



**Sierra Madre RFQ Presentation and Site Visit
March 5, 2009
Fiesta Room, Santa Catalina**

- Presentation began by giving a short history and overview of the project.
 - This project site is part of a larger parcel purchased by the University in 1994.
 - The project site will be leased to developer pursuant to a long-term ground lease, with developer responsible for the design, development, financing, construction, ownership, leasing and management of the project.
 - A portion of the site adjacent to the golf course had been used as a driving range.
 - The University obtained Coastal Commission entitlements about 2 years ago. Conditions of approval are included as an exhibit to the RFQ.
 - There are protected wetlands on the site which require 100 foot setbacks as more specifically described in the Coastal Commission conditions of approval.
 - The project was approved for up to 151 units; the preliminary drawings show the units as stacked flats.

- As requested, the sign up sheet for attendees is now posted to the RFQ website.

- As requested, the AutoCAD civil drawings are now posted to the RFQ website. These drawings were originally posted as pdf files.

Questions and Answers:

1. Q: *Who determines construction materials, for example cabinets and floor finishes?*

A: The University expects the developer to determine construction materials and finishes. We are looking for a developer to design and build the project with materials, specifications, and finishes comparable to similar privately built apartment developments. There will be review by staff in Design and Construction Services of drawings and specifications, and review by the campus' Design Review Committee.

2. Q: *How long is the ground lease term? Is there a possibility to extend the lease?*

A: The RFQ provides for a term of up to 65 years. We are not sure about lease extensions, but if the developer could present a compelling reason to extend the term, the University may consider this during the ground lease negotiations.



3. Q: *Will there be any height restrictions?*

A: Yes, 35 feet.

4. Q: *Is this a prevailing wage job?*

A: As this project will be funded, constructed, owned and operated by a developer who will be wholly at risk, as the project is funded exclusively from non state funds, and as the revenue supporting the project will come exclusively from students, faculty and staff, consistent with University policy, the University will not require the payment of prevailing wage.

5. Q: *Will the housing complex be subject to county property tax?*

A: It is unclear whether or not possessory interest or property taxes will be payable on the developer's interest in the land or improvements, as this may depend on a number of factors including the negotiated deal terms of the ground lease.

6. Q: *Is it possible to get a definitive answer prior to submission on property tax? Is there an assumption that we should use in making the submission?*

A: See response to Question 5. You may indicate what assumption you are using in your pro forma.

7. Q: *Do you have an engineer already selected for Sierra Madre's LEED certification?*

A: No. The developer would be responsible for selecting the project's LEED consultant/engineer.

8. Q: *Clarify if LEED certification is desired or required?*

A: To the extent financially feasible, developer is encouraged to seek and obtain certification of at least "Silver" by LEED.

9. Q: *Are there any building permit fees?*

A: The University does not have building permit fees, but developer will be expected to pay all costs of the University (whether provided by the University staff or by third party consultants) in connection with services provided by or on behalf of the University in its capacity as the building official, including but not limited to plan check, inspections, and issuance of certificates of occupancy. There may be other permits required, such as encroachment or other permits that developer would obtain from the County and the City of Goleta for driveways and the road work on Storke Road.

10. Q: *Would the Developer need DSA approval?*

A: Department of State Architect review is not required for housing projects that are not state funded and we do not anticipate this project going through review by DSA.

11. Q: *What is the rent structure?*

A: Ground rent will be based on fair market value and return on the land, recognizing all requirements of the Project, including any caps on rental rates to be charged for the apartments. The units are intended to be affordable housing units and are expected to be at least 10% below market rate.

12. Q: *What is the expected methodology for determining ground rent?*

A: There is no present formula, but the methodology would be based on the fair market value of the property as determined by appraisal, in accordance with the response to Question 11.

13. Q: *Is there an appraisal for the property?*

A. No.

14. Q: *Any ongoing involvement between UCSB and The Bermant Company with respect to the planned housing development at Ocean Meadows?*

A: Yes, there is a shared access road as well as some shared utilities. There are timing and coordination issues depending on which project starts construction first.

15. Q: *Is the stormwater system subject to state regulations?*

A: Yes, the project will be subject to all applicable State and Federal regulations.

16. Q: *Is the parking ratio of two parking spots per unit fixed or can it be lowered?*

A: Two parking spaces per apartment are required.

17. Q: *What are the mitigation issues?*

A: The CEQA mitigation measures and Coastal Commission conditions of approval, included as exhibits to the RFQ, provide this detail.

18. Q: *Was the El Colegio Road Improvement Project paid for yet?*

A: Yes. The University is completing that road improvement project now. Sierra Madre's share of the costs of the El Colegio Road Improvement Project is identified in Exhibit 9 to the RFQ as "County of Santa Barbara Traffic Mitigation". As the University has paid for the El Colegio Road Improvement Project, developer is expected to reimburse the University for the Project's share (ie, \$291,200).

19. Q: *What percentage of road improvements are allocated to this project?*

A: The widening of Storke Road is part of this project and developer should include 100% of the costs of these improvements in his budget. Additionally, see Exhibit 9 for the other costs associated with the County/City Cooperative Agreement Traffic Impact Fees.

20. *Q: Is there a Phase 1 and/or 2 environmental report for the site?*

A: A Phase 1 and 2 were prepared in 1993 in connection with the purchase of this property. The reports covered about 170 acres that were purchased, including this site. We will provide a copy of the report to the selected developer. The 1993 Phase 1 concluded that, based on past use, there could potentially be low levels of pesticides or fertilizer in soil near the border of the golf course. The Phase 2 tested soils in areas around the Ellwood Marine Terminal (former Bishop Ranch) as well as an abandoned dry well. Both locations are outside of the Project site. It is expected that the developer will conduct its own due diligence, including environmental site assessments.

21. *Q. Is there an archeological survey for the site?*

A: Volume 1 of the Final EIR analyzes impacts to cultural resources on the project site. See Exhibit 4 to the RFQ for the link to the Final EIR.

22. *Q: How much flexibility do we have with the floor plans? Are the drawings provided approved?*

A: Yes, the drawings included in Exhibit 7 were approved by the Coastal Commission and the Regents. Exhibit 7B contains the site plan approved by the Coastal Commission. There is still a lot of flexibility in the floor plans as they are not as regulated as the exterior aspects of the design. See response to Question 24 below.

23. *Q: Does the University have copyright lease on the architectural plans?*

A: Yes. The University owns the plans and we can give them to the selected developer. They are not working drawings, only plans at the schematic design level.

24. *Q: How much flexibility is there in the design and style of the complex?*

A: The original design was a Mediterranean-Spanish architectural style found in Santa Barbara. The Goleta community doesn't see itself as tied to the Santa Barbara style and is very open in terms of style. The community has expressed a preference for earth tones, which also is a requirement of the Coastal Commission. There is flexibility in the design of the Project as long as the revisions are consistent with the entitlements. For instance, changes to the footprint, height, siting, massing and exterior appearance must be consistent with the Coastal Commission's conditions of approval, CEQA environmental mitigations, and LRDP Policies. Changes to the interiors of the buildings that improve the efficiency, flexibility, marketability and/or reduce costs would be desirable and likely would be consistent with the entitlements.

25. *Q: What additional Regental approvals are required?*

A: The Regents will not review design unless there are material changes from the design already approved. However, the major business terms of the ground lease will be subject to the approval of the University's Board of Regents.

-
26. *Q: Does the project go through campus design review?*
A: Yes. The project will be reviewed by the campus' Design Review Committee.
27. *Q: Now that the community center was taken out of the plans, who is responsible for providing community spaces?*
A: Yes, we did drop the community center from the plans and are not requiring a community building be constructed as part of the project. We are looking to the developer as to what they think is appropriate for this project. We do think that there should probably be some sort of community room, but the developer has leeway to propose what they think is necessary.
28. *Q: Are there nearby childcare facilities?*
A: Yes we have a couple. The main facility, the Orfalea Childcare Center, is very close to Sierra Madre.
29. *Q: Is this project tied to the approval for the current Long Range Development Plan?*
A: No, the project is not tied to the currently proposed LRDP. It is part of the 1990 LRDP which was amended to include the University's purchase of the property.
30. *Q: Who are the utility providers?*
A: Water will be provided by Goleta Water District. As indicated in the RFQ, we have entitlements for water. Southern California Edison will provide electricity. Sewer service will be through Goleta West Sanitary District, and the developer would be expected to pay the connection fees applicable to this service.
31. *Q: During the planning for the RFQ, did you talk with the utility companies?*
A: Yes, GWSD, GWD, and Edison all know about the project. Because this project has had a long history, it is known to the various utilities.
32. *Q: Is there a reclaimed water source?*
A: Yes there is. We make efforts to use reclaimed water on campus, especially for irrigation. We have not used reclaimed water for internal use, although we do attempt to install water-reducing fixtures in our buildings.
33. *Q: How long are the student housing leases?*
A: We would anticipate that the leases would be for 12 months.
34. *Q: How will the University assist with marketing Sierra Madre?*
A: We will identify Sierra Madre as a housing option for student families, faculty and staff on the campus' website and appropriate mailings.



35. Q: *Are there any other planned campus housing projects that would be a competitor to Sierra Madre? Are there any large non-university housing complexes planned in the general vicinity of this project?*

A: In the proposed LRDP there are many housing projects outlined tied to the estimated growth by 5,000 students and 2,000 staff and faculty. The proposed LRDP and the potential growth figures have not been approved yet. There are no other student housing developments anticipated for in the near term. Please refer to the draft Long Range Development Plan for information concerning future plans for housing at UCSB, at <http://www.ucsbvision2025.com/>.

As for any large non-University housing developments planned or under construction, we are aware that The Towbes Company is completing a 200-unit apartment development called Sumida Gardens, located in Goleta near Patterson and Hollister. We are also aware of a 45-unit rental project planned in Isla Vista. Proposers are encouraged to conduct their own investigation.

36. Q: *What are your plans to redevelop the West Campus Apartments?*

A: As indicated in the RFQ and in the proposed LRDP we plan to tear down and redevelop the West Campus Apartments site sometime in the future.

37. Q: *Beyond the 10% below market rent stipulation, are there any other requirements for rental fees?*

A: The University's expectation is that rents will be at least 10% below market and be affordable for students. We have not formulated any other requirements at this time.

38. Q: *Will there be ongoing oversight by UCSB over the rents?*

A: Yes. The ground lease will provide for oversight by the University to verify compliance with rent limitations.

39. Q: *Has the new faculty and staff survey been released to the public?*

A: Yes, the 2008 UCSB Employee Housing Survey Report is included as Exhibit 14 to the RFQ.

40. Q: *Is the developer selection dependent on the proposed rent?*

A: Affordability is one of the most important criteria. Other criteria are identified in the RFQ.

Other questions after the meeting:

41. Q: *Will the power poles along Storke Road need to be moved or placed underground for this project?*

A: The power poles are not required to be placed underground. However, it is likely that one or more will need to be moved when the offsite work is done on Storke



Road. It may be possible to stretch the lines according to a consultant; however, that would need to be confirmed.

42. Q: *When does UCSB want to see any site ideas that developers may have?*

A: Any site ideas may be provided to the campus as part of the submittal. We do not expect full drawings or that a developer will have determined all site ideas at the time of submittal, but any concepts that would improve the project would be favorably considered.

43. Q: *Can we get the AutoCAD drawings of the civil plans?*

A: We have posted the AutoCAD drawings for the grading and drainage, topography and utilities which you will find in RFQ Exhibit 7A. Please note that these drawings may not include all of the utilities associated with the Ocean Meadows housing development, but the location of their lines are generally side by side with our utility lines. There are some lines that are sized to allow for sharing between the two developments.

44. Q: *Are title reports available?*

A: No. We will provide a title report to the selected developer.

45. Q: *Please tell me about the bonding requirements we can expect?*

A: The University will consider payment and performance bonds and/or a guaranty to assure lien-free completion of the Project.

46. Q: *Who would be eligible for family housing?*

A: The University has not yet developed specific eligibility requirements for family students, staff and faculty. However, policies will be developed during the ground lease negotiations with the selected developer.

47. Q: *We suspect that several site plans may have been prepared with buildings, roads/paved areas, and utilities in different layouts over the course of design... can you please confirm that the site plan and civil design issued by UCSB in the RFQ represents the final plan/design that was approved by the Coastal Commission and that should be used in formulating responses to the RFQ?*

A: There have been various designs, but the site plan contained in Exhibit 7B is the site plan approved by the Coastal Commission.

48. Q: *With regard to the site plan and civil design, what factors would the Coastal Commission deem a "material change"? For example, if the overall quantity of impervious surfaces remained constant, and the building footprints and heights remained unchanged, could the buildings, pavement, and utilities be repositioned within the boundaries of the site (while respecting all required setbacks, environmental issues, etc)?*

A: See response to Question 24 above. Proposers are encouraged to conduct their own investigation as to the materiality standards and concerns of the Coastal Commission, but we believe that any change to the buffers and/or height restrictions would be considered material.

49. *Q: In reviewing the EIR mitigation requirements again, a number of requirements are applicable to a combination of the Sierra Madre project, the North Campus Faculty Housing, and/or the Ellwood-Devereux Coast Open Space/Habitat Mgmt Plan... some of these (especially in the Transportation and Traffic section) entail significant cost and, as proffered conditions of this project, will have a material impact on the economics and resultant land value. Could you provide any additional clarity on the extent to which these mitigation requirements will be paid for by the Sierra Madre project? Even a rough percentage split (of each applicable mitigation requirement in section 4.12) would be very helpful in estimating the impact to this project.*

A: It would be difficult to go through each of the mitigation measures in the EIR (Exhibit 4) to address the responsibilities of the developer. However, with respect to Section 4.12 Transportation and Traffic, below is a general summary of the status of the following items:

4.12-1(a) – See response to Question 18.

4.12-1(b) – See response to Question 19.

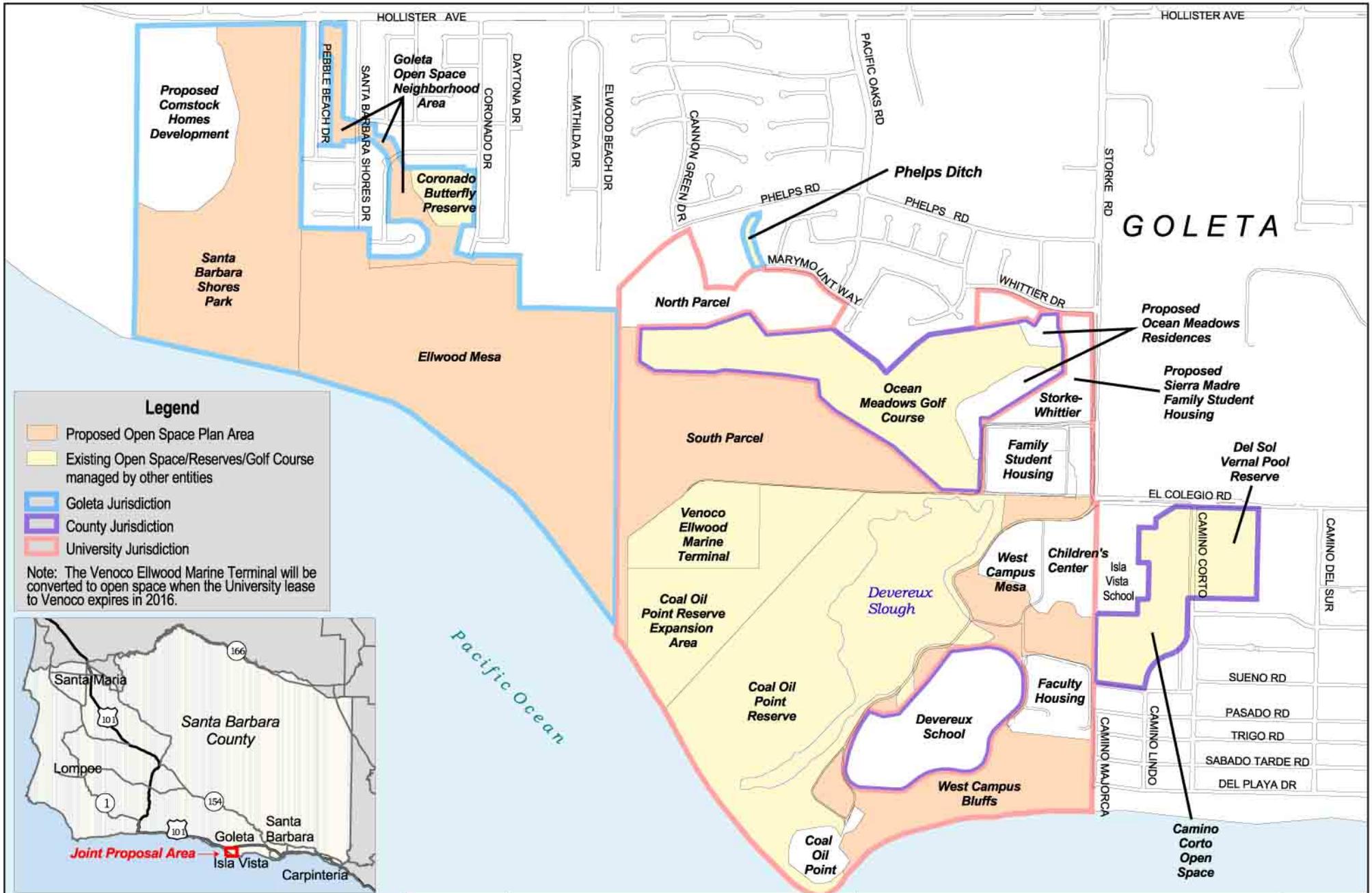
4.12-1(c) and (d) – See RFQ Exhibit 9.

50. *Q. Will the University provide a survey of market rents in the Goleta-Santa Barbara area that can be used as a basis for the operating pro forma?*

A: The University expects the proposers to provide the information on which they base their financial assumptions.

51. *Q: Please provide a map that shows the location of the North Parcel and the South Parcel that are mentioned in the Coastal Commission conditions of approval.*

A: A map showing the location of the North Parcel, South Parcel, and the Sierra Madre site is attached. See next page.



Legend

- Proposed Open Space Plan Area
- Existing Open Space/Reserves/Golf Course managed by other entities
- Goleta Jurisdiction
- County Jurisdiction
- University Jurisdiction

Note: The Venoco Ellwood Marine Terminal will be converted to open space when the University lease to Venoco expires in 2016.



t:\ellwood_devereux\deliverables\ipa_bound_map.apr (OSP layout)