



Request for Proposals

For the Development of Aggie Square Phase 1
A New Innovation District

UC Davis Sacramento Campus
September 13, 2019



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Introduction

The University of California, Davis campus (“UC Davis” or “University”), through the prior Request for Qualifications (“RFQ”) process, has completed prequalification for a developer or team of developers (“Developer”) to receive this Request for Proposals (“RFP”) to design, finance, construct, own and manage a new mixed-use innovation center referred to as the Aggie Square Phase 1 project (“Project”). For purposes of this RFP, “Developer” shall also refer to a single purpose entity formed by the selected Developer for the purposes of the transaction. The Project will be developed on a roughly 8.25-acre property located on the Sacramento campus of UC Davis (“Site”), which will be subject to long-term ground leases between the University and the selected Developer. This RFP establishes the requirements for a real estate proposal submission by the pre-qualified Developers. Proposals will be accepted only from Developers prequalified and shortlisted by the University through the RFQ.

As described further in this RFP, the Project will be designed, financed, constructed, owned and managed through a public-private partnership between the selected Developer and the University. Accordingly, it is expected that the selected Developer will embrace the principles of such partnerships, including a fully “open book” policy.

1.1. Project Summary

The Project will have the following major components. Each component is described in detail in Section 2 of this RFP.

- **Science, Technology and Engineering**
- **Office/Lifelong Learning**
- **Housing with Community-Serving Ground Floor Uses**
- **Public Open Spaces**
- **Parking**

Based upon an internal assessment of space needs, the University has identified certain uses and programmatic requirements for its own account,



Chancellor Gary May and Mayor Darrell Steinberg announce Aggie Square in April 2018.

estimated at 100,000 assignable square feet (“ASF”)¹ for the Science, Technology and Engineering buildings; 88,000 ASF for the Office/Lifelong Learning building; and 9,000 ASF for the ground floor of the Housing/Community-Serving building. In addition, incubators/accelerators and co-working spaces in the life science building (18,000 ASF) and lifelong learning building (15,000 ASF) should be accommodated. The operations model for incubators is to be determined.

In addition, University representatives have had extensive conversations with private industry affiliates interested in colocating with the University as tenants of the Project, for an estimate of 135,000 ASF for the Science, Technology, and Engineering buildings and 30,000 ASF for the Office/Lifelong Learning building. There are multiple industry affiliates who have expressed interest in the Project and UC Davis is presently in the process of securing LOIs with these affiliates.

1.2. Transaction Documents

The University expects to enter into a Predevelopment Agreement, Ground Lease, and Space Lease with the Developer; provided however, the final structure of the transaction may necessitate other agreements. Further

¹ Assignable area generally includes all floor areas of a building directly assignable to an occupant or user, excluding corridors and other circulation areas, mechanical areas, restrooms, custodial closets and parking. Assignable area is measured from the interior walls of a room. 2

detail with regard to the expected terms for these agreements is contained in Appendix B.

1.2.1. Predevelopment Agreement. The Predevelopment Agreement governs the rights and responsibilities of the Developer and University prior to construction. Key tasks to be undertaken by the Developer during the predevelopment period include:

- **Manage and coordinate the design team and general contractors and interactions with the University and campus user groups;**
- **Coordinate submittal of plans, contract documents, and specifications to the University for review and approval;**
- **Conduct necessary due diligence and site investigations;**
- **Coordinate all entitlements from the University and any other regulating entities;**
- **Coordinate Project schedule and cost estimates for the Project;**
- **Arrange or provide construction and permanent financing; and**
- **Obtain construction permits.**

The Predevelopment Agreement will also include provisions for the reimbursement of qualified out-of-pocket design and other predevelopment costs incurred by the parties prior to approval of the Project.

1.2.2. Ground Lease. Upon completion of the Project approval process, procurement of construction permits and finalization of financing arrangements, the University will enter into one or more Ground Leases with the Developer, pursuant to which the Developer will construct, own, and manage the proposed improvements.

1.2.3. Space Lease. The Space Lease will detail the terms under which the University will lease space in the Project.

1.3. Elements of RFP

Responses to this RFP must include all the elements detailed in Section 4 of this RFP. A brief discussion of some of these elements is included below.

1.3.1. Development Program Proposal. The conceptual massing plan for the Project assumed a footprint and building volume for each building. In cases where the space needs of the University and Industry Affiliates identified in this RFP

fall short of the building square footage in the conceptual massing plan, the University would like Developers to add building “capacity” in order to accommodate anticipated future growth. The University acknowledges that “speculative” building space represents additional risk for the Developer; therefore, the University will look favorably upon proposals that strike an appropriate balance between the development program proposal and the risks and costs of the Project.

1.3.2. Economic Proposal. With respect to the economic components of this RFP, the University is prioritizing both the University’s space rent and housing rents over the ground rent. In other words, it is the University’s goal to minimize its space lease costs and housing rent costs as much as feasibly possible, and the University expects a ground rent that is equal to but not in excess of the Site’s fair market value. Accordingly, this RFP outlines a set of assumptions to be used in the proposals and asks Developers to solve for the University’s and other tenants’ space rents as well as housing rents under which the Developer is willing to proceed. The RFP assumptions are contained in Appendix A.

1.3.3. Response to Outline Term Sheet. The University has provided a draft outline term sheet in Appendix B. The term sheet is intended to (1) convey the University’s expectations with respect to various business and transaction terms, (2) solicit Developer feedback, and (3) serve as the basis from which definitive agreements are negotiated between the University and the selected Developer.

Developers shall review the outline term sheet and either express its willingness to accept the terms as outlined or propose revised terms that are acceptable to the Developer. Note however, the University, in its sole discretion, may reject such alternative term(s) and/or condition(s). The University will consider any such proposed alternative term or condition, or proposed adjustment or exception to the outline term sheet, as a factor in its evaluation of the Developer’s RFP response.

1.3.4. Design Concept Proposal. Developers should perform adequate architectural and construction estimating to inform the economic proposals. This RFP is not requesting fully developed architectural design concepts. Rather, the proposals should indicate the architectural approach and architectural character proposed for the Project in the way that each team sees fit. In addition, proposals should confirm that

the Developer's cost estimates are consistent with the proposed design concept (see appendices F and G), site plan, construction type, building massing, architectural character and public space amenities of the Project.

1.3.5. Non-Residential Parking Proposal. As part of this RFP process, the University is interested in understanding the costs of the Project's non-residential parking separate from the Project itself under a scenario in which the parking is built by the Developer. This separate analysis will help the University, in collaboration with the selected Developer, develop a strategy for addressing the Project's parking needs.





Project Overview

An overall theme is taking shape for the Aggie Square Phase 1 project — an expansive and inclusive community of people focused on advancing health — contributing to the well-being of people in the communities we serve, propelling a more diverse and healthier economy and expanding our positive impact through more expansive partnerships. In pursuit of this vision, the Project is already serving as a platform to connect people with expertise in diverse disciplines across the Sacramento and Davis campuses, and across the traditional boundaries among education, business and community-based interests. In each of the Project’s emerging “collaboratives” we envision “connector” places to provide venues for people from diverse communities of interest to meet, interact, share ideas and spark new partnerships.

This Section 2 provides an overview of each of the major components of the Project, with particular emphasis on the unique relationships and opportunities made possible by the collocation of University, industry affiliates and community-based organizations.

2.1. Science, Technology and Engineering

One of the primary themes for the Project’s science and technology space is Health Beyond Treating Disease. This theme requires both intradisciplinary and interdisciplinary contributions from both University researchers (spanning multiple schools and colleges at UC Davis) as well as key industry affiliates with diverse areas of expertise. The following are some of the key subthemes in the science, technology, and engineering component of the Project.

2.1.1. Regenerative Medicine. The first gene therapy products were recently approved by the FDA, creating intense interest in the cell and gene therapy market. Currently, many companies are showing clinical efficacy in CAR-T therapy, gene editing and gene therapy. To date there are over 2,000 cell and gene therapy clinical trials completed or underway. These successes have created strong demand for cell and gene therapy process development, manufacturing equipment, reagents, and built space environments for producing cell and gene therapy products. There is also a strong

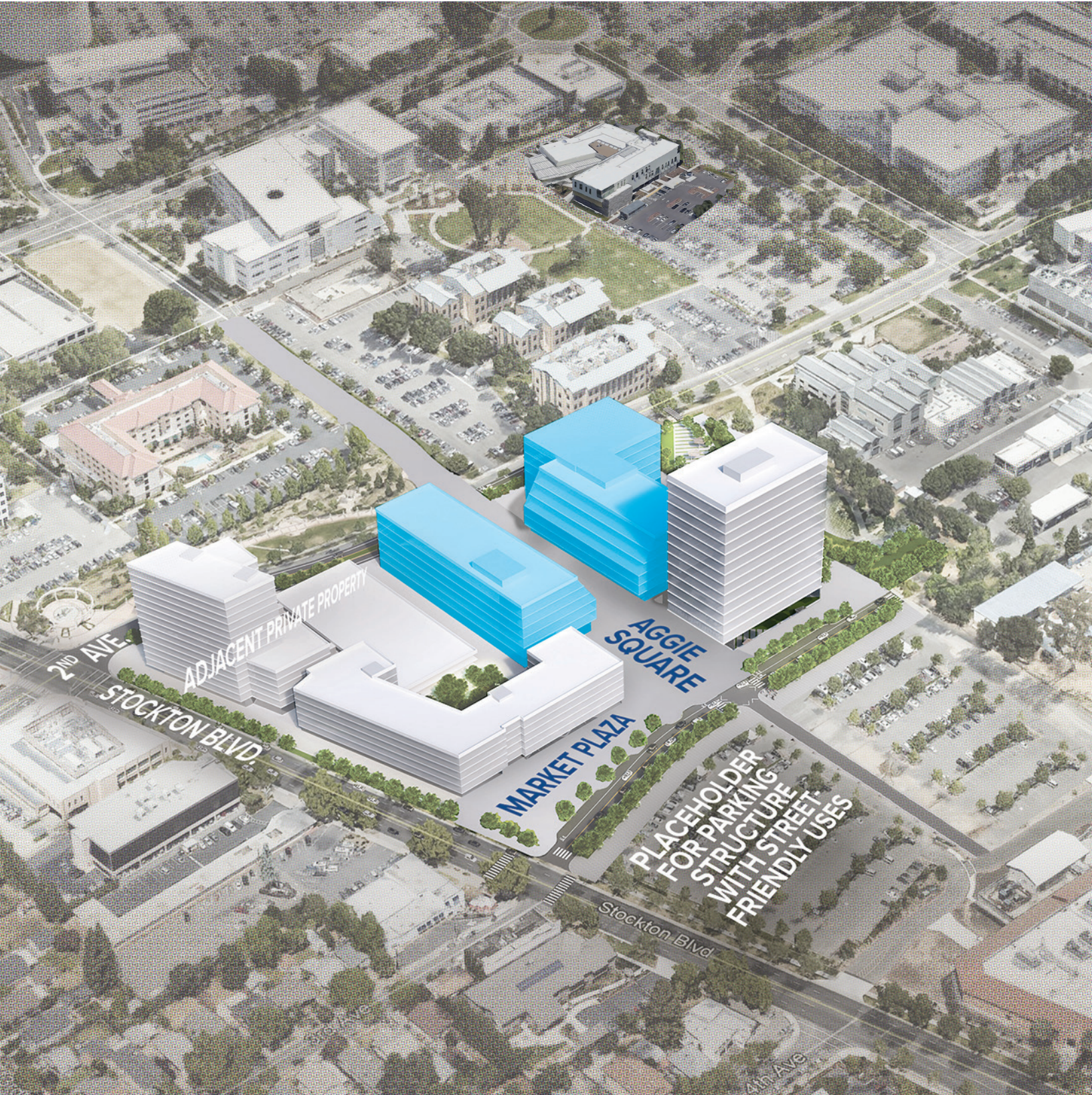
demand for training and education programs to overcome staffing shortages in this newly launched biomedical industry sector.

Due to the complexity required to facilitate the scaling of these new therapies, cell and gene therapy “hubs” are being established, where diverse expertise across the research, industry and patient treatment sectors are collocated. Representative fields of necessary expertise include biomedical engineering, cell biology, regulatory, logistics, molecular biology, immunology, cancer and robotics/automation.

In existing hubs, academic scientists can work with industry affiliates on innovation and cell delivery best practices to create faster and more affordable manufacturing and logistics processes.

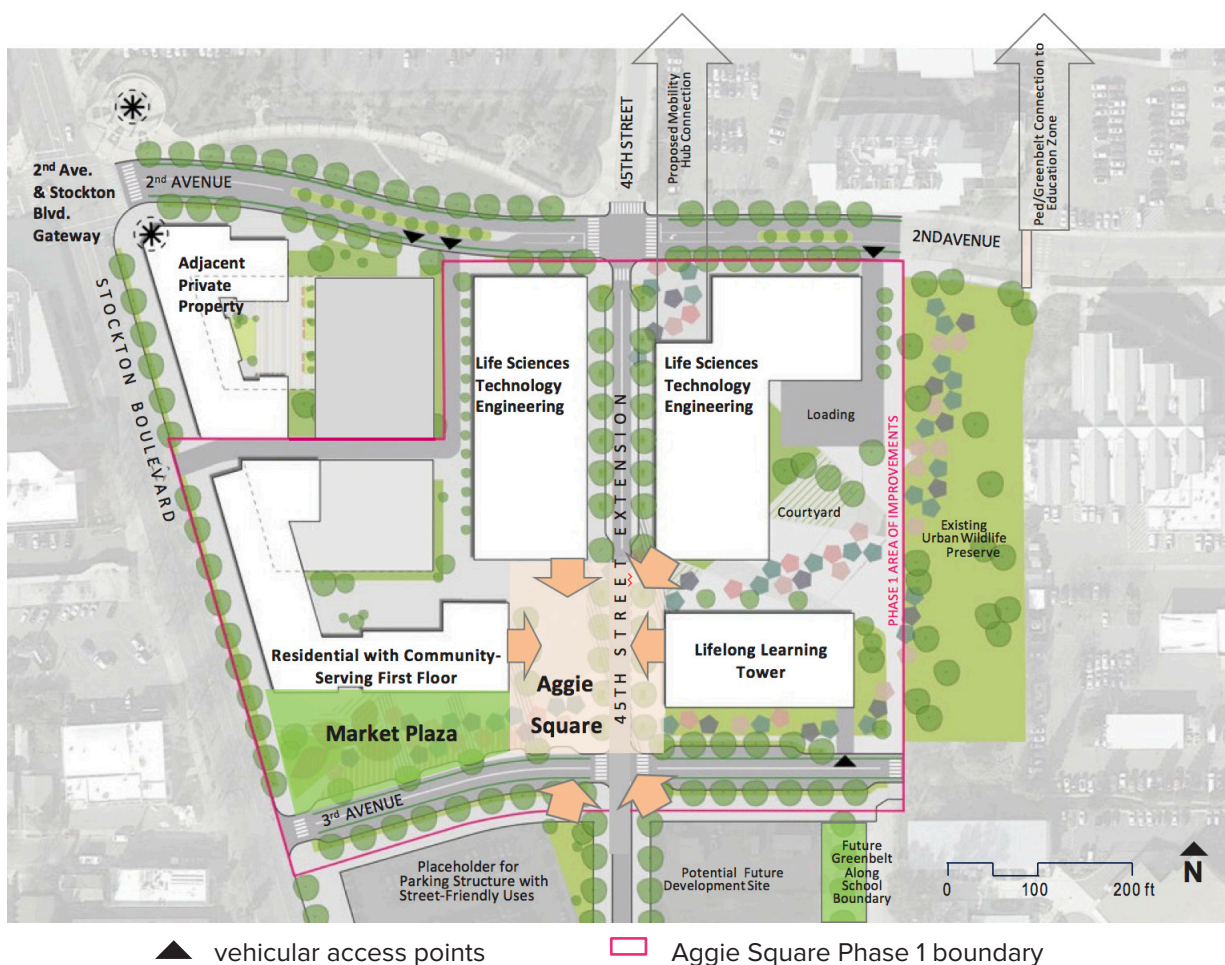
The Sacramento campus is already a significant cell and gene therapy hub. The Institute for Regenerative Cures (IRC) including its Good Manufacturing Practices (GMP) facility currently occupies 70,000 square feet. A recently launched UC Davis Alpha Stem Cell Clinic, sponsored by the California Institute for Regenerative Medicine (CIRM) is conducting stem cell clinical trials on behalf of over 20 companies.

2.1.2. Medical Devices. Research and development supporting medical device development requires a collaborative environment involving the interaction of experts from a number of scientific disciplines including medicine, biomedical engineering, computer engineering, materials science and other technical areas. UC Davis intends to expand existing research and development relationships between faculty from the School of Medicine, School of Veterinary Medicine and College of Engineering by collocating within the Project certain UC Davis faculty currently involved in medical device development. UC Davis is currently discussing the additional collocation of medical device industry partners at the Project who can work collaboratively and through partnerships to conduct applied research and take product candidates to market. These product candidates can be clinically tested within the adjacent UC Davis Health system. The Project is expected to provide a unique medical



Industry collaborations at UC Davis can transform Sacramento into a global hub for life sciences, technology, and engineering.

Fig. 1. Conceptual Site Plan.



device research and development environment, integrating the entire spectrum of expertise needed to move medical devices from idea to final product.

2.1.3. **Cancer.** Recent successes in cancer therapeutic development and treatment have resulted from investments in interdisciplinary research, a strategy that involves placing diverse research disciplines in close proximity. These advances in cancer diagnosis and therapies can be traced to the closely connecting and colocating experts in genomics, imaging, radiochemistry, cell biology and other traditionally independent research areas. UC Davis has invested heavily in creating an interdisciplinary approach to research and development for the entire spectrum of cancer, including prevention, treatment and post-treatment monitoring. Leveraging investments in UC Davis Health’s Comprehensive Cancer Center, Institute for Regenerative Cures, Center for Diagnostic Innovation, Clinical Translational Science Center, California National Primate Research Center and UC Davis Medical Center, the Project will provide industry affiliates with adjacent built space

environments to expand upon the existing interdisciplinary research and development network.

2.1.4. **Incubator/Accelerator.** A key tenet of successful innovation hubs is to facilitate the collocation of companies of all sizes, across multiple disciplines, with the University. The Project will provide a built space environment that will facilitate the collocation of companies across its major themes. The Project’s incubator companies will be provided access to certain UC Davis core facilities as a value-added element to being a part of the Project’s incubator community. Incubator occupants will also be connected with other elements of the Project including continuing professional education, entrepreneurship and innovation programming events, and mixers and other networking events that comprise the Project’s ecosystem.

As summarized in Table 1, an estimated 253,000 ASF in the two Science, Technology and Engineering buildings is anticipated to be a blend of clinical therapy related product manufacturing space, flexible research space, broad use core facilities, incubator/accelerator space, life science related workforce training space, and industry innovation space.

Fig. 2. Conceptual Section through Aggie Square

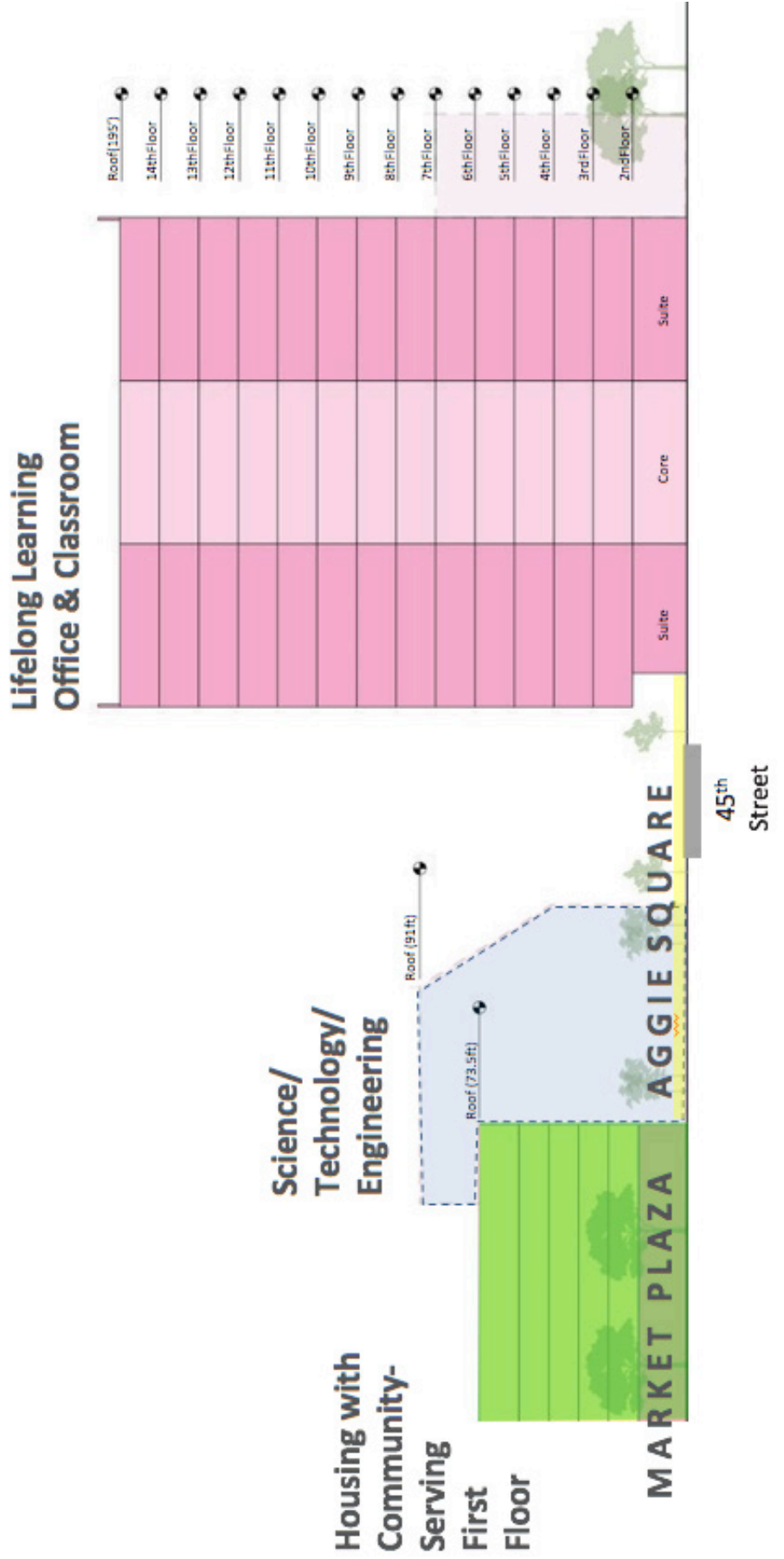
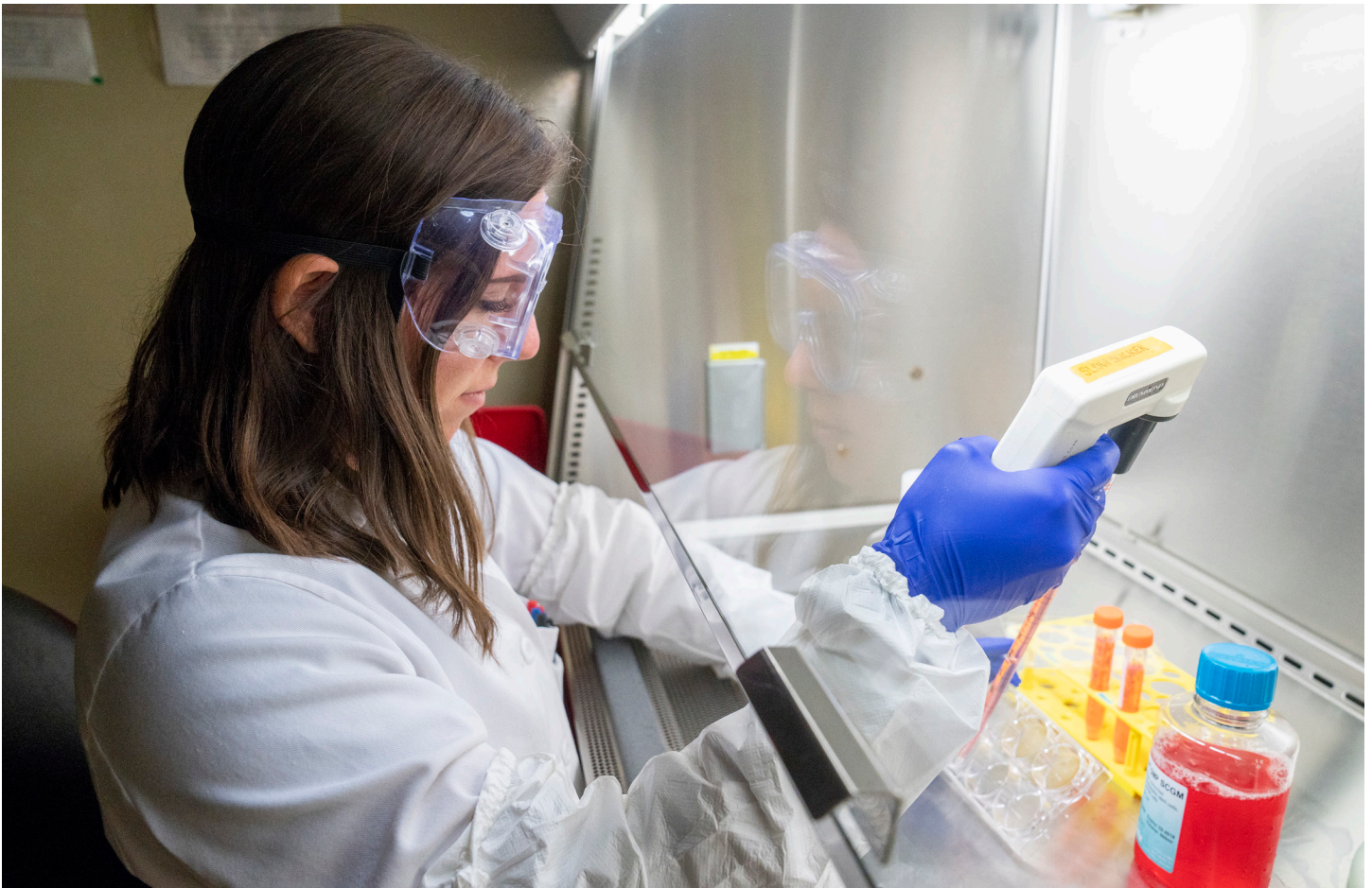
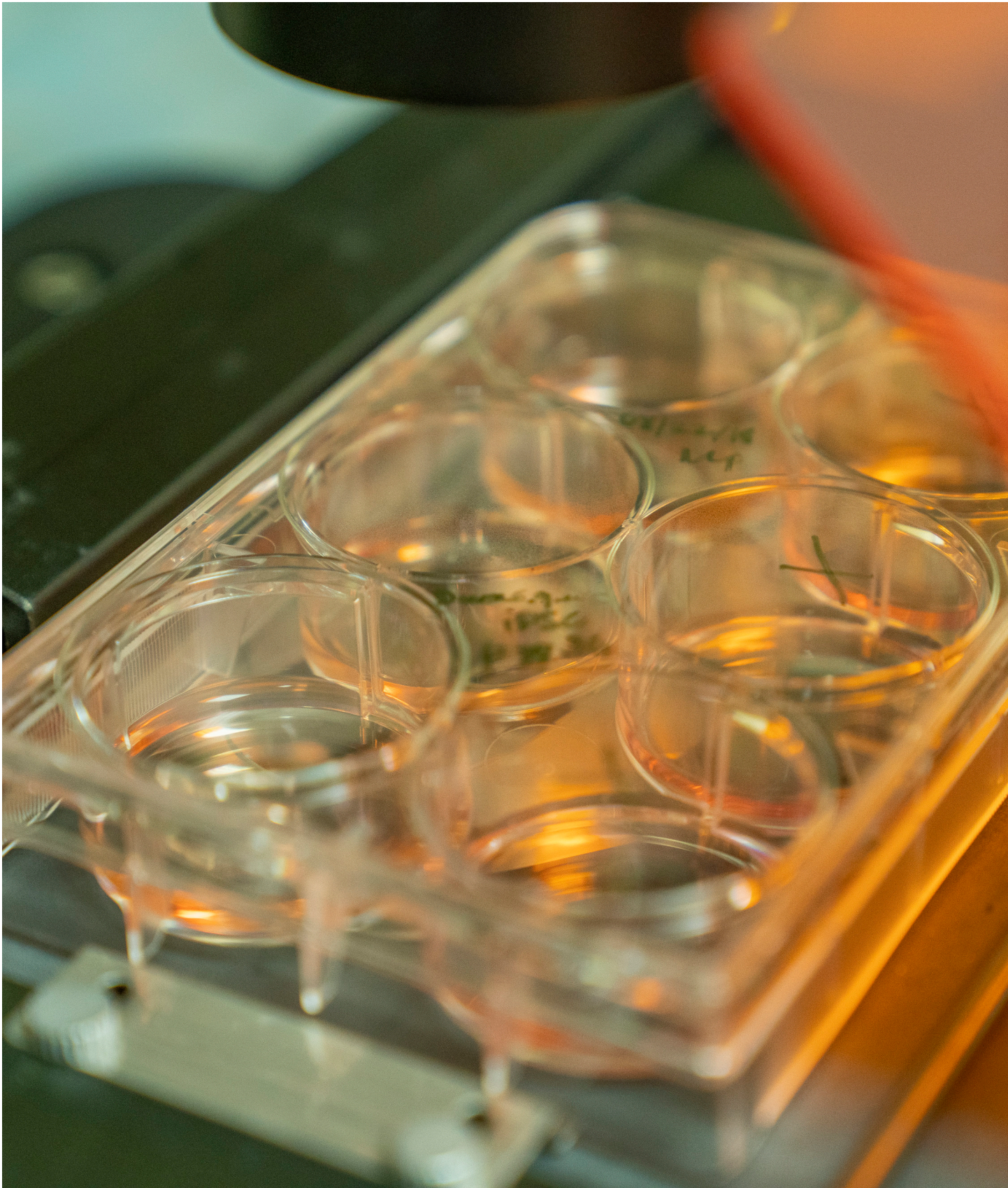


Table 1. Program Summary - Science, Technology and Engineering Buildings

THEMES	PROGRAM	UNIVERSITY ASF ²	INDUSTRY AFFILIATES ASF	OPERATIONAL MODEL TBD ASF	TOTAL
Neurosciences, Cancer, Medical Device, Vivarium, Specialty Core Facilities	University's Space Commitment Anchored by UC Davis Health	100,000			
Cell and Gene Therapy Commercialization	Anchored by Industry Partners		135,000		
Incubator Accelerator Maker Space Co-Working Center	University and Regional Start-ups Entrepreneurs Students Collaborators			18,000	
Total		100,000	135,000	18,000	253,000

² Preliminary programmatic needs have been rounded to the nearest 1,000 ASF. Programmatic information in the Basis of Design (Appendix F) based on sample configuration used for the RFP and review of proposals.





2.2. Office/Lifelong Learning

The Office/Lifelong Learning component of the Project is anticipated to include University programs and industry affiliates interested in continuing education and workforce development, including the training of next generation professionals across a broad variety of STEM and other disciplines. Together these activities will provide education and training for a wide range of jobs at Aggie Square, UC Davis and throughout the Sacramento region. By colocating programs from youth development through post-professional training, an innovative ecosystem of educators and students will create new opportunities and value for UC Davis, as well as Sacramento residents and businesses.

2.2.1. UC Davis Continuing and Professional Education (“CPE”). CPE is planning to serve as one of the key anchors of the Office/Lifelong Learning building. CPE is an academic division of the campus focused on workforce development and career advancement for adult learners, with more than 65,000 enrollments annually. CPE’s plan is to move all of its regional public- and corporate-facing programs to the Project, and to provide shared administrative services to other educational partners.

More than half of CPE’s existing work is sponsored training for groups of employees, often coupled with organizational development or coaching services. Advanced discussions are underway with a major global information technology company to colocate in the Project to train the company’s local workforce, and to design advanced training programs for others.

This collaboration is uniquely positioned to engage companies in emerging technology fields such as health informatics. CPE is an established global leader in health informatics training, providing curricula for major online platforms such as Coursera. CPE draws much of its strength in this area from the Health Informatics program at UC Davis School of Medicine. By bringing together the talent pipeline of Health Informatics graduates, the Project is an ideal location to site established and emerging companies in this competitive industry.

2.2.2. UC Davis Office of Public Scholarship and Engagement (“PSE”). In addition to classes,

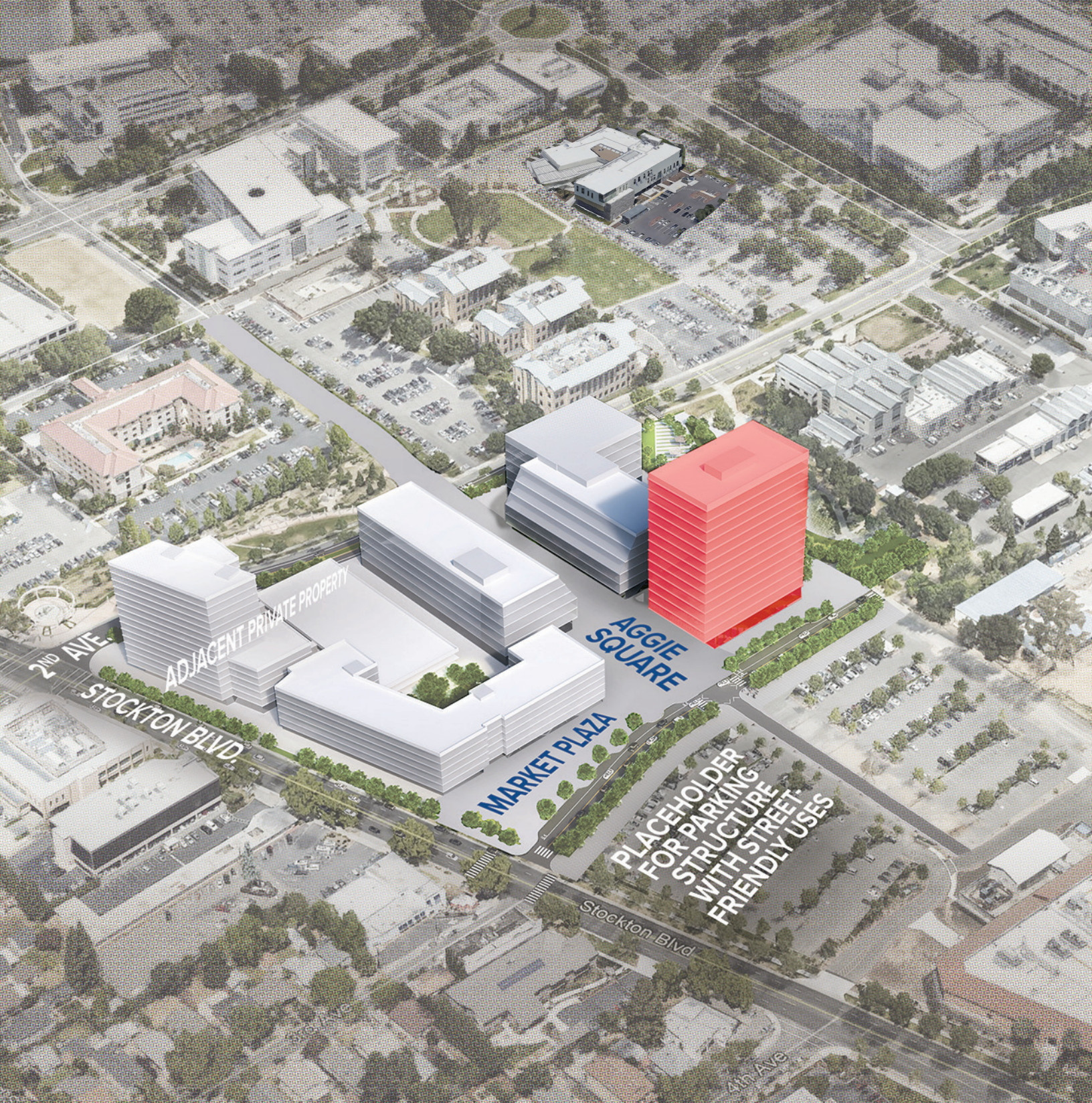


the Office/Lifelong Learning building is also planned to house the PSE. PSE is a new initiative that will directly connect University researchers who have public-facing projects with community leaders, helping them develop new collaborations and ideas. PSE has already committed to growing in Sacramento, and currently occupies space in the Aggie Square launch headquarters on Stockton Boulevard.

2.2.3. Other University Programs. The programs described above will also be complemented by a new offering designed for UC Davis undergraduates — “Quarter at Aggie Square” is an interdisciplinary program that will incorporate newly designed classes with internships and other experiential learning opportunities. The classes will be co-taught by faculty with different backgrounds. The program will be piloted in existing space on the Sacramento campus before construction begins. The flexible class schedules these programs offer, including evening and weekend classes, will ensure the Project maintains a lively and exciting environment throughout the week.

The Project is also planned to be the home of the UC Davis Sacramento MBA, ranked among the nation’s best for the eighth consecutive year. Currently ranked 28th overall, the program is among the top 9 percent of AACSB international-accredited part-time MBA programs and among the top 20 public part-time MBA programs in the country.

2.2.4. UC Davis Health Dry Research and Translational Programs. The Office/Lifelong Learning building will also contain interdisciplinary computational and dry research programs anchored by UC Davis Health. The Project will host programs that are designed to fill in innovation gaps that exist between research institutions and industry,



“Workforce development is such an important part of the Aggie Square vision. It leverages all of the expertise and resources of UC Davis toward bolstering the economic development of a region that’s truly on the rise.”

- Susan Catron, dean, UC Davis Continuing and Professional Education

including University translational programs like the UC Davis Clinical Translational Science Center, responsible for training UC Davis Health faculty on subjects including translational science and entrepreneurship. These programs will help move early stage ideas towards the market, where industry affiliates will be more likely to appreciate their value and incorporate them into product development.

Digital Health. To improve care while maintaining costs, health systems and patients alike are turning to digital technologies. Digital health products include a wide variety of products including sensors, software systems, artificial intelligence applications, telemedicine and other systems that are designed to track health metrics outside the hospital, allowing health professionals to monitor patient populations and address medical issues prior to the admission to expensive healthcare environments, resulting in better care that is also more convenient to all parties.

Collectively, digital health product development requires close collaboration between physician, nurses and other healthcare professionals, and technology specialists in areas such as informatics, data science, epidemiology, and statistics. Building on UC Davis Health's nationally recognized telemedicine program, and a Digital Health Resource Center that works with leading digital companies to validate the healthcare applications of newly developed digital products, the Project is well-positioned to serve the emerging "digital community" in partnership with local neighborhoods, the city of Sacramento, and technology companies from startup to Fortune 500 companies. The Project will provide an optimal environment for companies, in collaboration with the University, to develop, test and roll out new healthcare digital products.

2.2.5. Industry Colocation. The Office/Lifelong Learning building will serve as a location for University/industry cultural exchange, providing a mix of environments, ranging from space leased to industry for internal research, to innovation space for collaborative research, to open spaces where industry and university collaborators can meet and congregate in social settings. The Project will be designed to facilitate mentoring, informal networking and the movement of personnel between these settings.

Scientific programs and activities are delivered in large part by students and trainees. Colocation at Aggie Square will provide companies with access to the best and brightest of these students as they join the

workforce and seek employment.

In many cases, trainees and faculty identify opportunities to spin out companies, desiring the companies to have access to incubator spaces and, with growth, accelerator space. A marketplace develops, that expands to include entrepreneurs-in-residence, and companies that can support the growth of the entrepreneurial ecosystem. The Project will provide incubator/accelerator space to allow companies to incorporate, grow and scale.

The Project will also provide companies with community-facing opportunities, an area of growing importance among leading industry players. UC Davis will engage with the communities in a variety of areas, including neighborhood entrepreneurship, technical training through CPE, food safety and education, and other high impact areas. Industry affiliates will be able to partner with the community, and leverage investments made by UC Davis and other affiliates.



Table 2. Program Summary - Lifelong Learning Building

USES	PROGRAM	UNIVERSITY ASF ³	INDUSTRY AND COMMUNITY AFFILIATES ASF	DELIVERY MODEL TBD ASF	TOTAL
University Classrooms Office Space	University's Space Commitment Anchored by UC CPE	30,000			
Public-Facing Programs	University's Space Commitment Anchored by UC PSE	8,000			
Data Sciences	Anchored by Industry Partner		30,000		
Dry Research and Service-Based Programs	University's Space Commitment Anchored by UC Davis Health	50,000			
Incubator Accelerator Co-Working Center	University and Regional Start-ups and Entrepreneurs /Collaborators			15,000	
Total		88,000	30,000	15,000	133,000

³ Preliminary programmatic needs have been rounded to the nearest 1,000 ASF. Programmatic information in the Basis of Design (Appendix G) based on sample configuration used for the RFP and a review of proposals.



2.3. University Housing

The University apartments are expected to contribute to the vitality and “24-7” character of the mixed-use innovation district. Target populations for these apartments include undergraduates, graduate students, medical and nursing students, medical residents, interns, and other college students proximate to Aggie Square. While undergraduate education is primarily based at the Davis campus, the Chancellor and Provost have made it a priority to create opportunities for undergraduates to benefit from the innovation experience that will emerge at Aggie Square and it is anticipated that some undergraduate students will have an interest in living in the more urban environment of Sacramento. The lively, mixed-use character of Aggie Square, along with the electric shuttles connecting the two campuses, will likely make Aggie Square an attractive housing option for some undergraduate students.

For context, total UC Davis enrollment exceeds 39,000 students and over 5,700 students, including medical residents and fellows, currently reside in Sacramento. In addition, over 3,000 undergraduate students have internships in Sacramento each academic year.

Given the range of target student populations, the Project’s housing should be designed flexibly and have wide appeal to a range of audiences, including unit sizes, number of bedrooms, and amenities. It should be assumed that the housing will include lounge and study spaces for residents as well as for students engaged in education, research and service activities elsewhere at the Sacramento campus.

Housing affordability is a key University goal and as such, “affordability by design” will likely form an important component of the overall affordability strategy. The University is interested in exploring a range of affordability solutions including potentially some component of micro units, with the goal of striking a balance between resident privacy and price point.

Finally, the University is open to increased building density proposals above the University’s concept plan and massing diagrams, but only to the extent that increased density would result in improved Project economics. In such cases however, the University does not anticipate that the site for the housing portion of the Project will grow significantly from that shown in the concept plan.⁴

⁴ it is also noted that the 200 units specified in the concept plan is a planning estimate only based on an assumed average unit size. Developers are free to propose an alternative unit count.

2.4. Ground Floor of Housing/Community-Serving Building

The Market Plaza and the ground floor of the Housing/Community-Serving building along the northern edge of the Market Plaza are dedicated to creating a dynamic public space that celebrates “healthy food for all.” In addition, this space will connect the Project with Stockton Boulevard and neighboring communities.

UC Davis is “curating” a mix of University, non-profit and business enterprises for the Market Plaza and the ground floor of the Housing/Community-Serving building. The University has identified potential tenants for the 30,000 ASF ground floor that includes programs dedicated to training and education in local sustainable food systems as well as food purveyors for fresh, organic food, prepared meals, and dining. Each of these entities has been identified for their diverse contributions to the Aggie Square “food and health” theme and for their commitment to collaborating to support a local, sustainable food system. As UC Davis Health pilots new programs in “food prescriptions” to promote healthy eating, disease prevention, recovery and healing, these food purveyors may also become distribution points for access to healthy food for community members and patients. They may also become venues for dining programs for students living on the upper floors of the same building.

For purposes of the RFP, it should be assumed that the ground floor space of this building is reserved for the above uses, anchored by UC Davis Health, a retail food hub and a non-profit entity. Each of these entities would have a “storefront” activating the Market Plaza, bringing diverse communities of people together to eat, enjoy, celebrate, learn and heal. The ground floor of this building should be at least 14 feet in height to create a generous, light-filled environment for people experiencing the food-related activities.

The ground floor will also include a lobby entrance to the housing on the upper floors. The defining outdoor architectural feature of the Market Plaza will be an outdoor Market Pavilion, framing the southern edge of the Plaza. The Market Pavilion should be designed for easy and functional vehicle access from the new “3rd Avenue Extension,” a new Aggie Square street. This extension of 3rd Avenue onto UC Davis property forms the southern boundary of the Project. The Market Pavilion will provide an opportunity to expand food offerings and food access at Aggie Square, and serve as a venue for special events. The Market Pavilion may also serve as a pickup point for the Sacramento



Aggie Square will unite community need and local talent with the health and nutrition expertise of a world-class medical campus and America's #1 College of Agricultural and Environmental Sciences.

Food Bank, for Community Supported Agriculture (CSA) boxes for UC Davis employees and community members, and other programs related to “food and health.” Together these programs and amenities will create a dynamic public place that attracts people across diverse communities to “celebrate healthy food for all.”

UC Davis and its “food and health” affiliates are developing a set of principles for all food-related activities in the Project, principles that support a local, sustainable food system. Any food-related enterprise in the Project will need to embrace and implement

these principles. If food enterprises cannot be found that fulfill these criteria, then the ground floor space in this building may be made available to non-food related businesses and amenities that add vitality to the Aggie Square environment, in consultation with UC Davis. The one exception is the 9,000 ASF designated for food training and education. This space can be assumed to be controlled by the University without market risk for the Developer.

Table 3. Program Summary - University Housing/Community-Serving Building

USES	PROGRAM	UNIVERSITY ASF	INDUSTRY ASF	NOTES
UC Davis Health	Catering Kitchen & Prepared Meals	9,000		Potential production kitchen for prescription meals
Retail Food Hub	Local, Organic Produce and Dining		12,000	Serves Aggie Square residents, employees and surrounding community
Educational Foundation	Training & Education in local, sustainable food systems		9,000	Benefits for local community members and school programs
Market Plaza	Public space connecting Aggie Square with Oak Park			Theme of “celebrating healthy food for all”
Market Pavillion	Permanent structure framing Market Plaza with easy loading from new 3rd Avenue			Defining architectural feature of the Market Plaza and Aggie Square
Total		9,000	21,000	



Fig. 3. University Housing / Community-Serving Building and adjoining areas.

2.5. Public Open Spaces

Two primary public spaces will connect the Project to the surrounding communities and will provide for lively interaction among occupants of the Project. The Market Plaza is intended to host a permanent Market Pavilion as well as an outdoor gathering space to complement the healthy food offerings and programs in the community-serving storefronts. The “Aggie Square” public plaza will be a dynamic and flexible urban gathering and events space, fronted by

entrances to all of the Phase 1 buildings and first floor activities. The Aggie Square plaza is also situated to capture frontages and entrances of the subsequent phase of Aggie Square buildings contemplated to be located south of 3rd Avenue.

2.6. Parking

Parking serving the housing component of the Project should be incorporated into the Project’s design and economics, although private automobile use by its

residents is expected to be relatively low. Parking serving the non-residential components of the Project will require the construction of a new parking garage adjacent to the Project Site. Further discussion of non-residential parking is included in Section 4 of this RFP.

2.7. Site and Massing Plan

The site and massing plan for the Project has been developed to accommodate the Project’s conceptual development program and to reflect the input of campus and community members. Building footprints and volumes were based on templates appropriate for the function of each building type. Streets, open space connections, and public spaces link with the existing campus network to the north and the future phases of the Project to the south. In particular, the two connected public spaces, Aggie Square and the Market Plaza, link the Project (and the campus) with the surrounding community (the Market Plaza at Stockton & 3rd Avenue) and create a public event and gathering space at the heart of the district (Aggie Square).

The Physical Design Framework (“PDF”) for the UC Davis Sacramento campus is being updated in concert with the site and massing plan for the Project. See Appendix C for a draft of the Aggie Square chapter of updated PDF.

The PDF also describes overall architectural guidelines for the UC Davis Sacramento campus, which apply generally to the Project. The Project is expected to express a dynamic architectural character reflective of its role as an innovation district, with a special emphasis on architectural strategies that respond to climate challenges and sun orientation. The University is not requesting detailed design or architectural renderings for the proposals. Rather, narrative descriptions and examples of architectural character and quality should be included at the Developer’s discretion in order to communicate the level of investment consistent with the Project pro forma (see further discussion in Section 4 of this RFP).





Selection Process

This Section 3 describes the RFP selection process including the tentative timeline and selection criteria.

3.1. Selection Process Timeline

Pursuant to the tentative timeline below, proposals are due to the University on November 15, 2019 and selection of the final Developer for the Project is targeted for December 2019. To assist with the selection process and the preparation of proposals, the University anticipates the following activities with participants from the University and Developer teams:

3.1.1. Comparable Project Tour and First Work Session. Representatives of the University wish to tour at least one comparable project for each of the shortlisted developer teams. It is expected that representatives of the Developer will host the tour in order to provide background of the project and answer questions. As noted in the timeline below, the University has set aside the week of September 23rd for these tours. University staff will coordinate logistics for the tours with the Developers.

On the same day as the tour, the University invites the

Developer team to participate in the first of two work sessions with University staff. The purpose of the work sessions is to answer the Developer team’s questions regarding the RFP and to allow for an open dialogue on any topic relating to the proposed Project and how the Developer may wish to approach their response to the RFP.

It is likely that the work sessions with any individual Developer will result in questions and answers that will be broadly applicable to all the Developers. As such, the University plans to distribute a list of such questions and answers to all the Developers following the work sessions.

3.1.2. Second Work Session. The University anticipates that a second work session between University and each Developer team will be helpful to address additional questions following the first work session. At each Developer’s option, this second work session may be conducted in-person or via video conference. The University anticipates this second work session will take place the week of October 21st.

Tentative Developer Selection Timeline

RFP Issued	September 13, 2019
Comparable Project Tours / First Work Sessions	Week of September 23, 2019
Second Work Sessions	Week of October 21, 2019
Due Date for Proposals	November 15, 2019
Proposal Clarifications	November 16 to December 17, 2019
Developer Selected for Exclusive Negotiations	December 18, 2019 (Target Date)

3.2. Selection Criteria

Responses to this RFP should address all of the following criteria:

3.2.1. **Team Qualifications.** The selection criteria specified in the prior RFQ stage will continue to apply in this RFP stage. For ease of reference, the RFQ stage criteria is restated below:

- Demonstrated experience with developing large, complex mixed-use projects directly comparable to the project envisioned for Aggie Square, including lab and research space that meets the needs of University, industry users, as well as project features and programs that add value to surrounding communities;
- Demonstrated experience with public-private partnerships and ground lease transactions;
- Demonstrated excellence in sustainable planning and design and demonstrated flexibility working with University requirements;
- Demonstrated commitment to meeting campus requirements, compliance with state, local, and federal law, and providing infrastructure for universities or other public institutions;
- Demonstrated ability to build projects cost efficiently, on schedule, and on budget;
- Demonstrated financial capability to finance the construction of the Project;
- Demonstrated experience in managing/operating innovation centers and other comparable mixed-use facilities, including a successful track record of creating colocation environments and recruiting/retaining tenants;
- Demonstrated commitment to diversity, equity and inclusion as exemplified in the UC Davis Principles of Community;
- Demonstrated experience working collaboratively with organized labor;
- Experience working successfully with the other members of the proposed Developer team on prior projects; and
- Experience developing and managing projects in California and familiarity with the CEQA environmental review process.

3.2.2. **Development Program Proposal.** The amount of building space proposed to be developed by the Developer, including space above and beyond that specified in this RFP for the University and identified industry affiliates.

3.2.3. **Space Rent and Housing Rent Proposal.**

Favorable lease terms to the University under the Space Leases and affordability of the housing portion of the Project.

3.2.4. **Reasonableness of Economic Projections.** Evaluation of the pro forma projections based on realistic inputs and fair risk-adjusted return thresholds.

3.2.5. **Response to Outline Term Sheet.** Favorable response to the Outline Term Sheet, including terms for which a Developer proposal is requested, such as the length of the Ground Lease term. As much as possible, proposals should minimize deviations from the Outline Term Sheet contained in Appendix B and provide a rationale for any proposed modifications.

3.2.6. **Conceptual Design Proposal.** The conceptual design should meet the University's functional and programmatic requirements (see appendices F and G); represents a superior design concept that best balances the program and budgetary needs; fits design aesthetics and integrates well with the Sacramento campus, Stockton Boulevard, and the adjoining neighborhoods; provides quality consistent with a Class A private market development; and achieves a balance between building construction costs and support system operational and life cycle costs.

3.2.7. **Non-Residential Parking.** Proposals should minimize the annual lease cost for the non-residential parking facility while utilizing reasonable assumptions for construction costs, ongoing maintenance costs, and financing costs.

3.2.8. **Proposed Schedule.** The proposed schedule should be complete and describe a coherent and realistic timeframe for completion of major milestones.

3.3. General RFP Provisions

3.3.1. The University will thoroughly review all submitted proposals and identify the Developer who, at the University's sole discretion, best meets the University's needs in accordance with the selection criteria in the RFP. The University reserves the right to reject any or all submittals and to change or add to the criteria at any time during the screening process.

3.3.2. The University reserves the right to request follow-up materials, proposal clarifications or modifications based on a review of the submitted proposals.

3.3.3. The University reserves the right to modify, cancel, withdraw, postpone or extend this RFP in whole or in part at any time without the University incurring any obligations or liabilities.

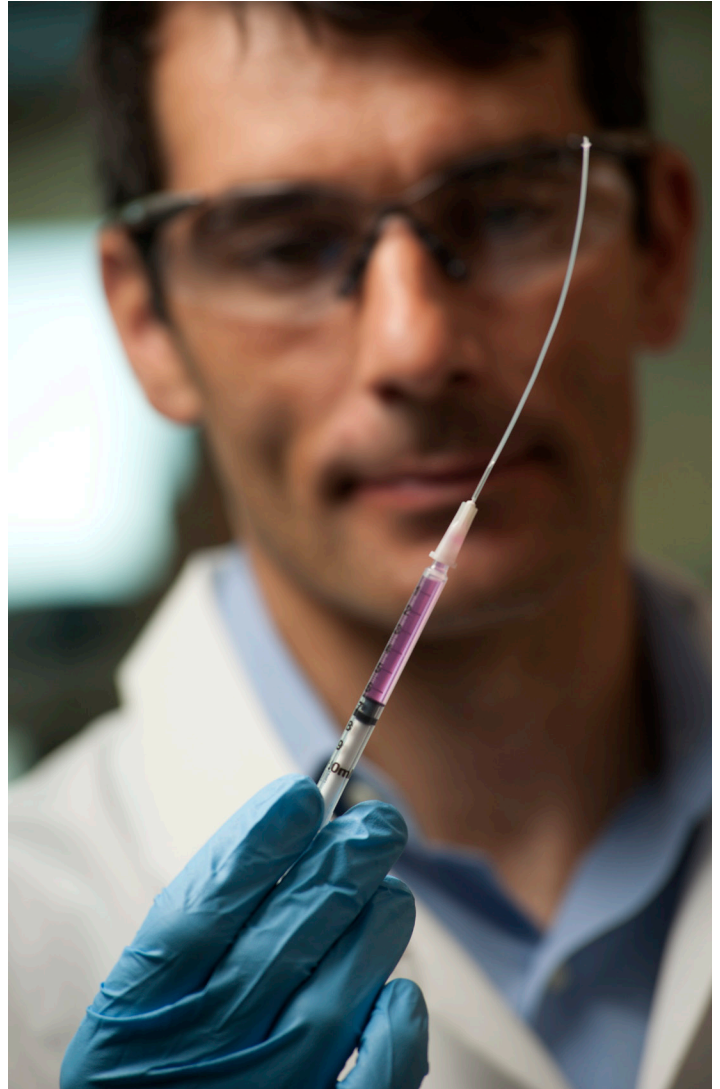
3.3.4. The University retains the right to not proceed with the Project or to terminate negotiations with the selected Developer at any time and for any reason subject to the terms of any definitive agreement signed by the University and the Developer. If the University elects to terminate such negotiations, the University may, at its sole discretion, negotiate with other respondents to this RFP.

3.3.5. The outcome of the selection process will be the selection of a master developer. The University and the selected master developer reserve the right, by mutual agreement, to replace members of the team without undertaking a new selection process.

3.3.6. The University retains the right to expand or otherwise modify the boundaries of the Project based upon subsequent analysis by the University, which may include collaboration with the selected Developer.

3.3.7. The University assumes no obligations, responsibilities and liabilities to reimburse all or part of the costs incurred by parties considering a response to and/or responding to this RFP. All such costs will be borne solely by each Developer.

3.3.8. The California Public Records Act limits the University's ability to withhold records and other information. If a submittal contains any trade secrets or other sensitive business information that a Developer does not want disclosed to the public, each sheet of such information must be marked with the designation "Confidential." The University agrees that if a "Public Records Act" request is made for disclosure of data so classified, it will notify the submitter of such data so that the submitter will, to the extent legally possible, have an opportunity to legally challenge whether the University has an obligation to disclose such information.





Proposal Requirements

Twelve (12) bound hard copies of the proposals along with one electronic copy on a flash drive shall be delivered to the following address. Proposals must be received no later than 4:00 pm Pacific Time on November 15, 2019.

**UC Davis Real Estate Services
Attention: Aggie Square Team
255 Cousteau Place
Davis, CA 95618**

Proposals shall include all of the following elements:

4.1. Cover Letter

Include a cover letter (2 pages maximum) summarizing the key points of the proposal and stating the Developer's interest in the Project opportunity. The cover letter shall also positively affirm that the proposal is consistent with the program requirements and Basis of Design contained in Appendix F and Appendix G, or clearly indicate where deviations exist.⁵ The Developer shall explain the reasons for any such deviations. The cover letter shall also include a statement confirming the Developer's position regarding the principles of public-private partnerships, as referenced in the Introduction of this RFP.

4.2. Project Team

For each development firm on the team (excluding non-developer members such as prospective architects or general contractors), the proposal shall identify the lead project manager for each firm responsible for day-to-day interaction with the University. Provide a resume including key relevant experience for each project manager. Please explain any changes in proposed personnel or roles and responsibilities from the Developer's RFQ submittal.

Provide an organizational chart that includes each firm on the proposed team and the key individuals that will be involved with the Project.

4.3. Development Program & Conceptual Design

Proposals shall include each of the following:

4.3.1. **Building Program.** Provide the proposed size and square footage of each building in the Project, including the square footage assigned to the University, the University's industry affiliates, and any proposed speculative space.

4.3.2. **Design Approach.** Provide a narrative of the Developer's general design intent with respect to the architectural character of buildings, public spaces and circulation. Also generally describe proposed building materials and finishes with a particular emphasis on building exteriors, public spaces and plazas. Provide photos or sketches of example projects that are similar to the proposed architectural and design concept for the Project. Please note that detailed building plans and renderings are neither required nor encouraged.

4.3.3. **Site Plan and Massing Diagram.** Provide a site plan and massing diagram for the Project as proposed by the Developer.

4.3.4. **Building Systems.** Incorporate all building systems and include a discussion of energy conservation/sustainability provisions and consideration of life cycle costs. Describe how the Project will comply with the Sustainability Goals for the Project (see Appendix E).

4.4. Project Schedule

Proposals shall include a detailed schedule of the entire Project delivery process with a narrative describing how tasks interlink and how the team will be managed to achieve its goals. This schedule should include all of the tasks necessary for the team to complete the Project. The schedule should allow reasonable time for community outreach and for the University to complete its CEQA process and participate in the design, budget and approval processes.

⁵ The Basis of Design shall be utilized by all of the Developers for the purposes of this RFP. The University acknowledges that the final Project Design may change based on detailed discussions with the selected Developer during the predevelopment process.

4.5. Approach to Construction

Provide a narrative that addresses the Developer's approach to the following:

4.5.1. Management of traffic circulation (vehicular, bicycle and pedestrian) in and around the Site throughout the construction period of the Project;

4.5.2. Coordination of site access to construction trades, supervisory and delivery personnel, materials and equipment delivery personnel, visitors, staging of equipment and materials, and contractor and subcontractor parking; and

4.5.3. Management and procurement of available trades to maintain schedule and budget.

4.6. Economic Proposal

Proposals shall include a clear statement regarding the Developer's proposal for the following:

- The space rent to be paid by the University and industry affiliates;
- The housing rents;
- The ground rent paid to the University;
- The Developer's expectations regarding the Developer's compensation and investment return including capitalized development fees, capitalized construction management fees, return requirements (Internal Rate of Return, Return on Total Cost, Return on Equity, etc.), property management fees, and retention of construction contingencies; and
- The proposed pre-leasing requirements that must be satisfied before the Developer will proceed with construction of the Project.

In support of the Developer's economic proposal, the Developer shall submit a separate detailed development pro forma for the Science, Technology and Engineering buildings, the Office/Lifelong Learning building, and the Housing/Community-Serving building. The costs of the public plazas should be detailed separately. The pro formas shall clearly specify all assumptions with respect to hard and soft costs of development, and include a detailed sources and uses statement, and 20-year operating cash flow clearly identifying all source of project income, vacancy rate, itemized operating expense budget including ground rent paid to the University, debt service, replacement reserves, and net cash flow distributed to equity investors. Clearly

identify projections of Return on Investment, IRR, or other return metrics as applicable. Clearly state any minimum required construction contingencies and how such contingencies are proposed to be reconciled at the conclusion of construction.

The pro forma shall provide the underwriting assumptions including the interest rate, term, debt coverage, and loan-to-cost or loan-to-value ratios, as well as threshold equity return requirements.

Itemize the hard construction cost estimate as follows:

- Sitework
- Substructure
- Shell
- Interiors
- Services
- Fixed Equipment
- Subtotal
- General Condition/Requirements
- Bonds & Insurance
- Contractor's Fee
- Design Contingency
- Escalation
- Total

The pro forma shall be submitted both in hard copy and in a dynamic unlocked Microsoft Excel format with access to all formulas.

4.7. Approach to Property Management

4.7.1. **Innovation Ecosystem.** Describe the Developer's approach to creating a collaborative innovation ecosystem and how the Developer will work with the University to maintain this ecosystem in the long term.

4.7.2. **Marketing and Leasing.** Describe how the Developer proposes to coordinate its efforts with that of the University, particularly around marketing, leasing, and tenant recruitment for the Project's buildings.

4.7.3. **Incubator/Accelerators.** The University is working under the assumption that the incubator/accelerators will be operated by a third party. Describe the Developer's experience with differing approaches to operating incubators and accelerators and the Developer's preferred approach for Aggie Square.

4.7.4. **Property Management Entity.** Describe the proposed entities that will manage the property on

behalf of the Developer. If the property management entities are third parties and not affiliated with the Project owners, please include background information and qualifications.

4.7.5. Building Maintenance Standards. Describe the proposed property maintenance standard to ensure the property is maintained in a Class A condition. Please reference appropriate standards and/or certifications such as those that are published by organizations such as ANSI, ASHRAE, BOMA, IREM, etc.

4.7.6. Transportation Demand Management (“TDM”). UC Davis is actively involved in campus-wide TDM planning. Describe your experience with programs and specific proposed measures to further these efforts.

4.8. Outline Term Sheet Proposal

Appendix B to this RFP is an Outline Term Sheet containing some of the key terms expected for the transaction. As part of the response to this RFP, Proposals shall either (1) affirmatively state that the Developer is in agreement with the terms as specified or (2) propose modified terms that are agreeable to the Developer and explain the reasons for the proposed changes.

Developers are also asked to identify additional terms not included in the Outline Term Sheet if, in the judgment of the Developer, the terms are not customary for a real estate transaction of this nature.

4.9. Non-Residential Parking Proposal

Proposals shall provide a projection of the cost to develop a multi-level parking garage serving the non-residential uses of the Project. The location of the garage should be assumed to be adjacent to the proposed Project, adjacent to streets and utilities, with limited landscaping and site improvements, and limited architectural treatment. The development costs are to include all hard and soft costs of development as well as all financing costs. For purposes of this RFP it should be assumed that the parking garage will be owned and maintained by the Developer but that the garage will be operated by the University as part of the larger parking inventory for the Sacramento campus.

Based on the cost of development and the ongoing maintenance costs, the Developer shall propose an annual lease rate payable to the Developer in order to fully amortize the cost of the parking garage including

all required investment return. In other words, the annual lease rate is the rate required by the Developer to make the non-residential parking completely cost-neutral to the Project.

With regard to parking ratios, the University’s parking consultants have preliminarily estimated parking needs, before reductions for potential TDM programs, at: 2.5 spaces per 1,000 gross square feet of building area (GSF) for the Office/Lifelong Learning uses; 1.5 spaces per 1,000 GSF for the Science, Technology, and Engineering uses; and 2.55 spaces per 1,000 GSF for the ground floor of the Housing/Community-Serving building. The Developer may utilize these assumptions for purposes of the proposal.

In all cases, the University intends to work with the selected Developer to maximize TDM strategies in order to minimize the amount of parking required for the Project.

4.10. Financial Capacity

Proposals shall provide evidence of each Developer’s financial condition including the most recent audited company- and, if relevant, personal financial statements; and a statement detailing the different methods of financing the Developer is capable of delivering for the Project’s construction and permanent financing. Provide financial and banking references and telephone numbers of contacts for such references, together with written authorization permitting the University to confirm financial information with such references. The University may request a review of such submissions by a Certified Public Accountant or its external auditors.

The University desires assurances that the Project will be delivered by the Developer lien free, on time and within budget, and that the Developer and/or financial guarantors demonstrate the financial strength and commitment for such purposes. Proposals shall identify parties (existing or to be formed) that would be a party to the transaction documents and provide evidence of financial condition for each entity (or financial guarantor for each entity).

In addition, the Developer or its identified general contractor shall be required to demonstrate ability to secure performance and payment bonds for each phase of the Project in an amount equivalent to at least one-hundred percent (100%) of the value of the Project.

4.11. Alternative Concepts (Optional)

The University is open to considering creative, alternative approaches or concepts to implementing the Project, which could include, among other things, such areas as construction types, variations in program square footage, financing, transaction structures, etc. (but would not include scenarios in which the University transfers fee ownership of the land). If there are alternative concepts that the Developer believes may better position the University to achieve its goals for the Project, particularly with respect to cost, the Developer should include a brief narrative describing the alternatives and their expected benefits. The University will assess these alternatives and determine whether further consideration, including more detailed analysis, is warranted.





Appendices

Appendix A	RFP Assumptions
Appendix B	Outline Term Sheet
Appendix C	Draft Aggie Square Chapter of Physical Design Framework
Appendix D	Development Fees*
Appendix E	Aggie Square Sustainability Goals*
Appendix F	Basis of Design – Science, Technology and Engineering Buildings*
Appendix G	Basis of Design – Office/Lifelong Learning Building*
Appendix H	Infrastructure and Utilities Report*
Appendix I	Draft Mitigation Monitoring and Reporting Program*
Appendix J	Phase 1 Soils Reports*

*Appendices D-J have been made available in an electronic folder to which the shortlisted Developers have been provided access.



Appendix A: Assumptions

Developer proposals shall make the assumptions detailed in this Appendix A. The assumptions contained herein are for purposes of the RFP and are preliminary in nature. Final terms will ultimately be negotiated and agreed to between the University and the selected Developer.

1. Schedule Assumptions

1.1. **Project Delivery.** Assume construction start in 2021 and completion in 2023. Construction cost escalations should be consistent with this assumption.

2. Ground Lease Assumptions

2.1. **Base Ground Rent.** Ground rent terms are included in Appendix B. The University does not have a recent appraisal for the Site. Therefore, for purposes of this RFP the Developer shall provide its own estimate of the annual ground rent based on an assumed fair market value of the land.

3. Space Lease Assumptions

3.1. **University Space Lease Term.** For purposes of the RFP, assume a space lease of 15 years plus three 10-year options. However, the proposal may also include a discussion of alternative space lease terms and how such alternative terms would impact the University's Space Rent or other aspects of the Developer's economic proposal.

3.2. **Space Lease Types.** Space leases for the Office/Lifelong Learning building and Science, Technology and Engineering buildings shall be on a full-service gross basis and space leases for the ground floor of the Housing/Community-Serving building shall be on a triple net basis.

3.3. **Base Year Space Rent.** Developers shall make a proposal with respect to the Space Rent for each use in the Project.

3.4. **Escalation of Space Rent.** Developers shall make a proposal for the out-year escalation of the Base Year Space Rent.

4. Development Cost Assumptions

4.1. **Tenant Improvements.** Proposals shall assume all tenant improvements pursuant to the Basis of Design will be installed as part of the Project. Proposals shall clearly detail the tenant improvement cost estimate assumptions as part of the proposal.

4.2. **Utility Connection Fees.** The Project will connect to city utilities. Assume that the Project will pay municipal connection fees (see Appendix D).

4.3. **Construction Labor.** While the University does not require prevailing wages on all projects, for purposes of this RFP Developers should assume that the construction wages will be consistent with prevailing wages in order to assure consistency across all proposals.

The city of Sacramento encourages community workforce agreements that focus on local hire, apprenticeship and workforce development programs. Please include a description of the opportunities and challenges such programs present for the Project should the University elect to pursue similar programs for the Project. Please also identify your experience with local or state government financing programs that could help offset any increased costs.

5. Offsite Infrastructure Assumptions

5.1. **Offsite Infrastructure.** Any offsite infrastructure improvements needed for the Project will be determined in collaboration with the University and the city of Sacramento. As a result, Developer proposals need not account for any offsite infrastructure costs.

6. Incubator/Accelerator Space

6.1. **Operations.** For purposes of this RFP, assume the incubator/accelerator spaces will be operated by a third party. It is anticipated that the University and the selected Developer will collaborate to select the third-party operator.

7. Operating Expenses Assumptions

7.1. **Property Taxes.** Assume a property/possessory interest tax exemption for all uses where the University is the tenant as well as for the student housing component of the Project. Assume property/possessory interest tax applies to all private uses of the Project.

7.2. **PBID Assessment.** The property is subject to an annual assessment for the Stockton Boulevard PBID in the amount of \$0.016 x lot square feet plus \$5.39 x Stockton Boulevard frontage linear feet.

7.3. **Emergency Service Assessments.** Since the housing and University-leased space in the Project are assumed to be exempt from property/possessory interest taxes, it should be assumed that an assessment for police and fire services is needed for these exempt uses. For purposes of the RFP, assume an ongoing assessment of \$1.00 per gross square foot of building area per year (applicable only to the exempt uses), escalating at 3% per year, for these services.

7.4. **Aggie Square Fund.** For the Science, Technology, and Engineering buildings and the Office/Lifelong Learning building, assume an operating expense of \$0.05 per gross building square foot per month to fund ongoing UC Davis event programming and coordination across innovation sectors for the Project.

7.5. **Maintenance of Infrastructure.** Assume that ongoing repairs and maintenance of the Project's onsite infrastructure, including streets and public plazas, will be a cost of the Project.

8. Non-Residential Leasing

8.1. **Leasing Waterfall for Science, Technology and Engineering and Office/Lifelong Learning Uses.** With an exception for ancillary uses, assume the University and the University's industry affiliates (collectively the "Priority Non-Residential Tenants") will have leasing priority, but that other tenants may ultimately be leased to if the Project cannot be fully leased to the Priority Non-Residential Tenants.

8.2. **Leasing Waterfall for Ground Floor of Housing/Community-Serving Building.** Over the last several months, the University has had numerous discussions with prospective tenants for the "food and health"-themed ground floor of the housing

mixed-use building. In the event that leases with these prospective tenants do not ultimately materialize, the Developer will seek other food and health tenants for this space that are consistent with local, sustainable food principles. If other food-related tenants are not secured, the developer may lease to non-food tenants at the reasonable discretion of the University. For the RFP, it may be assumed that the University will control the 9,000 ASF designated for training and education.

9. Residential Leasing and Program

9.1. **Leasing Responsibility.** Assume that the Developer will be responsible for providing a long-term property management plan to ensure best-in-class property management that includes all marketing and leasing of the housing units. The University will support these marketing and leasing efforts.

9.2. **Housing Affordability.** Housing affordability is a primary goal. Developers should assume annual rent escalations of the lesser of CPI or 2%. The selected Developer will also be asked to eliminate security deposits or to allow for security deposits to be paid in installments.

9.3. **Leasing Waterfall for Residential.** Assume UC Davis students, medical residents and interns will have leasing priority ("Priority Residential Tenants") but that second- or third-tier populations may be considered if the Project cannot be fully leased to Priority Residential Tenants.

9.4. **Lease Term.** Assume all residential leases will be 12-months.

9.5. **Bedroom Occupancy.** Given the target resident populations, at this stage proposals should assume that all bedrooms will be single occupancy. A subsequent detailed market demand analysis will determine if some element of doubles is appropriate.

9.6. **Furnishings.** Assume that all units will be furnished including double-size beds, desks, chairs, drawers and common area furniture.

9.7. **Program and Support Space.** Study spaces should be integrated into the housing buildings and incorporated in outdoor living spaces.

9.8. **Program.** The selected Developer will be asked to work closely with UC Davis Student Affairs to develop a resident program that provides a modest set of services and programs in support of the students



Appendix B: Outline Term Sheet

This Appendix B contains some of the anticipated key terms of the transaction documents. The outline term sheet is intended to (1) convey the University's expectations with respect to various business and transaction terms, (2) solicit Developer feedback, and (3) serve as the basis from which definitive agreements are negotiated between the University and the selected Developer.

Developers shall review the outline term sheet and either express willingness to accept the terms as outlined or propose revised terms that are acceptable to the Developer. Note however, the University, in its sole discretion, may reject such alternative term(s) and/or condition(s). The University will consider any such proposed alternative term or condition, or proposed adjustment or exception to the outline term sheet, as a factor in its evaluation of the Developer's RFP response.

1. Predevelopment Agreement

The Predevelopment Agreement shall govern the rights and responsibilities of the Developer and the University during the predevelopment period. It is anticipated that negotiation of the Predevelopment Agreement will commence immediately following selection of the preferred Developer following this RFP process. There may be a separate Predevelopment Agreement for the Science, Technology and Engineering buildings, the Office/Lifelong Learning building, and the Housing/Community-Serving building.

1.1. **Term.** The Predevelopment Agreement shall be in force from the date of its execution until the parties enter into a Ground Lease or otherwise terminate the Predevelopment Agreement pursuant to its terms.

1.2. **Schedule of Performance.** The Predevelopment Agreement shall include a schedule of performance.

1.3. **Expense Reimbursement.** If the Developer performs all of its obligations under the Predevelopment Agreement and the UC Board of

Regents does not approve the Project, the Developer shall be entitled to reimbursement of certain out-of-pocket costs incurred in connection with its pre-closing obligations as stipulated in the Predevelopment Agreement. The Predevelopment Agreement will specify a maximum reimbursement amount.

1.4. **Project Approvals.** The Predevelopment Agreement will provide for a series of design submittals including Conceptual Design, Schematic Design, Design Development, and Construction Drawings (including plans and specifications), each of which shall be subject to review and approval by the University.

1.5. **Other Site Conveyance Conditions.** In addition to review and final approval of design documents by the University as a condition to conveyance of a ground lease interest in the Site, the Developer must obtain all project entitlements and financial commitments necessary to commence construction and fulfill a variety of other obligations.

2. Ground Lease

The Ground Lease will govern the rights and responsibilities of the Developer (the "Ground Lessee") and the University (the "Ground Lessor") regarding the construction and long-term operation of the Project, including fair consideration to be paid to the University as ground rent. It is anticipated that there will be a separate Ground Lease for the Science, Technology and Engineering buildings, the Office/Lifelong Learning building, and the Housing/Community-Serving building.

2.1. **Unsubordinated Ground Lease.** Neither the University's fee interest in the land nor the University's interest in the Ground lease will be subordinated to any financing or other lien or encumbrance.

2.2. **As-Is Condition.** The land will be conveyed in as-is condition.

2.3. **Term.** The terms of the Ground Leases are anticipated to be at least 50-60 years plus the period

of construction, without any right to extend or renew, except by mutual agreement by the parties. As part of the proposals, the Developer shall propose the term of the Ground Lease.

2.4. **Base Ground Rent and Adjustments.** The annual Base Ground Rent, beginning in Year 1 of operations, will be determined based on an appraisal of the Site as vacant but with entitlements in place for the proposed Project, multiplied by 9.0%. In Year 5 of operations, and every five years thereafter (excluding re-appraisal dates, as defined below), the Base Ground Rent shall be adjusted upward for the next five-year period by 10%.

The Site shall be re-appraised in Years 25 and 50 of the Ground Lease by a mutually acceptable MAI appraiser. Upon each re-appraisal, the Base Ground Rent shall be adjusted to an amount that yields a 9.0% return on the appraised fair market value of the land based on the entitlements that existed at the time of Ground Lease commencement. In no event shall the re-appraisal adjustment result in a decrease in the Base Ground Rent below the most recent Base Ground Rent.

2.5. **Building Tenants.** Priority building tenants for the Project include the University and private affiliates of the University that further the University's mission. In addition, it is expected that there will be a list of prohibited uses.

2.6. **Material Changes in Construction.** The Ground Lessor's approval shall be required for all material changes to the Project, including substantial changes to, or deviations from, the approved plans and specifications of the construction documents including changes that affect building code, fire or life safety issues; or represent a material change to the final designed elevations, site plan, floor plans, or square footage shown on the plans and specifications.

2.7. **Services and Utilities.** The Ground Lessee shall be responsible for payment of all services and utilities for the Project (except as may be provided by the Space Lease) and shall pay all costs of ownership and operation of the Project.

2.8. **Insurance.** The Ground Lessee shall be responsible for maintaining and paying the cost of specified casualty and liability insurance with respect to the Site.

2.9. **Schedule of Performance.** The Ground Lease

shall require the Ground Lessee to construct the agreed upon improvements on the Site in accordance with a Schedule of Performance. Any delays not caused by force majeure will subject the Developer to liquidated damages or other penalties.

2.10. **Assignment.** The Ground Lease shall be assignable subject to certain agreeable standards regarding minimum capitalization requirements, financial stability and capacity, and commercial property ownership and management experience subject to the University's approval.

2.11. **Option to Purchase.** The University shall have an ongoing Right of First Offer and Right of First Refusal to purchase the Project and each leasehold interest. These rights shall survive any sale of the property and shall apply to subsequent transactions for the full term of the Ground Lease.

2.12. **Casualty Damage or Destruction.** Ground Lessee shall be obligated to restore the building in the event of uninsured damage or destruction. At Ground Lessor's option, Ground Lessee shall demolish the building or otherwise restore the Project Site to its prior unimproved condition. In the event of termination due to casualty or destruction, all insurance proceeds shall be payable to Ground Lessor.

2.13. **Handback Condition.** At the completion of the Ground Lease term, the University shall either receive fee title to improvements then existing on the property or elect to have the Ground Lessee, at its cost, demolish the improvements prior to handback to the University.

2.14. **Indemnification.** Ground Lessee shall indemnify the University with respect to any liability relating to use and occupancy of the Site.

2.15. **Mortgagee Protection.** The Ground Lease will include customary mortgagee protection provisions in the event of Ground Lessee's default under the Ground Lease. In no event shall the interests of the University in the Ground Lease be subordinated to the interest of Ground Lessee or any other party.

2.16. **First Class Condition.** The Project shall be maintained in a manner consistent with Class A professional building standards and consistent with comparable properties. Beginning no later than Year 1 of operations, Ground Lessee shall establish a Repair and Replacement Fund and contribute to such fund annually in an amount reasonably necessary to

maintain the Project in the required condition.

2.17. **Force Majeure.** Force Majeure shall be defined as an Act of God (e.g., fire, flood, inclement weather, epidemic, earthquake); war or act of terrorism; governmental acts, orders, restrictions and other reason where failure to perform is beyond the reasonable control of the performing party.

2.18. **Signage.** The University shall have the exclusive rights to building-top signage on all buildings.

2.19. **Other Provisions.** The Ground Lease shall contain such other provisions as are customarily included in similar transactions.

3. Space Leases

3.1. **University Space Lease Term.** The term of the University's space lease shall be 15 years from the date of the completion and occupancy of the building plus three 10-year options. The rent commencement date shall be the date of first beneficial use and occupancy by the University.

3.2. **Initial University Space Rent.** The amount of initial space rent is to be proposed by the Developer pursuant to Section 4 of this RFP.

3.3. **University Option Period Space Rent.** The university option period rent will be based on the annual increase in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland region.

3.4. **Right to Lease Additional Space.** The University shall have an ongoing Right of First Offer on all unoccupied or vacant spaces or that may become vacant from time to time during the term of the Ground Lease.

3.5. **Private Tenant Space Lease Term.** Non-UC tenancies are limited to a 10-year initial lease term.

3.6. **Maintenance.** The Developer shall be responsible for maintaining the Project in a first-class condition, including all interior and exterior elements of the Project, operating systems (including elevators, HVAC, etc.), exterior roofs and sidewalls and other structural elements. Maintenance by Developer shall involve periodic replacement of floor and window coverings and other interior fixtures.

3.7. **Assignment and Subletting.** Tenant shall have the right to assign its interest in the Space Lease subject to Landlord's reasonable consent.

3.8. **Other Provisions.** The Space Lease shall include such other provisions as are customarily included in similar transactions.



Appendix C: Draft Aggie Square Chapter of Physical Design Framework

I. BACKGROUND OF SACRAMENTO CAMPUS

The Physical Design Framework describes overall architectural guidelines for the UC Davis Sacramento campus. While these guidelines apply generally to Aggie Square, modifications that represent the unique nature of Aggie Square are described herein and supersede campus guidelines. Aggie Square is expected to express a diverse architectural character reflective of its role as an innovation district, with a special emphasis on planning and design strategies that are responsive to climate challenges and sun orientation.

II. AGGIE SQUARE DISTRICT

The Sacramento campus consists of multiple zones that have interrelated functions linked by a common campus landscape, pedestrian paths, and streetscape. These zones are identified as “Districts” to help define the unique character between each of the districts. Each district is defined by programmatically distinct, but visually contiguous, zones with subtle shifts in physical character. A unified and cohesive campus experience is maintained through pedestrian paths, wayfinding and directional signage, and outdoor programmed space. This is key to strengthening the welcoming feel of the campus as it continues to grow in size and scale.

Aggie Square is Sacramento’s Innovation District. This mixed-use district will host a variety of programs and building types. The Aggie Square district will be unique in several aspects, as it will be developed through a public-private partnership, designed to spur innovation through partnerships with among university, industry and community-based organizations in a mixed-use building typology. This innovation zone should embrace a character of architectural diversity and vitality, linked together by a rich network of public spaces and a collective commitment to environmental sustainability.

Aggie Square Phase 1 extends 45th Street to become a central spine connecting the UC Davis Hospital District, the Education District, Mobility Hub and

Aggie Square District. The 45th Street extension runs through the Aggie Square “plaza”, which will feature pedestrian-centric materials and interface with visually connected plaza level storefronts and building entries. All four Phase 1 buildings will have frontage and entrances on the Aggie Square plaza, contributing to the vitality of the plaza as a public space, encouraging interaction among people who work, live and visit Aggie Square. As Aggie Square is developed, streets will connect to 3rd Avenue along Stockton Boulevard, creating street circulation to a new urban core. The site improvements to circulation patterns will facilitate stronger interconnected amenities.

III. DISTRICT MASSING AND PROGRAM

The massing of the Aggie Square development steps up from Stockton Boulevard, and gradually increases in height as the buildings are located towards the campus center. First floor programs have visual transparency and connectivity to activate the surrounding public spaces.

The mixed-use program will house a range of functions, including life sciences and technology, and engineering, an office and classroom building geared towards lifelong learning, residential and community services building with adjacent public spaces to promote a vibrant, interactive live-work environment. Aggie Square shall include private companies seeking opportunities to colocate research and development with the University and floor plans will be flexible in order to allow for strategic growth.

The site and massing plan for the Project has been developed to accommodate the Phase 1 development program and to reflect the input of campus and community members. Building footprints and volumes were based on templates appropriate for the function of each building type. Streets, open space connections and public spaces link with the existing campus network to the north and the future phases of Aggie Square to the south. In particular, the two connected public spaces, Aggie Square and the Market Plaza, link the Project (and the campus) with the surrounding community (the Market Plaza at Stockton and 3rd Ave.)



Fig. 4. The UC Davis Sacramento campus is approximately 145 acres with clear zones for hospital, education and clinical functions, along with the Aggie Square innovation district. The UC Davis Sacramento Campus Long Range Development Plan (LRDP) and Physical Design Framework (PDF) establish the land use, building capacity and connectivity across all uses.

and create a public event and gathering space at the heart of the district (Aggie Square).

Building forms and massing for Aggie Square should have commonalities to the Campus proper, while respecting the scale and context of the campus edge. The mixed-use building along Stockton Boulevard presents an opportunity to establish a new ‘mid-town’ scale and attitude for buildings along Stockton Boulevard, with active first floor uses facing streets, generous sidewalks, street trees and residential floors above. This building is envisioned at 5 or 6 stories including the mixed-use first floor, a scale that could continue along Stockton Boulevard as infill opportunities occur. The overall massing and details should create variation in the architecture to create proportions that relate to the pedestrian scale and create visual interest along visual promenades and the square. Facades on the ground floor should be transparent to allow activation of the public realm and showcase interactive gathering areas.

IV. DISTRICT ARCHITECTURE AND MATERIALS

Aggie Square is envisioned as a semi-urban live-work core and should include details and material elements that encourage this goal with architectural diversity appropriate to the scale and use of the buildings. Aggie Square should express an emphasis on climate-appropriate design with elements responsiveness to solar orientation such as window shading, generous canopies and outdoor pedestrian spaces and other sustainable design solutions. The materials selected for Aggie Square must be sensitive to the campus proper creating a neighborhood sensitive to the urban context and scale. Selection of durable finishes near the ground plane are important for quality and longevity. Visual interest and warmth are important to reflect a diversity of space types. Massing of buildings, architectural details and materials should support the overall Aggie Square vision.

V. SHADE AND SHADOW

Elements that project from a building facade shall serve to animate the building's elevations, by addressing shade and protection, adding visual variety & interest while enhancing the connection between public and private realms.

VI. ARTICULATED ENTRY POINTS

Entrances shall be well-designed, appropriately scaled, and easy to find. They shall be a special feature in the design of the building. Canopies, awnings and sunshade shall be used to provide shade and cover for people and buildings, contributing to comfort and sustainability. The ground floor, especially the area facing onto public sidewalks shall incorporate the most public and active spaces within the building, to activate the street. The facade of a building shall be appropriately transparent to allow active ground floor uses, such as retail, commercial or community uses, to be visible from the street.

VII. ARCHITECTURAL VOCABULARY

With diversity of architectural styles on the Sacramento campus there is a strong desire to reinforce the brand and image of the campus through common architectural experience. Generally, creative re-interpretation of existing patterns and forms is the preferred design strategy, rather than having a new building emulate existing buildings through false historicism. The design solutions should contribute to the character and functions of Aggie Square while maintaining flexibility with respect to adjacent City of Sacramento. Particular consideration should be made for:

- Emphasis on articulated material pattern
- Horizontal / canopy shade elements
- Modulated glazing patterns
- Solid and void proportions
- Ground level with durable and textural interest
- Pavement and pedestrian facilities
- Clear wayfinding, signage and access
- Building facades shall have illumination appropriate to their use and location, with light fixture design selected to best complement the architectural design of the project.
- Rooftop design shall be integrated into the overall design scheme of the building, including mechanical penthouse enclosures and green design elements.
- The street walls defining urban square should be

articulated to create rhythm and variety, achieving a fine-grained pattern to the urban fabric.

- To provide human scale to buildings, windows shall be well-proportioned, varied across a project, articulate the wall system, and be operable where appropriate.

VIII. INFRASTRUCTURE AND UTILITY SERVICE

The Aggie Square development will not be connected to the campus central plant for utility service. It will have independently designed and operated utilities, connecting to adjacent municipal utilities. The technology backbone will require strong interconnectivity with the campus, but will also require independent provider backbone.

Streets, plazas and public spaces within Aggie Square will be developed to function and be managed as part of the Sacramento Campus.

IX. SUSTAINABILITY AND ENERGY PERFORMANCE

Aggie Square is envisioned to be an all-electric, sustainable development meeting UC Regents goals and policies for carbon neutrality and sustainability, creating a vibrant, energy efficient and sustainable community.

Fig.5. Circulation and Open Space Framework.

