

**Request for Qualifications for Guest House  
at UC Santa Barbara**

**University Project No. FM 070364**



**January 24, 2007**



# **Request for Qualifications for Guest House at UC Santa Barbara**

## **A. PROJECT OPPORTUNITY**

### **1. Overview**

The Regents of the University of California (the "University") is soliciting statements of qualifications through this Request for Qualifications ("RFQ") from developers demonstrating their ability to develop, design, finance, build, own, manage and operate a Guest House on land adjacent to The Faculty Club, located in the southwest portion of the UC Santa Barbara campus near the Campus Lagoon and the Commencement Green area where graduation ceremonies are currently held. The site will be a defined parcel of land (approximately .75 acres) to the immediate west of The Faculty Club's pool. Preliminary site maps are attached to identify the general location of the site, but will be further defined once a developer is selected and a design has been approved. The University intends to ground lease the site to the selected developer on a long term basis on terms that are market-based, including a ground rent that will provide the University with a reasonable rate of return.

It is anticipated that the Guest House will consist of a limited service hotel with approximately 100-125 guest rooms and amenities comparable to other limited service hotels in the Santa Barbara - Goleta area. By way of a services agreement with The Faculty Club, the developer will have access to additional services and amenities for its guests offered by The Faculty Club, including food and beverage service, room service, restaurant facilities, conference and event facilities, and use of the pool at The Faculty Club.

## 2. The University

UC Santa Barbara is one of ten campuses in the University of California system. UC Santa Barbara has a population of approximately 20,000 students, approximately 1,000 faculty members and 3,500 staff. Over 85,000 visitors come to the campus on an annual basis. The campus is in the process of amending its Long Range Development Plan which is expected to include an increase in the student, faculty and staff population over the next 20 years. In addition to the recently completed California Nanosystems Institute and the Kavli Institute of Theoretical Physics, several new facilities are under construction or in planning that may expand the number of visitors to the campus.

The campus is located within two miles of the Santa Barbara Airport and is easily accessible from Highway 101. It is approximately 10 miles from downtown Santa Barbara. The main campus is bordered by the Pacific Ocean on two sides, with beautiful views of the Santa Ynez Mountains and the ocean.



View from Faculty Club overlooking Commencement Green and the Campus Lagoon.

Additional information about the [University](#) and [Faculty Club](#) may be found on the RFQ website for this project.

## 3. Market Overview

The University retained PKF Consulting to provide a market and feasibility study for a Guest House on the campus. The resulting report, finalized in June 2005, concluded that there was market support for a 125-unit, limited service guest house at a three star quality level at the proposed site. Market support was based on (i) the continued strength and resilience of the Santa Barbara economy, (ii) the existing and projected levels of hotel lodging demand generated by the University, and (iii) the location of the project on campus, with easy access to the Santa Barbara Airport and other amenities and attractions in the well-established resort destination of Santa Barbara. An update of this market study will be prepared and provided at the RFP stage.

#### **4. Project Structure**

The Regents of the University of California, as the owner of the property at UC Santa Barbara, will enter into a long term, unsubordinated ground lease of the site with the selected developer. Parking for the Guest House will be made available in one or more nearby parking areas or parking structures upon terms as shall be mutually agreed to during negotiations. It is anticipated that the developer's design of the Guest House may include a small parking area for drop off and registration purposes.

The design of the Guest House shall be in keeping with the design guidelines that will be provided at the time that the Request for Proposal is issued. The design may include an architectural element (such as a covered walkway) to integrate The Faculty Club with the Guest House. The current height limit for this location is 45 feet.

It is anticipated that The Faculty Club will undergo renovations at the same time that the Guest House is under construction so that The Faculty Club may better serve the needs of the campus and the Guest House, including upgrade of the kitchen and dining facilities. It is anticipated that the selected developer will utilize the services and facilities of The Faculty Club as an amenity of the Guest House, through a services agreement which would be negotiated contemporaneously with the ground lease. Once renovations are completed, it is anticipated that The Faculty Club will be open for breakfast, lunch, and dinner and will be capable of providing the following services, subject to a mutually acceptable services agreement: food and beverage services, including restaurant service in its dining room, hotel room service, catering, event venue, meeting and business center services, and pool facilities.

The selected developer will work in cooperation with the University to obtain the necessary entitlements for the project, including CEQA and California Coastal Commission approvals. The University, which is exempt from local planning and zoning requirements but is subject to the jurisdiction of the California Coastal Commission, will serve as the lead agency under CEQA and will take the lead role in processing the project for CEQA and Coastal Commission approval. It is anticipated that the Guest House project will be processed together with the University's renovation plans for The Faculty Club so that both projects are approved at the same time.

The University will serve as the principal regulatory approval body for the construction of the project, including plan review, building permits, and building inspections. The Guest House will be constructed in accordance with the provisions of the California Building Code and University policies and design standards.

The developer shall provide all equity and debt capital required to construct the Guest House and is expected to be responsible for all aspects of the construction, operation and management of the Guest House. The University will not subordinate its fee interest in the site to developer's financing, but the developer may encumber its leasehold interest and the ground lease will contain commercially reasonable mortgage protection rights.

## **B. DEVELOPER SELECTION PROCESS**

### **1. Selection Process**

The Office of Budget and Planning at UC Santa Barbara will manage the selection process for the University. The University reserves the right to reject any or all submittals or responses at any time during the process.

- a. Request for Qualifications. The University will evaluate the qualifications of the developers submitting responses to this RFQ, based on the Criteria for Selection section (see below). A short list of finalists will be selected by the University based on its evaluation of the RFQ responses. The University or its consultants may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the developers, and consider any other information in their evaluation of the responses. The University reserves the right to request clarification or additional information from respondents and to request that respondents make presentations to members of the University community.
- b. Request for Proposal. The short list of developer finalists selected in the RFQ process will be asked to respond to a Request for Proposal ("RFP"), which will provide more detail on the proposed project, and the University will request specific proposals for the development of the Guest House. The University will select the developer with which to negotiate the definitive agreements after evaluation of the RFP responses and additional interviews. The University also may negotiate and enter into a predevelopment agreement with the selected developer to facilitate certain predevelopment work, including preparation of plans, studies and reports required for CEQA and Coastal Commission approvals, prior to the finalization and approval of the definitive agreements.
- c. Regents Approval. The transaction shall be subject to the approval of the Board of Regents of the University of California.

## **2. Project Goals**

The following are the key goals of the University for the development of a Guest House on the campus:

- a. **Convenient Lodging.** Provide a convenient, three-star quality hotel facility for campus visitors located on campus, as opposed to several miles away.
- b. **Improve the Campus as a Conference Venue.** Improve the ability of the University to host visitors and alumni on campus and improve UCSB as a meeting and conference venue.
- c. **Funding for The Faculty Club Renovation.** Through the ground lease rent, provide a source of funding to renovate and expand the existing Faculty Club facility.
- d. **Third Party Developer.** Provide a hotel facility on campus through a third party development transaction that has no negative impact on the balance sheet or credit of the University.

## **3. Criteria for Selection**

The University will evaluate the submittals and invite a short list of finalists to submit proposals for the project. Qualifications will be evaluated based on the following criteria:

- a. **Development Experience.** The experience of the development team, based on the demonstrated abilities of the firms and principals of each member, in the development, design, and construction of hotels of a quality and scope similar to the proposed Guest House. Among the factors considered will be the quality of representative projects of the development team.
- b. **Operation and Management Experience.** The experience of the development team, based on the demonstrated abilities of the firms and principals of each member, in the operation and management of comparable facilities.
- c. **Hotel Product.** Description of the proposed hotel product and rationale for selection.
- d. **Financial Capacity.** Evidence of the developer's financial capacity to implement this project, including the developer's commitment to make a substantial equity investment in the project. Evidence of the proven

ability to provide equity and secure debt capital to develop and complete projects of this type and at least this size and complexity will be a factor in making this determination.

- e. **Commitment and Cooperation.** Evidence of ability of the developer to develop and construct similar projects in a timely manner and within budget, including the commitment that the development team intends to make to the project and the willingness of the development team to work cooperatively with the University through the development process. Evidence of the ability of the development team to effectively communicate with the University and to establish clear lines of responsibility within the development team on which the University can rely during the negotiations and the implementation of the project.

## **C. REQUEST FOR QUALIFICATIONS**

### **1. RFQ Information.**

Please submit 10 numbered sets of the information requested below, except for the information requested under "Financial Capacity" which may be submitted in the manner described in subsection g. below. You may provide other information that you feel would provide additional insight into your ability to serve the campus in this situation.

Your response should be organized so that the information is provided in the same order as requested below, using index tabs that correspond to the letters contained in this section.

Please include with your response two (2) completed copies of the "Statement of Qualifications Form" that you will find on the RFQ website for this project.

Please provide the following information:

- a. **Project Understanding.** Describe your understanding of the project goals and challenges, and explain how your development team would work with the University to address them.
- b. **Developer.** Identify the entity, including the names of its principals and partners, with whom the University would contract for the project. Describe the organizational structure of the developer. If the contracting entity will be a subsidiary or partnership of a parent entity, provide information on the relationship to the parent entity.
- c. **Development Team.** Identify the key firms and people who would be involved in this project as the development team, including the

developer, design architect, civil engineer, construction contractor, hotel operator, hotel manager, and lender. Provide the business names, addresses, telephone numbers, of each key member of the development team, along with the principals and lead personnel that will be assigned to the project.

- d. Development Team's Experience. Provide relevant qualifications and project specific experience for the principals and lead personnel representing each member of the development team. For each member of the development team, describe the experience of each principal and lead personnel in designing, developing, operating and managing facilities comparable to the proposed Guest House. Provide detail on at least three examples of recent hotel development projects of each member, including: (i) the hotel name and location; (ii) photographs of the hotel and representative rooms; (iii) date of completion; (iv) square footage of hotel, number of rooms, facility amenities, room amenities; (v) current room rates and occupancy information; (vi) current operator and manager and relation to developer, and (vii) marketing and management approach and philosophy.
- e. Hotel Product. Describe the hotel product proposed for this project and your rationale for its selection.
- f. Restaurant. If you have developed hotel sites that are situated next to restaurant facilities under separate ownership, describe the relationship of the restaurant to the hotel in connection with servicing the guests of the hotel.
- g. Financial Capacity. Provide evidence of developer's access to capital resources, both equity and debt, necessary to develop this project, by identifying the following:
  - (i) A description of how the projects described in subsection (d) above were financed, including sources of equity and debt. Identify any projects, past or present, that have been on leasehold property.
  - (ii) A description of projects currently under construction or in the development stages, including the status, development schedule, and financing sources.
  - (iii) Audited and most recent unaudited financial statements of the entity that developer proposes to be its contracting party with the University. If developer, or developer's financial partner, propose to guarantee a subsidiary's performance under the



ground lease, explain your proposed structure and provide financial statements for the guaranteeing entities.

- (iv) If developer intends to contract with another entity to be the operator or manager of the Guest House, provide the same financial information requested in (i) through (iii) above for such entity.

If you wish to maintain the confidentiality of any nonpublic information that you submit in response to this "Financial Capacity" section, please submit two (2) copies of the documentation under separate cover, with a letter identifying the documentation as being confidential nonpublic information and requesting that it remain confidential to the extent allowed by law. The materials should be separately submitted apart from the rest of your RFQ submittal and should be clearly identified as containing confidential nonpublic information.

- h. Environmental Sensitivity. Provide evidence of a track record of appropriate development in environmentally sensitive areas, including ability to engage in public outreach efforts with the local community, and participation in sustainable and green building developments.
- i. References. Provide at least three references for each member of the development team. The references should be conversant with the capabilities and work of the principals or lead personnel representing that member of the development team. Include the name, title, company, address and telephone number of each reference.
- j. Equal Employment Opportunity Policies. Every effort will be made to ensure that all persons, regardless of race, religion, sex, color, ethnicity and national origin have equal access to contracts and other business opportunities with the University. Provide documentation of equal opportunity policy for each candidate firm.

#### **D. RFQ SUBMITTAL PROCEDURES**

**1. Meeting and Tour.** A pre-submittal non-mandatory meeting and site tour will be held at 10 AM PDT on Monday, February 12, 2007 at:

The Faculty Club  
UC Santa Barbara  
Santa Barbara, California 93106-7040

A campus map is provided at the RFQ website for this project.

**2. Submittal Date and Time.** All statements of qualification must be delivered by personal delivery or overnight courier for receipt no later than 5:00 PM PDT on Wednesday, March 7, 2007 addressed to:

Karen Rothberg  
Director, Real Estate Services  
Office of Budget and Planning  
UC Santa Barbara  
Santa Barbara, CA 93106-2032  
Tel. (805) 893-3801

Attention: Request for Qualifications  
UCSB Guest House Project No. FM 070364

You must use the above 9-digit zip code for prompt delivery. Qualifications that are not received at this designated address on or before the specified deadline will not be accepted. The University, at its sole discretion, reserves the right to change the submission date. Facsimile reproduction or electronic transmission of Qualifications is not acceptable.

All questions from potential developers regarding the RFQ will be answered at the pre-submittal meeting and site tour. If you cannot attend, you may submit your questions in writing no later than 4:00 PM PDT on the last business day before the meeting and tour to Karen Rothberg at the above address or by email to [karen.rothberg@bap.ucsb.edu](mailto:karen.rothberg@bap.ucsb.edu). University responses to all questions received before and during the pre-submittal meeting and site tour will be provided in writing and made available on the project website.

**3. Waiver.** After review of the RFQ submittals, the University intends to invite the short listed developers to respond to an RFP. However, the University may, at its sole discretion, choose not to proceed with the development of the project. There is no guarantee the University will decide to move forward with the project based on the qualifications submitted.

## **E. GENERAL CONDITIONS.**

**1. General Conditions.** The University reserves the right to (a) modify or cancel the selection process at any time; (b) waive minor irregularities; (c) reject any and all responses to this RFQ and to seek new responses when it is in the best interest of the University to do so; (d) seek clarification or additional information from respondents as it deems necessary to the evaluation of the response; and (e) request any additional information or evidence from individual respondents, including but not limited to evidence of the respondent's financial status. Respondents to this RFQ shall bear all expenses in connection with their submittals and responses.

**2. Modification or Change in Site.** The University reserves the right to modify or change the location of the proposed guest house should it determine that such modification or change is desired during the University's planning process.

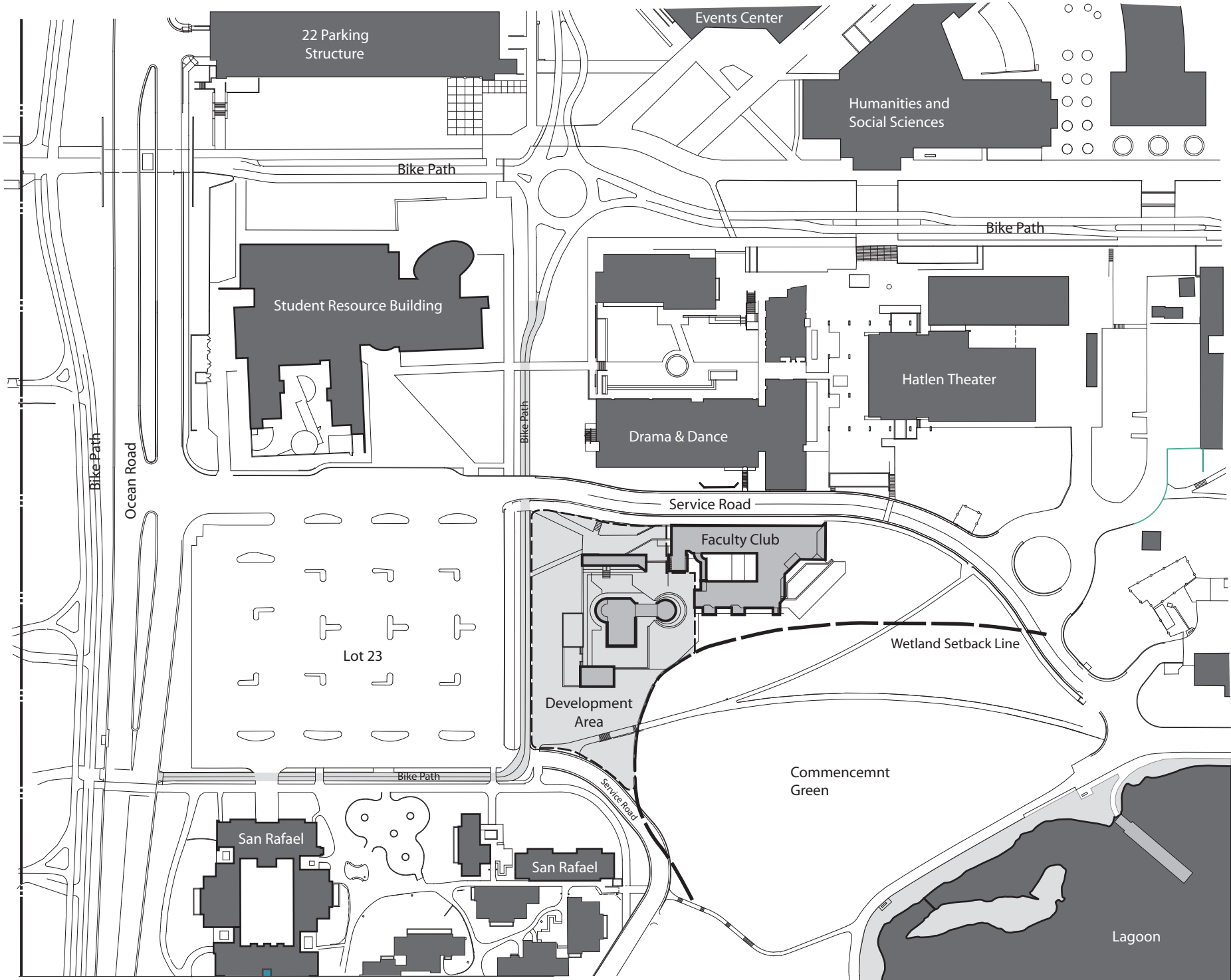
**3. Right to Engage Developer to Conduct Renovations.** While not a requirement, negotiations with the developer selected through the RFP process may include engaging the developer to do the renovation work at The Faculty Club. Therefore, the University reserves the right to contract with the developer selected through the RFQ/RFP process to do the renovations at The Faculty Club for such fees and other business terms as may be mutually agreed upon during such negotiations.

**4. Hold Harmless.** By participation in this RFQ/RFP process, development teams agree to hold harmless the University, its officers, employees, students and consultants from all claims, liabilities and costs related to all aspects of the developer selection process.

**5. Public Information.** Except to the extent that information responsive to the "Financial Capability" section of the RFQ submittal is identified by you in writing as confidential nonpublic information or the University specifically agrees in writing otherwise, all documents, correspondence, and conversations between the University and respondents shall be considered public information subject to the laws and regulations that govern the University. Consistent with such laws and regulations, the University shall use reasonable efforts to preserve the confidentiality of such confidential nonpublic information.

## **F. ATTACHMENTS**

**1. Preliminary Site Plans.** See the following two-page attachment to this RFQ for preliminary site plans.

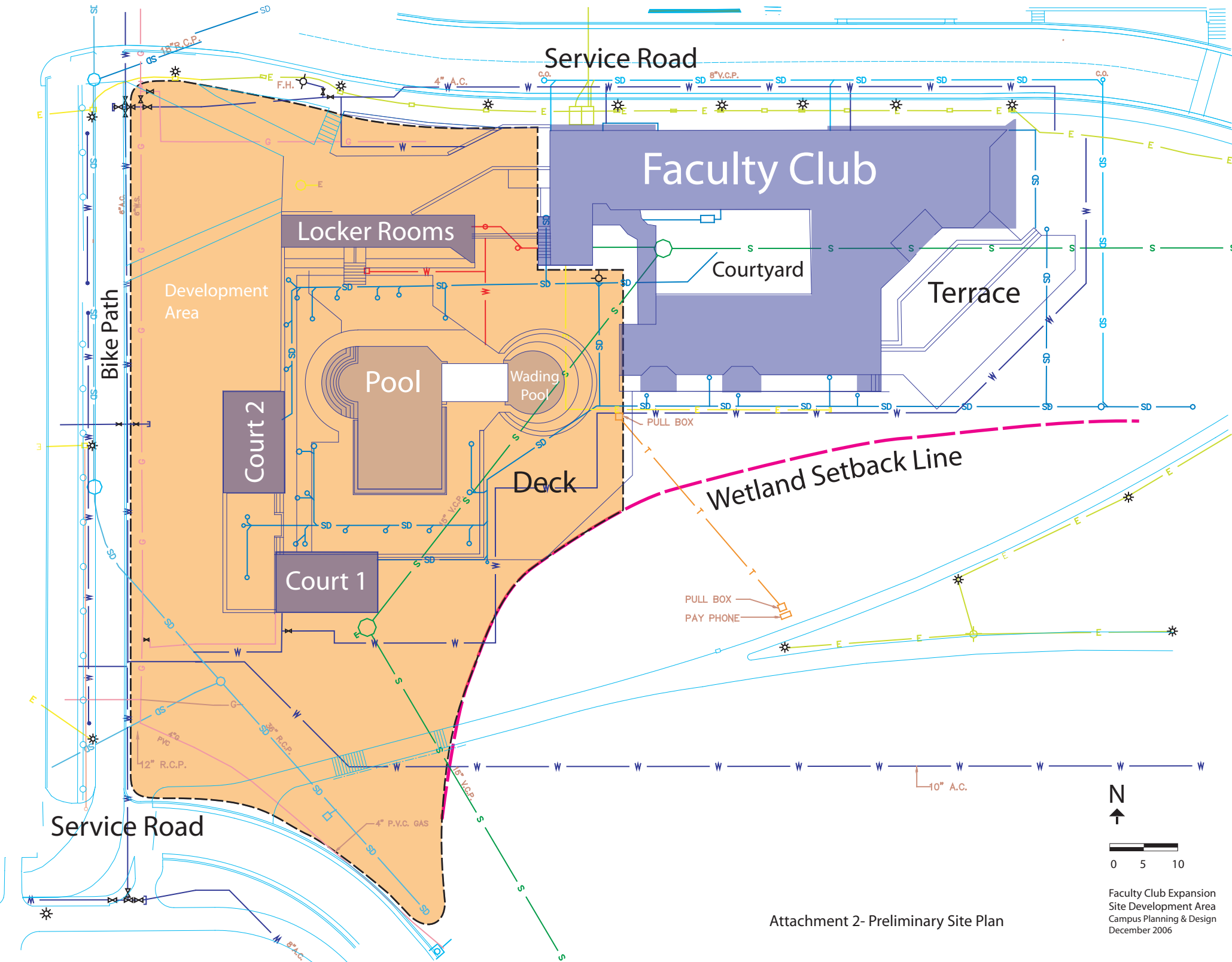


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Faculty Club Expansion  
Site Development Area  
Campus Planning & Design  
December 2006

Attachment 1 - Preliminary Site Plan



Attachment 2- Preliminary Site Plan