

**CSU Dominguez Hills &
DH Foundation
University Village-Mixed-Use Development/Market Rate Housing**

LETTER OF INVITATION
REQUEST FOR QUALIFICATIONS

Date: February 20, 2018

Subject: Development Opportunity at CSU Dominguez Hills

California State University Dominguez Hills (“CSUDH”) and the California State University Dominguez Hills Foundation (“Foundation”) invite qualified developers to submit Statements of Qualifications (SOQ) for the proposed ground sublease and development of property at CSUDH as part of the 2018 Campus Master Plan Revision project. CSUDH and the Foundation seek to ascertain interest, review qualifications, and consider general concepts for development related to the proposed University Village Mixed Use/Market Rate Housing (University Village Mixed Use Development) component of the proposed 2018 Campus Master Plan Revision project.

The Foundation is an auxiliary organization affiliated with CSUDH, authorized under the California Education Code to conduct certain operations in support of the University. If the Board of Trustees of the California State University approved the 2018 Campus Master Plan Revision project, the Foundation would lease the proposed University Village Mixed Use Development site from the University and then enter into a sublease with one or more development partners.

This Request for Qualifications (RFQ) includes information pertaining to the response format, content, and selection criteria. All submittals must conform to the requirements as outlined in this letter of invitation and the RFQ. A pre-submission conference will be held on March 13th at 9:30am to answer questions related to this Request and tour the property. The conference will be held in the President’s Conference Room on the 4th floor of Welch Hall on the CSU Dominguez Hills campus. All interested parties must RSVP by March 5th to Jinna Matzen, Business and Finance Coordinator, by email to jmatzen@csudh.edu.

The Foundation reserves the right to request that any respondent clarify its response or supply any additional material deemed necessary to assist in the evaluation of said response.

All SOQs must be sealed and identified as to submission content enclosed. The deadline for submission of the proposal is 2pm on April 19, 2018. SOQs received later than the stated deadline may be rejected.

Please direct inquiries concerning this RFQ to Lori Hoffman, Senior Advisor for Land Development, at lhoffman@csudh.edu.

Sincerely,

Naomi Goodwin
Interim Vice President, Administration and Finance

REQUEST FOR QUALIFICATIONS
“University Village Mixed-Use Development”

I. INTENT OF REQUEST FOR QUALIFICATIONS

The Foundation is requesting qualifications from interested entities as a first step toward identifying qualified developers to plan, finance, construct, and derive income from the operation of a development project on property located at the CSU Dominguez Hills campus in the City of Carson, California. The project site is accessed from E Victoria Blvd. south along Birch Knoll Rd. It comprises approximately 36 acres on Parcels 1A, 1B, 4A, 4B, 5A, 5B and 5C on an area described in more detail in Section II, below. The property is owned by the State of California acting in its higher education capacity/Board of Trustees of the California State University (CSU), and development rights would be conveyed to the Foundation in the form of a ground lease. The Foundation would in turn sublease the site to the selected developer(s). See Section IV Development Requirements for further details.

As envisioned in the proposed 2018 Campus Master Plan Revision project, CSUDH seeks to transform the east campus along E. Victoria and Central into a vibrant “University Village.” Redevelopment of the project site is a critical component in achieving the larger vision of CSUDH’s Campus Master Plan and paves the way for the University to fulfill its aspirations of enriching the student experience and becoming a focal point for the community. University Village, in its entirety, aims to take an underutilized section of the campus and transform it into an attractive public entrance to CSUDH that would serve as a vibrant node of public activity, as well as a convenient location for faculty, staff and student housing and market rate apartments. The proposed project site (as defined in Appendix A [attached land use map]) is geared toward meeting existing and anticipated market demand for Mixed-Use development with multifamily and retail product, as established through a market demand study¹ that would support the educational mission of the University by providing greater access to much-needed housing and retail options for employees, visiting scholars, and potentially for graduate students with families. It is anticipated that a project on Parcels 1A, 1B, 4A, 4B, 5A, 5B and 5C would offer approximately 2,100 housing units and up to 94,300 gross square feet of retail services. The close proximity of the University Village Mixed Use Development to the campus core would allow for faculty and student opportunities furthering the University’s educational mission.

Joint ventures or partnerships formed for the purpose of strengthening team qualifications are acceptable and encouraged. The development team must include firms or individuals knowledgeable in the complexities of developing projects of this type, with demonstrated experience in guiding projects through the regulatory approval process. Responses must also demonstrate that the team is adequately supported by highly qualified individuals or firms in an experienced development entity and in such disciplines as architecture, urban design, engineering, legal review, etc.

¹ A copy of the study, which was conducted by RCLCO in 2015, is provided as Appendix B.

In addition to presenting development and utilization concepts that serve to benefit the University and surrounding community, respondents must articulate a financing strategy that will ensure the project's overall long-term viability. CSUDH and the Foundation anticipate that revenue to the Foundation from a proposed ground sublease will ensure that the Foundation can provide the University with income to support its educational activities. Evidence of ability to finance, undertake and complete the proposed development is crucial to a successful submission.

The procurement process for a development team will consist of this initial RFQ stage, and a subsequent RFP stage will seek specific submissions for programming, design, financing, and construction, as well as marketing, maintenance, and operation of the development.

At this RFQ stage, the Foundation may select developer teams to participate in an interview to discuss their vision, qualifications, and approach. The development teams selected from the RFQ stage by the Foundation will be invited to participate as finalists in a subsequent RFP stage.

II. DESCRIPTION OF PROJECT AREA

The CSUDH campus is one of 23 campuses within the CSU system, which is governed by the CSU Board of Trustees. The CSUDH campus comprises approximately 346 acres situated in the City of Carson.

In 2017, CSUDH embarked on a new campus vision for the land directly east of the academic core. The approximately 80 acre site known as University Village (or, more formally, the Land Development Plan "LDP") includes the 36 acres known as Parcels 1A, 1B, 4A, 4B, 5A, 5B and 5C. Collectively, these parcels are envisioned in the proposed 2018 Campus Master Plan Revision project as a vibrant mixed-use development organized along Birchknoll Rd. CSUDH anticipates requesting that the CSU Board of Trustees certify the Final EIR and approve the proposed 2018 Campus Master Plan Revision project in July 2018.

A parcel map showing the site is provided in Appendix C and legal descriptions of the parcels are provided in Appendix D.

III. SITE DEVELOPMENT OBJECTIVES

A. Role of Site Developer

The Foundation believes a partnership with private sector expertise and investment would be the most effective method to implement a component of CSUDH's proposed 2018 Campus Master Plan Revision project. The proposed University Village would provide a gateway to the larger campus, serve as a transitional space on campus to the adjoining land uses, and is adjacent to two major transportation corridors.

The selected development partner(s) will maximize economic potential and provide the best value while remaining compatible with the campus and neighborhood environments. After

successful negotiations, the developer(s) selected from a future RFP process will assist the University in securing necessary approvals and will work with the Foundation and the University to realize the economic benefits inherent in this property.

The University Village Mixed Use developer(s) will undertake the following roles:

- Identify the development plan for the University Village Mixed Use Development site;
- Develop an infrastructure plan for Birchknoll Rd, including demolition of existing structures and utility relocation/expansion, 1 acre park, hard and soft scape, as well as any off-site requirements and needs;
- Plan, design and construct the University Village Park;
- Create a financing strategy to support the project;
- In collaboration with the Foundation, secure any additional entitlements, permits, and approvals for the University Village Mixed Use Development project;
- Work with the Foundation to secure project approvals as necessary from appropriate governmental bodies;
- Address other requirements described in this RFQ.

B. Development Considerations for the University Village

1. Site Boundaries

See Appendix A

C. University/Foundation Objectives for the University Village Mixed Use Development

In collaboration with the University, the Foundation has identified the following objectives for the development of the University Village Mixed Use Development that would be considered in the evaluation of responses to the RFQ and RFP, as well in the negotiation of the development transactions needed for the proposed development:

- Create a development plan that supports the educational mission of the University by providing greater access to much-needed housing and retail options for employees, students, visiting scholars, and graduate students with families while maximizing the economic benefit to the Foundation to provide revenue to further the University's educational mission and strategic priorities;
- Create a development plan that is supportive of the neighboring community;
- Obtain developer assurances and guarantees to prevent incomplete site development;
- Allow the Foundation to benefit from future increases in revenue at the University Village Mixed Use Development;
- Secure any additional necessary entitlements, permits and approvals;

- Create an attractive entrance(s) to University Village at the entrance on E. Victoria Ave;
- Complete all improvement and infrastructure needs along Birchknoll Rd.;
- Provide sufficient parking for new multifamily and retail product developed;
- Create a sustainable, energy-efficient development capable of achieving a minimum LEED certification in furtherance of CSUDH’s commitment to sustainability;
- Design and develop new buildings that enhance and respect the site’s connection to the CSUDH campus and neighboring community; and
- Secure the private capital necessary to fund all of the construction costs of the proposed development, bear all of the risks and pay all of the costs of the necessary pre-development activities.

D. CSU Requirements

A ground lease template will be provided at the RFP stage that is utilized for CSU proposed public-private partnership projects. Any concerns regarding the ground lease must be identified at the time of the submittal of proposals in the RFP process. Please note that bonding and appraisal requirements are included in the proposed draft ground lease.

IV. DEVELOPMENT REQUIREMENTS

While redeveloped properties may be attractive for the University to lease, proposers should not assume that the CSU Board of Trustees will provide any financing associated with the University Village Mixed Use Development component of the proposed 2018 Campus Master Plan Revision project.

A. Planning Requirements

It is the developer’s responsibility to meet all applicable State, local, and CSU codes and regulations. The developer will be responsible for all costs associated with meeting governmental regulations for the proposed development.

The University Village Mixed Use Development component of the proposed project is located on state-owned land and thereby not subject to municipal zoning or regulation. However, to the extent that any entitlements may be required by other public agencies, the developer will be responsible for all entitlement work at its sole expense.

B. California Environmental Quality Act (CEQA) Requirements

The Foundation and the University have determined that the proposed 2018 Campus Master Plan Revision project, including the University Village Mixed Use Development component, will require preparation of an EIR, with costs related to its preparation to be borne by the developer. CSUDH will request that the CSU Board of Trustees certify the EIR for the proposed 2018 Campus Master Plan Revision project in July 2018. The Draft EIR will be available prior to the issuance of the RFP. The University Village Mixed Use Development

component of the 2018 Campus Master Plan Revision project will be required to feasibly mitigate all identified significant environmental impacts on the campus and in the surrounding community, as determined by the Final EIR. The California State University is the designated lead agency under CEQA for the proposed 2018 Campus Master Plan Revision project, including the University Village Mixed Use Development component.

C. Prevailing Wage

It is anticipated that this project will not be subject to prevailing wage.

V. SOQ SUBMISSION REQUIREMENTS

All SOQs shall include information in the format described below. Please submit information in appropriate detail on each of the items described below to allow adequate review and evaluation of your proposal. The format for the submission of information consists of the following elements:

- A. Cover letter
- B. Identification of Developer and Associates
- C. Development Team Qualifications
- D. Operator Experience
- E. Financial Capability
- F. Development Vision

SOQs shall include one unbound hard copy original version of the SOQ and one complete electronic version submitted on CD, DVD, or USB drive that can be uploaded and distributed electronically to the evaluation committee. SOQs will be delivered to the following address:

Naomi Goodwin
Office of the Vice President, Administration and Finance
Welch Hall #470
Carson, California 90747

The proposer is completely responsible for the means of delivering the SOQ to the appropriate office on time. SOQs submitted by mail should be submitted sufficiently in advance of the bid opening to ensure delivery to the specified location prior to the stated response deadline. Neither CSUDH nor the Foundation assume any responsibility for delay in delivery of the SOQ by the U.S. Mail or any other service. There will be no public opening of the SOQs and its contents will remain confidential until the evaluation and selection is complete. Following selection and award, all SOQs will become a matter of public record. Respondents may request specific confidential or proprietary information be redacted from any requested public information request and the Foundation will honor such requests to the extent allowed under the California Public Records Act.

SOQs must be received no later than 2:00 pm on April 19, 2018.

The following information shall be provided in the SOQs:

A. Cover Letter

Proposer shall provide a letter signed by a principal or officer authorized to represent and commit on behalf of the firm(s). The letter must acknowledge that any development on the site will be subject to a non-subordinated long-term ground lease without option to purchase.

B. Identification of Developer and Associates

For each of the parties comprising the proposed development team, please provide:

1. Name, address and telephone number of developer and project operator/manager (if appropriate).
2. Identification and organization of developer (individual, company, corporation, partnership, joint venture, other).
3. Identification of principals of development organization and project operator/manager (corporate officers, principal stockholders, general and limited partners) and manager to be responsible for proposed project.
4. Indicate any relationship the development organization may have with a parent corporation, subsidiaries, joint ventures or other entities. If a joint venture is proposed, percentage of ownership of each entity should be specified. Describe the financial, liability-related and other decision-making relationships.
5. Identify all key project team members including resumes of assigned personnel, describing relevant project experience as related to the subject proposal and specific required technical skills.

C. Development Team Qualifications

Of particular interest is the developer's ability to assemble and manage a development team including architects, landscape architects, urban designers, planners, artists, transportation planners, engineers, builders, financial consultants, marketing specialists, and management personnel that will provide the best value to this partnership. Preference will be given to a development team where members in all disciplines have prior experience and a track record with projects of similar complexity and scale to the University Village Mixed Use Development component of the proposed 2018 Campus Master Plan Revision project.

1. Provide a list of all team participants, including financial partners, owner participants, architectural and other design professionals, and their qualifications and relevant experience.

2. Provide a list of similar development projects in which the developer and proposed associates have been primarily responsible, describing the relationships to these projects (i.e., developed, owned, operated or managed), showing the location, cost and scale, type and dollar volume of the work with particular emphasis on ground lease development. If possible, include photographs of these projects.

3. Submit descriptions and illustrations of the proposed architect's work on development projects, which have been built or are under construction. These projects should be of a similar magnitude and land use to the proposed University Village Mixed Use Development.

4. Describe experience in ownership and management of completed development projects. If a management firm is to be employed to manage the project, submit sufficient data on its experience to enable determination of its ability to manage the proposed University Village Mixed Use Development.

5. For each project or relevant experience, provide a client reference (including the name and phone number of a contact person familiar with your project).

6. A preferred qualification is prior development experience in a higher education setting.

D. Operator Experience

The proposer should provide the relevant experience of the operator team with respect to similar projects.

1. Describe total number and type of Housing and Retail properties currently under contract with the proposed operator team as the primary operator.

2. Provide location, size of each facility, number of rooms, years of operating service, total number of employees, and any other additional relevant data.

3. Demonstrate the operator capability to operate and manage Housing and Retail facilities.

4. Describe overview of the operator's operations model, business plan, operating structure, etc. to thoroughly describe the qualifications of the Operator.
5. Describe tailored approaches to general operations, repairs, maintenance, sustainability, customer service sales, marketing, and any other key management service elements.
6. Describe any/all pre-approved tenants the operator may be considering for the retail component.
7. Describe pre-opening service plan, performance support, information technology, recruitment, training, etc. to best describe the operator's breadth and depth of service commitment.
8. Owner References: At least two references for Mixed-Use operating agreements. Include the reference's name, title, address, email, and telephone number.

E. Financial Capability

In a separate envelope, marked "Confidential" (See Section V, above, for the scope of confidentiality) for each of the principal parties comprising the proposed developer and operator teams, please provide:

1. A certified financial statement of each of the principal parties of the development team, current within six months, or, upon request, an audited financial statements for the last three years of operation and a list and the status of any and all pending and past litigation against the developer, its subsidiaries, or affiliates. The Foundation reserves the right to inspect the books and records of each prospective developer.
2. Copies of any financial rating reports or other documents indicating the financial condition of the developer and/ or the development team. Prior to final selection of developer, the Foundation will require a credit report or authorization from developer for the Foundation to request such a report at the developer's expense.
3. A list of names and addresses of bank(s) and/or other financial institution(s) references.
4. A statement indicating whether a voluntary or involuntary petition under federal bankruptcy law has ever been filed with respect to developer. If so, state the date, court jurisdiction and amount of liabilities and assets.
5. Statement indicating how developer proposes to finance the development of the project, showing the proposed source and the amount of equity investment and the proposed source of financing, including probable terms and conditions of the financing. Provide banking references with authorization to contact references. Indicate the source of funding for the necessary pre-development costs prior to the availability of construction financing.

F. Development Vision

Provide a narrative description of the development team's vision for the University Village Mixed Use Development and its relationship to the University and the Foundation objectives for the project. Please include a brief narrative outlining the development approach.

VI. SELECTION CRITERIA AND PROCESS

An evaluation team comprised of the Foundation representatives and University personnel, will review each SOQ submitted in response to this RFQ to ascertain relative strengths and weaknesses based on the submission requirements described herein. The Foundation may seek additional information from proposers and may also wish to conduct interviews and/or site visits as part of the selection process. Selection will be based on the completeness and quality of responses to the initial solicitation, and subsequent presentations, particularly with respect to the criteria identified below. At the conclusion of the process, the evaluation team will submit recommendations to the Foundation Board of Directors concerning the selection of developers to invite to participate in the RFP phase.

Qualifications and proposals will be evaluated based on the following criteria:

1. Responsiveness of Development Concept

Quality of the concept; whether market demand and conditions justify the concept; manner in which the proposed project meets the goals and objectives described in the Development Objectives and the Development Requirements sections of the RFQ.

2. Development Team Qualifications

Demonstrated record of experience of the development team members in completing projects similar in size, type and magnitude to the proposed development concept, including past performance in meeting development schedules; successful prior collaboration by the team; experience with public-private partnerships; demonstrated financial capacity; demonstrated ability to obtain construction and permanent financing for the proposed development, particularly on leased land. The quality of references for team members will be considered.

3. Financial Capacity

Demonstrated financial capacity; demonstrated ability to obtain construction and permanent financing for the proposed development, particularly on leased land.

4. Project Schedule

Ability of development team, including all consultants, to obtain financing, complete the environmental review and entitlements processes, and meet any necessary critical path milestones; the phasing schedule (if necessary), and soundness of the development and construction time frames.

VII. SUBSEQUENT RFP SUBMISSION REQUIREMENTS

The development teams selected from the RFQ stage by the Foundation will be invited to participate as finalists in a subsequent RFP stage. A RFP will be issued to the finalists, which will require finalists to submit additional information in appropriate detail responding at minimum, but not limited to, the items described below to allow adequate review and evaluation of the proposal:

- A. **Development Concept for the Site:** Developers invited to respond to the RFP will be required to provide its vision in greater detail than in its SOQ response, including but not limited to a conceptual site plan that identifies proposed uses and sketches depicting the development. Additionally, respondents will be required to include a list of potential local, state, and/or CSU approvals by phase (if appropriate), and improvements required to complete this project (i.e., street widening, utility relocation, etc.).
- B. **Anticipated Project Implementation Schedule:** Developers invited to respond to the RFP will be required to provide a schedule of the development process. The schedule should recognize the time involved in finalizing the development agreement and ground lease, receiving project entitlements, designing the project, financing the project, commencing construction, and completing construction. The schedule should also include the phasing of future project components, if applicable.
- C. **Financial Analysis/Ground Lease:** At the RFP phase, respondents will identify any responsibilities of the Foundation or CSUDH, as well as proposed unsubordinated ground sublease terms, including amount of base rent, pro forma operating costs, participation rent, and any other return to the Foundation; other conditions, rights and obligations of the Foundation and/or developer. The proposal for a ground sublease with the Foundation will include proposed rents based, at a minimum, on a fair market rate of return on the current and future fair market value of the land; length of term, area to be ground subleased, adjustments, participation rent commencement, causes for modification and termination of the sublease, and other terms. The sublease must be absolutely net of all expenses and will not be made subordinate to any other agreement or financial arrangement. This ground sublease will assume no financial responsibility from the Foundation or the University for any entitlement costs or for on-site or offsite development costs.
- D. **Prospective Tenants:** The developer will be encouraged to submit any expressions of interest on the part of prospective tenants.
- E. **Market Assessment:** At the RFP stage, developers will be required to provide an assessment of current and projected market conditions for the land uses contained within the proposed development plan.

The Foundation reserves the right to:

- a) Accept or reject responses in their entirety or in part;
- b) Consider separate proposals for adjacent properties near the Site; and
- c) Request additional information from respondents.

F. Board of Trustees: Any acceptance is subject to CSU Board of Trustees' certification of the Final EIR and approval of the proposed 2018 Campus Master Plan Revision project, including the University Village Mixed Use Development component.

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