

MAJOR BUSINESS TERMS FOR FRONTAGE DEVELOPMENT

1. **Definition of the property to be developed:** parcels A, B-1, B-2 and B-3
Consider land exchange for parcel C-1 and possibly B-3 contiguous.
2. **Determination of revenue expectation:** Request annual rent equal to eight percent (8%) of the appraised value of the land for its specified intended use and without entitlements.*
3. **Periodic rent escalations:** Require periodic rent escalations as determined through negotiations.
4. **Term of Lease:** Ground lease should be for at least 50 years with extensions negotiable.
5. **Parking Lot:** Require developer to propose and to assist College in relocating parking areas which will be developed. Require developer to submit an acceptable plan for a new lot above parcel B-2.
6. **Lease surplus land** on an "as is" condition.
7. **Frontage land uses:** *District will define expectations for specific areas and types of use including retail and housing. The lease agreement for all parcels will be subject to final approval of a General Plan and PD application for a Master Plan on all properties under the lease.
8. **Visibility issues:** The positioning of buildings will enhance visibility corridors from Mission Boulevard to the upper campus where feasible as well as provide desired visual exposure for retail tenants. The Olive tree lanes along Mission Boulevard and running east and west to the upper campus will be preserved.
9. **Design approval:** All projects and their design would be subject to College and City approvals. The improvements shall feature an attractive, aesthetically-pleasing, high-quality appearance and design.
10. **Negotiation Fee:** The successful bidder should pay a negotiation fee upon selection in the bid process. A "feasibility period" to assure the developer of the willingness of the City to proceed may be negotiated as a condition of fee payment.
11. **Assignment and Joint Participation.** Restrictive provisions will be built into the lease for the protection of the College which will be customized to reflect the terms of the lease and the nature of the successful bidder, for the purpose of restricting the tenant's ability to be released from its obligations under the lease and to address assignment or subleases. The developer will have flexibility to sublease to individual tenants particularly in the retail (and if any commercial) portions of the project. Tenancies may be negotiated to include a bookstore and fitness center (and other) projects that feature joint participation with the College and the tenant.