

BAKERSFIELD COLLEGE, SOUTHWEST – EXECUTIVE SUMMARY

Proposal to KCCD Board of Trustees

This proposal was developed by Mike Giacomini, Vice President of Finance and Administrative Services, Debbie Martin, Chief Financial Officer, and Eric Mittlestead, Associate Vice Chancellor of Construction and Facilities in collaboration with Jeff Andrew, Director/Principal Cushman & Wakefield.

Here is a summary of the findings and recommendation from the administrative team at Bakersfield College and the Kern Community College District.

Permanent Location:

Jeff Andrew reviewed the proposals submitted by Gregory D. Bynum and Associates, Inc. (see Appendix B1) and ASU Commercial for Bolthouse Properties (see Appendix B2) and developed his analysis (see Appendix A).

In Mr. Andrew's analysis, he refers to the Bynum location on CSUB as "This is basically a priceless opportunity for Bakersfield College and certainly something that cannot be compared to other sites that don't offer the same amenities."

Programmatic Analysis:

Liz Rozell, Vice President of Instruction working with the Deans of Instruction and Dr. Nick Strobel, Guided Pathways faculty provided the Programmatic Analysis, see Appendix B. Here are the conclusions from that analysis:

- Instructional administrators and faculty recommend only the co-location on the CSUB campus due to the programmatic advantages outlined in the analysis.
- The benefits of co-locating on the CSUB campus are both quantitative and qualitative. Synergies facilitated by this co-location translate into a better college experience for BC, Southwest students, increased collaboration between CSUB and BC faculty that most assuredly will increase completion and transfer, and the potential for shared operational resources.
- Increased revenue to the district due to increased transfer and number of ADTs, which can be directly attributable to the co-location on the CSUB campus. It should be noted that the new performance-based funding formula provides maximum points for ADT completion.
- There is a cost savings to the taxpayers and to the students by the co-locating on the CSUB campus.

Transitional solution:

Mike Giacomini and Eric Mittlestead worked with Jeff Andrew in reviewing various sites for a transitional solution. In addition, Jeff Andrew requested a transitional proposal from both Gregory D. Bynum and Associates, Inc. and ASU Commercial for Bolthouse Properties.

The conclusions are the following:

- Seven potential locations were evaluated and determined the spaces will not work due to size and parking constraints
- The District Blvd location is an expensive transitional solution. Additionally, the site doesn't have nearby bus routes or dining options for students. It does provide the sq ft and parking necessary for a transitional solution.
- Modularity on CSUB would be less expensive than District Blvd and would still offer all the amenities of co-location with CSUB and proximity to The Marketplace during the transitional period. Modular option at CSUB is contingent upon commitment to permanent location on their site.
- Modularity on Bolthouse would also be less expensive than District Blvd but would still have the same challenges with amenities for the students in terms of dining, retail, etc... as the long term solution here would be. Modular option on Bolthouse Properties is contingent upon commitment to permanent location on their site.

Conclusion:

Bakersfield College administration, president, staff, faculty, students and BC Foundation all support the need for a co-located space on the CSUB Campus. KCCD administrators and chancellor support this solution. The programmatic and collaborative benefits of this location are far superior to any other option in the Southwest. Additionally, we believe some of the programmatic benefits will also have an incremental financial benefit to the college, the students and the taxpayers. The only option is for a co-located space for the programmatic plans for this BC Southwest endeavor. Without the co-location, BC would need to change its programmatic direction that aligns so perfectly with the California Community Colleges Vision for Success.

Recommendation:

The Bakersfield College faculty, staff, students and administration along with the KCCD administration recommend that the Board approve:

1. The co-location with CSUB
2. That the lease be renewable every 10 years after the initial 20 year term up to a maximum of 60 years.
3. That the base rent per sq ft cost not to exceed \$2.25
4. That the chancellor, president and administration execute a transitional solution co-located with CSUB.

BAKERSFIELD COLLEGE, SOUTHWEST – PROPOSAL ANALYSIS

Vision for Student Success Using Guided Pathways:

Prepared by: Liz Rozell, Vice President of Instruction; Manny Mourtzanos, Dean of Instruction; Dr. Nick Strobel, Faculty; Amber Hroch, Ph.D., College Institutional Researcher

The California Community Colleges Vision for Success has established six very aggressive goals over 5 years to improve higher education within our system. Three of these are listed here and should be at the forefront of evaluation in our decision making.

1. Increase by at least 20% the number of California Community College students annually who acquire associate's degrees, credentials, certificates, or specific skill sets that prepare them for an in-demand job.
2. Increase by 35% the number of California Community College students system-wide transferring annually to a UC or CSU.
3. Decrease the average number of units accumulated by California Community College students earning associate's degrees, from approximately 87 total units to 79 total units.

Increased degree completion has been a high priority for Bakersfield College over the last six years. Since the passage of Senate Bill 1440 legislating Associate Degrees for Transfer (ADT), Bakersfield College has developed and offers 30 ADT pathways. Subsequently, faculty and staff from BC and CSUB collaborated to develop the Kern Promise's *Finish in 4* which received the State Chancellor's 2018 award for student success. This program supports the increase in student completion with an Associate Degree for Transfer in 60 semester units at BC. Students are then guaranteed admission to CSUB, in a similar major, and will complete an additional 60 semester units to earn a bachelor's degree! The *Finish in 4* efforts aim to guarantee students complete their transfer degree in 2 years and 60 credits, at BC and a baccalaureate degree in the following 2 years at CSUB. Together, the goal is to move students through to the next stage of their educational and career goals in a more efficient and impactful way. Since the inception of ADT offerings at the college, the number of ADT completers has grown significantly, reaching a record of 798 ADTs awarded in 2017-18. And roughly 80% of these students transferred to CSUB.

As Bakersfield College continues to transform within the Guided Pathways framework, a primary focus has been on interventions into the academic and personal lives of students in order to keep them on the path to obtaining an educational goal and transitioning to livable wage employment. These interventions encompass a variety of approaches including emails, texts, phone calls, alerts, and/or meetings with counselors, educational advisors and/or faculty. Let's broaden our view of interventions: the location of a college center can certainly be an intervention. Why? Synergies can occur when a community college is co-located on a university campus which support the development of a college going culture in our community. When a student who exits a community college building and sets their eyes on the CSU across the field, it builds a sense of belonging to an academic environment that will help them to be more focused, more hopeful, and give them the grit to get to completion. Students will swirl and wander less. Students will be more likely to transfer. This helps students, but it also helps KCCD and taxpayers.

Permanent Space Analysis

Prepared by: Mike Giacomini, VP Finance and Administrative Services; Liz Rozell, VP of Instruction; Jeff Andrew, Director/Principal, Cushman & Wakefield; Eric Mittlestead, Associate Vice Chancellor of Construction and Facilities

	Bynum @ CSUB University Office Center	Bolthouse Properties Seven Oaks Business Park
Located in an area with significant growth, thus providing increased access to students.	There is a current and still growing need for increased access in the SouthWest of Bakersfield. This location is situated nicely within this area to meet the rising needs of the community.	There is a current and still growing need for increased access in the SouthWest of Bakersfield. This location is situated nicely within this area to meet the rising needs of the community.
Increased institutional collaboration between BC and CSUB	Co-location is the key to increasing the collaboration between CSUB and BC both at the student and faculty levels. Co-location eliminates the distance/travel barriers that many students and faculty have in their busy days. The increased collaboration will drive positive outcomes such as more ADT options, credentialing, and access to student events.	This location, over 4 miles from CSUB with a lack of public transportation, doesn't offer increased collaboration above what currently exists between BC and CSUB.
Ample space for square footage and parking	Adequate acreage is provided for the construction of 60,000+ sq ft building and parking at the needed 8 spots per 1,000 sq ft rented.	Adequate acreage is provided for the construction of 60,000+ sq ft building and parking at the needed 8 spots per 1,000 sq ft rented.
High visibility location for college branding	Location is off a 4 lane (2 each way) road and is an access point to the CSUB Campus. Increased exposure to traffic and college age students will have a positive impact on student population.	Location is off a 2 lane (1 each way) road with visibility restricted to only those traveling into the business parks.
Logistics and Accessibility	Site is approximately 5 minutes and 2.3 miles off of the Westside Parkway.	Site is approximately 11 minutes and 4.3 miles off of the Westside Parkway.

	<p>GET Bus runs 4 routes to CSUB of which 1 runs on Camino Media.</p> <p>Bike access is available via the inter-city Kern River Parkway Bike Trail.</p>	<p>GET Bus system currently has NO routes to the Bolthouse location or Seven Oaks Business Park. Would look into provided bus access from GET at the cost of the college of approximately \$75,000 per year or \$1,500,000 over the initial 20 year lease.</p> <p>Bike access to the inter-city Kern River Parkway Bike Trail does NOT connect to the Bolthouse Property.</p>
<p>Accessible to dining and amenities</p>	<p>CSUB Food Services is on the same campus and within walking distance.</p> <p>Within walking/biking distance is The Marketplace. The Marketplace, at 299,520 sq ft, hits all the amenity buttons including a large variety of dining and retail options, grocery and pharmacy, personal care and beauty, banking, gas and entertainment offerings.</p> <p>Within 1.5 miles is The Shop's at Riverwalk, at 519,000 sq ft, hits all the amenities as well.</p>	<p>Currently Mustang Square, at 41,000 sq ft, is the closest amenity location about a mile from the site. There are some dining and retail options, banking and pharmacy. There are plans for some dining options, gas and healthcare options in the Seven Oaks Business Park on the developer's website.</p>
<p>Enhanced campus experience for BC students</p>	<p>Being located on the considerable CSUB campus provides the students with a feeling of being a part of something bigger and being both a Renegade and Roadrunner. This campus experience is invaluable. BC's student veterans in particular have informed administration of the importance of the stability in environment as they complete their 4-year transfer.</p>	<p>Isolated location without walking access to the library and other student support.</p>

<p>Potential for collaborative operations: Public Safety, Library, M&O, etc.</p>	<p>Being on the property of CSUB provides excellent operational efficiencies and should produce some savings to CSUB, BC and the taxpayers.</p> <p>Students will have access to the 150,000 sq ft, 5 story Walter W. Stiern Library on the CSUB campus. Not only is this a powerful learning resource we couldn't duplicate in the Southwest, it frees up area within the design for more classroom space.</p>	<p>BC would need to service all operational need on a standalone basis. M&O repairs, maintenance, custodial and Public Safety, would all be direct costs to the college.</p> <p>Would need to allocate 1,500 to 2,000 sq ft for library/computer services for students. This reduces the number of classrooms down by 2. This would reduce the FTEs capacity and related state allocation by \$4,964,000 over 20 years (see Appendix D Calc #5) and would increase costs associated with purchasing and maintaining a computer commons/library above the cost of a classroom. The cost to staff this center and procure/update technology over the 20 years would be \$1.32 million.</p>
<p>Enhanced student performance</p>	<p>We believe students co-located on a university campus will "swirl" less and result in students taking fewer classes. Assuming all students enrolled will take one less 3-unit class (although we believe that to actually be higher) for their degree the cost savings to the taxpayer would be \$14.9 million over 20 years (see Appendix D Calc #1) and cost savings to the student in excess of \$5.5 million over the same 20 years (see Appendix D Calc #2)</p>	
<p>Increased ADTs</p>	<p>ADT graduation rates continue to climb year over year, however the co-location should cause ADT graduation rates to increase for this location by 10% annually above the current rate. Conservatively using an increase of 5%</p>	

	<p>annually would bring in over \$1.1 million over the next 20 years due to new state allocation funding model. (see Appendix D Calc #3)</p>	
<p>Increased Transfer Rates</p>	<p>Transfer rates continue to climb year over year, however the co-location should cause transfer rates to increase for this location by 5-10% annually above the current rate. Conservatively using an increase of 3% annually would bring in over \$300,000 over the next 20 years due to new state allocation funding model. (see Appendix D Calc #4). A “Proximity of home to college” literature research piece (see Appendix C) was performed where as it directly ties the distance from community college to four-year institutions as a major factor in transfer rates especially for first-generation, educationally disadvantaged students. The piece also directly references the “Davis Center” where the community college is directly on the UC Davis campus as the model for positive student outcomes.</p>	

BC Southwest Center Scenarios Matrix (12-6-18)

	<u>Scenario 1</u> Lease Site at CSUB for 20 Years (Bynum)	<u>Scenario 2</u> Lease Site for 20 Years in SW Bakersfield (Bolthouse)	<u>Scenario 3</u> New Facility with AECOM Cost Formulas Used for Arvin Center
Site Acquisition	N/A	N/A	\$3,120,638
Soft Costs	Included	Included	\$7,690,703
Construction Costs	N/A	N/A	\$42,168,675
Reconstruction Costs	N/A	N/A	NA
Equipment (Group II)	\$2,317,849	\$2,317,849	\$2,317,849
Lease Cost for 20 Years (Risk Type III)	\$46,279,092	\$41,143,104	N/A
Tenant Improvements @ \$90 Per Square Foot	Included	Included	N/A
Total Project Costs	\$48,596,941	\$43,460,953	\$55,297,865

Assumptions

All scenarios use 5.5 acres of land. Land cost estimate for #3 came from Jeff Andrew @ \$12 per square foot.

All scenarios include an approximately 500 stall parking lot

All scenarios used State Chancellors Office guideline costs for equipment

Scenario 3 used \$848.70 per gross square foot as the construction cost. This came from the BC Master Plan as the escalated cost for Inflation cost per gross square foot for the Arvin Center.

To upgrade buildings in scenarios 1 and 2 to Field Act standards would cost approximately 25% more

We've removed the buy and remodel options as there aren't any spaces available in the Southwest.

Comparison of Lease Proposals for Southwest Center (Final Proposals)

Item	CSU Bakersfield University Office Center Proposal - Bynum	ASU Commercial Proposal - Bolthouse
Site Size	5.5 Acres	5.5 Acres
Building Size	61,457 Gross Square Feet	Approx. 60,000 Gross Square Feet
Monthly Lease Rate for Risk Type III Rating	\$138,278	\$118,612
Annual Lease Rate Year 1 and 2 for Risk Type III Rating (Assumes All Space is Used)	\$1,659,339	\$1,423,344
Lease Increase per Two Year Cycle	4.50%	4.50%
Included Tenant Improvement Allowance	\$40 Per Square Foot/\$2,458,280	\$40 Per Square Foot/\$2,400,000
Lease Costs Per Square Foot @ \$40 Allowance	\$2.25 for Space Used, \$2.00 for Space Not Used	\$1.93 for Space Used, \$1.67 for Space not Used
Additional Tennant Improvement Allowance Over Base Amount	\$50 Per Square Foot/\$3,272,585	\$50 Per Square Foot
Lease Costs Per Square Foot @ \$90 Allowance	\$2.62	\$2.27
Monthly Lease Rate @ \$90 Allowance	\$161,140	\$139,507
Annual Lease Rate @ \$90 Allowance	\$1,934,263	\$1,674,089
Parking Size	8 Stalls Per 1,000 Rentable Square Feet	8 Stalls Per 1,000 Square Feet
Building Constructed Using Prevailing Wages	Yes	Yes
Construction Duration	18 Months from Lease Execution	16 Months from Lease Execution
Ability to Assign or Sublet	Yes, but with Landlord and CSUB Approval	Yes, with Landlords Reasonable Consent
Lease Term	20 years	20 Years
Option to Extend Lease?	Yes, Four Additional 10 Year Terms	Yes, Two Additional 10 Year Terms
Maintenance Responsibility/Costs	Landlord for Repairs/KCCD for Costs	Tenant/KCCD
Operating Expense Responsibility	Tenant/KCCD, paid to Landlord	Tenant/KCCD, includes Landscaping, Property Taxes, Insurance and Security
Utility Cost Responsibility	Tenant/KCCD	Tenant/KCCD
Management Fee	4%	4%
Building Purchase Option	KCCD/BC Foundation has Right of First Refusal	Yes, Under Mutually Agreeable Terms

	Lease Costs with \$40 Tenant Allowance	
Lease Cost Years 1-2 (Type III)	\$1,659,339	\$1,423,344
Lease Cost Years 3-4 (Type III)	\$1,734,009	\$1,487,395
Lease Cost Years 5-6 (Type III)	\$1,812,040	\$1,554,327
Lease Cost Years 7-8 (Type III)	\$1,893,581	\$1,624,272
Lease Cost Years 9-10 (Type III)	\$1,978,793	\$1,697,364
Lease Cost Years 11-12 (Type III)	\$2,067,838	\$1,773,746
Lease Cost Years 13-15 (Type III)	\$2,160,891	\$1,853,564
Lease Cost Years 15-16 (Type III)	\$2,258,131	\$1,936,975
Lease Cost Years 17-18 (Type III)	\$2,359,747	\$2,024,139
Lease Cost Years 19-20 (Type III)	\$2,465,936	\$2,115,225
Total Lease Over 20 Years (Type III)	\$40,780,610	\$34,980,701
	Lease Costs with \$90 Tenant Allowance	
Lease Cost Years 1-2 (Type III)	\$1,934,263	\$1,674,089
Lease Cost Years 3-4 (Type III)	\$2,008,933	\$1,749,423
Lease Cost Years 5-6 (Type III)	\$2,086,964	\$1,828,147
Lease Cost Years 7-8 (Type III)	\$2,168,506	\$1,910,413
Lease Cost Years 9-10 (Type III)	\$2,253,717	\$1,996,382
Lease Cost Years 11-12 (Type III)	\$2,342,762	\$2,086,219
Lease Cost Years 13-15 (Type III)	\$2,435,815	\$2,180,099
Lease Cost Years 15-16 (Type III)	\$2,533,055	\$2,278,203
Lease Cost Years 17-18 (Type III)	\$2,634,671	\$2,380,723
Lease Cost Years 19-20 (Type III)	\$2,740,860	\$2,487,855
Total Lease Over 20 Years (Type III)	\$46,279,092	\$41,143,104

*

* Bolthouse proposal based on the same square footage as Bynum at 61,457 square feet since their building is not designed yet and to compare pricing on the same square footage

Transitional Solution Analysis

Prepared by: Mike Giacomini, VP Finance and Administrative Services; Jeff Andrew, Director/Principal, Cushman & Wakefield; Eric Mittlestead, Associate Vice Chancellor of Construction and Facilities

7500 District Blvd – This space was formerly occupied and still owned by AAA as a call center. 22,000 sq ft site would need to be retrofitted to put classrooms up in the call center space. AAA doesn't currently have money in their budget to be able to work the tenant improvements into an allowance built into the lease rates. Estimated improvements would be in the \$1.1 – 1.5 million range. Site is only considering 3-year leases. Annual cost including tenant improvements is estimated at \$907,200 with a total cost to lease over the 3 years over \$2.7 million.

Former National University Space California Ave. – This space was formerly occupied by National University. It is built in an office development that was originally built with 7 buildings sharing parking. The project was built with the old parking requirements of 4 spaces per 1000 square feet. College uses typically require 8 spaces per 1000 square feet. Parking wasn't an issue for National University as they only provided night classes so the office development wherein they shared parking with office tenants were gone in the evening so they had the use of most or all of the parking. Bakersfield College provides both day and evening classes but the majority of the students use the facility during the day. So there is not enough parking to meet the full needs of the students. At this time the space is only approximately 12,000 square feet and there are 10 class rooms but they are very small classrooms and based on the design of the building they are not laid out properly. We did contact the owner of the property across the street that is the former El Torrito Restaurant to see if they would be willing to lease parking spaces during the day to Bakersfield College and they were not willing to give up any spaces for consideration to the College.

Former DeVry University on Ming Ave. – Although this space is set up nicely for Bakersfield College it is only about 15,000 square feet. There are classrooms built out currently and many have desk and chairs in them ready to go. The classrooms are smaller than what is optimal for Bakersfield College and there are only 12 classrooms which is less than needed for the college. More importantly, the property is built out with only 60 parking spaces or 4 per 1000. Based on the 8 spaces per 1000 square feet needed, the property needs at least 120 parking spaces. The facility never got to full utilization and we believe students were parking across the street without permission in the Valley Plaza Mall parking lot. Since Bakersfield College is unwilling to park illegally, we contacted the Valley Plaza Malls representative to see if they would consider leasing parking spaces to the college and they said the ownership of the Mall was not interested in leasing parking spaces to the college. This location is not really considered a southwest location either but was considered as an option.

Current La Verne University Space Stockdale Hwy. – La Verne University has 8-9 classrooms that they are not currently using during the day as they primarily offer night classes. Although the classrooms are smaller than ideal for Bakersfield College and there are not really enough classrooms, the space might be able to work for short term temporary space. But the project again is built out with a 4 per 1000 square foot parking ratio. And since La Verne is only currently offering night classes, the other office tenants and adjacent retail tenants are not infringing on the parking spaces for La Verne. We toured the space and we starting negotiations with La Verne for subleasing the class rooms during the day for Bakersfield College students. Castle & Cooke the owner of the building has to approve all subleases. We contacted Castle & Cooke and asked if they would approve a sublease and they said they would not due to CC & R issues with their adjacent tenant Target. In addition, they provided a copy of the lease for La Verne University that states they cannot occupy more than their prorata share of the 4 per 1000 parking spaces during normal office business hours. Since Castle & Cooke is currently the landlord in the building Bakersfield College is subleasing from Fresno Pacific University and there are parking issues during the day, Castle & Cooke will not approve a sublease as they know there would be parking issues.

Bynum @ CSUB – Lease of 24 modular building units (19 classroom, 3 admin, 2 restroom) on the same site as the permanent location to be used during construction. All infrastructure including parking will be provided for the interim space. The site would still offer all the amenities of co-location with CSUB and proximity to The Marketplace during the transitional period. This modular option is contingent upon commitment to a permanent location on their site.

Bolthouse Properties - Lease of 24 modular building units (19 classroom, 3 admin, 2 restroom) on the same site as the permanent location to be used during construction. All infrastructure including parking will be provided for the interim space. This site would still have the same challenges with amenities for the students in terms of dining, retail, etc... as discussed below in the permanent analysis of the property site. This modular option is contingent upon commitment to a permanent location on their site.

Other sites reviewed and not considered further:

1. 1201 24th St
2. 1901 Chester Ave
3. 3600 N Sillect Ave

	7500 District Blvd	Bynum @ CSUB	Bolthouse Properties
12 Month Cost	\$ 2,721,000	\$ 1,178,496	\$ 779,035
18 Month Cost	\$ 2,721,000	\$ 1,767,744	\$ 997,687

APPENDIX A

**Jeff Andrew, Director/Principal Cushman & Wakefield
Lease and Location Review of Long-Term Lease Proposals**



Investment Property Sales

5060 California Avenue
Suite 1000

Bakersfield, CA 93309

T 661.633.3827

F 661.633.3801

Jeff.andrew@paccra.com

www.paccra.com

December 6, 2018

Mr. Tom Burke, Chancellor
Kern Community College District (KCCD)
Dr. Sonya Christian, President
Bakersfield Junior College (BC)
2100 Chester Ave.
Bakersfield, CA. 93301

Jeffrey T. Andrew

Director/Principal

Broker Lic. 00941323

Re: Southwest BC Campus
Review and Analysis

Dear Mr. Burke and Dr. Christian:

Per your request as your representative, I have reviewed the two revised proposals from Gregory Bynum & Associates and Bolthouse Land Company, LLC and have the following comments:

Total Costs - Both parties were able to sharpen their numbers and provide what we hoped to be a more apples to apples scenario. For the most part both proposals had similar sized buildings, acreage, parking allotments, improvement allowances and lease terms. The terms offered by Bynum equate to a total project cost over 20 years of \$40,780,610 based on using a \$40 per square foot improvement allowance for interior design and construction. Bolthouse provided an overall number for 20 years of \$34,980,701 based on the same \$40 per square foot allowance.

The original proposals by both parties offered a \$40 per square foot allowance but that is just not enough to provide the realistic build out for the College's administrative and class room space at today's costs. I believe it will be approximately \$90 per square foot to build the appropriate improvements. Therefore, I requested that both parties provide rental rates over the initial 20 years based on increasing the allowances up to at least \$90 per square foot. After reviewing the presentations based on the \$90 per foot allowances, Bynum's project would cost approximately \$46,279,091 over the initial 20-year lease. Bolthouse's number provided was \$41,143,104. Based on this analysis Bynum's project from a monetary standpoint will cost the College an additional \$5,135,987 over the 20-year initial term.

Engineered

Plans - I think it is important to note that Bynum's proposal is based on a fully designed and engineered building and the Bolthouse proposal although thorough is based on a building that has not been fully designed and engineered. It is difficult to get as accurate on construction bid estimates without having fully designed and engineered plans. It is never going to be possible to get an apples to apples bid no matter the circumstances without having 1 single set of fully designed engineered plans for both parties to bid from off the same set of plans.

Purchase

Price - Because it is impossible to bid separate plans that are not the same on similar properties, I felt it was unnecessary to ask the developers to provide a purchase price for their projects. That would simply be throwing a number against the wall to see what sticks. We know the building would require a Field Act Review to be purchased and the timing for the review could increase development time by at least 6-8 months. Steel prices alone have fluctuated 25% in the past year and interest rates have gone up several times in the past 6 months with future increases expected. Therefore, there is no way to accurately determine the future purchase price of a building today without a full set of plans and a realistic time frame to lock in costs. Bolthouse's proposal does state that they will allow a purchase of their building including the land based on future negotiations. Bynum has offered to sell the building he is proposing to the College, but it sits on a ground lease, so the ground cannot be purchased. Many large national corporations prefer ground leases today as they don't want their capital tied up in non- depreciable assets such as land. This isn't as important to the College based on its tax structure, but it should be noted that this isn't a detriment to the tax payer as ground rents would be paid to CSUB so the tax payer still benefits.

Comparative

Pricing - If the intent is to only accept the lowest price, based on the proposals received to date, I don't believe there is any way that Bynum will ever be able to match the pricing that the Bolthouse group is offering to the college. I am guessing the main reason for their ability to offer a lower price is their land value. It cost roughly the same to build the same set of plans on one parcel as the other. Therefore, the main differential in pricing is the land value. Bolthouse bought their land many years ago as farm land and they are now turning that land into master planned communities. They have the ability to put their land in at a lower price to be cost competitive. There may be other factors related to

financing and profit margins that helps their pricing, but the land price is most likely one of the main reasons they can be more competitive on their offering. Bynum has a set number agreed to with CSUB on a ground lease. That pre-negotiated land price is based on current office zoned, commercial land values in a highly developed area which requires his company to bid projects based on that price which is most likely a higher land value than Bolthouse.

Location - There is a reason that the Bynum project should have a higher land value and that is purely because it is in a more highly developed area of South west Bakersfield. In real estate the old adage is Location, Location, Location and there is no doubt that the CSUB campus site is an infill location in a highly developed area of Bakersfield. It is surrounded by commercial retail projects such as The Market Place with approximately 299,520 square feet of retail, food, shopping and entertainment venues. This makes it attractive from a development standpoint and from a co-location standpoint. It is also located near many residential and multi-family projects which can be home to current and potential students. The ability to use public transportation and bike paths in the area make the location very attractive to students. The Bolthouse project is on the edge of development today and some day will be a thriving location, but it has limited appeal for students as it relates to retail, shopping, food services and entertainment currently. It is a well-designed concept that will fill in eventually providing both commercial and residential for future students. There is housing in the area including a new high-end apartment complex but limited food and retail options within walking distance for the more than 2,000 students who will be using the facility daily. There is currently no GET Bus transportation offered in the Bolthouse development which would require most students to drive to their development for classes.

Co-location - The ability for co-location with the ability to use CSUB's onsite library, cafeteria, book store, recreation center and other facilities without having to build them separately provides opportunities that would cost hundreds of millions of dollars in another location. This is basically a priceless opportunity for Bakersfield College and certainly something that cannot be compared to other sites that don't offer the same amenities. Although a nice location and project, the Bolthouse location would be in a mixed used commercial park with mostly office, medical office and industrial uses today with none of the co-location amenities offered from CSUB and limited food and retail offerings within walking distance. This will grow over time with the Bolthouse project, but it will take years and they will never have the on-campus shared facilities that colocation offers from CSUB.

KCCD Two Building Analysis
December 6, 2018

Environment -From an environmental standpoint we must always consider the air quality in Bakersfield and the less daily traffic trips taken will help keep our air cleaner and is better for the environment. With the co-location on the CSUB campus, the numerous multifamily and single-family homes surrounding the University and with the ability to share facilities and walk to dining and shopping locations, the co-location option provides less daily traffic trips for students than if the College decides to go with another location farther away from the CSUB campus. More drive time simply put means more pollution in the air.

In conclusion, I don't believe there is any site in the City of Bakersfield which will offer the tremendous benefits of the co-location on the CSUB Campus. The ability to use the shared facilities without having to build them equates to tens or even hundreds of millions of dollars in value. There are synergies with students transitioning from a junior college to a four-year college and health and safety benefits for students from being on the CSUB campus. If the rental rate over 20 years for the building is the main determining factor, the Bolthouse offering is and I believe will continue to be a cheaper option. They have a well-planned project that is continuing to come together and will be a nice amenity to the City of Bakersfield in the future.

Should you have any questions or need additional information from me, please do not hesitate to contact me.

Sincerely,

Cushman & Wakefield Pacific

A handwritten signature in blue ink, appearing to read 'Jeffrey T. Andrew', written in a cursive style.

Jeffrey T. Andrew
Senior Director/Principal

APPENDIX B1

**Gregory D. Bynum and Associates, Inc.
Transitional and Long-Term Lease Proposals**



GREGORY D. BYNUM
AND ASSOCIATES, INC.

Real Estate Services

December 3, 2018

KCCD Board of Trustees
c/o Mr. Jeff Andrew
Pacific Realty Advisors
5060 California Avenue, Suite 1000
Bakersfield, CA 93309

VIA EMAIL: Jeff.Andrew@paccra.com

Re: Proposal to provide short term lease of modular classrooms by and between Bakersfield College ("BC") and Gregory D. Bynum and Associates, Inc. or affiliate ("Landlord") on the California State University, Bakersfield campus at the northwest corner of Scarlet Oak Blvd. and Camino Media, Bakersfield, California

Dear Mr. Andrew:

We are pleased to submit the following Proposal in response to the parameters provided by Jeffrey T. Andrew, broker for Kern Community College District, for the short-term lease of modular building space located on the California State University, Bakersfield ("CSUB") campus. The following proposal has been prepared in response to your email dated November 21, 2018. This proposal is contingent upon selection of the permanent building site at the same site as a great deal of shared infrastructure cost has been allocated to the permanent building project.

1. **DEVELOPER/LANDLORD:** Gregory D. Bynum and Associates, Inc., a California corporation ("Bynum") shall be the developer and a limited partnership with Bynum acting as the managing general partner shall be the Landlord.
2. **TENANT:** Bakersfield College
3. **SITE:** A site located on Camino Media in Bakersfield, California on the CSUB campus as shown on Exhibit A attached to this proposal. The site is owned by CSUB and will be leased by Landlord from CSUB pursuant to a sixty-year ground lease (the "Ground Lease").
4. **PREMISES:** The temporary building site will use shared infrastructure with the permanent co-location building, and during the temporary phase shall be improved with lit parking area and hard surface walkways from the parking area to the modular

buildings including circulation around the modular buildings.

- 5. BUILDINGS:** 24 modular building units (19 Classroom, 3 Admin, 2 Restroom) per specification provided by Bakersfield College and to be provided by Mobile Modular Rents ("Modular Buildings"). Delivery of all utilities to modular buildings, connection, disconnection, delivery and carry away of modular units included in pricing. Proposed site layout set forth at Exhibit 'A' attached hereto.
- 6. PURPOSE OF USE:** The Premises may be used for education and related administration purposes. Any other use shall be subject to approval by Landlord and CSUB.
- 7. LEASE TERM:** The term of the Lease shall be for a period of Eighteen (18) Months from delivery, with the ability to extend the same at the option of the Tenant.
- 8. BASE RENT:** The initial Base Rent for the Premises shall be \$96,000.00 per month for the 18-month term. All fees for permits, architects, engineering, planning, and overhead, and Modular Building cleaning prior to occupancy is included in Base Rental Rate pricing. Base Rent subject to dollar for dollar reduction (amortized over 18-month term, for example, \$100,000 savings would result in a monthly rental reduction of approximately \$5,560) if modular buildings can be procured at a cost of less than \$997,687 for the 18-month term.
- 9. LEASE COMMENCEMENT:** The Modular Buildings shall be ready for occupancy by mid-June 2019 if lease is executed prior to January 1, 2019.
- 10. OPERATING EXPENSES:** In addition to the Base Rent, Tenant shall pay its pro rata share of expenses of operating the Project ("Operating Expenses"), including maintenance, management, insurance, utilities, etc. all as set forth in the Lease.
- 11. UTILITIES:** In addition to the Base Rent, Tenant shall pay for all electricity and other utilities supplied to the Premises. Electricity shall be separately metered to the Premises and Tenant shall pay charges for such services directly to the utility company supplying the

same;

12. TAX EXEMPTION:

As a condition of the Lease, Tenant agrees to apply for and obtain a "zero" property tax exemption from the Kern County Assessor's office for the Modular Buildings. Landlord will not be responsible for any Real Estate Taxes during the Lease term.

13. TENANT'S ACCESS DURING CONSTRUCTION:

Tenant may enter into the Premises prior to the Commencement Date upon receipt of Landlord's written consent for the purpose of installing furniture, special flooring or carpeting, trade fixtures, telephones, computers, photocopy equipment and other business equipment. Landlord shall not be responsible for any loss, damage or destruction to any work or material installed by Tenant on the Premises or any injury to Tenant or Tenant's employees or authorized representatives except to the extent caused by the negligent or willful misconduct of Landlord, its employees or authorized representatives.

14. PARKING:

Tenant shall be entitled to the exclusive use of no less than Two Hundred Seventy-Five Parking Spaces (275). Tenant shall have access to parking seven (7) days a week, twenty-four (24) hours per day, 365 days per year. Parking shall be free during the initial Term of the Lease and any extended term.

15. BUILDING SECURITY:

Landlord shall provide security in a manner consistent with comparable projects in the Bakersfield market. There will be no on-site security. Tenant, at Tenant's sole cost and expense, shall provide Modular Building security, equipment, personnel, procedures and systems. Tenant, at its own cost and subject to Landlord's consent, which shall not be unreasonably withheld or delayed, shall be permitted to install its own security system for the Premises. Tenant, at Tenant's sole cost and expense, will have a Tenant employed Public Safety Officer on site during Tenant's hours of operation.

16. ACCESS TO THE PREMISES:

Tenant shall have access to the Premises, Building (including elevators) and parking facilities twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks per year.

- 17. JANITORIAL SERVICES:** Tenant shall contract for and provide janitorial services to the Premises five (5) days per week.
- 18. BUILDING MANAGEMENT:** Modular Building management has not been included in our Base Rent, but Landlord is willing to provide the same at a rate of ten cents (\$0.10) per square foot per month (\$2,208).
- 19. COMPLIANCE WITH LAWS:** Landlord represents that the modular buildings and site work as completed will be in full compliance, at Landlord's sole cost and expense, with all requirements of all applicable municipal, county, state and federal governmental laws, rules, regulations, codes and requirements, including the Americans with Disability Act, any judicial, regulatory or administrative interpretation of any of the foregoing by any governmental entity having proper interpretational jurisdiction, and any conditions imposed on Landlord by the Ground Lease (all of the foregoing, "Applicable Laws"), and all as of the date Substantial Completion has occurred for the Modular Building project.
- 20. SECURITY DEPOSIT:** Tenant shall pay a security deposit in the amount equal to the first (1st) month rent payable within thirty (30) days after lease execution.
- 21. BROKERAGE:** Not Applicable.
- 22. OTHER TERMS AND CONDITIONS/COORDINATION BETWEEN LEASE AND GROUND LEASE BETWEEN LANDLORD AND CSUB:** All other terms and conditions not specifically identified herein are subject to mutual agreement between Landlord and Tenant. Landlord and tenant acknowledge that the Building will be constructed on real property leased to Landlord from CSUB ("Master Landlord") pursuant to the Ground Lease. The Lease will include provisions to ensure that the provisions of the Lease do not conflict with the terms of the Ground Lease in a manner which would adversely impact or impair Tenant's occupancy or enjoyment of the Premises in accordance with the Lease.
- 23. CONFIDENTIALITY:** The material contained herein is confidential. It is intended for the use of Tenant solely in determining whether Tenant desires to enter into an office building Lease with Landlord and is not to be copied

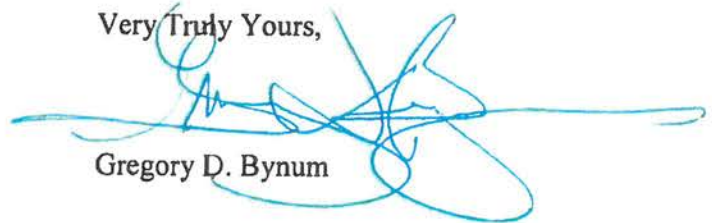
or disclosed to any third parties other than employees, officers, and directors of Landlord, (ii) any consultant, counsel or agent retained by Landlord for the purpose of evaluating the information contained in this Proposal, including CSUB as Master Landlord under the Ground Lease and its counsel, and (iii) any person financing Landlord's operations, including any consultant retained by such person for the purpose of evaluating the information contained in this Proposal.

This Proposal is a detailed outline of the business points under consideration and is neither an offer nor a contract. No party shall have any legal rights or obligations with respect to any other party because of the existence of this Proposal. The above terms and conditions are intended to address the major deal points of a short term Modular Building lease agreement and are not meant to be binding on Landlord or Tenant, nor are they meant to constitute a reservation of space or an option to Lease the Premises. There are additional terms and conditions which must be addressed. If these terms meet with Tenant's approval, Tenant's concurrence will not bind either party to a lease until such time as all provisions of the lease have been approved by the principals of Tenant and Landlord and a lease incorporating such provisions has been signed by both parties.

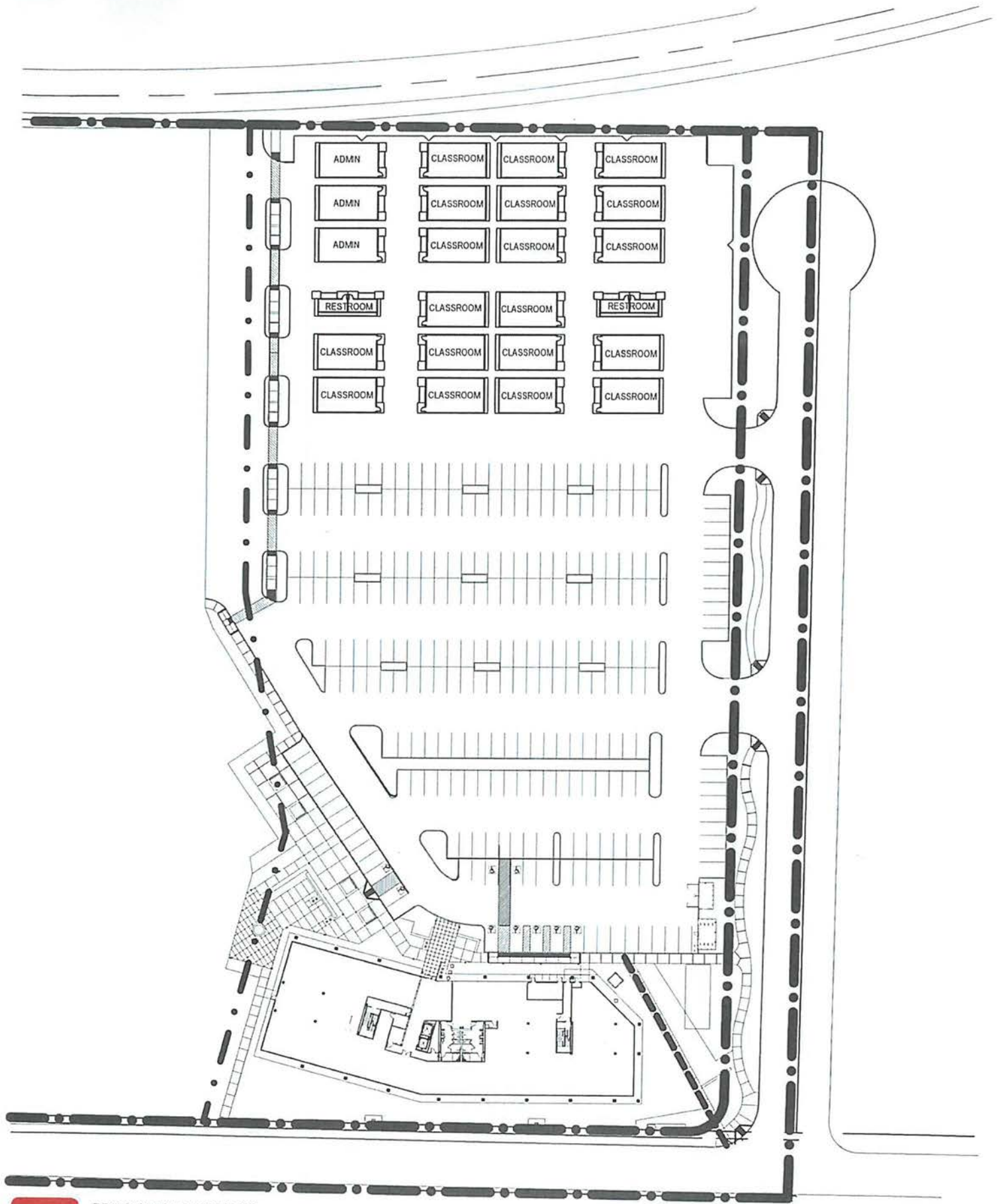
We appreciate your consideration of this Proposal and look forward to satisfying your requirement at this location.

CC: David A. Williams, SIOR
John Brock
Don Bynum
David Bynum

Very Truly Yours,



Gregory D. Bynum



**GREGORY D. BYNUM
AND ASSOCIATES, INC.**
Real Estate Development

UNIVERSITY OFFICE CENTER - MODULAR SITE PLAN

1:80
12/03/2018



GREGORY D. BYNUM
AND ASSOCIATES, INC.
Real Estate Services

December 3, 2018

KCCD Board of Trustees
c/o Mr. Jeff Andrew
Pacific Realty Advisors
5060 California Avenue, Suite 1000
Bakersfield, CA 93309

VIA EMAIL: Jeff.Andrew@pacra.com

Re: Proposal to provide real estate for long term lease or purchase by and between Bakersfield College ("BC") and Gregory D. Bynum and Associates, Inc. ("Landlord") for a building to be developed on the California State University, Bakersfield campus at the northwest corner of Scarlet Oak Blvd. and Camino Media, Bakersfield, California

Dear Mr. Andrew:

Attached hereto please find our proposals for co-location of a Bakersfield College Southwest Campus for an 18-month term in modular buildings, and for a 20-year term (extendable to 60 years at the option of Bakersfield College) in a permanent approximately 62,000 square foot building. Thank you for the opportunity to present these proposals. We would like to highlight what we feel are the relative advantages of our building compared to the competing site:

1. The prime objective of the Southwest Campus is to provide collaboration with the California State University Campus in graduating students from this community with baccalaureate degrees. **There will never be a better location to accomplish this goal than on the CSUB campus** which is why our location has the support of the BC faculty, the BC President, the CSUB president, the CSU trustees and countless Bakersfield College student groups. The competing site, per Google Maps, is a 4 mile, 10 minute drive from the CSUB campus assuming no traffic (erroneously referenced as 1.1 miles away from CSUB at the KCCD Finance Subcommittee Meeting). The competing site also requires additional distance and time of travel from Bakersfield College's main campus.

2. Our permanent location building is a fully designed and engineered building. All bids and time estimates provided for our building are based on actual plans which are the result of months of work and six figures in professional fees. For that reason, we feel that our time estimates, and cost analysis is more accurate than our competitors who are making cost and timing estimates for a "yet to be" designed building. For example, we believe the competition's inability to accurately bid this project came to light in the first round of proposals when their increase in cost to change the building type from Type II to Type III was a small fraction of what KCCD's independent analyst AECOM indicated was necessary for this work. Additionally, while we do not believe this project should be based on timing, but rather location,

1 | Page

there is no question that due to the status of our project that we have a head start with respect to our competitor and regardless of what time estimates they are providing, they cannot move as quickly as we can in completing this project. KCCD has continually asked for an “apples to apples” comparison of the projects, but the fact cannot be ignored that our proposal is based on an actual apple, and our competitors on a conceptual apple.

3. The base rent of our Building is higher than our competitors. This is due in large part to the fact that we have a superior location. There is little difference in the cost of building our buildings on the two separate sites. The price difference is a direct result of the cost of locating on the CSU campus as opposed to land on the outer edge of the Bakersfield community. KCCD should recognize that the increase in rent at our project versus the competition’s will go directly towards a ground lease which benefits CSUB’s general fund. **Said another way, the difference in cost between these projects will go directly to benefitting a taxpayer funded educational institution.**

4. We are the only location where the BC Foundation has passed a resolution indicating an interest in making an investment. Ownership by the BC Foundation will provide the benefits of ownership to BC without the increased cost of the Field Act. Because we have made a majority of the ownership in the project available to the BC Foundation, and we have offered the Foundation a right of first refusal, **our project offers the unique benefit of offering BC an opportunity to pay rent to an organization whose sole purpose is to benefit BC.**

5. Bakersfield and Kern County is home to some of the most economically and situationally disadvantaged individuals in our state. Our proposed location offers these students the amenities they need the most: reduced travel times via private transportation, wide access to public transportation, and campus amenities such as the Walter Stern Library. The competing proposal currently has no public transit available, and will not be able to offer the BC students the educational amenities required to succeed when those amenities are not available to them at home.

In conclusion, our site is the site best suited to meet all of Bakersfield College’s colocation needs for the Southwest Campus. Our timelines and cost projections are based on actual building plans as opposed to hypothetical projections. Any increased cost in our project will benefit the taxpayer directly via adding to CSUB’s general fund. Finally, we offer a mechanism for “smart” ownership of the project through the BC foundation. Thank you for your time and consideration, and the opportunity to bid on this greatly important project.

Very Truly Yours,


Gregory D. Bynum

CC: David A. Williams, SIOR
John Brock
Don Bynum
David Bynum



GREGORY D. BYNUM
AND ASSOCIATES, INC.
Real Estate Services

December 3, 2018

KCCD Board of Trustees
c/o Mr. Jeff Andrew
Pacific Realty Advisors
5060 California Avenue, Suite 1000
Bakersfield, CA 93309

VIA EMAIL: Jeff.Andrew@pacra.com

Re: Proposal to provide real estate for long term lease or purchase by and between Bakersfield College ("BC") and Gregory D. Bynum and Associates, Inc. ("Landlord") for a building to be developed on the California State University, Bakersfield campus at the northwest corner of Scarlet Oak Blvd. and Camino Media, Bakersfield, California

Dear Mr. Andrews:

We are pleased to submit the following Proposal in response to the parameters provided by Jeffrey T. Andrew, broker for Kern Community College District, for the long-term lease or purchase of space in a new building to be constructed on the California State University, Bakersfield ("CSUB") campus.

- 1. DEVELOPER/LANDLORD:** Gregory D. Bynum and Associates, Inc., a California corporation ("Bynum") shall be the developer and a limited partnership with Bynum acting as the managing general partner shall be the Landlord.
- 2. TENANT:** Bakersfield College
- 3. SITE:** A site of not less than 5.50 acres located on Camino Media in Bakersfield, California on the CSUB campus as shown on Exhibit A attached to this proposal. The site is owned by CSUB and will be leased by Landlord from CSUB pursuant to a sixty-year ground lease (the "Ground Lease").
- 4. BUILDING:** A new Type IIB-Risk Category III educational building (the "Building") designed and to be constructed on the Site, as depicted on Exhibit A and the rendering attached to this Proposal, as Exhibit B. The Building will have a structural steel frame system, lightweight concrete floor systems, an

energy efficient exterior and will be equipped with two (2) elevators. The Building will be three (3) stories and approximately 61,457 square feet of gross interior area. The ground floor will be approximately 18,617 interior gross square feet, and the second and third floors approximately 21,420 interior gross square feet each. Other requirements with respect to the Building and Project as set forth in paragraph 18 below. The Building (specifically excluding the Tenant Improvements), related site work and improvements on the Site, and parking facilities shall be referred to herein collectively as the "Project." For the avoidance of doubt the Project shall be designed and constructed in accordance with, and upon completion shall be in full compliance with all Applicable Laws (as such term is defined in paragraph 27 below).

5. PREMISES:

The premises initially leased to Tenant in the Building (the "Premises") shall be approximately 61,457 rentable square feet consisting of the entire building. The rentable and useable square footage of the Premises and Building shall be subject to final space planning and shall be (i) determined in accordance with the method of measurement set forth in paragraph 6 below, and (ii) mutually agreed to by Landlord and Tenant from Landlord's plans at the time the Lease is executed.

6. METHOD OF MEASUREMENT:

The useable and rentable square footages of the Premises shall be determined in accordance with the Legacy Method as described in the BOMA Standard Method of Measuring Floor Areas in Office Buildings, ANSI/BOMA Z 65.1-2010.

7. PURPOSE OF USE:

The Premises may be used for education and related administration purposes. Any other use shall be subject to approval by Landlord and CSUB.

8. LEASE TERM:

The initial term of the Lease shall be for a period of twenty (20) "Lease Years" (as defined in paragraph 9 below) following the Commencement Date. Bakersfield College shall have the option to extend their lease for four (4) additional ten (10) year terms. The initial term and the applicable options shall total sixty (60) years, an amount of time equal to the Ground Lease. Tenant shall deliver written notice to

Landlord of Tenant's intent to exercise its option(s) to extend at least nine (9) months prior to the end of (i) the initial term or (ii) any extended term.

9. BASE RENT:

The initial Base Rent for the Premises exclusive of (1) utilities, (2) janitorial service, and (3) Operating Expenses shall be \$2.25 for the First and Second Lease Year (as defined below). Base Rent reduction for area not initially built out will be \$0.25 per square foot per month. The first month of Rent shall be due and payable no later than thirty (30) days after Lease execution.

- (a) For purposes of determining the term of the Lease, a Lease year shall consist of a period of twelve (12) consecutive calendar months following the end of the First Lease Year.
- (b) The "First Lease Year" shall encompass the consecutive twelve (12) month period, commencing with the Commencement Date; provided, however, if the Commencement Date is other than the first day of a calendar month, the First Lease Year shall include the period from the Commencement Date until the end of the applicable calendar month, plus the following twelve (12) month period.

Base Rental Adjustment: The rent shall be increased and adjusted every twenty-four (24) months throughout the primary lease term and any extensions thereof at a rate of four and one-half percent (4.5%).

All fees for permits, architects, engineering and planning, developer profit and overhead, and building cleaning prior to occupancy is included in Base Rental Rate pricing.

10. LEASE COMMENCEMENT:

Improvements shall be substantially complete within 18 months of lease execution.

Landlord will complete the Tenant Improvements concurrently with the completion of the Building Shell, and the Commencement Date of the Lease term shall be thirty (30) days following Substantial

Completion of the Building shell, site improvements and Tenant Improvements.

11. OPERATING EXPENSES:

In addition to the Base Rent, Tenant shall pay its pro rata share of expenses of operating the Project ("Operating Expenses"), including maintenance, property taxes, management, insurance, utilities, etc. all as set forth in the Lease. Landlord shall periodically estimate the annual Operating Expenses for the Project (calculated on a grossed-up basis reflecting Operating Expenses as if the Building is at least 95% occupied), for each calendar year during the term and Tenant shall pay one-twelfth of the Tenant's pro rata share of the estimated annual expenses each month as additional rent. When actual Operating Expenses are calculated for a completed period, Tenant shall pay (or be credited for) the difference between Tenant's pro rata share of the estimated and actual expenses for the completed period.

12. UTILITIES:

In addition to the Base Rent, Tenant shall pay for all electricity and other utilities supplied to the Premises. Electricity shall be separately metered to the Premises and Tenant shall pay charges for such services directly to the utility company supplying the same;

13. PURCHASE OPTION:

Developer will make ownership available to the Bakersfield College Foundation through initial investment in the limited partnership which will own the Building. Bakersfield College Foundation has passed a resolution indicating interest in investment in the Building if approved by the KCCD Trustees. Developer will provide Bakersfield College Foundation a right of first refusal to purchase the entire building prior to marketing building for sale. Ownership through the BC Foundation is advantageous as it does not require the building be built pursuant to the Field Act as where an option for BC or KCCD to purchase would require the Building be built at an increased cost pursuant to the Field Act. Land to be owned continuously owned by CSUB, and not subject to Building investment or purchase. Base Rent paid by BC includes ground rent which will be paid to CSUB throughout term.

14. TAX EXEMPTION:

As a condition of the Lease, Tenant agrees to apply for and obtain a "zero" property tax exemption from the Kern County Assessor's office for the building. Landlord will not be responsible for any Real Estate Taxes during the Lease term.

15. TENANT IMPROVEMENT ALLOWANCE:

Landlord shall provide Tenant with an allowance ("Tenant Improvement Allowance") for the construction of Tenant's improvements ("Tenant Improvements") equal to \$40.00 per rentable square foot of the Premises leased by Tenant. The Tenant Improvement Allowance shall be used for costs related to design and construction of the Tenant Improvements, including architecture, engineering, permit fees, and signage costs. Additional tenant improvement dollars of up to \$60 per square foot shall be available at an interest rate of 6.5% amortized over the initial 20 year lease term.

16. BASE BUILDING:

Landlord shall construct, at Landlord's sole cost and expense, the Base Building core and shell and site improvements (the "Base Building"). The Base Building shell is a Type II Steel Building designed per structural risk category III. The Base Building Shell shall include all restrooms, drinking fountains, primary HVAC supply for the Building consisting of roof-top variable refrigerant volume condensing units and refrigerant piping from the roof to each floor of the Building, janitorial closets, electrical rooms, telephone/data rooms, mechanical room, elevators, stairwells, and primary distribution for fire sprinkler and fire-safety requirements. Additionally, the entry and elevator lobbies are fully improved and air conditioned along with bathrooms on each floor with enhanced fixture counts that exceed standard building code. Building Standard window coverings shall be part of the Tenant Improvements. All of Landlord's activities with respect to its development, construction, and installation activities shall be in full compliance with all Applicable Laws.

17. TENANT'S ACCESS DURING CONSTRUCTION:

Tenant may enter into the Premises prior to the Commencement Date upon receipt of Landlord's written consent for the purpose of installing furniture, special flooring or carpeting, trade

fixtures, telephones, computers, photocopy equipment and other business equipment. Landlord shall not be responsible for any loss, damage or destruction to any work or material installed by Tenant on the Premises or any injury to Tenant or Tenant's employees or authorized representatives except to the extent caused by the negligent or willful misconduct of Landlord, its employees or authorized representatives.

**18. SPACE
PLANNER/ARCHITECT:**

Tenant shall select an architect, engineers and designers pre-approved by Landlord to design the Tenant Improvements, Landlord shall approve the drawings and specifications for the Tenant Improvements.

19. PARKING:

Tenant shall be entitled to the non-exclusive use of its pro rata share of the Building's parking spaces which shall be eight parking spaces per 1,000 rentable square feet in the Building. Tenant shall have access to parking seven (7) days a week, twenty-four (24) hours per day, 365 days per year. Parking shall be free during the initial Term of the Lease and any extended term. 41 parking stalls will be covered.

20. ACCESS TO THE PREMISES:

Tenant shall have access to the Premises, Building (including elevators) and parking facilities twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks per year.

21. JANITORIAL SERVICES:

Tenant shall contract for and provide janitorial services to the Premises five (5) days per week.

22. BUILDING MANAGEMENT:

The Building and Project shall be managed by Gregory D. Bynum and Associates, Inc., in a first-class manner. The management fee which is included in Operating Expenses shall be four percent (4%) of the gross rental rate paid by tenant which shall include all required personnel and bookkeeping services.

23. SIGNAGE:

Landlord shall provide Tenant with a portion of a monument sign on Camino Media at a location reasonably determined by Landlord and Tenant and approved by CSUB. Landlord will provide the monument sign base and can at Landlord's cost, and

Tenant shall pay for the sign faces. In addition, Tenant shall also be permitted to have eyebrow signage on the Building, located between the first and second floor, subject to the reasonable approval of Landlord and CSUB. Tenant shall be responsible for all such Building signage.

24. HAZARDOUS SUBSTANCES: Landlord shall warrant that the Building shell and site work have been constructed in compliance with all applicable environmental laws and that to the best of Landlord's knowledge, neither Landlord, CSUB, nor any preceding owners of the property have used the property or any portion thereof for the production, storage or disposal of any hazardous waste or toxic substance and Landlord is not aware of any such prior use or any proceedings or inquiry by a governmental authority with respect to the presence of such waste or substances on the property.

25. COMPLIANCE WITH LAWS: Landlord represents that the Building Shell and site work as completed will be in full compliance, at Landlord's sole cost and expense, with all requirements of all applicable municipal, county, state and federal governmental laws, rules, regulations, codes and requirements, including the Americans with Disability Act, any judicial, regulatory or administrative interpretation of any of the foregoing by any governmental entity having proper interpretational jurisdiction, and any conditions imposed on Landlord by the Ground Lease (all of the foregoing, "Applicable Laws"), and all as of the date Substantial Completion has occurred for the Building Shell and Project.

26. SECURITY DEPOSIT: Tenant shall pay a security deposit in the amount equal to the first (1st) month rent payable within thirty (30) days after lease execution.

27. BROKERAGE: The parties recognize Colliers International, Inc. ("Colliers") as the exclusive broker representing Landlord and Cushman Wakefield ("Cushman") as the exclusive broker representing the Tenant. Landlord shall be responsible for the payment of broker commissions with respect to this transaction to Colliers and Cushman in an amount equal to 6% of gross rent for the first five years, 3% for the

second five years, and 1.5% for any initial lease term over 10 years, split equally between Colliers and Cushman in accordance with the terms and conditions of a separate agreement negotiated between Landlord, Colliers and Cushman respectively. Landlord and Tenant shall indemnify each other from and against any claim, either now or in the future, by a real estate service provider other than Colliers or Cushman representing or claiming to represent the Tenant and/or the Landlord.

**28. OTHER TERMS AND
CONDITIONS/COORDINATION
BETWEEN LEASE AND
GROUND LEASE BETWEEN
LANDLORD AND CSUB:**

All other terms and conditions not specifically identified herein are subject to mutual agreement between Landlord and Tenant. Landlord and tenant acknowledge that the Building will be constructed on real property leased to Landlord from CSUB ("Master Landlord") pursuant to the Ground Lease. The Lease will include provisions to ensure that the provisions of the Lease do not conflict with the terms of the Ground Lease in a manner which would adversely impact or impair Tenant's occupancy or enjoyment of the Premises in accordance with the Lease.

29. CONFIDENTIALITY:

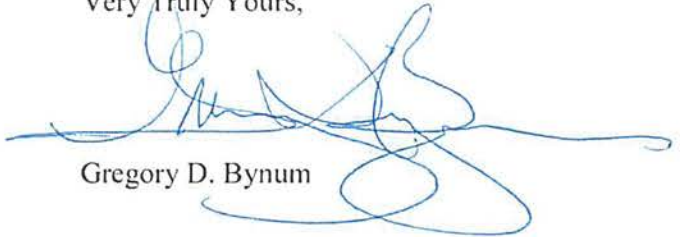
The material contained herein is confidential. It is intended for the use of Tenant solely in determining whether Tenant desires to enter into an office building Lease with Landlord and is not to be copied or disclosed to any third parties other than employees, officers, and directors of Landlord, (ii) any consultant, counsel or agent retained by Landlord for the purpose of evaluating the information contained in this Proposal, including CSUB as Master Landlord under the Ground Lease and its counsel, and (iii) any person financing Landlord's operations, including any consultant retained by such person for the purpose of evaluating the information contained in this Proposal.

This Proposal is a detailed outline of the business points under consideration and is neither an offer nor a contract. No party shall have any legal rights or obligations with respect to any other party because of the existence of this Proposal. The above terms and conditions are intended to address the major deal points of a proposed build-to-suit lease agreement and are not meant to be binding on Landlord or Tenant, nor are they meant to constitute a reservation of space or an option to Lease the Premises. There are additional terms and conditions which

must be addressed. If these terms meet with Tenant's approval, Tenant's concurrence will not bind either party to a lease until such time as all provisions of the lease have been approved by the principals of Tenant and Landlord and a lease incorporating such provisions has been signed by both parties.

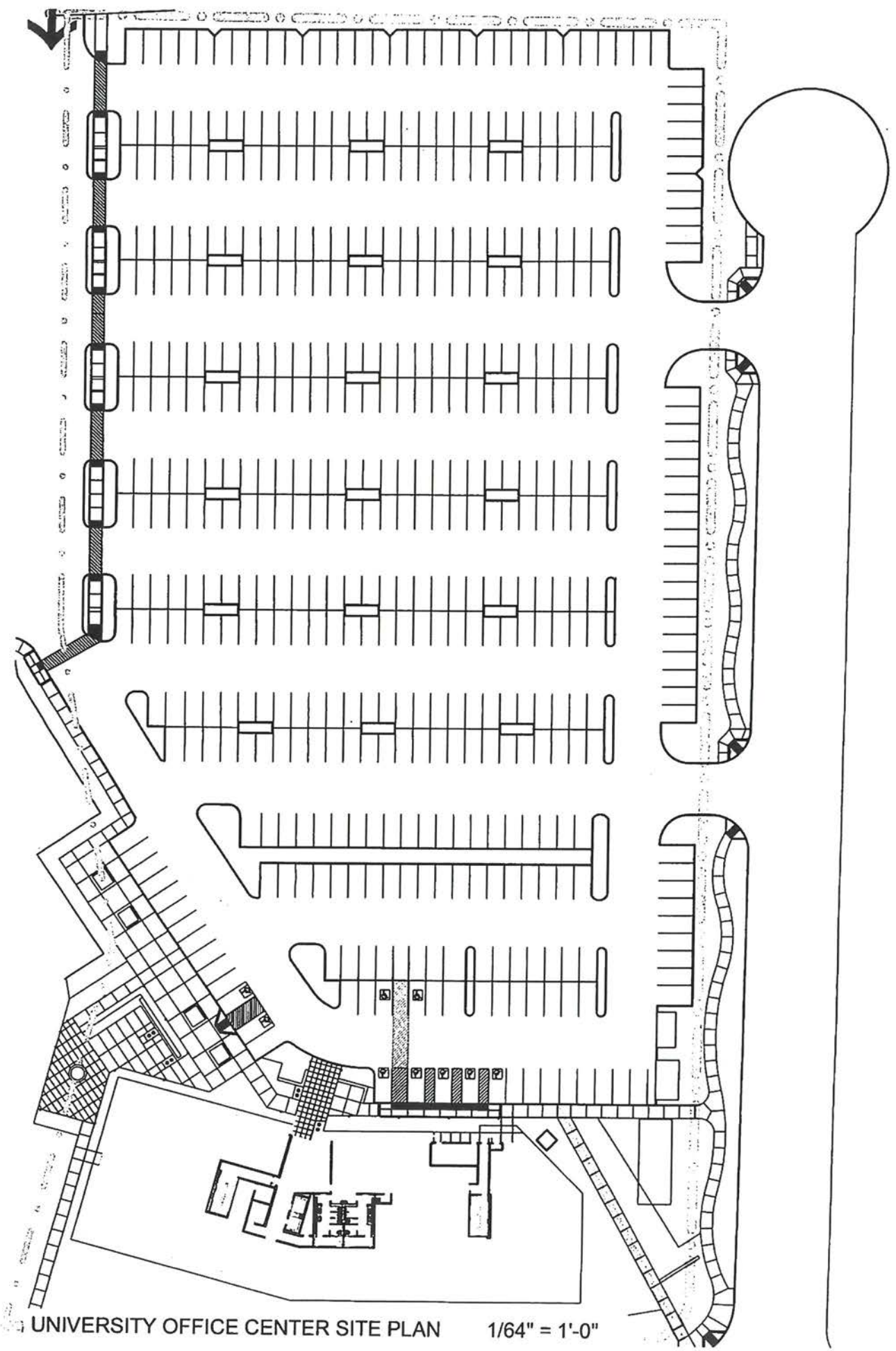
We appreciate your consideration of this Proposal and look forward to satisfying your requirement at this location.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read 'Gregory D. Bynum', with a long horizontal flourish extending to the right.

Gregory D. Bynum

CC: David A. Williams, SIOR
John Brock
Don Bynum
David Bynum



UNIVERSITY OFFICE CENTER SITE PLAN 1/64" = 1'-0"



APPENDIX B2

ASU Commercial for Bolthouse Properties Transitional and Long-Term Lease Proposals



11601 Bolthouse Drive, Suite 110
Bakersfield, CA 93311
T 661 862 5454 F 661 862 5444

www.gmhaas.com

December 6, 2018

*Revised per request to quote
with prevailing wage provisions

Mr. Jeff Andrew
Senior Director
Pacific Realty Advisors | Cushman & Wakefield
5060 California Avenue, Suite 1000
Bakersfield, CA 93309

Re: Build-to-Suit Proposal to Lease
Seven Oaks Business Park
Bakersfield, California

Dear Jeff:

Thank you for the opportunity to submit this Build-to-Suit Proposal to Lease an approximately 60,000 square foot office/educational campus building. The following is the basis upon which Bolthouse Land Company, LLC ("Bolthouse") would proceed in developing/constructing a Southwest Bakersfield administrative office/campus building within the Seven Oaks Business Park. The terms of this proposal have been modified to address the specific requirements identified in your November 21, 2018 email to Bruce Davis of Bolthouse Properties, a copy of which is attached.

TENANT: Kern Community College District, a political subdivision of the State of California on behalf of Bakersfield College

LANDLORD: Bolthouse Land Company, LLC, a California limited liability company

PREMISES: Approximately 60,000 rentable square feet ("Premises") located within the Seven Oak Business Park master-planned development in Bakersfield, CA ("Building") to be designed. The Building shall be designed and engineered to meet the guidelines for 3-story Risk Category 3 structure with structural steel framing and light concrete flooring. The subject parcel shall consist of approximately 5.5 net acres of improved land and will be constructed using prevailing wage labor provisions.

USE: Tenant shall have the right to use the Premises as a general and administrative office building and for educational classroom purposes and related legal uses approved by the Landlord. Landlord to provide approved parking at a minimum of eight (8) stalls per thousand (1,000) square feet. Parking to be for Tenant's exclusive use.



DELIVERY:

Landlord shall commence with development and construction of the Premises upon mutual execution of a Lease Agreement between Landlord and Tenant. The parties acknowledge and agree that time is of the essence for this project. The Landlord estimates that construction of the Premises will take no more than sixteen (16) months from lease execution estimated to occur no later than January 2019. The contractor selected for construction shall be subject to the reasonable approval of the Tenant.

LEASE TERM:

Twenty (20) years.

**COMMENCEMENT
DATE:**

The Commencement Date would be the first (1st) day of the next calendar month following substantial completion of the agreed upon improvements within the Premises and receipt of a certificate of occupancy.

BASE RENT:

The Monthly Base Rent per rentable square foot of the Premises shall be \$1.93 per rentable square foot NNN during the Lease term for that portion of the Premises utilizing the full tenant improvement allowance as specified below and \$1.67 per rentable square foot NNN during the Lease term for that portion of the Premises that does not utilize any portion of the tenant improvement allowance as specified below (Expansion Space).

The NNN rent shall be subject to increases of four and one-half percent (4.5%) every twenty-four (24) months of the lease term.

**TENANT
IMPROVEMENT
ALLOWANCE:**

Landlord shall provide Tenant an allowance for tenant improvements in the amount of Forty Dollars (\$40.00) per rentable square foot or an amount of approximately \$2,400,000.00 for purposes of construction of Tenant's interior improvements over and above the base building shell and core improvements to be completed by the Landlord.

Tenant shall have the option to amortize an additional allowance over the term of the lease. Landlord shall provide an additional allowance above \$40.00 per rentable square foot to either a total of \$80.00 or \$90.00 per rentable square foot of the Building (an approximate range of an additional \$2,400,000.00 to \$3,000,000.00) to be repaid by amortizing the cost of the



additional allowance over the entirety of the original twenty (20) year term.

TI Allowance per RSF	Building Lease Cost per Month
\$40.00 per RSF	\$1.93 per RSF
\$80.00 per RSF	\$2.19 per RSF
\$90.00 per RSF	\$2.27 per RSF

**TENANTS
ACCESS DURING
CONSTRUCTION:**

general

Tenant and Tenant's agents shall be permitted to enter the Premises without obligation for rent during construction for the purposes of installing furniture, fixtures, equipment, phone systems, leasehold improvements and personal property, subject to scheduling coordination with Landlord and Landlord's

contractor and Landlord's receipt of any certificates of insurance as provided for in the Lease Agreement.

**FIRST MONTHS RENT
& SECURITY DEPOSIT:**

Tenant shall be required to pay the first month's rent and a security deposit equivalent to the estimated last month's rent payable upon execution of lease.

**SPACE PLANNING
& ARCHITECT:**

The Architect for this Project is anticipated to be Skarphol Associates. The Landlord's general contractor shall commence construction immediately upon receipt of a building permit to construct the Shell Building and interior tenant improvements based upon the mutually approved plans and specifications developed by Skarphol Associates in accordance with the design standards for the Seven Oaks Business Park.

**GENERAL
CONTRACTOR:**

The General Contractor for this project is anticipated to be Wallace & Smith General Contractors.

**OPERATING
EXPENSES:**

The lease shall be net to the Landlord with Tenant paying all NNN Operating Expenses including site and landscape maintenance, real property taxes, insurance, security, property management and normal and customary operating expenses associated with Class "A" office buildings in the Greater Bakersfield market. The NNN Operating Expenses shall be inclusive a 4% of gross rental amount property management fee.



Note that the Landlord's typical management fee for a single tenant net building would be less than the 4% of gross rental but this rate structure was included at your specific request.

**MAINTENANCE
& REPAIR:**

Tenant shall maintain and repair the interior of the Shell Building; including but not limited to HVAC ducting, thermostats, VRV Units, walls, ceiling, plate glass, doors, door frames and window frames at Tenant's expense.

**ASSIGNMENT/
SUBLETTING:**

Tenant shall have the right to assign or sublet the Premises to a corporation or entity that assumes all of Tenant's obligations and either (a) controls, or is controlled by, or under control with Tenant or (b) merges or consolidates with Tenant. Tenant shall have the right to assign or sublease to any other entity with Landlord's reasonable consent, as long as the intended use does not conflict with any exclusives in the center and subject to the terms of the Lease.

**ACCESS TO THE
PREMISES:**

Tenant shall have access to the Building, the Premises, and parking lot twenty-four (24) hours per day, seven (7) days per week.

**ALTERATIONS BY
TENANT:**

Tenant at Tenants expense may make repairs to, alterations to, and renovations to the Premises during the Lease Term subject to Landlords prior written approval which shall not be unreasonably withheld. All work shall be performed by California licensed contractors and in accordance with existing codes. In addition, Tenant shall have no responsibility or obligation to remove any improvements to the Premises upon lease termination or expiration unless Landlord gives notice to Tenant at the time of such approval that the removal of such improvements are a condition of approval.

SIGNAGE

Tenant shall be granted maximum building signage allowable. The exact location, size, style, color, materials and lighting of Tenant's signage shall be consistent and compatible with the Building's design, signage and graphics program and shall comply with all governmental laws, rules and regulations, covenants, conditions and restrictions encumbering the property. Landlord shall provide Tenant with a monument sign exclusive to their use located on the property corner. Landlord shall provide monument base and can at Landlord's cost.



**HAZARDOUS
SUBSTANCES:**

Landlord shall represent that there are no environmental hazards or violations in or around the Premises that pose a present danger to health, life or safety upon completion of the shell building. Tenant agrees not to use any Hazardous materials or Chemicals in the Premises that are not standard practice.

**COMPLIANCE
WITH LAWS:**

Landlord shall construct the building and interior improvements complying with all state, federal, local laws, rules and ordinances including the American with Disabilities Act in connection with the Premises and common areas upon signing the Lease. Any additional requirements after the lease signature required as a condition of Tenant's use and occupancy of the Premises shall be paid for by the Tenant.

NON-DISTURBANCE:

With respect to any potential mortgages, deeds of trust or other liens encumbering the Premises, Landlord shall, at no cost to Tenant, within thirty (30) days of full execution and delivery of the Lease, secure, and deliver to Tenant a Non-Disturbance and Attornment Agreement in commercially reasonable form for the benefit of Tenant. In addition, a condition to Tenant's obligation to subordinate to any future mortgage, deed of trust or other lien encumbering the Project shall be Tenant's receipt of a Subordination, Non-Disturbance and Attornment Agreement in commercially reasonable form for the benefit of Tenant from such future lender at no cost to Tenant. Each Subordination, Non-Disturbance, and Attornment Agreement shall recognize Tenant's offset rights specified in the Lease.

EXTENSION OPTIONS:

Tenant shall have two (2) options to extend the Lease Term by five (5) years or ten (10) years each at Tenant's discretion. Such right shall be exercisable by Tenant not later than nine (9) months prior to the expiration of the then-existing term. Base Rent during the any extension term shall be fair market rental value of the Premises. If the parties cannot agree on the fair market rental value of the Premises within thirty (30) days after Tenant's exercise of its extension option, the fair market rental value shall be determined using a mutually acceptable appraiser to establish value.

PURCHASE OPTION:

Landlord grants to Tenant the ongoing right to purchase the Building including the Land, upon mutually agreeable terms.



**TEMPORARY
OCCUPANCY:**

Landlord will deliver an approximate 3-acre land area large enough to accommodate 24 modular classroom units and 275 parking stalls at Seven Oaks Business Park ("Modular Area"). The site work, paving and infrastructure to be completed by the Landlord at no cost to Tenant, shall include the following:

- Lighting for parking areas,
- Concrete or asphalt walkways from parking areas to all modular buildings and circulation around the modular buildings,
- Electricity and gas for the modular buildings,
- Plumbing and sewer where required for the modular buildings,
- All engineering, architectural and permitting fees and costs,
- All removal costs including any demolition of pad or parking removal costs, and
- All hauling and dumping fees, and all cleaning costs to create a move-in ready condition on the Modular Area.

Note that the Landlord has conferred with Mobil Modular and there is no requirement necessary for cement pads for the modular buildings.

**TEMPORARY
OCCUPANCY
BASE RENT:**

Temporary Occupancy Rental:

The rent for the Modular Site, including the improvements listed above shall be \$1.00 per month over the Tenant's temporary occupancy. (The temporary occupancy is anticipated to be 18-24 months.)

**REIMBURSEMENT
EXPENSES:**

Temporary Occupancy Reimbursement of Direct Expenses:

Tenant shall reimburse Landlord for all out-of-pocket third-party direct costs associated with the use of the Modular Site including but not limited to monthly rental payments for the modular buildings, delivery and installation of the modular units, utility connection fees, fire alarm system, cable and internet service, property taxes, insurance and any other costs related to



the occupancy and operation in the Modular Site. Tenant shall also be responsible for all NNN charges.

Anticipated expenses per Mobile Modular Proposal provided by Tenant.

Lease Cost	\$36,441/Mo.*
One Time Delivery and Installation	\$192,931
One Time Return Charge	\$148,800

*In the event Tenant identifies alternate supplier at lower cost, Tenant shall be billed at the reduced amount.

Landlord can complete Improvements to the Modular Site and can cause the modular units to be set and approved within sixty (60) days from approval of plans by permitting agencies. The permitting time frame is subject to DSA approval and is anticipated to require a minimum of eight (8) weeks from the execution of the Lease.

In the event Tenant would prefer Landlord to pay all costs including the Modular Unit lease costs, the delivery and installation cost, and the return charge, and then invoice Tenant a constant amount over the eighteen (18) month term of the lease, the total monthly reimbursement expense would be paid to Landlord as follows:

Total Direct Cost of Temporary Occupancy for Mobile Modular cost proposal as provided to Landlord by Tenant via Jeff Andrew.

Modular Unit Lease Cost	
\$36,441/Mo. X 18 Mos.	\$655,938.00
One Time Delivery and Installation	\$192,931.00
One Time Return Charge	\$148,800.00
Total	\$997,687.00
Total Monthly Reimbursement Cost over 18 Months	\$55,427.00



BROKERAGE:

The parties acknowledge and consent thereto that ASU CRE Partners, Inc. dba ASU Commercial represents Landlord and Pacific Realty Advisors | Cushman & Wakefield represents Tenant in this transaction and shall share equally in the commission to be paid by Landlord per separate agreement. The basis for the commission to be shared shall be a commission schedule as follows and upon rental payments:

Years 1-5	6% of rental income
Years 6-10	3% of rental income
Years 11-20	1.5% of rental income

This letter of intent is an outline of the major contemplated lease provisions only and is not a binding legal agreement to lease. Neither the Landlord nor Tenant shall have any legal obligation or liability to the other with respect to the matters set forth in this letter of intent unless and until both parties execute a definitive lease. Neither party shall have any obligation to continue discussions or negotiations for any such lease. Nothing contained herein shall be construed to create an option for Tenant to lease the Premises or a reservation of the Premises by Landlord for Tenant or to indicate that Landlord has removed all or any portion of the Premises from consideration by other potential tenants.

The undersigned acknowledges that all correspondence (including this letter of intent) and all communication between Landlord, its agent, Tenant and the undersigned concerning information, which will ultimately become or becomes part of the Lease is confidential information (collectively, "Confidential Information"). Whether or not the Lease is ultimately consummated, Landlord and its agents shall keep the Confidential Information strictly confidential and shall not disclose the Confidential Information to any person or entity other than Landlord's financial, legal and space planning consultants.

We look forward to your acceptance of the above referenced terms by December 15, 2018. If you should have further questions, please do not hesitate in contacting our office.

Sincerely,

Mark J. Smith, SIOR
Principal

Martin J. Starr
Principal

Cc: Thomas J. Burke
Deborah Martin
Bruce Davis



AGREED AND ACCEPTED

TENANT
"Kern Community College District"

By: _____

Name: Deborah Martin
Chief Financial Officer

Date: _____

LANDLORD
"Bolthouse Land Company, LLC"

By: BD _____

Name: Bruce Davis
Senior Vice President

Date: 12-6-2018 _____

APPENDIX C

Proximity of Home to College – Literature research analysis by Amber Hroch, Ph.D., College Institutional Researcher

Proximity of home to college

According to Lopez (2009), the ability to attend college close to home is often among the most important factors that US high school students, especially minorities and socioeconomically disadvantaged, consider. More recent research echoes this finding (see Wexler).

When examining first-generation students (over half of our student body is first-generation), a greater proportion of first-generation students compared to their peers attend higher education institutions within 50 miles from home. In addition, these students consider close proximity of the institution to their home a very important reason for choosing their institution (Higher Education Research Institute, 2007). Later research from the Higher Education Research Institute at UCLA echo those findings for first-generation students.

How successful community college students are in transferring is related to the proximity of four-year institutions (Backes & Velez, 2015; Jenkins & Fink, 2016; Long, 2004). In fact, Jenkins & Fink indicate that institutions with more educationally disadvantaged students could improve their transfer performance if these institutions worked more closely with their transfer partners.

In addition to helping our BC students, this will have positive outcomes for CSUB students, as well. By locating the BCSW Center near CSUB, this would allow CSUB students to take their pre-requisite courses at BCSW (similar to the “Davis Center”). (see article: <http://sacityexpress.com/new-building-planned-for-davis-center-will-help-students-complete-prerequisite-classes/#sthash.B7XJWsNq.dpbs>)

References

Backes, B., & Velez, E. D. (2015). *Who transfers and where do they go? Community college students in Florida* (Working Paper 126). Washington, DC: National Center for Analysis of Longitudinal Data in Education Research.

Higher Education Research Institute (2007). *First in my family: A profile of first-generation college students at four-year institutions since 1971*. <https://www.heri.ucla.edu/PDFs/pubs/briefs/FirstGenResearchBrief.pdf>

Jenkins, D., & Fink, J. (2016). Tracking transfer: New measures of institutional and state effectiveness in helping community college students attain bachelor’s degrees. *Community College Research Center*. <https://files.eric.ed.gov/fulltext/ED563499.pdf>

Long, B. T. (2004). How have college decisions changed over time? An application of the conditional logistic choice model. *Journal of Econometrics*, 121(1-2), 271-296.

Lopez, R. N. (2009). College proximity: Mapping access to opportunity. *Sociology of Education*, 82(2), 126-146.

Wexler, E. (2016). Geography matters. *Inside Higher ED*.
<https://www.insidehighered.com/news/2016/02/03/when-students-enroll-college-geography-matters-more-policy-makers-think>

APPENDIX D

Calculation Assumptions:

- For a conservative financial model, assume static enrollment at 2000 students.
- Currently, 30% of the students have more than 60 units and may graduate soon. Assume 20% - 30% of the students graduate each year with ADTs.
- Per the funding formula, the district will receive \$3,727 per credit FTES.
- Currently, ADT graduation rates are increasing by over 40% annually with approximately 800 students earning ADTs. Assume that ADT graduation rates will increase 5% annually for 5 years due to the co-location with CSUB.
- Currently, transfer rates are increasing by approximately 8% annually with approximately 900 students transferring each year. Assume that transfer rates will increase 3% annually for 5 years due to the co-location with CSUB.

In order to capture some of the cost impacts and incorporating the previously stated assumptions, consider the following:

CALC #1 - Cost savings to taxpayers:

$[(3 \text{ units saved/student graduate}) / (30 \text{ units/FTES})] * (\$3,727/\text{FTES}) = \$373 \text{ per student}$
 $(\$373/\text{student}) * (2000 \text{ students/year}) = \mathbf{\$746,000 \text{ per year in taxpayers dollars}}$
 $(\$746,000 \text{ per year}) * 20 \text{ years} = \mathbf{\$14,920,000 \text{ over 20 years}}$

CALC #2 - Cost savings for student:

$(3 \text{ units saved/student graduate}) * \$46/\text{unit} = \$138 \text{ per student}$
 $(\$138/\text{student}) * (2000 \text{ students/year}) = \mathbf{\$276,000 \text{ per year in tuition dollars}}$
 $(\$276,000) * 20 \text{ years} = \mathbf{\$5,520,000 \text{ over 20 years}}$

CALC #3 - Increased Revenue due to Increased ADT Awards:

Assume 25% of BCSW students graduate each year with ADTs = 500 students
Increased number of graduates over 5 years = $\sum_{n=1}^5 (500)(1.05)^n - (500)(5) = 263$
Increased number of graduates over the following 15 years = $(0.05)(500)(15) = 375$
Additional ADT awards = $(638 \text{ graduates}) * (\$1,760/\text{ADT}) = \mathbf{\$1,122,880 \text{ over 20 years}}$

CALC #4 - Increased Revenue from Transfer Students:

Assume 30% of BCSW students transfer each year = 600 students
Increased number of transfers over 5 years = $\sum_{n=1}^5 (600)(1.03)^n - (600)(5) = 185$
Increased number of graduates over the following 15 years = $(0.03)(600)(15) = 270$
Additional Transfers to CSU = $(455 \text{ graduates}) * (\$660/\text{transfer}) = \mathbf{\$300,300 \text{ over 20 years}}$

CALC #5 - Lost Revenue due to library space needs:

Assume classroom could accommodate 30 students. That would equate to 37 FTEs per year per classroom. For 2 classrooms at a 90% fill rate the FTEs would be 66.6 FTEs lost per year. At \$3,727 per FTEs per semester, the potential lost allocation from the state would be \$248,218 annually = $\mathbf{\$4,964,000 \text{ over 20 years}}$.