# Union City BART -- Educational Hub Development Request for Qualifications – RFQ # D-09



Chabot Las Positas Community College District 5020 Franklin Drive Pleasanton, CA 94588





## NOTICE

**NOTICE IS HEREBY GIVEN** that the Chabot Las Positas Community College District ("**District**") calls for Qualifications, Union City BART – Educational Hub Development <u>RFQ No. D-09 ("RFQ")</u>, to be delivered to the Office of the Vice Chancellor, Business Services, 5020 Franklin Drive, Pleasanton, California 94588 until the close of business \_\_\_\_\_, 2008. Faxed or emailed proposals will not be accepted.

There will be a non-mandatory, pre-proposal conference, \_\_\_\_\_at 10:00 am on \_\_\_\_\_, 2008 in the Boardroom, District offices, 5020 Franklin Drive, Pleasanton, California 94588. Maps are available at <u>www.clpccd.org</u>

Qualifications shall be presented in accordance with the specifications presented here.

Inquiries regarding this RFQ must be directed to Office of the Vice Chancellor, Business Services, and Phone: (925) 485-5201 or FAX: (925) 485-5255. Reference RFQ # D-09 on all inquiries.

The CLPCCD Board of Trustees reserves the right to reject any and all Qualifications and any and all items of such Qualifications. This RFQ shall also be subject to any and all applicable laws, regulations and standards whether expressed in this RFQ or not.

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## I. DEVELOPMENT OFFERING SUMMARY

## Award

This is an RFQ, pursuant to the provisions in Government Code section 5956 and following for study, planning, design, construction, financing, maintaining, marketing and management of an office/retail construction project which is to be developed as a public-private partnership in Union City, CA. The award will be made in two parts. Initially the successful awardee will be given a One-Year Exclusive Negotiating Rights Agreement among the awardee, Union City Redevelopment Agency and the Chabot Las Positas Community College District (ENRA) during which the parties are expected to study and analyze the potential project, prepare design development drawings that are adequate to secure entitlements for the project, and fully develop a public-private partnership project proposal, including financing, acceptable to Union City, the Union City Redevelopment Agency, and the Chabot Las Positas Community College District (CLPCCD or District). Following acceptance and approval of the project proposal the awardee will be given a project **Development Contract to prepare** construction documents for building permits, construct, finance, maintain, market, and manage the project (Part 2).

## **General Scope**

The Chabot Las Positas Community College District is starting a project to develop educational centers at, or near, two key Bay Area Rapid Transit (BART) stations. It is the District's view that the great number of patrons using BART each day can benefit from "Educational Hubs" placed in proximity to key BART stations. CLPCCD would like to develop this concept at BART stations in Union City and Dublin/Pleasanton. This request for qualifications will be used to select a firm who will study, plan, design, construct, develop, finance, market, maintain, and manage the Union City office/retail project that will also house CLPCCD's Union City BART Educational Hub.

While CLPCCD colleges focus primarily on delivering the first two years of a university education and preparing the workforce, the idea for the BART Educational Hubs is much greater. CLPCCD would like to develop an Educational Hub that offers a wide range of educational services from basic courses in language and computer science to advanced college degrees. The vision also includes developing or hosting business-specific training helping employers support a productive and efficient workforce, and programs for enjoyment and lifelong learning. The advanced degree and professional education programs would be offered through partnerships CLPCCP would establish with regional and national colleges and universities. The District has worked hard to earn a stellar reputation on the national level. It supports innovation and has launched programs that established best practices which have been incorporated into colleges and universities across the country.

As a part of this project CLPCCD wants to create an on-going commercial income stream. These funds would first provide a return for investors and later provide for upkeep and modernization of the facility.

Simultaneous with CLPCCD's interest, Union City and its Redevelopment Agency have put forth and initiated the reconstruction of the area surrounding the Union City BART/Intermodal Station.

Union City envisions a dynamic transit oriented neighborhood with housing, jobs, shopping and community facilities on 120 acres of underutilized and vacant land surrounding the Union City BART Station. Approximately 1,854 new housing units, 100,000 sq. ft. of retail, 800,000 square feet of office, a community plaza, and a 30,000 sq. ft. community center, are planned within a five minute walk of the BART Station -- a distance of less than one guarter mile. Thirty-two acres of research and development opportunities providing up to 814.000 sq. ft of office will be available within a five to ten minute walk of the station.

At the center of the transit oriented development is an Intermodal Station that will provide connectivity between five transit agencies and through them link the central valley, peninsula, south bay, east bay and local neighborhoods. In addition to the destinations served by BART, future rail transit providers include: Capitol Corridor. with service to San Jose and Sacramento; Dumbarton Rail, with service across San Francisco Bay to Redwood City, and connections to San Francisco and San Jose; and potentially the ACE train with service to Stockton and San Jose, AC Transit and Union City Transit provide bus service from the Intermodal Station to the surrounding communities. Pedestrians living and working in the area will have free passage through the BART Station to the neighborhoods on both sides of the station.

Now the interests of CLPCCD and Union City are joined as Union City will transfer property to the CLPCCD and the District will develop the property in concert with the interests of Union City and the Union City Redevelopment Agency through a publicprivate partnership.

### **Existing Site**

The specific property to be considered in this proposal is contained within Union Square at 1330 Decoto Road. It is 1.4 acres and is identified as "Block 7" on Union City's development plans for the area. The property is currently owned by the Union City Redevelopment Agency but ownership will transfer to CLPCCD who will make it available, for a nominal annual payment, to the project developer for a period not to exceed 35 years (map enclosed within Exhibit A).

The site currently has two buildings which will need to be razed as a part of the project. Current leaseholders have been advised of the redevelpment plans and are on month-to-month leases.

## **Project Description**

It is proposed to construct a three to eight story building sized between 60,000 to 245,000 sqr. ft. and an approximate 1 to 4 Floor Area Ratio (FAR) which will both meet the partner needs and asssure a return on investment. The building will provide for operational space for the CLPCCD Educational Hub, general office or retail space for lease, parking, and, if economically feasable (optional), provision for the Alameda County Library branch in Union City. Outside funding is being solicited to provide for the library and to create a model for green construction in a public mixed use facility. However, regardless of the availability of outside funding the building would need, as a minimum, to be constructed to LEED Gold rating.

## **Project Components**

#### Educational Hub

CLPCCD anticipates that the educational hub will require approximately 5,000 square feet of space during the first five years of the building's operation and 10,000 square feet thereafter. This space will house classrooms, and adminisrative and support space for educational programs conducted by Chabot College and CLPCCD. This amount of space is to be provided to CLPCCD at no cost. The exact size of the space needed by CLPCCD and other educational institutions will be further reviewed and confirmed during the due diligence phase defined later in this document.

#### Parking

Parking is to be provided to support the building operations. A minimum of one space per 300 square feet of office space is required. Since educational facilties have intense parking needs an additional 200-300 spaces will be required for college programs. These needs may require a parking structure intregal with the building itself. However, some of the parking requirements may be met through the use of adjoining City or BART parking. Final determination of parking need and configuration will be made during the due diligance phase(s) of the process. Parking may also be sold to BART patrons as long as building tenant needs are met.

#### Office/Retail Space

The building would need to be sized to provide for an income stream from leased office/retail space sufficient to encourage investment into this project. A minimum of 40,000 square feet of office/retail space is required. Library (optional --- Under consideration) The current library building which houses the Alameda County Library Branch in Union City has outgrown its space. Additonally, the current building's proximity to Union City city hall could provide space to relieve the over-crowding in the city hall if made availble by the relocation of the library services.

Therfore, it is under consideration to move the library into this project creating a college/public library for use by both the HUB students and the community. Approximately 20,000 square feet is needed for that purpose. This space is to be provided at no cost to the library. Outside funds may become available to help fund the library construction. Details regarding the incorporation of this option will be finalized during the Due Dilligance Phase(s).

# California Government Code Section 5956

#### Purpose

In 1995, the California State Legislature passed Senate Bill 1059, which was the enabling legislation for California Government Code section 5956. In accordance with the provisions of this legislation, the selected Developer shall "study, plan, design, construct, develop, finance ...operate" this project. This legislation gives CLPCCD the flexibility to utilize private investment capital to deliver fee-producing projects under a leaseleaseback or other scenario. A copy of the full text of this legislation is included as Exhibit C of this document.

#### Financing

In accordance with the provisions of California Government Code section 5956, the selected Developer will provide the necessary financing for this project. This project is to be funded with private equity and debt. No tax exempt bonds will be allowed.

#### Operational use

Several lease/management options are possible using California Government Code section 5956, any of which may be proposed in the RFQ. However, in all cases, upon completion of the lease time period, CLPCCD will assume ownership of the entire project at no additional cost.

The primary intention is that on assuming ownership of the property the CLPCCD provides a long-term lease for development by the selected Development Team who privately finances, constructs, and owns all improvements on the property. The improvements are then maintained, marketed and operated by the selected Development Team, or its successors, for the duration of the land lease. The improvements will be taxed by Union City at current rates. Upon expiration of the land lease, which cannot exceed thirty-five years, CLPCCD will assume ownership of the entire project at no additional cost.

## **II. BACKGROUND INFORMATION**

## CLPCCD

Chabot College was established in 1962. In 1992 Las Positas College was established and the Chabot Las Positas Community College District came into being. The District serves the cities of, Hayward, Union City, San Leandro, San Lorenzo, Castro Valley, Dublin, Pleasanton, Livermore and the area of Southern Alameda County that connects these communities.

The CLPCCD operates by authority of a seven member Board of Trustees and the Board of Governors of the California Community Colleges. The CLPCCD serves more than 260,000 residents within its 500 square mile boundary.

Chabot and Las Positas colleges are accredited by the Western Association of Schools and Colleges. The District currently enrolls approximately 18,000 day and evening students each semester. The student body is diverse, reflecting the changing demography of California's major ethnic groups.

## **Union City**

Union City is a city in Alameda County, California, United States. As of the 2000 census, the City had a total population of 66,869 but the current population is about 70,300. It was incorporated in 1959, combining the communities of Alvarado, Decoto, and New Haven. Alvarado was the original county seat of Alameda County, and the site of the first county courthouse.

As of the census of 2000, 15,696 families were residing in the City. The population density was 3,473.0/mi<sup>2</sup>. There were 18,877 housing units at an average density of 980.4/mi<sup>2</sup>. The racial makeup of the city was 30.21% White, 6.70% African American, 0.53% Native American, 43.39% Asian, 0.91% Pacific Islander, 11.53% from other races, and 6.73% from two or more races. Hispanic or Latino of any race was 23.96% of the population.

There were 18,642 households out of which 45.3% had children under the age of

18 living with them, 66.6% were married couples living together, 12.2% had a

female householder with no husband present and 15.8% were non-families.

Of all households, 11.3% were made up of individuals and 3.8% had someone living alone who was 65 years of age or older.

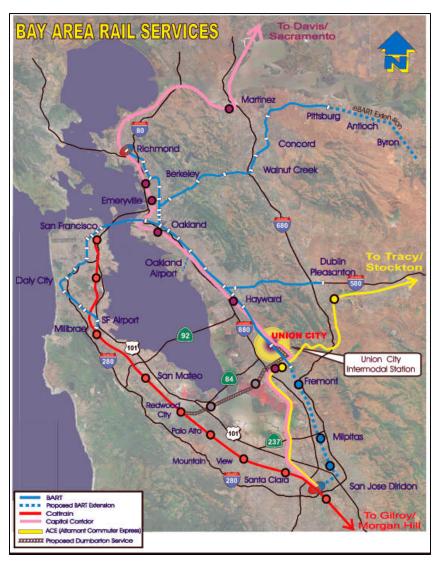
The average household size was 3.57 and the average family size was 3.83. The median price of a house in Union City is about \$400,000.

In the City the age of the population was spread out with 27.8% under the age of 18, 9.8% from 18 to 24, 32.7% from 25 to 44, 21.6% from 45 to 64, and 8.1% who were 65 years of age or older. The median age was 33 years. For every 100 females there were 98.9 males. For every 100 females age 18 and over, there were 96.0 males.

According to a 2006 estimate, the median income for a household in the City was \$76,223, and the median income for a family was \$82,717. Males had a median income of \$45,212 versus \$35,085 for females. The per capita income for the City was \$22,890. About 4.8% of families and 6.5% of the population were below the poverty line, including 7.0% of those under age 18 and 6.5% of those ages 65 or over.

Current sales tax in Alameda County and Union City is 8.75%.

## **BART (Bay Area Rapid transit)**



BART began operations in 1947 with a proposal to build a tunnel between Oakland and San Francisco for mass transit. Today BART operates 104 miles of line with 43 stations on both sides of San Francisco Bay. Trains operate 4 a.m. to midnight Monday through Friday; 6 a.m. to midnight on Saturday and 8 a.m. to midnight on Sunday. Closing for individual stations is timed with the schedule for the last train beginning at approximately midnight.

About 350,000 persons ride the BART each business day. Approximately 4,000 people exit daily from the Union City Bart station.

## **III. DEVELOPMENT APPROACH**

This section includes a general overview of the process to study, plan, design, construct, develop, finance, market and manage the proposed project. The development approach is in two parts. Part 1 begins when the successful awardee is given a one-year, ENRA during which time they are expected to study and analyze the potential project, complete the entitlement and environmental process for the project, and fully develop a public-private partnership to finance the project that is acceptable to Union City, the Union City Redevelopment Agency, and CLPCCD. Following acceptance of the project proposal and completion of entitlements part two will be undertaken, which is a Project Development contract to prepare construction documents for building permits and to construct, finance, maintain, market, and manage the project.

The overall process can be outlined as follows:

- 1. The prospective Development Teams submit a Statement of Qualifications based on this RFQ.
- 2. CLPCCD and the Union City Redevelopment Agency select a developer.
- 3. The District, Redevelopment Agency and the developer enter into a one-year ENRA.
- 4. The developer undertakes its due diligence process.
- 5. After the first level of due diligence, the developer will submit a development concept to the CLPCCD and Union City. The development concept would need to be developed within the first six months of the ENRA.
- 6. The developer, CLPCCD and Union City will agree upon the development concept.
- 7. The developer will secure entitlements and complete the environmental review process. The entitlement process would need to be completed within the period of the ENRA. An extension would be allowed if an Environmental Impact Report is required, or if a Mitigated Negative Declaration is required.

- 8. The developer would develop a Formal Proposal for the entitled project and establish the financing mechanism to make the project happen.
- The CLPCCD enters into a Development Contract with the developer based on the Formal Proposal.
- CLPCCD takes possession of the property when the developer is ready to pull building permits and demonstrates financing for development
- 11. Construction begins within one year of receiving entitlements from Union City and approval from CLPCCD

## Part 1 -- One Year Exclusive Negotiating Agreement

The Union City Redevelopment Agency and the selected developer shall prepare an ENRA which identifies the terms, conditions, project entitlement process, delivery process and approvals for the financing and delivery of the proposed project. The ENRA will state that the Union City Redevelopment Agency, working with CLPCCD, intends to enter into an exclusive contract and lease with selected developer to study, plan, design, construct, develop and finance and, if proposed and accepted, to market and manage this project subject to the determination that these projects are feasible.

#### Board Authorization to Proceed

Before proceeding with the services, the ENRA must be approved or ratified by the Board of Trustees of CLPCCD and the Redevelopment Agency of Union City at a regularly scheduled meeting of the board(s) or a special work-study session.

### **Project Phasing/Activity under ENA**

### Phase I – Due Diligence (Data Collection and Site Review)

During this phase the developer will collect all information and data required to gain a clear understanding of all parameters and constraints that may affect the development of this project.

# Phase II – Preliminary Planning and Project Design

The selected developer will work with CLPCCD and Union City to further define the requirements and prepare a concept design and preliminary plans for the project. Phase I and Phase II tasks should be completed in six months.

Phase III – Entitlements and Reviews During the second six month period of the ENRA, the developer will refine the design concept, prepare the environmental document, complete all development approvals, permits and entitlements required to develop this project.

# Phase IV – Due Diligence Analysis and Formal Proposal

The purpose of this phase is to determine if, in fact, the project can be developed as planned and determine the financial feasibility of the project. It will be undertaken concurrently with the entitlement process.

#### Report and Analysis

The developer will prepare a Due Diligence Final Report of the Team(s) findings for each phase and the proposed terms and conditions for the delivery of the project, including proposed forms of any contract and/or leases. This report will need to be accepted by the CLPCCD Board of Trustees and the Union City Redevelopment Agency Board.

### Formal Proposal

Upon acceptance of the Due Diligence Final Report and completion of the entitlement process, the development Team will prepare a Formal Proposal for financing and delivering the proposal

to implement the financing and construction of the entitled project. The Formal Proposal would serve as the basis for the Development Contract project.

#### Part 2 -- Development Contract

Upon satisfactory completion of the above tasks, a development contract will be entered into wherein the selected developer will serve as the single entity to "construct, develop and finance" as well as market and manage this proposed project. Accordingly, upon executing a contract and/or leases for the land and project, the selected developer shall have sole authority to determine how best to deliver the proposed project except that final construction plans shall also be approved by the CLPCCD Board of Trustees and recommendations stemming from CLPCCD construction inspection/review and quality control standards will be adhered to. The developer will have one year after being issued the Development Contract to arrange financing, prepare construction documents, pull permits, and begin active construction of the project.

#### Long-term Lease Execution

Upon approval of Board of Trustees of CLPCCD and Union City Redevelopment Agency of the Development Contract the selected Developer will execute all necessary contracts to allow delivery of this proposed project. The developer's key terms for the contracts and leases will be included in the Due Diligence Final Report.

All remaining entitlements and permits will be issued at this point. The transfer of the property from the Union City Redevelopment Agency to CLPCCD and the negotiation of the long-term lease will occur after entitlements are issued and before construction begins.

## **IV. SUBMITTAL REQUIREMENTS**

## Conditions

- A \$25,000 non-refundable deposit must be submitted to the Union City redevelopment agency when the exclusive one-year agreement is executed. An additional non-refundable \$75,000 fee (\$100,000 total) is due to the Union City Redevelopment Agency from the awardee when the Development Contract is agreed to.
- The applicant is required to pay all fees and costs for entitlements, including environmental review, site development review and any other project applications.
- Project cost estimates should be based on paying prevailing wage as required under Chapter 1, commencing with section 1720, of Part 7, of Division 2, of the Labor Code.
- CLPCCD, Union City nor the Union City Redevelopment Agency will provide financial assistance to the project. No agency will underwrite tax exempt bonds of any sort.
- CLPCCD desires to take advantage of state-of-the-art alternative energy technology. CLPCCD also wishes to incorporate sustainable design into the design and construction of this project. A building constructed to LEED gold standard is required.
- The facilities design must be consistent with the Union City Station District Plan and General Plan.
- Any building used as a "school building" in the State of California must comply with applicable portions of the California Education Code, including but not limited to the Field Act. This building is intended to be used as a school building within the meaning of the Educational Code. Inspection will be conducted by the Department of State Architects (DSA). However, the building must also conform to all local code when not in conflict with DSA.

• The improvements, although private construction shall be deemed public property for the purposes of identification, maintenance, and enforcement of laws of Division 3.6, commencing with section 810. The improvements must comply with Chapter 1, commencing with section 1720, of Part 7 of Division 2 of the Labor Code.

## **Submission Deadline**

One (1) original and twenty four (24) copies of the entire qualifications submissions, including any supporting documentation, must be provided. In addition a disc with a full electronic version of the presentation in PDF format must be submitted. All materials must be **received no later than close of business on TBA.** 

Failure to meet the deadline will result in disqualification from the process without review. Faxed submissions or submissions sent via electronic mail will not be accepted.

Submissions may be delivered in-person, by US Postal Service or common carrier.

All Qualifications submissions shall be submitted in sealed envelopes or boxes clearly marked on the outside: "Request for Qualifications, Union City BART – Educational Hub Development, RFQ #D-09."

Send proposals to:

Office of the Vice Chancellor, Business Services Chabot - Las Positas Community College District Office 5020 Franklin Drive Pleasanton California 94588

The District reserves the right to reject any and all RFQ submittals and any or all items in any submittal. The District may waive any informality in the RFQ submittals.

## **Required RFQ Contents**

Each response must include the following:

1. Cover Letter

A maximum one-page dated introductory letter including the legal name of the respondent, address, and telephone and fax numbers. Also to include the name, title and signature of the person(s) authorized to submit the proposal on behalf of the firm and all licenses held by the development team, including but not limited to, licenses issued by the California Department of Real Estate, general contracting licenses as issued by the California Contractors State License Board, and architectural licenses and certifications.

#### 2. Table of Contents

A Table of Contents of the material contained in the qualification package should follow the cover letter.

#### 3. Executive Summary

The Executive Summary should contain an outline of your general approach to the project including initial vision and concept. Include a brief summary of your team's qualifications and your interest to engage in a professional relationship with CLPCCD.

#### 4. Firm Profile

Provide a firm profile as well as profiles for each sub-consultant firm that will be a part of the proposed Development Team.

#### 5. Firm Experience

Describe your firm's experience with the following:

- Experience with public-private partnership projects. Include the scope of projects, description, and construction costs for each project listed.
- Experience related to developing similar facilities, including integrated parking, from initial planning through project completion and project operation (please cite examples).
- Demonstrated ability to work effectively with state agencies, in particular, Community Colleges, including awareness of regulatory requirements for community college instructional facilities.
- Experience working with local and state approval agencies.
- Experience with "Green" construction and LEED requirements.

- Experience and strength of architects, planning and design consultants, construction team, and other specialists who are part of the Development Team. Provide exhibits of team member products of similar design and scope.
- Construction management experience especially completing projects on time and on budget.
- Experience marketing and managing similar facilities.

## 6. Project Approach

Provide a comprehensive narrative of the specific approach your firm will take for the described project. Demonstrate your ability to create a Development Team which can successfully undertake and complete this project on budget and on time.

#### 7. Personnel

Provide the following:

- What are the characteristics of a successful Development Team and how does your team address these characteristics.
- Overall experience of the proposed Development Team in studying, planning, designing, financing, constructing and managing similar projects.
- Define the role of each person and consultant firm
- Organization chart Define clear lines of responsibility which can be relied upon for effective and responsive action.
- Resumes of personnel who would likely be assigned to the project.
- Indicate who would serve as the primary contact for CLPCCD.

### 8. Financial Capability

Provide the following:

- Description of the overall financial strength of the fiscal Development Team.
- Demonstrated ability to provide necessary capital for predevelopment activities; secure construction and permanent loan financing; provide required equity either directly and/or with capital partners; provide funding for ongoing operations (including maintenance, reserves, etc.); and

involvement in financing structures for projects similar to the proposed project.

- Strength of current relationship in regards to securing loan commitments from financial institutions; extent of commitment of such lending institutions.
- Feasibility analysis that includes investor development and contributions, projected construction costs, and projected revenue structure.
- Financial statements describing funding of previous similar projects that are descriptive of the developer's capital investment from similar projects.
- Indicate what security will be provided to assure that startup will not be delayed due to incomplete or inadequate fiscal preparation.
- Indicate what security will be provided to protect the revenue streams for the project to assure completion.
- Indicate the fiscal resources that will be used to operate the facility after construction.

#### 9. Additional Data

Any other additional information as it may relate to this RFQ.

## **Pre-Proposal Meeting**

The District will conduct a non-mandatory pre-proposal meeting with interested Development Teams on [TBD] at [TBD]. The purpose of the meeting is to review the RFQ, tour the proposed development sites, and for the District to respond to questions regarding the RFQ process. Additional copies of the RFQ will be made available at the meeting.

## V. SELECTION PROCESS

The CLPCCD staff and the Union City Redevelopment Agency will complete a review of the proposer's Statement of Qualifications submitted in response to this RFQ. In accordance with California Government Code section 5956, CLPCCD may or may not require additional steps to be taken beyond the Qualifications phase. Development teams are cautioned not to undertake any actions to promote or advertise their interests except in the context of presentations sponsored by the District. CLPCCD reserves the right to reject any and all submittals, request additional information and/or modify the selection process in accordance of California Government Code section 5956.

5956.5 "...The competitive negotiation process shall utilize, as the primary selection criteria, the demonstrated competence and qualifications for the studying, planning, design, developing, financing, construction, maintenance, rebuilding, improvement, repair, or operation, or any combination thereof, of the facility."

Excerpt from CA Government Code section 5956

## VI. SELECTION CRITERIA

The CLPCCD will evaluate the strength of the proposed Development Team based on the following criteria.

## **Overall Criteria**

- Demonstrated competence and qualifications for studying, planning, design, developing, financing, constructing, marketing, and managing the facility
- Ability to operate the facility at fair and reasonable prices to the final users of the facility.

## Specific Criteria

## 1. General Experience

Overall experience of proposed Development Team in planning, designing financing, constructing and marketing of similar facilities, especially in partnership with California community colleges.

# 2. Development and Management Experience

Development Experience

- Experience with public-private partnership projects.
- Experience with similar facilities, with integrated parking, development from initial planning through project completion and operation.
- Demonstrated ability to work effectively with state agencies, in particular, Community Colleges, including awareness of regulatory requirements for instructional facilities.
- Experience working with local and state approval agencies.
- Experience with "Green" construction and LEED requirements.

Management Experience

- Experience in marketing, managing and operating facilities containing uses comparable to the proposed development.
- Experience in achieving high quality project standards.
- Overall design and planning experience.

- Experience of identified consultants such as architectural, planning and/or design consultants as evidenced by
- Overall quality of previous similar projects.
- Experience in constructing and managing similar type, size and complexity of projects.
- Ability to meet established time schedules and approved construction/development budgets
- Public-private partnership experience.

# 3. Experience with joint public/private partnership projects including:

- Demonstrated ability to work effectively with institutions of higher education, in particular community colleges responding to public objectives, and deliver development projects as initially represented.
- Number and size of all projects to be concurrently undertaken by the Development Team, and ability of the Development Team to successfully undertake and complete such projects (including the proposed development) during the time frame of the proposed development project.

# 4. Organization, personnel and Management

- Organization of Development Team with clear lines of responsibility which can be relied upon for effective and responsive action.
- Identification and demonstrated commitment of lead person responsible for project management for the proposed development.
- Qualifications of key personnel who will participate in the proposed project.
- Experience, qualifications and strength of key contractors, consultants, and specialists designated as part of the proposed Development Team.

### 5. Financial Capability

- Overall financial strength of the Development Team.
- Demonstrated ability to provide necessary capital for predevelopment activities; secure construction and permanent loan financing; provide required equity either directly and/or

with capital partners; provide funding for ongoing operations (including maintenance, reserves, etc.).

- Involvement in financing projects similar to the proposed project.
- Strength of current relationship with funding and investment resources, specifically in regards to securing loan commitments from financial institutions.
- Extent of commitment of such lending institutions or other financing.
- Strength of assurances that financing is secure for construction and operation of the facility.

## 6. Development Statement of

### Qualifications

- Ability to achieve project objectives and requirements.
- Responsiveness to goals and objectives of CLPCCD and the Union City Redevelopment Agency.
- Consistency with applicable land use and zoning provisions.
- Market viability of the proposed product type(s) and proposed uses.
- Overall economic feasibility based on estimated development costs, financing and revenue.
- Construction and permanent financing terms.
- Length of lease term and extent of proposed lease payment schedule to the District.
- Reasonableness of projected schedule for construction of proposed project.
- Extent, timing and/or conditions of phasing plan, if proposed.
- Ability to achieved LEED Gold rating in the construction project.
- Experience with project labor agreements.
- Other factors.

## VII. BASIC TERMS AND CONDITIONS

#### Disposition of the site

Disposition will be undertaken by the CLPCCD within the parameters of the California Code Section 5956, which enables CLPCCD to utilize private investment capital to deliver the proposed fee-producing project under a leaseleaseback scenario.

If proposed and accepted by the CLPCCD Board of Trustees and in accordance with the provisions of California Code Section 5956, CLPCCD shall lease the land for development of this project to the selected Developer for a nominal annual payment for a pre-determined period of time (not to exceed 35 years). Upon completion of the project CLPCCD shall assume ownership of the project at no additional cost.

#### Site Improvements

The selected Developer will be responsible for the construction cost of all on-site and off-site improvements, permits, fees, etc., including the cost of installing and/or relocating of utilities as necessary. The developer would be responsible for the clean-up of toxic waste, if any, as this site will be offered in an "as-is" condition by the District.

The site currently has two buildings which will be razed as part of the project. Current leaseholders have been advised of the redevelpment plans and are on month-tomonth leases.

Site improvements will be taxed by Union City at current rates.

#### Indemnity

Developer shall save, indemnify, defend (with legal counsel of their choice), and hold harmless the District and its employees, from any and all claims, damages, losses, cost, expenses (including reasonable attorneys fees and court costs) or liabilities of every kind on account of damage to property or injury to person or death, which claims, damages, losses, costs, expenses or liabilities directly or indirectly arise from or relate to the acts or omissions of the Developer, its officers, agents, employees, contractors and subcontractors during the term of and in connection with the agreement with

CLPCCD, except to the extent that such claims, damages, losses, costs, expenses or liabilities result from the active negligence, sole negligence or willful misconducts of the District or their respective officers, agents and employees.

#### Anti-Discrimination

The developer shall not discriminate because of race, age, religion, color, ancestry, sex or sexual preference, physical handicap, or nations of origin against any person by refusing to furnish such person any accommodation or facility offered to the general public; not to publicize the accommodations or facilities in any manner that would directly inferentially reflect upon or question that acceptability of the patronage or any person because of race, age, religion, color, ancestry, children, sex or sexual orientation, physical handicap or national origin. The developer/owner shall be held liable for any infractions to the Fair **Employment Practices Act.** 

#### Insurance

During construction and operation/management of the facility the selected developer(s) and general contractor will be required to submit evidence of general liability, automobile, workers compensation and property protection policies with appropriate coverage and deductible levels. Policies, in all cases, shall name the District as additional insured.

#### Bonds

CLPCCD may, in its sole discretion, require submission of performance and payment bonds prior to the commencement of construction on the project related to the direct construction cost of the proposed project. Union City may also require public improvement and/or utility improvement bonds.

#### Real Estate Commissions

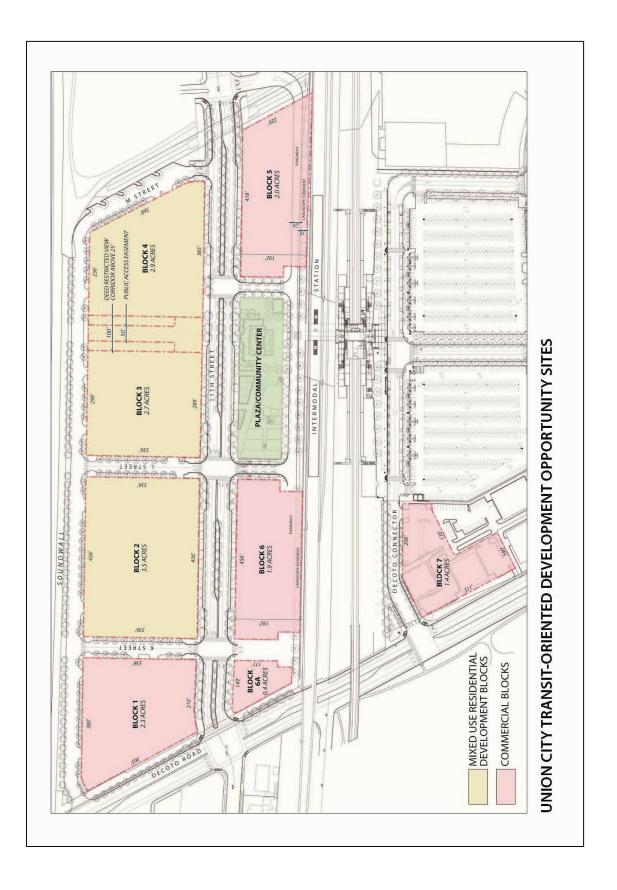
The District, Union City, or the Union City Redevelopment Agency shall not be liable for any real estate commissions or brokerage fees incurred by the developer that may arise from the disposition or development of the sites. The developer agrees to hold the District harmless from any claim by any broker, agent or finder.

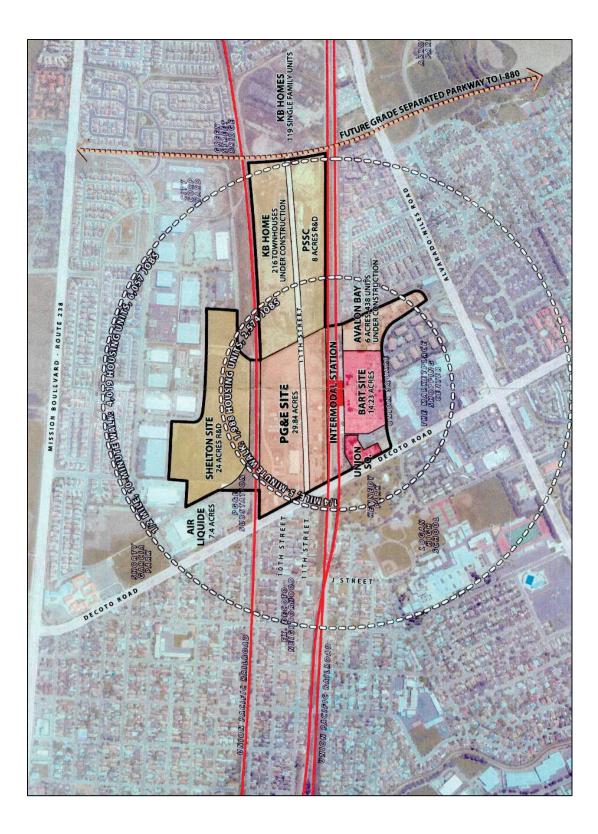
#### Annual Reports

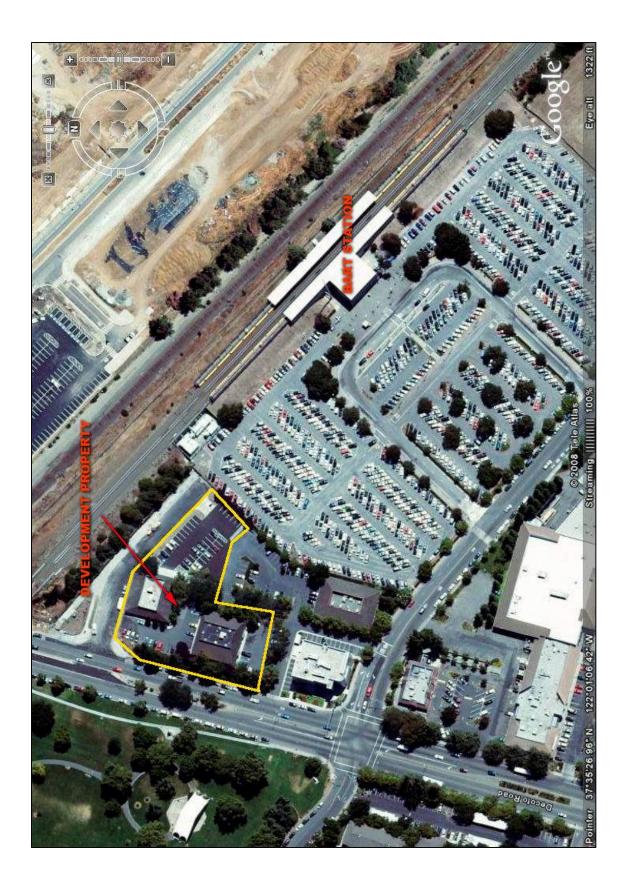
The operators/mangers of the facility shall supply an audited annual report accounting for all income received and expended while operating the facility. That report must be made available upon request to any member of the general public at cost.

## Exhibit A – Maps and Aerial Views









## Exhibit B: Scope of Services

### Phase I – Due Diligence (Data Collection and Site Review)

During this phase the selected developer will perform the following tasks:

Collect maps, aerial photos, and planning data from Union City, County, CLPCCD, etc.

Review current property surveys including:

- Topography
- Legal Description
- Current Title Report
- Existing Easements
- Existing Buildings

Review all previous Environmental Reports and environmental conditions such as:

- Phase I and Phase II Environmental Reports
- Environmental Impact Reports or other environmental analyses.
- Research flood plains, wetlands, habitats, and environmental issues.

Research Existing Conditions and Utilities:

- Examine existing and planned utilities to surrounding properties.
- Examine existing conditions and documented development plans on surrounding properties.
- Review any parking studies which may have previously been conducted.
- Review current parking regulations and policies.
- Obtain and review all previous traffic studies and planned traffic improvements.
- Obtain and review previous ADA studies and transition plans.

If parking management is outsourced, a copy of the management agreement should be provided.

Obtain and review Education Plan for Chabot College

- Review implications of Educational Plan on the development of this site
- Obtain and review development schedule constraints that may impact this proposed project

#### Land Use

- Review existing General Plan and zoning regulations for the property.
- Review City and/or County initiatives in the area, State DOE requirements and guidelines.

Identify all project approvals and permits required to develop the proposed project

- Review local (city or county) permits and approvals.
- Review Division of the State Architect (DSA) approvals.
- Review environmental agency approvals.
- Conduct soil sampling and other forensic investigations as required for state instructional facilities.

### Phase II – Preliminary Planning and Project Design

During this phase the selected developer will develop the concept and preliminary plans for project including:

- Preliminary Site Plans
- Preliminary Floor Plans
- Preliminary Elevations and Architectural Character Sketches

Review key findings and major concepts with CLPCCD College leadership and Union City staff. Presentations of the conceptual design to the Board of Trustee and Union City Redevelopment Agency Board may be necessary.

### Phase III – Entitlements and Reviews

During this phase the selected developer will fully develop the conceptual design and evaluate the suitability of the site for development of the proposed project and determine the financial feasibility of the project. Based on the information obtained during Phase I, the Due Diligence phase, Phase II, the Preliminary Planning and Project Design phase, the selected developer will address the following issues to assure there are no impediments to developing the proposed project:

- Drainage and flood plain analysis
- Land-use and zoning analysis
- Environmental concerns
- Hazardous materials
- Wetlands constraints
- Archaeological concerns
- Endangered species
- Geo-technical and geological aspects
- Topography
- Size and Shape
- Accessibility
- Traffic
- Public Services
- Utilities
- Proposed project delivery schedule
- Proposed financing terms and conditions
- Proposed lease terms & conditions in accordance with the provisions of California Code Section 5956 including:
  - o Contracting entities
  - o Duration
  - o Collateral
  - o Source of revenue

Once these issues are addressed the entitlement process must be undertaken and as a minimum include:

- Securing all entitlements from the Division State Architect (DSA); Securing all entitlements from Union City through the Planning Commission and City Council for Site Development Review and any other required approval;
- Securing any required environmental approvals for the proposed project to assure compliance with the California Environmental Quality Act (CEQA); the City of Union City shall be the lead agency in regard to any such required environmental review;
- Identifying financing for installation of public infrastructure and improvements (water, sewer, drainage, streets, street lighting, landscape, etc.) required to

accommodate the proposed project in accordance with Union City standards.

#### Phase IV – Due Diligence Analysis and Formal Proposal

The team will prepare a final report of the findings of Phase I, Due Diligence, Phase II, Preliminary Planning and Project design, and Phase III, Due Diligence Analysis for presentation to the CLPCCD and Union City Redevelopment Agency staff and CLPCCD Board of Trustees. This will include a proposed form of contract for the financing and project delivery for review and approval by CLPCCD staff and the Board of Trustees.

Following acceptance of the Final Report a Formal Proposal will be drafted for CLPCCD Board of Trustee and Agency Board approval which outlines the financing, construction, and future management of the facility. The Formal Report will serve as the basis for a Development Contract to finance and construct the entitled project.

## Part 2 -- Project Delivery

Upon approval by the CLPCCD Board of Trustees and in accordance with the provisions of California Code Section 5956, the selected developer will serve as the single entity to " construct, develop and finance" this proposed project. Following the entitlement process, and upon executing a contract and/or leases for the land and project, the selected developer shall have sole authority to determine how best to deliver the proposed project except that final construction plans shall also be approved by the CLPCCD Board of Trustees and recommendations stemming from CLPCCD construction inspection/review and guality control standards will be adhered to.

The developer shall have one year from the awarding of entitlements to pull building permits for the project, arrange funding and start actual construction of the project.

## **EXHIBIT C – Union City Review Process and Fee Schedule**

- 1. Union City Review Process
- 2. Union City Fees Schedule for Entitlements

# **City of Union City**

## DEVELOPMENT REVIEW COMMITTEE PROCESS SITE DEVELOPMENT REVIEW

### PRELIMINARY REVIEW SUBMITTAL REQUIREMENTS (No Fee Required)

- Completed "Preliminary Application Form"
- □ Color Photographs of Site (digital)
- Three (3) Sets of Full-Size Plans (Black/White)
- Ten (10) Sets of 11" x 17" Plan Reductions (Black/White)

#### Required Plans\* (collated, stapled, and folded):

- Site Plan (scaled and fully dimensioned, show property lines, setbacks, adjacent properties, all existing structures and features including those proposed for demolition, and parking)
- □ Floor Plans
- Landscape Plan (include common name, botanical name, size, location, and number of each planting material used; see Bay-Friendly landscaping requirements and Landscape Standards Policy Statement)
- Roof Plan
- □ Architectural Elevations (show all views)
- Preliminary Grading/Drainage Plan
- Completed Environmental Checklist

#### FORMAL REVIEW SUBMITTAL REQUIREMENTS\*\* (Fees Apply)

# ADMINISTRATIVE SITE DEVELOPMENT REVIEW (REVIEW BY ZONING ADMINISTRATOR)

- □ Completed "Application for Development Review"
- Fee Payment (by credit card, cash, or check payable to "City of Union City")
- □ Three (3) Sets of Full-Size Plans (Black/White)
- □ Twenty (20) Sets of 11" x 17" Plan Reductions (Black/White)

#### See Required Plans above

#### SITE DEVELOPMENT REVIEW (REVIEW BY PLANNING COMMISSION)

- Completed "Application for Development Review"
- □ Fee Payment (by credit card, cash, or check payable to "City of Union City")
- □ Three (3) Sets of Full-Size Plans (Black/White)
- □ One (1) Set of Full-Size Colored Elevations/Renderings (unmounted)
- □ Thirty (30) Sets of 11" x 17" Plan Reductions (Black/White)
- □ Fifteen (15) Sets of 11" x 17" Plan Reductions (Color)

#### See Required Plans above

- □ Electronic Files of Plans and Site Photographs (PDF or JPEG files)
- Completed "Alameda County Permanent Stormwater Quality Control" worksheets

# \*Plans may be required to be prepared by a licensed architect, surveyor, and/or civil engineer

\*\*Other requirements such as cross sections, soils reports, arborist reports, or other technical reports may be required, as determined by the Zoning Administrator

## City of Union City ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT FEES FOR PLANNING APPLICATIONS 2008-2009

APPLICATION TYPE	FEE
SITE DEVELOPMENT REVIEW	
Administrative Site Development Review Site Development Review for Individual Single Family Unit	\$509.00
Site Development Review	\$4,794.00 + \$437.00 (per acre over one acre) + \$164 (per unit for all multiple-family projects)
USE PERMIT	
Administrative Use Permit	\$509.00
Use Permit—Residential Districts	\$870.00
Use Permit—Non-Residential Districts	\$1,450.00
SUBDIVISION	
Tentative Parcel Map	\$2,323.00
Tentative Tract Map (including condominiums)	\$6,681.00 + \$144.00 per lot over 5 lots (Maximum\$15,000.00)
EXTENSIONS	
Administrative Site Development Review/ Administrative Use Permit	\$128.00
Site Development Review/Use Permit/Variance	\$318.00
Extension of Sign Amortization Period	\$119.00
AMENDMENTS	
Zoning Text Amendment	\$1,450.00
Zoning Map Amendment	\$4,939.00
General Plan Amendment	\$6,537.00 + \$580.00 per additional acre over 5 acres (Maximum \$15,000)
VARIANCE	\$1,234.00
APPEALS	\$509.00
RENEWALS/MODIFICATIONS	Base fee without acreage calculation
DEVELOPMENT AGREEMENT	Consultant Cost + 64% (including legal)
ENVIRONMENTAL REVIEW	
Negative Declaration–Unmitigated (ND)	\$364.00 + Consultant Cost + 64%
Negative Declaration-Mitigated (MND)	\$2,033.00 + Consultant Cost + 64%
Department of Fish & Game Filing Fee for ND and MND–\$1,800.00 + County Clerk Filing Fee– \$50.00.00	\$1,850.00 Make checks payable to "Alameda County Clerk"
Environmental Impact Report (EIR)	Consultant Cost + 64%
Department of Fish & Game Filing Fee for EIR– \$2,500.00 + County Clerk Filing Fee–\$50.00.00	\$2,550.00 Make checks payable to "Alameda County Clerk"
MAILING LABEL PREPARATION	\$84.00

(300-foot radius of property)	

#### CALIFORNIA GOVERNMENT CODE

5956. Local governmental agencies have experienced a significant decrease in available tax revenues to fund necessary infrastructure improvements. If local governmental agencies are going to maintain the quality of life that this infrastructure provides, they must find new funding sources. One source of new money is private sector investment capital utilized to design, construct, maintain, rebuild, repair, and operate infrastructure facilities. Unless private sector investment capital becomes available to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate, or any combination thereof, fee-producing infrastructure facilities, some local governmental agencies will be unable to replace deteriorating infrastructure. Further, some local governmental agencies will be unable to expand and build new infrastructure facilities to serve the increasing population.

5956.1. It is the intent of the Legislature that local governmental agencies have the authority and flexibility to utilize private investment capital to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate, or any combination thereof, fee-producing infrastructure facilities. Without the ability to utilize private sector investment capital to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate, or any combination thereof, feeproducing infrastructure facilities, the Legislature finds that some local governmental agencies will not be able to adequately, competently, or satisfactorily retrofit, reconstruct, repair, or replace existing infrastructure and will not be able to adequately, competently, or satisfactorily design and construct new infrastructure. 5956.2. It is the intent of the Legislature that this chapter be construed as creating a new and independent authority for local governmental agencies to utilize private sector investment capital to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate, or any combination thereof, feeproducing infrastructure facilities. To that end, this authority is intended to

supplement and be independent of any existing authority and does not limit, replace, or detract from existing authority. This chapter may be used by local governmental entities when they deem it appropriate in the exercise of their discretion. It is the intent of the Legislature that this act creates no new governmental entities.

5956.3. (a) For purposes of this chapter, "governmental agency" includes a city, county, city and county, including a chartered city or county, school district, community college district, public district, county board of education, joint powers authority, transportation commission or authority, or any other public or municipal corporation.

(b) For purposes of this chapter, "private entity" includes a person, business entity, combination of persons and business entities, or a combination of business entities.

(c) For purposes of this chapter, "feeproducing infrastructure project" or "feeproducing infrastructure facility" means the operation of the infrastructure project or facility will be paid for by the persons or entities benefited by or utilizing the project or facility.

5956.4. A governmental agency may solicit proposals and enter into agreements with private entities for the design, construction, or reconstruction by, and may lease to, private entities for the following types of fee-producing infrastructure projects: (a) Irrigation.

(b) Drainage.

(c) Energy or power production.

(d) Water supply, treatment, and distribution.

- (e) Flood control.
- (f) Inland waterways.

(g) Harbors.

(h) Municipal improvements.

(i) Commuter and light rail.

(j) Highways or bridges.

(k) Tunnels.

(I) Airports and runways.

(m) Purification of water.

(n) Sewage treatment, disposal, and water recycling.

(o) Refuse disposal.

(p) Structures or buildings, except structures or buildings that are to be utilized

primarily for sporting or entertainment events.

5956.5. Notwithstanding Chapter 10 (commencing with Section 4525) of Division 5, or Part 2 (commencing with Section 10100) or Part 3 (commencing with Section 20100) of Division 2 of the Public Contract Code, the governmental agency soliciting proposals and entering into agreements with private entities for the studying, planning, design, developing, financing, construction, maintenance, rebuilding, improvement, repair, or operation, or any combination thereof, by private entities for fee-producing infrastructure projects shall ensure that the contractor is selected pursuant to a competitive negotiation process. Projects may be proposed by the private entity and selected by the governmental agency at the discretion of the governmental agency. Projects may be proposed and selected individually or as part of a related or larger project. The competitive negotiation process shall utilize, as the primary selection criteria, the demonstrated competence and qualifications for the studying, planning, design, developing, financing, construction, maintenance, rebuilding, improvement, repair, or operation, or any combination thereof, of the facility. The selection criteria shall also ensure that the facility be operated at fair and reasonable prices to the user of the infrastructure facility services. The competitive negotiation process shall not require competitive bidding. The competitive negotiation process shall specifically prohibit practices that may result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit governmental agency employees from participating in the selection process when those employees have a relationship with a person or business entity seeking a contract under this section that would subject those employees to the prohibition of Section 87100. Other than these criteria and applicable provisions related to providing security for the construction and completion of the facility, the governmental agency soliciting proposals is not subject to any other provisions of the Public Contract Code or this code that relates to public procurements.

5956.6. (a) For purposes of facilitating projects, the agreements specified in Section 5956.4 may include provisions for the lease of rights-of-way in, and airspace over, property owned by a governmental agency, for the granting of necessary easements, and for the issuance of permits or other authorizations to enable the private entity to construct infrastructure facilities supplemental to existing governmentowned facilities. Infrastructure constructed by a private entity pursuant to this chapter shall, at all times, be owned by a governmental agency, unless the governmental agency, in its discretion, elects to provide for ownership of the facility by the private entity during the term of the agreement. The agreement shall provide for the lease of those facilities to, or ownership by, the private entity for up to 35 years. In consideration therefore, the agreement shall provide for complete reversion of the privately constructed facility to the governmental agency at the expiration of the lease at no charge to the governmental agency. Subsequent to the expiration of the lease or ownership period, the governmental agency may continue to charge fees for use of the infrastructure facility. If, after the expiration of the lease or ownership period, the governmental agency continues to lease airspace rights to the private entity, it shall do so at fair market value.

(b) The agreement between the governmental agency and the private entity shall include, but need not be limited to, provisions to ensure the following:
(1) Compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code). Neither the act of selecting a proposed project or a private entity, nor the execution of an agreement with a private entity, shall require prior compliance with the act. However, appropriate compliance with the act shall thereafter occur before project development commences.

(2) Security for the construction of the facility to ensure its completion, and contractual provisions that are necessary to protect the revenue streams of the project.
(3) Adequate financial resources of the private entity to design, build, and operate the facility, after the date of the agreement.
(4) Authority for the governmental agency to impose user fees for use of the facility in

an Agreement sufficient to protect the revenue streams necessary for projects or facilities undertaken pursuant to this chapter. User fee revenues shall be dedicated exclusively to payment of the private entity's direct and indirect capital outlay costs for the project, direct and indirect costs associated with operations, direct and indirect user fee collection costs, direct and indirect costs of administration of the facility, reimbursement for the direct and indirect costs of maintenance, and a negotiated reasonable return on investment to the private entity.

(5) As a precondition to the imposition or increase of a user fee, the governmental agency shall conduct at least one public hearing at which public testimony will be received regarding a proposed user fee revenue or increase in user fee revenues. The public hearing shall precede the action by the governmental agency to actually impose a user fee or to increase an existing user fee. The governmental agency shall consider the public testimony prior to imposing a new or increased user fee. The governmental agency shall provide the following notices and utilize the following procedures:

(A) Notice of the date, time, and place of the meeting, including a general explanation of the matter to be considered, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the governmental agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed prior to the expiration of the one-year period for which the written request was filed. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

(B) At least 10 days prior to the meeting, the governmental agency shall make available to the public data that supports the Agreement of the fee or the increase in the fee.

(C) At least 10 days prior to the meeting, the governmental agency shall publish a notice in a newspaper of general circulation in that agency's jurisdiction stating the date, time, and place of the meeting, including a general explanation of the matter to be considered.

(ii) Any costs incurred by the governmental agency in conducting the meeting or meetings required by this section may be recovered from fees charged for the services that are the subject of the fee. (iii) For transportation projects specifically authorized by this chapter, at least 10 days prior to the meeting, the governmental agency shall publish for four consecutive times, a notice in the newspaper of general circulation in the affected area stating in no smaller that 10-point type a notice specifying the subject of the hearing, the date, time, and place of the meeting, and in at least 8-point type a general explanation of the matter to be considered.

(D) No local agency shall levy a new fee or service charge or increase an existing fee or service charge to an Agreement that exceeds the estimated Agreement required to provide the service for which the fee or service charge is levied and a reasonable rate of return on investment, pursuant to paragraph (4). Any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge pursuant to this chapter shall be taken only by ordinance or resolution. The legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge. (6) Require that if the legislative body of the governmental agency determines that fees or service charges create revenues in excess of the actual cost for which the user fee revenues are dedicated and a reasonable rate of return on investment, pursuant to paragraph (4), those revenues shall either be applied to any indebtedness incurred by the private entity with respect to the project, be paid into a reserve account in order to offset future operation costs, be paid into the appropriate government account, be used to reduce the user fee or service charge creating the excess, or a combination of these sources.

(7) Require the private entity to maintain the facility in good operating condition at all times, including the time the facility reverts to the governmental agency.

(8) Preparation by the private entity of an annual audited report accounting for the income received and expenses to operate the facility. The private entity shall make that report available to any member of the public for a cost not to exceed the cost of reproduction of the report. (9) Provision for a buyout of the private entity by the governmental entity in the event of termination or default before the end of the lease term.

(10) Provision for appropriate indemnity promises between the governmental agency and the private entity. (11) Provision requiring the private entity to maintain insurance with those coverages and in that Agreement that the governmental agency deems appropriate. (12) In the event of a dispute between the governmental agency and the private entity, both parties shall be entitled to all available legal or equitable remedies. 5956.7. (a) The governmental agency may exercise any power possessed by it with respect to the development and construction of infrastructure projects pursuant to this chapter. Agreements for the maintenance and police services entered into pursuant to this chapter shall provide for full reimbursement for services rendered by the governmental agency in accordance with the terms and conditions specified in the agreement. The governmental agency may provide services for which it is reimbursed with respect to preliminary planning, environmental certification, and preliminary design of the infrastructure projects. The governmental agency may consult with legal, financial, and other consultants in the negotiation and development of the agreement. To the extent existing public utility infrastructure is necessarily required to be modified, relocated, or removed in order for an infrastructure project authorized by this chapter to be constructed, the cost of modification, relocation, or removal of the existing infrastructure shall be borne by the private entity and included as a recoverable capital cost of the project. This cost shall not be construed to include costs of increasing the capacity, or upgrading, or improving the existing public utility infrastructure.

(b) The private entity's responsibility to modify, relocate, or remove existing public utility infrastructure shall not alter any agreements that may be in place between the governmental agency and any public utility regarding projects funded by the governmental agency.

(c) In the event of a dispute regarding the reimbursement required, a private entity may request an audit of the public utility's costs by a mutually acceptable certified public accountant. The result of the audit shall determine the actual costs. If the audit indicates that the public utility's actual costs were less than 95 percent of the cost claimed, the cost of the audit shall be borne by the public utility. If the audit indicates that the public utility's actual costs were 95 percent or more of the cost claimed, the cost of the audit shall be borne by the private entity.

5956.8. The plans and specifications for each project constructed pursuant to this chapter shall comply with all applicable governmental design standards for that particular infrastructure project. The private entity designing, constructing, operating, and maintaining infrastructure facilities pursuant to this chapter shall utilize private sector design and construction firms to design and construct the infrastructure facilities. However, a facility subject to this chapter and leased to a private entity shall, during the term of the lease, be deemed to be public property for purposes of identification, maintenance, enforcement of laws and for purposes of Division 3.6 (commencing with Section 810). All public works constructed pursuant to this chapter shall comply with Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

5956.9. In order to use the authority conferred by this chapter to the maximum extent, a governmental agency may use private infrastructure financing pursuant to this chapter as the exclusive revenue source or as a supplemental revenue source with federal or local funds. The governmental agency involved may be a local governmental agency or a combination of local governmental agencies. The governmental agency may work cooperatively with the California Infrastructure and Economic Development Board with regard to the design, construction, operation, and financing of privately financed facilities, but the projects will not be subject to the review or approval of that board. 5956.

10. Notwithstanding any provision of this chapter, neither the state nor any state agency may directly or indirectly use the authority in this chapter, nor may any governmental agency as defined in Section 5956.3, use the authority in this chapter, to design, construct, finance, or operate a state project. For purposes of this section, a state project includes any of the following: (a) Toll roads on state highways.

(b) State water projects.(c) State park and recreation projects.(d) State financed projects. These

limitations shall not prohibit the state, any state agency, or any governmental agency as defined in Section 5956.3, from utilizing authorizations contained in other provisions of law.