://www2.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Documents/guidelines/Procedure_Manual.pdf)), for information on CSU submittal processes, including information on regulatory agency processes. Please refer to the links provided for Question #1 for additional information on CSU approval processes.

9. Please confirm if this development is exempt from AB 1486 Surplus Land Act. Was the date and time of transfer of this property prior to this Act going into effect?

Response: We do not believe AB 1486 Surplus Land Act applies to the Site.

## ENA

### **Defaults to Agreement / Remedies**

10. It appears the sole remedy offered the Developer in the case of CSU default is termination of the ENA. If CSU is found to have acted in bad faith and decides to initiate negotiations with another party, the only remedy the first Developer has is to terminate the ENA and, therefore, lose its entire investment. Is this an accurate reading of the intent of the ENA?

Response: *CSU will comply with requirements of the negotiated ENA and does not act in bad faith. Please refer to Exhibit A – Draft ENA. In accordance with RFP Section 3.7, please provide a response and/or comments to the Draft ENA as part of the Developer's proposal.*

### **Ground Lease**

11. Is CSU open to a small portion of the property being designated as a separate parcel that is sold as fee-title interest for the purpose of providing for-sale housing?

Response: *No; as noted in the RFP, CSU will not sell portions of the Site, as raising funds through the sale of land contradicts the intent and purpose of the land transfer to the CSU by the State of California.*

12. Is CSU amenable to considering alternative ground lease structures and/or formulas, including an equity position, to provide incentives for uses that may not be fully market driven? If so, are there certain uses that will drive CSU's approval for alternative ground lease structures and/or formulas?

Response: *CSU is open to suggestions around the ground lease structures and/or formulas, however, CSU will not take an equity position nor subordinate its fee interest to any ground lease financing. Approval of ground lease structures and/or formulas will be reviewed on a case-by-case basis in the context of the overall development plan.*

13. What is the maximum ground lease term allowed for the Lanterman site? Will the Developer have options for renewal/purchase at their discretion?

Response: *There are no prescribed ground lease terms or renewal parameters that have been established by CSU. Different product types and financing structures may have different ground lease requirements. CSU is amenable to consideration of the term of ground leases proposed by the Developer in order to facilitate long term leases, financing, and/or other financial return considerations of developer. As noted above, CSU will not subordinate its fee interest to any ground lease financing.*

## Program

14. Does CSU have a preference for a particular population for affordable subsidized housing (e.g. veterans, seniors, disabled, etc.)? Is there a particular income level that CSU is looking to target?

Response: *CSU is open to suggestions of proposed populations by the Developer, subject to final agreement and legal requirements. Please refer to RFP Section 1c. & 1d.*

*for the description of CSU's vision and objectives for the Site. Developer proposals should include suggestions for project components; creative thinking is encouraged.*

15. Are there any programmatic elements or initiatives that CPP constituents have expressed as desirable? If so, please describe.

Response: *Please refer to RFP Section 1c. & 1d. for the description of CSU's vision and objectives for the Site, including programmatic desires. A Campus-based Advisory Committee Report from 2019 is included within the additional resources that are available via the CPP Lanterman RFP website: <https://www.cpp.edu/lanterman/pdfs/campus-based-advisory-comittee-report.pdf>. This includes ideas for the Lanterman Site provided by faculty, staff, academic administrators, and students. Please note that the ideas offered in this document are conceptual in nature and CSU will look to the Developer to advise on practicality and feasibility of programmatic elements. CSU desires forward-looking proposals, with interest in innovation in infrastructure and the use of new technologies for both development and operation of the Site. As noted in the RFP, this will be considered in the evaluation of proposals.*

16. Is a hospitality component a desired land use? Or would it be viewed as competitive to the existing CPP on-campus hotel?

Response: *Please refer to the response and link provided for Question #14.*

17. What level of influence does CSU have with local transit authorities as it relates to approvals for regional transportation connecting to the Lanterman site?

Response: *CSU and CPP will work collaboratively with local transit authorities and agencies to facilitate development.*

18. Is there interest in providing augmented 3rd party-provided student services at the Lanterman site?

Response: *Please refer to the response and link provided for Question #14.*

19. Does CPP have any long-term growth needs that could be met by the mix of development uses over time. For example, it looks like the university has the College of the Extended University for continuing education.

Response: *The CPP Campus Master Plan update is currently in progress. Information about the CPP Campus Master Plan and progress documents can be found on the CPP website: <https://www.cpp.edu/fpm/pdc/master-plan/index.shtml>, including information on campus growth projections and needs. As noted in the "Executive Summary of Master Plan 2020 (In Progress)," the master plan is for the main campus and Innovation Village. Note that Lanterman is a separate project.*

## **Financial**

20. For purposes of Developer's Pre-Development Pro Forma, can the University provide an estimate of the CSU costs that are required to be reimbursed by the Developer during the ENA period?

Response: *This information will be dependent on the proposal. This will be worked out during the ENA negotiation period.*

21. Can CSU confirm that prevailing wages will be required for all construction on the Lanterman site?

Response: *As the RFP states, Developer should assume that prevailing wages will be required and prepare proformas accordingly.*

#### **CPP Data/Stats**

22. Many Colleges and Universities have seen a decline in application levels during the pandemic. When does CPP expect to regain pre-pandemic application levels? Does CPP have revised estimates for student and staff population 5, 10 and 20 years from now?

Response: *The Developer will be responsible for demographic due diligence and market studies. Please refer to response and link provided for Question #18 for information on CPP Campus Master Plan and campus growth projections.*

23. The RFP notes below-market priced housing options for faculty, staff and upper-level and graduate students as a CSU desire. Please provide guidance on what targeted salary levels should be considered.

Response: *The average salary range for faculty, staff, and upper-level and graduate students is \$75,000 - \$90,000.*

#### **Stakeholders / Relationships**

24. Please describe the possible relationship between the CPP Foundation and the Developer? Will the CPP Foundation be a participant in the development process or as a potential JV partner for CPP-related uses?

Response: *The role of the CPP Foundation in the Lanterman project, if any, has not yet been determined; however, neither the CSU nor the CPP Foundation will be an equity participant.*

25. To draw spending to the Lanterman site, will CPP promote businesses and programmatic elements to the CPP community?

Response: *CPP will collaborate with the Developer. Note that CPP cannot mandate students/faculty spending.*

26. Please outline any specific requirements within the agreement with the State for land transfer. Please elaborate on the requirements for the CCC, CHP, fire training, etc., including any acreage requirements.

Response: *Please refer to Section 1a. of the RFP for information on the organizations that have requirements on the Site; see Figure 1 for location of the CCC and the LA County Fire Department. As noted in the RFP, the LA County Fire Department has been granted six acres for training purposes; this will remain in place. The specific requirements for the CCC are still being determined, however, CSU does not anticipate this project will be materially impacted.*

27. Is there an anticipated/desired relationship between the Lanterman development and the existing Innovation Village? If so, please elaborate. Are there any specific assumptions the Developer should incorporate into their proposal?

Response: *There is no requirement for a relationship between Innovation Village and Lanterman. However, Developer proposals may include suggestions for project components and/or relationships.*

### **General Clarifications**

28. Are there any restrictions on Developer team members/employees (e.g. Developer, architect, consultants) being current or former faculty members?

Response: *Developer will be responsible for reviewing and complying with all applicable conflict of interest laws and related CSU policies. CSU Conflict of interest information can be found on the CSU website: <https://www2.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/project-center/infrastructure/Construction/Pages/Collaborative-Design-Build/A.aspx>. Note, although the agreement tabs on the website do not directly apply to the Lanterman project, the information provided is applicable.*

29. For final proposal submission, is there a preference for document size or orientation?

Response: *As a note for planning of packaging and submission of hard copy and digital documents, the hard copy and digital documents will be distributed to parties for review after submission due to the state of remote working. As noted in the RFP, content provided in electronic and hard copy format must be exactly the same since selection committee members will be reviewing the documents in their format of preference (exclusively digitally or exclusively hard copy). We request that hard copy submissions be limited to 11x17 as the maximum document size. If your team believes a larger size may be beneficial for review, we ask that it be submitted in a format in which it is folded down to 11x17, or smaller, for ease of distribution/packaging. There is no specification in regard to orientation.*