

**CSUDH**

**TORO  
AUXILIARY  
PARTNERS**



# **BUSINESS & INNOVATION COMMITTEE MEETING**

**WEDNESDAY, OCTOBER 16, 2024  
10:00 - 11:00 A.M.  
VIA ZOOM VIDEO CONFERENCE**

**BUSINESS & INNOVATION COMMITTEE MEETING**

Wednesday, October 16, 2024

10:00 to 11:00 A.M.

Via Zoom

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# **MEETING AGENDA**

October 16, 2024

**BUSINESS & INNOVATION COMMITTEE MEETING**

Wednesday, October 16, 2024

10:00 – 11:00 a.m.

**Join via Zoom:**<https://csudh.zoom.us/j/83567149876?pwd=G0ZxlvKdLGbTytgnBUK3nbCceCPt8s.1&from=addon>**Or Dial-In: Dial: +1 669 444 9171 Meeting ID: 835 6714 9876****AGENDA**

- I. Call to Order – Sheri Repp Loadsman, Chair
- II. Roll Call
- III. Approval of Meeting Agenda
- IV. Approval of Minutes from Previous Meeting
  - A. June 1, 2023
- V. Public Comments
- VI. Intro to Blank Wolff Cord Consulting
- VII. Discuss University Vision
  - A. University Village
  - B. Medical Building/Parking Structure
- VIII. LA Metro Proposal
- IX. Office of Real Estate Development
- X. Other Items
  - A. Digiknow
- XI. Adjournment

# MEETING MINUTES

June 1, 2023

**BUSINESS INNOVATION COMMITTEE MEETING**

Thursday, June 1, 2023

3:00 to 4:00 p.m.

Join via Zoom: <https://csudh.zoom.us/j/89052054658>

Or Dial-in: (669) 444-9171 Meeting ID: 890 5205 4658

**MEETING MINUTES**

Members Present: Pat West, Dr. Thomas Norman, Fran Fulton, Edgar Mejia-Alezano

Staff Present: Tranitra Avery, Isabel Ramirez, Eric Oum, Ed Fimbres

Guest Present: Emily Oliver, Urban Mosaic

- I. Call to Order – Chair Pat West
  - The meeting was called to order at 3PM
- II. Approval of Meeting Agenda
  - The agenda for the meeting was approved following a motion by Fran Fulton, seconded by Dr. Thomas Norman. The vote was unanimously approved with all in favor, none opposed, and no abstentions.
- III. Approval of Previous Meeting Minutes - November 8, 2022
  - The minutes from the November 8, 2022 meeting was approved with a motion from Dr. Thomas Norman and a second from Fran Fulton. The vote was unanimously approved with all in favor, none opposed, and no abstentions.
- IV. Public Comment
  - There were no public comments during this meeting.
- V. Informational Items
  - A. Dining Commons Update and Filming on Campus – Ed Fimbres
    - The discussion focuses on updates regarding the Phase 4 dining commons at a university campus. Eduardo Fimbres provides details about the design and layout of the new dining facility, including food stations, seating arrangements, and production areas. The dining hall will seat 388 people with both indoor and outdoor seating options and will feature stations like a salad bar, deli, and grill. The project is being built alongside new residential halls, with construction set to finish by spring 2026. The dining hall is located near existing buildings and is part of a larger effort to provide on-campus dining for residential students. Tranitra Avery clarifies that the dining commons is being developed in conjunction with the new residential towers, and it is the university's first dining facility. A meal plan program will be implemented, and the space will cater to both students living on campus and visitors. Pat West and Fran Fulton ask questions to gain a better understanding of the project's significance and location.
  - Eduardo Fimbres provides an update on commercial filming at the university, highlighting that filming activities are seasonal and generally occur outside of student-populated areas to prioritize education. The campus has seen an increase in filming inquiries, thanks to the efforts of Eric Oum, the campus filming coordinator, and collaboration with film brokers. Recent inquiries include companies like Reebok, Kohls, and Suzuki, with filming taking place in areas like the theater, athletics facilities, and the Innovation and Instruction building. Fimbres notes the significant coordination required between various campus departments, including parking and police, to secure approvals for filming locations. A recent success includes securing a Buick photoshoot, set to use the university theater and other buildings. Other projects include an independent film and a commercial for a medical scrub company. The campus is working to accommodate a range of media budgets, from major feature films to smaller media productions, with a goal of generating more revenue through these opportunities.

1000 E. Victoria Street, Cain Library Ste 3002, Carson, CA 90747 (310) 243-3306

B. CSUDH Urban Mosaic Catering Update

1. Voice of Consumer (VOC) survey
2. Marketing Update
3. Dining Operation Plan for Fall 2023

- Emily Oliver and Michael Burnett from Aramark presented a comprehensive overview of their Spring 2023 initiatives at CSUDH, highlighting key achievements, areas of improvement, and future plans. They discussed financial performance, customer feedback, and the successful introduction of new concepts like Taco Tuesday, which increased campus engagement. Addressing feedback about pricing and healthy options, Aramark introduced cost-conscious specials and committed to expanding nutritious offerings through initiatives like C-store reviews and partnerships with local vendors, including Compton Vegan. They also emphasized their focus on inclusivity by catering to the diverse student body, engaging with international students, and reducing processed food options. Social media followership and engagement increased, supported by pop-up events, complimentary treats, and promotional activities. Looking ahead to Summer and Fall 2023, Aramark plans to enhance meal plan offerings, refine digital platforms like GrubHub, and continue strengthening customer satisfaction through service excellence, sustainability events, and health-focused programming. Their vision is to deliver high-quality dining services while fostering community involvement and addressing student needs on campus.

C. Business Services Agreements Update - Tranitra Avery

- Tranitra Avery provided an update on the renegotiation of business service agreements between Toro Auxiliary Partners (TAP) and various campus partners, including the Philanthropic Foundation, Loker Student Union (LSU), and Associated Students, Inc. (ASI). TAP has been managing accounts payable, receivables, HR, and other business services for these entities, but has not been fully recouping the costs of these services, leading to a potential loss of over \$1.5 million. To address this, TAP is meeting with each partner individually to reassess services and ensure costs are aligned, while avoiding overcharging. Negotiations with the Office of Sponsored Research and Programs (OSRP) are particularly challenging, but progress is being made. TAP is also exploring in-kind exchanges, particularly with the Philanthropic Foundation, to address unpaid fees. Additionally, TAP has been addressing customer service concerns, including issues with responsiveness and delays, and has taken steps to improve service delivery. Through this process, TAP is working to better communicate the value of their services to campus partners and ensure agreements are structured to cover costs and support their operations.

VI. Other Items

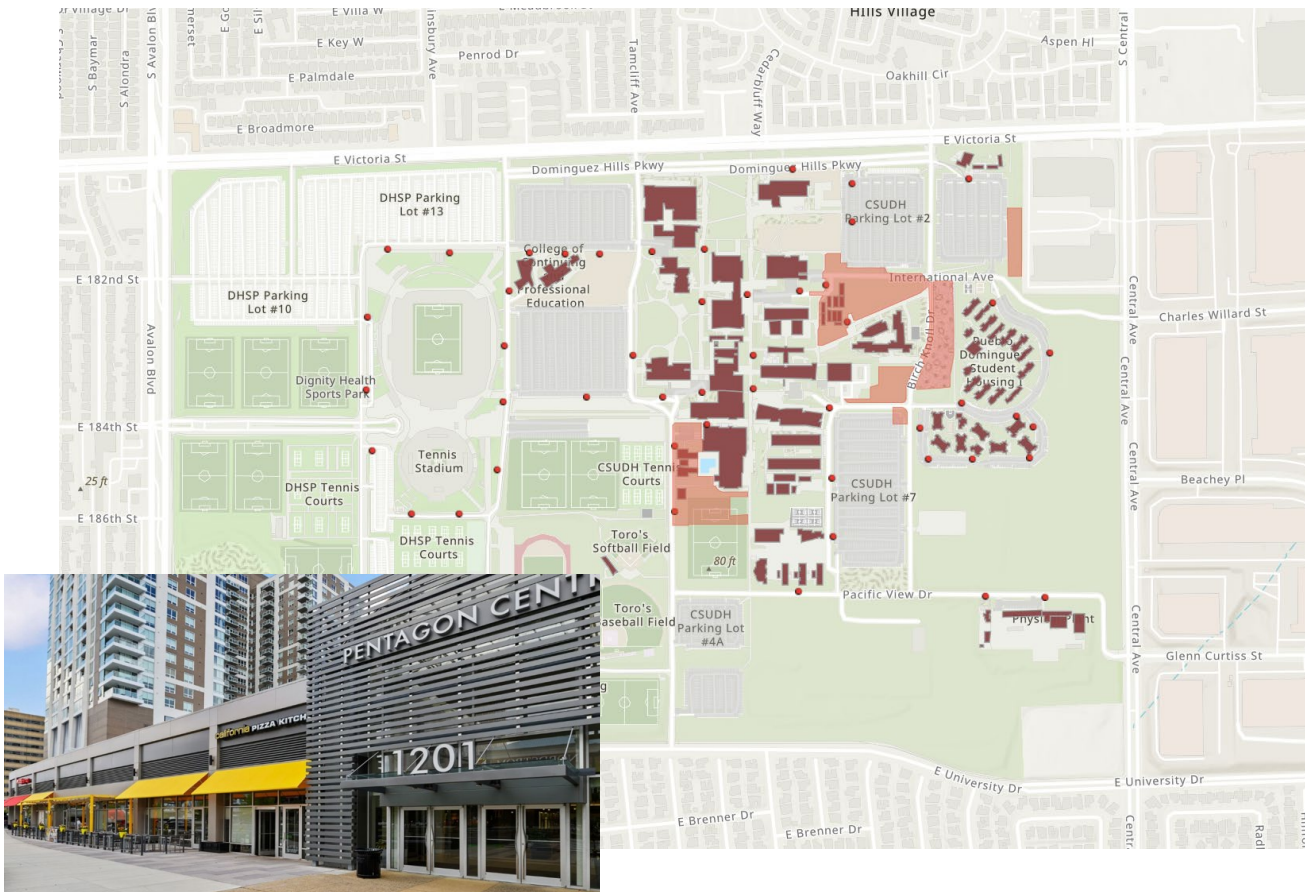
- Tranitra Avery provided an update on upcoming organizational efforts, mentioning plans for an internal staff retreat aimed at restructuring and identifying new opportunities for growth. She also shared that she will be attending the National Association for Collegiate Auxiliary Services West Region Convention in Seattle, where she serves as a board member, to explore potential opportunities for the campus, particularly in vending services. Avery noted that although entering the CSU system can be challenging due to contract requirements, she is actively seeking ways to bring new services to campus. Additionally, she discussed a potential new cell tower partnership with Verizon, emphasizing the desire to go beyond a simple ground lease and create a more meaningful, long-term investment in the campus, similar to other existing agreements. The goal is to ensure that Verizon's involvement benefits the university community over the long term.

VII. Adjournment

The meeting was adjourned following a motion by Fran Fulton, seconded by Edgar Mejia-Alezano  
Meeting end time: 3:52pm.

# **Blank Wolff Cord Consulting**

## 20 Year Strategic Real Estate Plan Services Outline



Prepared for: Ms. Tranitra Avery, Executive Director  
California State University Dominguez Hills

Prepared by: Julie Blank, Partner  
Rob Cord, Partner  
Blank Wolff Cord, LLC

Date: August 1, 2024

Blank, Wolff, Cord LLC (“BWC”) was formed for the purpose of conducting internal reviews to assist state universities in preparation for their annual audits while establishing the highest level of performance standards and guidelines. During BWC’s review work, we were asked to consult and advise on real estate related assignments. This led to an expanded focus bringing BWC partners combined experience in real estate to the benefit of our University Auxiliary clients. BWC is pleased to have this opportunity to be considered for the creation of a long-term real estate plan and the prospective development of a retail center while focusing on ways to create community that is accretive to the California State University Dominguez Hills experience while adding net income to the bottom line.

**The following scope is proposed:**

1. Assist with the Master Plan update
  - a. Create a long-term real estate management plan for California State University Dominguez Hills (“CSUDH”) which considers:
    - The best use of campus land to support additional academic/recreation/athletic facilities, the renovation of existing buildings, and student/faculty/staff housing.
    - Planning for future expansions or modifications based on evolving needs and market conditions.
2. Define and outline the Public Private Partnership (“P3”) including the selection process and criteria for CSUDH P3 Partners.
3. Development of the method by which the projects and relationships measure success.
4. Project Management in the development process to ensure on-time and on-budget delivery.

**The detailed program outline below:****1. Master Plan Outline:****a. Initial Assessment and Goal Setting**

Define Objectives: Establish the primary goals of the management plan (e.g., sustainability, expansion, modernization, revenue generation).

Stakeholder Engagement: Involve key stakeholders (executive management oversight team, administration, faculty, staff, students, community) to gather input and align objectives.

**b. Property Analysis**

Inventory of Assets: Document all real estate assets, including buildings, land, and facilities.

Existing Condition Assessment: Evaluate the current condition of each asset (structural integrity, maintenance needs, existing use).

Financial Analysis: Review financial performance including operating costs, revenue generation, and funding sources.

**c. Market Analysis**

Regional and Neighborhood Analysis: Study the surrounding area to understand market trends, demographics, void analysis, and economic conditions.

Demand Forecasting: Predict future demand for university facilities based on enrollment trends and academic program needs.

d. Strategic Planning

Scenario Planning: Develop multiple scenarios for future development and management.

Risk Assessment: Identify potential risks (economic downturns, natural disasters) and develop mitigation strategies.

e. Development of Alternatives

Options Identification: Generate a range of alternatives for achieving the plan's objectives.

Evaluation of Alternatives: Assess each alternative based on feasibility, cost, and alignment with goals.

f. Selection of Preferred Strategy

Cost-Benefit Analysis: Perform detailed cost-benefit analyses for each alternative.

Stakeholder Review: Present options to stakeholders for feedback and final decision-making.

g. Implementation Plan

Phased Approach: Develop a phased implementation plan with short-term, mid-term, and long-term actions.

Resource Allocation: Identify and allocate necessary resources (funding, personnel, technology).

h. Monitoring and Evaluation

Performance Metrics: Establish key performance indicators (KPIs) to monitor progress.

Regular Reviews: Schedule regular reviews and updates to the plan based on performance data and changing conditions.

i. Sustainability and Adaptability

Sustainability Initiatives: Integrate sustainability practices into the management plan (energy efficiency, green building, and university standards).

Adaptability: Ensure the plan is flexible to adapt to unforeseen changes and new opportunities.

j. Documentation and Reporting

Comprehensive Documentation: Maintain detailed records of all planning activities, decisions, and changes.

Transparent Reporting: Provide regular updates to stakeholders and the public to ensure transparency and accountability.

**2. Public Private Partnership Outline:****a. Initial Planning and Vision**

**Define Objectives:** Establish the goals of the partnership, such as economic development, enhancing student amenities, or generating revenue for the university.

**Stakeholder Engagement:** Involve key stakeholders including board members, university administration, local government, community members, and potential private partners.

**b. Feasibility Study**

**Market Analysis:** Assess the demand for retail/office/medical development in the area.

**Financial Viability:** Evaluate the financial aspects, including potential revenue streams and funding sources.

**Risk Assessment:** Identify potential risks and develop mitigation strategies.

**c. Legal and Regulatory Framework**

**Zoning and Land Use:** Ensure the land is zoned appropriately for the designated development.

**Legal Agreements:** Draft and review legal documents such as Memorandums of Understanding (MOUs), leases, and partnership agreements.

**Compliance:** Ensure compliance with university, local, state, and federal regulations.

**d. Partner Selection**

**Request for Proposals (RFP):** Issue an RFP to attract private sector partners.

**Evaluation Criteria:** Develop criteria to evaluate proposals based on experience, financial stability, and alignment with project goals.

**Selection Process:** Conduct interviews and select the most suitable partner.

**e. Project Planning and Design**

**Concept Development:** Collaborate with the private partner to develop a project concept that meets the needs of all stakeholders.

**Design and Architecture:** Work on detailed architectural and engineering plans.

**Approval Process:** Obtain necessary approvals from university boards, local planning commissions, and other relevant bodies.

**f. Financing and Funding**

**Funding Sources:** Identify and secure funding from various sources such as grants, loans, and private investments.

**Financial Structuring:** Structure the financial aspects of the partnership, including revenue sharing and cost allocation.

**g. Sustainability and Long-term Planning**

**Sustainability Initiatives:** Incorporate sustainable practices into the development and operations.

### **3. Measuring Success:**

By focusing on these metrics, one can gain a comprehensive understanding of the success and effectiveness of the consulting relationship:

- a. **Client Satisfaction:** Regularly survey university stakeholders to gauge satisfaction with the consulting services.
- b. **Achievement of Goals:** Assess whether the consulting partnership has met the predefined goals and objectives.
- c. **Long-Term Impact:** Evaluate the long-term impact of the consulting services on the CSUDH's development. This could involve improvements in community creation, infrastructure, student/faculty/staff satisfaction, or revenue growth.
- d. **Client Retention and Relationship Strength:** Monitor the duration and continuity of the consulting relationship. A long-term, ongoing partnership often signifies mutual satisfaction and trust.
- e. **Innovation and Adaptability:** Assess how well the consulting firm has introduced innovative solutions and adapted to changing needs and challenges within the university.
- f. **Feedback and Continuous Improvement:** Regularly collect and act on feedback from the university to continuously improve the consulting services. This iterative process helps in maintaining a high standard of service and address any emerging issues promptly.

### **4. Project Management:**

1. **Construction and Development**
  - a. **Project Management:** Oversee the construction process to ensure it stays on schedule and within budget.
  - b. **Quality Control:** Implement quality control measures to ensure the project meets specified standards.
  - c. **Communication:** Maintain frequent and open lines of communication between all parties involved.
2. **Operations and Management**
  - a. **Operational Plan:** Develop a plan for the day-to-day operations of the retail/commercial space.
  - b. **Management Team:** Establish a management team to oversee operations.
  - c. **Performance Monitoring:** Monitor the performance of the retail/commercial development and adjust as needed.
3. **Evaluation and Feedback**
  - a. **Performance Review:** Conduct regular reviews to assess the success of the partnership.
  - b. **Stakeholder Feedback:** Gather feedback from stakeholders to identify areas for improvement.
  - c. **Continuous Improvement:** Implement changes based on feedback to enhance the partnership.

#### **Timing:**

BWC anticipates the engagement to commence upon contract approval. The project is estimated to take six (6) months.

#### **Fee:**

Once the project scope is clearly identified, a fee proposal will be established between CSUDH and BWC. BWC proposed rates by position are outlined below for your reference:

# BLANK | WOLFF | CORD

Real Estate and Enterprise Foundation Solutions

## For the Management Planning Phase:

Principals; Julie Blank and Rob Cord:	\$ 350/hour
Partner; Jared Wolff:	\$ 225/hour
Associate:	\$ 150/hour
Administrative:	.....\$ 70/hour
Travel Time:	.....\$ 50/hour to the project site with a two-hour maximum per leg

Additional: Billing based on fifteen (15) minute increments, invoiced every 30 days. Retainer of \$7,500 due on contract execution.

## For the Development Construction Phase:

Fee based of the total project cost payable in the following increments:

Five Percent (5%) up to \$1,000,000

Four Percent (4%) above \$1,000,000 to \$5,000,000

Three Percent (3%) above \$5,000,000

## Reporting:

BWC will deliver status reports as designated by CSUDH every two weeks to include the following:

- A. Milestone updates
- B. Project identification and detailed description of each item and the next steps therein
- C. Highlight of challenges, triumphs and changes
- D. Project budget updates

We thank you for the opportunity to work with you and the CSUDH team and entrusting us with your needs.

**Julie Blank, Partner**

**BLANK | WOLFF | CORD**

714-227-4363

[JBlank@BlankWolffCord.com](mailto:JBlank@BlankWolffCord.com)

**Rob Cord, Partner**

**BLANK | WOLFF | CORD**

916-847-6500

[RCord@BlankWolffCord.com](mailto:RCord@BlankWolffCord.com)

# UNIVERSITY VISION

## The 3 Pillars leading up to the P3 Project

### 1. Parcels

- Prior LDRC and BOT approvals
- The Site and Opportunity
- Demand Trends for the Specialty building Type
- Demand Study and Real Estate Evaluation by CBRE
- Traffic Analysis, EIR and site specific
- Working with the City, the Chamber of Commerce, and residents

### 2. Process

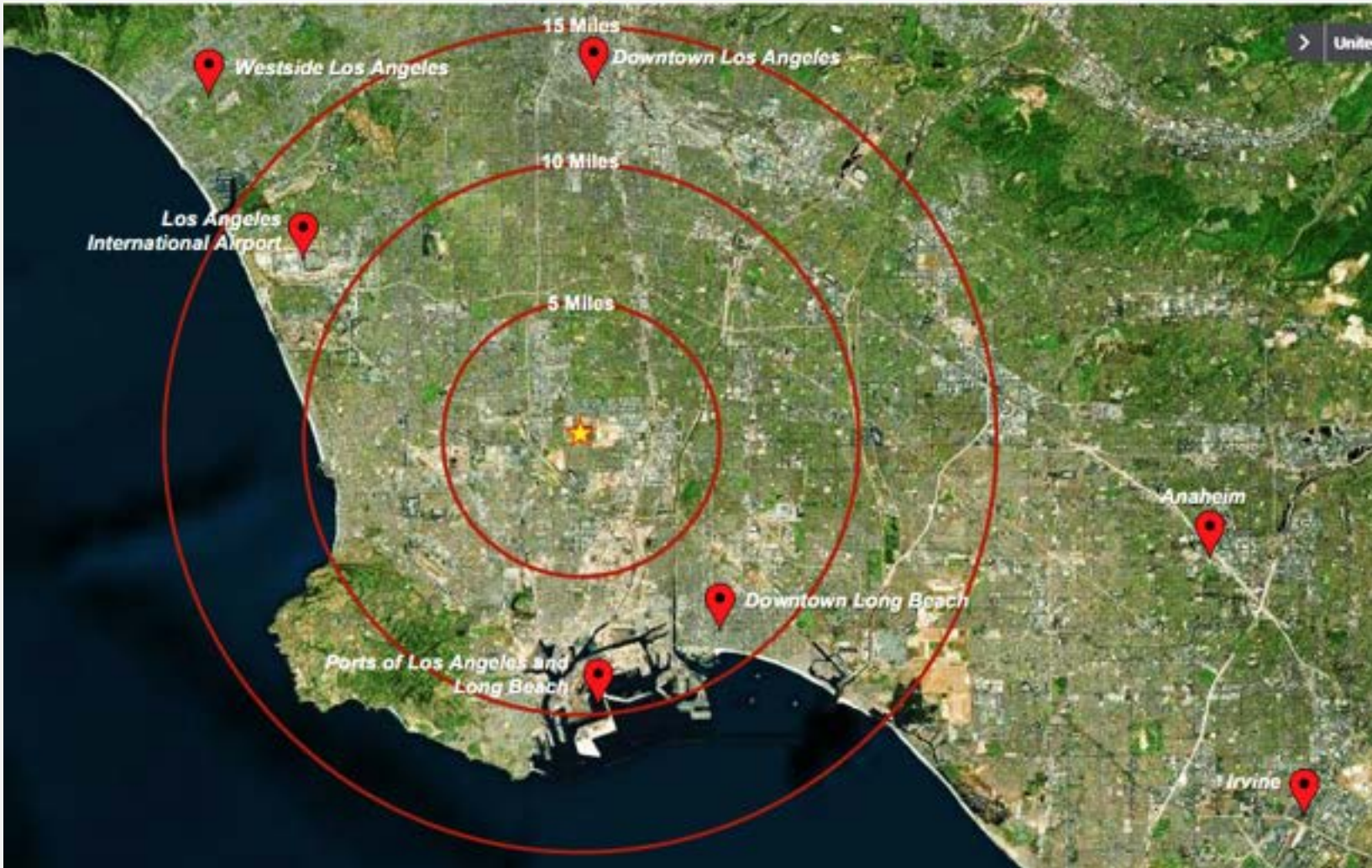
- RFQ and RFP process

### 3. Planning

- Planned Schedule



# CSU Dominguez Hills - LA's best kept secret



2 minutes to the  
110 or the 405

15 minutes to LAX

One mile to the 91  
4 miles to the 710

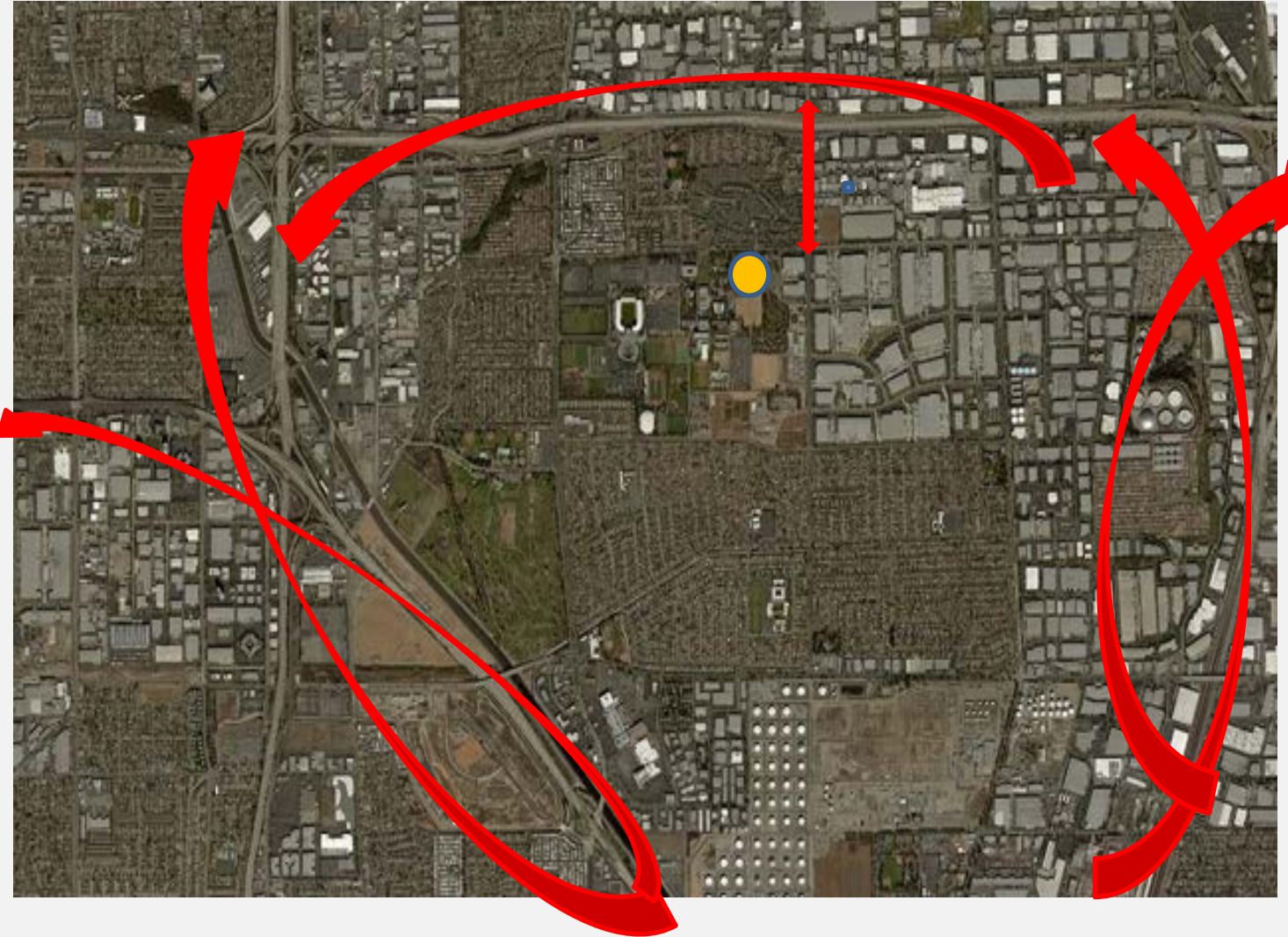


# EASE OF ACCESS

The nearby I-110, I-405 and 91 freeways connect the project site with the broader South Bay region.

In addition, University Village is adjacent to the recreational amenities at Dignity Health Sports Park, the Dominguez Technology Center.

Regional retail at South Bay Pavilion is a short drive away.



# The Planned Transformation - LDRC approval June 2018 BOT Master Plan approval Sept 2019



- 2,000 residential units
- 94,000 sft retail
- 33 acres business park
- 1.1 acre community park
- Student/faculty staff housing



# Parcels - University Village – The Vision



## The Vision

- CSU Dominguez Hills envisions bringing vitality to the community and to the campus by developing the University Village as a thriving mixed-use district.
- The project will serve as a destination for residents and workers from the local community, while offering housing and commercial retail choices to University Village residents and workers, along with the campus' students, faculty and university staff.
- The University Village is intended to be an exciting, dynamic, interactive, energetic, 18-hour urban mixed-use setting.
- CSUDH wishes to engage a development partner on the first step to bring this vision to fruition.



# Parcels - The Planned Transformation to the 69 - acre University Village



## Transformative Development.

University Village is one component of an ambitious campus-wide master planning effort that aims to better integrate campus, recreational, and residential uses while creating a vibrant urban center for the University and neighboring communities.

The project masterplan envisions an urban center surrounded by student, residential, and retail uses.

The project will capitalize on the site's proximity to major infrastructure including major freeways and the Ports of Los Angeles and Long Beach.

Development parcels of this size are virtually nonexistent in Los Angeles, as decades of continuous development have eliminated all but small infill opportunities.

**World-class Partner.** Dominguez Hills is one of Los Angeles's leading universities, and enrollment has seen a dramatic upsurge in 2019 and 2020, serving a diverse student body of 17,738. The University has embraced innovative curricula to prepare its graduates for the workforce, and the campus's engaged student body will be a strong asset to the University Village development.



# Parcels – for Public Private Partnerships

Anticipated land uses include:

**Residential.** Market-rate residential developments will form the core of University Village. Residents will have access to amenities including a vibrant street life immediately outside their apartment door, adjacency to a dynamic college campus, and convenient access to retail. The masterplan situates 32 acres of residential uses alongside the central corridor of University Village. The project will benefit from the South Bay's tight rental market and constrained supply.

**Retail.** Ground-floor retail along University Village's central corridor will serve project residents, the University community, and local area residents and workers. The immediate area is severely underserved with adequate retail options. Our surrounding The project's built-in and neighboring consumer base, along with the lack of competition in the immediate area will be a strong supporter for varied retail uses.

**Business Park.** The project site is located in the heart of one of the most vital yet supply-constrained business park markets in the nation. Proximity to the Ports of Los Angeles and Long Beach along with major freeways and access to the region's immense population support the area's robust industrial and business park segment. **Pre- COVID** vacancies hovered below 2%, and available development sites in the South Bay are virtually nonexistent. **This will need to be re-examined and revisited for Post COVID effects**

**University Housing.** Building on University Village's adjacency to the CSUDH academic campus, the development will host several University uses including student and faculty housing.



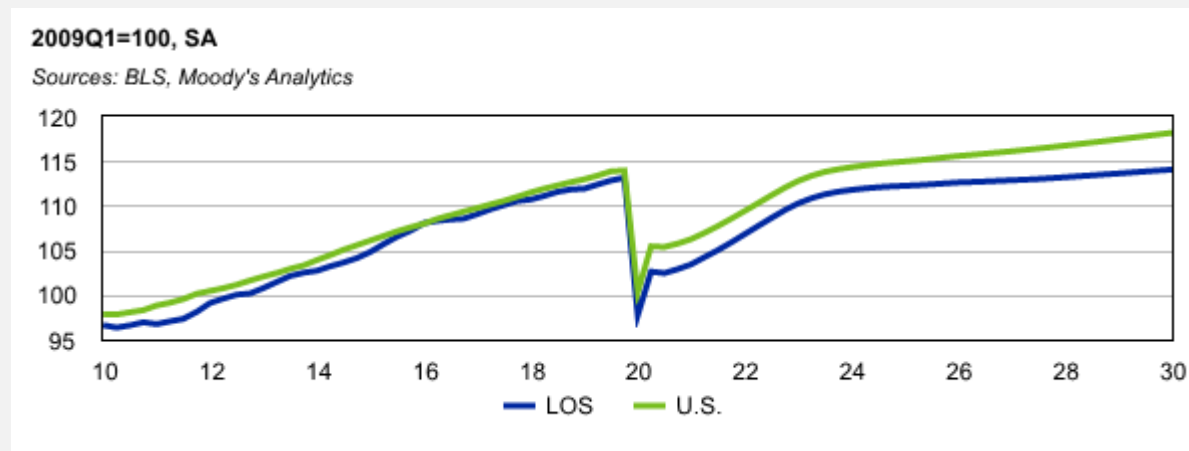
# THE OPPORTUNITY - Why a Medical Office Building?

## Robust Market.

This project is located in the heart of the broader Los Angeles, home to the global entertainment industry and famous for its natural amenities, quality of life and its robust growth over the past decade as the region's technology and information industries matured. It also has a thriving healthcare industry.

The rigors of the Pandemic have pushed a reset button for the commercial real estate market. Moody's outlook for the LA area and for the US sees a ten-year recovery but is over-all, sanguine.

However, this project is a Specialty Building very pertinent to the South Bay, a well-established area that is known for its transportation infrastructure, aerospace technology and its healthcare industry. The supporting documents demonstrates the post-COVID demand for a Medical Office Building.



# THE OPPORTUNITY - Why a Medical Office Building?

In June 2020, in the middle of the Pandemic, Marcus & Millichap held a webinar for potential investors, led by Al Pontius. Panelists on the webinar reiterated why they are bullish on the Medical Office property type.

On the panel were David Klein, senior VP of investment and deputy chief investment officer with Milwaukee-based Physicians Realty Trust (NYSE: DOC), Brian Howard, president of Skokie, Ill.-based Stage Equity Partners LLC, and John Chang senior VP of research services at Marcus & Millichap

- Medical Office Buildings (MOBs) have fared rather well during the COVID-19 pandemic, with rent collections remaining very strong.
- David Klein noted that the strength of the MOB sector coupled with the “struggles” of the other commercial real estate sectors are keeping capitalization rates low despite the fallout from the pandemic.
- John Chang noted that with 10-year U.S. Treasury rates at historic lows, even amid the pandemic, lenders have increased their borrowing rates, meaning that the spreads investors can expect to receive on capitalization rates and borrowing rates are at about the same levels they were before the pandemic – which were pretty favorable.
- For this and other reasons, including the strength of the MOB asset type and how well it has held up during the pandemic, many investors continue to pursue outpatient healthcare facilities.
- John Chang, pointed out several scenarios for both the recovery of the overall economy and the MOB sector and how those two are likely to align.
- Even under the worst-case scenario in which the economy recovers in the slowest way, otherwise known as an “L-shaped recovery,” Mr. Chang pointed out why investors remain so interested in MOBs.
- The reason so many people get into this investment class is driven by the long-term dynamics, which we cannot lose sight of,” he said, “and one of those is the demographics, as the number of people turning 65 over the next 10 years increases by 31 percent.”
- “We all know that the use of medical facilities, and the number of office visits, increases as people age. Over the next five years, the number of medical office visits is projected to increase by 10 percent to 1.1 billion visits annually.”
- Mr. Klein added that pricing for MOBs is no longer a “real estate” question anymore, noting that if a vaccine is discovered in coming months, perhaps by early 2021, “things will be very different.”



# THE OPPORTUNITY - Why a Medical Office Building?

With unemployment claims nationwide passing 40 million, “that ripples into health insurance,” Mr. Chang noted. As a result, the pent-up demand expected for non-emergency procedures and outpatient medical office visits will play out over the next couple of years.

- While other economic downturns have not necessarily slowed increases in employment in the healthcare sector, the pandemic has done so. Mr. Chang noted that after years of healthcare employment growth, jobs in the sector fell by 10.4 percent from February to April. That compares favorably to the overall market, where the number of jobs were down 14 percent.

- The use of telehealth as a substitute for patients visiting their doctors in person has certainly increased rapidly since the onset of the coronavirus crisis. Mr. Chang said that the number of providers offering telehealth visits has more than doubled in recent months, with 86 percent of all practices now offering the service. “It has certainly opened up a venue by which to provide services, and it will be with us for a long time, perhaps permanently,” he said.

- Even though the use of telehealth has “exploded” during the pandemic, as Mr. Klein said, he does not see its use permanently disrupting the need for medical facilities. “This is good for healthcare, especially during this time,” Mr. Klein noted. “This could not have happened 20 years ago.” He noted that while some might perceive the increased use of telehealth, and the country’s new reliance on it, could be looked upon as a negative for “someone involved in the bricks and mortar aspect of healthcare. But we don’t see it that way,” he noted. “In fact, we see it as a positive for the industry and that it is a good way to deliver care for certain services, as it works better for lower-acuity services. I’m not sold on the concept that space needs will decrease because of telehealth,” he said, citing several other reasons, including the notion that more social distancing could be required in medical facilities in the future, even post-COVID-19.

- Interestingly, one of the property types and, subsequently the provider types, hit hardest by the pandemic have been surgery centers, Mr. Howard noted. “The tenants that have had the biggest troubles during this time have been surgery centers,” he said, noting that telehealth has not helped such providers bring in revenue. “Practices that provide elective procedures and surgeries cannot do so by using telehealth,” he said, noting that surgery centers and surgeons are likely to see plenty of pent-up demand for their services both in the near- and long-term. “Surgery centers are going to be a big and important part of MOB’s in the future,” he noted.



# THE OPPORTUNITY - National and Local Trends in Healthcare

The medical office market appears to be a clear winner in a U.S. commercial real estate environment made murky by the coronavirus.

“Generally, if you own a MOB, you know that you’re going to probably survive the storm. I think it (this sector) is going to survive a storm stronger than most other asset classes,” says Fahri Ozturk, first vice president with commercial real estate services company Marcus & Millichap.

According to Chris Bodnar, Vice Chairman and Co-Head of Healthcare & Life Sciences Capital Markets at CBRE quoted during the Pandemic in the National Real Estate Investor, the medical office market is recession-resilient. “It is a niche market, with significant demand by investors and with limited supply.” Bodnar says. “This supply-demand imbalance, combined with a very disciplined development market, will continue to provide stability ... .”

A CBRE report in December noted that the U.S. medical office vacancy rate remained at 10.3 percent—its lowest level during the most recent economic expansion—and average asking rents stayed near record levels. U.S. institutional investors, foreign investors and REITs have fueled demand for medical office properties.

Among 18 commercial real estate sectors, medical office presents the lowest level of risk in a COVID-19 recession, according to a report by Green Street Advisors, a real estate research and advisory firm based in Newport Beach. Patient traffic at medical offices will bounce back, driven by overall growth in health care spending and the ongoing trend of medical procedures being performed at outpatient facilities rather than hospitals, according to Britton Costa, senior director of credit ratings agency Fitch Ratings Inc.

In late March 2020, JLL announced the sale of the Class A asset, the Bella Terra Medical Plaza, a 60,000 GSF MOB in Huntington Beach, Calif. The buyer was Calif.-based Manhattan Real Estate Holdings Inc. September 2020, Med Properties bought the Harrison Street Portfolio of 620,000 GSF in 17 buildings in 10 states. One key aspect that makes MOB's appealing to investors like Med Properties and Manhattan Real Estate Holdings is this: Many tenants stay put for 20 to 30 years, according to Marcus & Millichap's Ozturk.

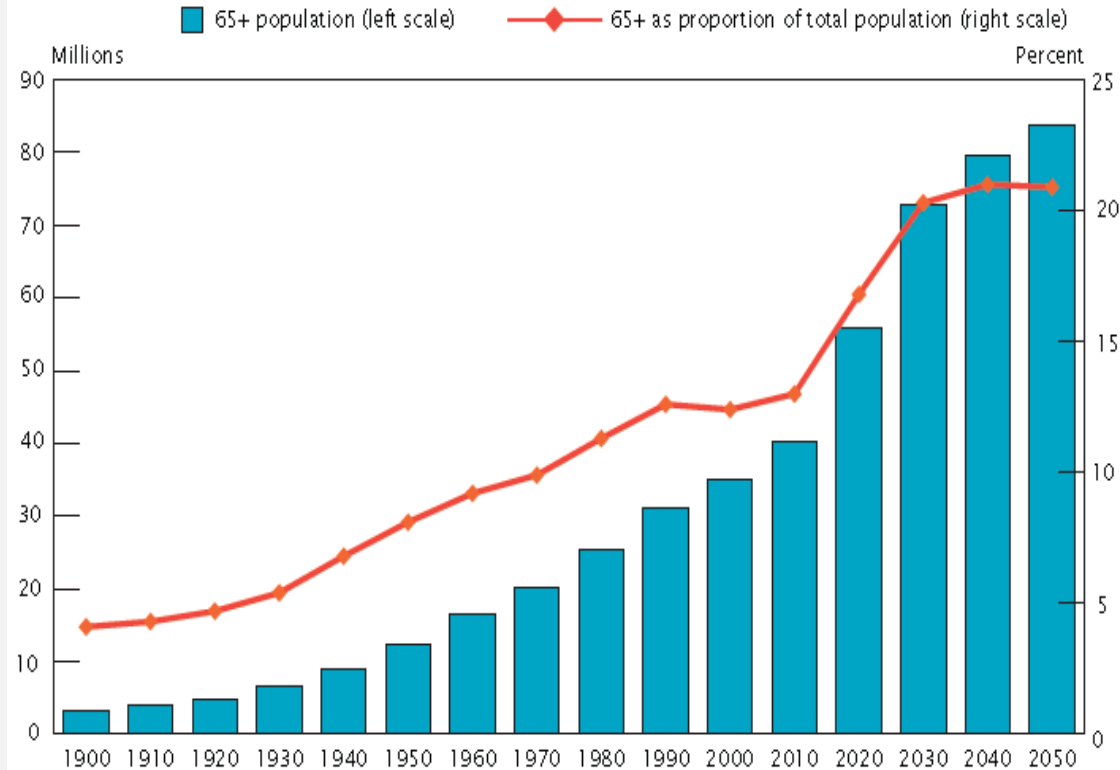


# Why a Medical Office Building? - Demographics Shaping the Healthcare Industry

## AN AGING POPULATION

### Population Aged 65 and Over: 1900 to 2050

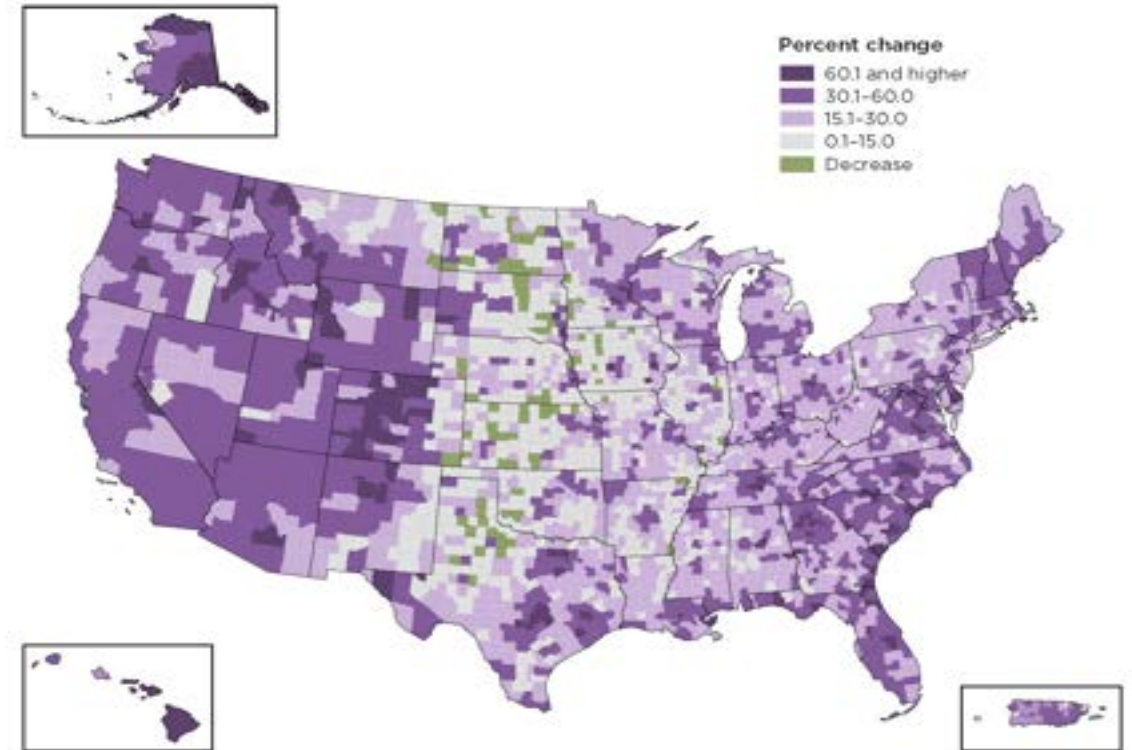
(For information on confidentiality protection, nonsampling error, and definitions, see [www.census.gov/prod/cen2010/doc/sf1.pdf](http://www.census.gov/prod/cen2010/doc/sf1.pdf))



Sources: 1900 to 1940, and 1960 to 1980, U.S. Bureau of the Census, 1983; 1950, U.S. Bureau of the Census, 1953; 1990, U.S. Bureau of the Census, 1992; 2000, U.S. Census Bureau, 2001; 2010, U.S. Census Bureau, 2011; 2020 to 2050, U.S. Census Bureau, 2012a; 1900 to 2010, decennial census; 2020 to 2050, 2012 National Population Projections, Middle series.

## Older and Growing

### Percent Change among 65+ population: 2010 to 2018



United States<sup>®</sup>  
Census  
Bureau

U.S. Department of Commerce  
U.S. CENSUS BUREAU  
[census.gov](http://census.gov)

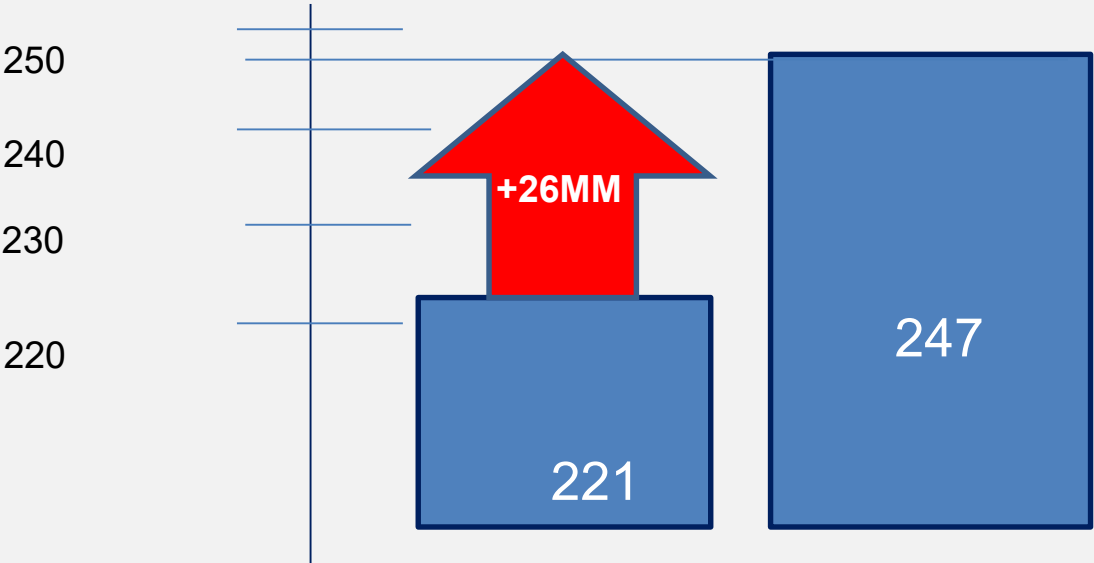
Source: Vintage 2019 Population Estimates  
[www.census.gov/programs-surveys/popest.html](http://www.census.gov/programs-surveys/popest.html)



# Why a Medical Office Building ? – National Trends Shaping the Healthcare Industry

MORE PEOPLE COVERED BY INSURANCE

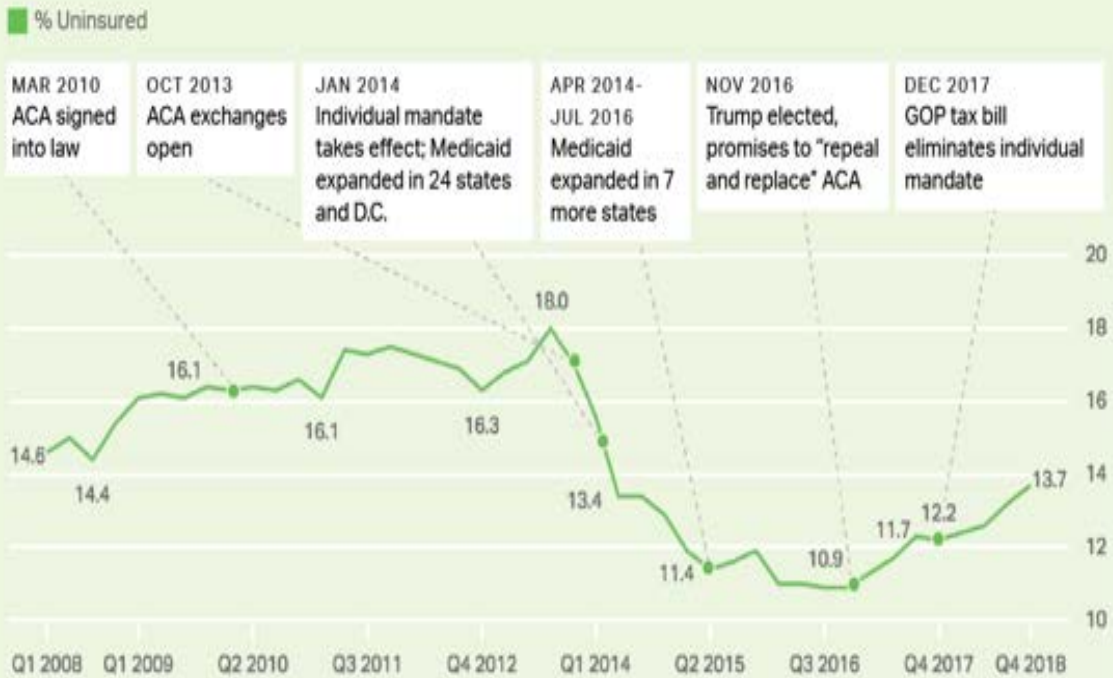
INSURED POPULATION BEFORE ACA AFTER ACA



MILLIONS BEFORE ACA - AFTER ACA

Sources: Congressional Budget Office, Rosen Consulting Group

## Percentage of U.S. Adults Without Health Insurance, 2008-2018



GALLUP NATIONAL HEALTH AND WELL-BEING INDEX

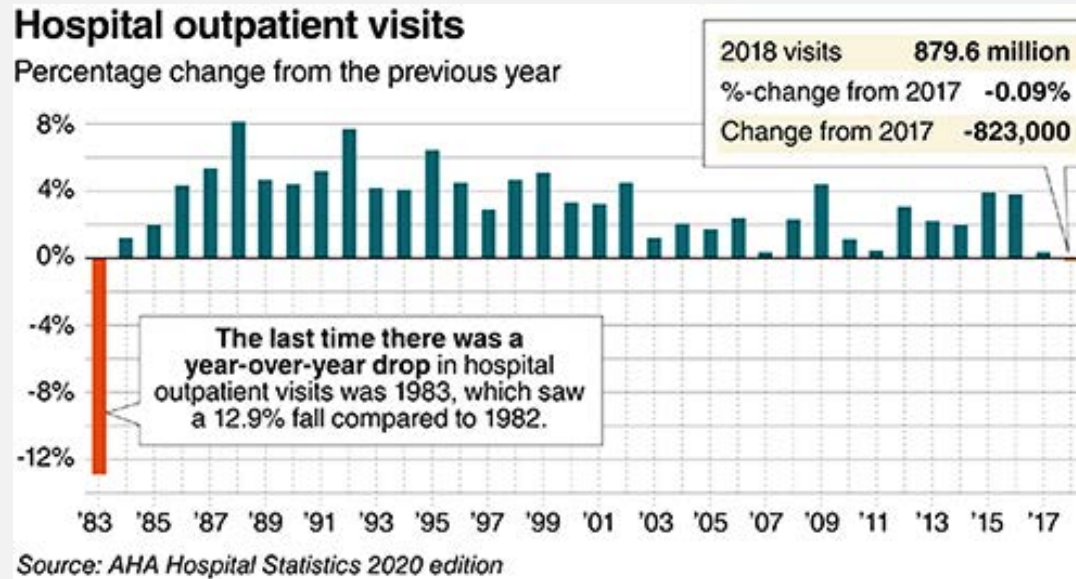


# Why a Medical Office Building ? – National Trends Shaping the Healthcare Industry

- The U.S. demand for medical services is expected to skyrocket over the next decade due to demographic trends and new healthcare legislation.
- As baby boomers retire, the over-65 age bracket will grow by 36 percent and that age cohort traditionally consumes three times the medical services of younger people.
- Additionally, under the Patient Protection and Affordable Care Act, signed into law in 2010, 32 million additional Americans will have health insurance.
- This represents an 11 percent increase by 2019, according to an Urban Land Institute report. Job creation among healthcare practitioners will likewise mirror this expanded patient base.



# Why a Medical Office Building? - National Trends Shaping the Healthcare Industry



Outpatient visits to hospitals are moving to ambulatory surgery centers and walk in clinics

The graphic from the American Hospital Association's "2020 Hospital Statistics Report," illustrates the decline in outpatient visits in hospitals.

The AHA also surveyed hospital-owned ambulatory surgery centers, outpatient clinics, and walk-in clinics. Visits to those outpatient facilities remained stable, according to the AHA, or rose slightly from the previous year.



# Why a Medical Office Building ? -

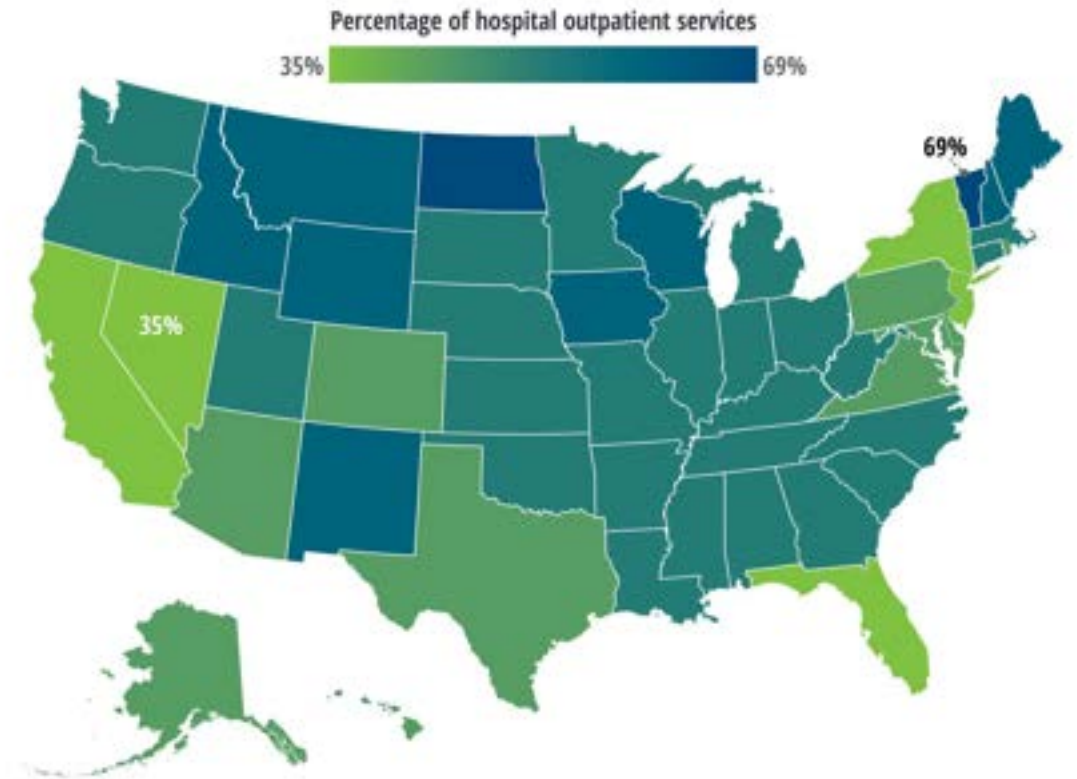
# An increase in Outpatient Services

## OUTPATIENT SERVICES ARE EXPANDING



FIGURE 3

In 2015, the share of outpatient services in total hospital revenue varied by state



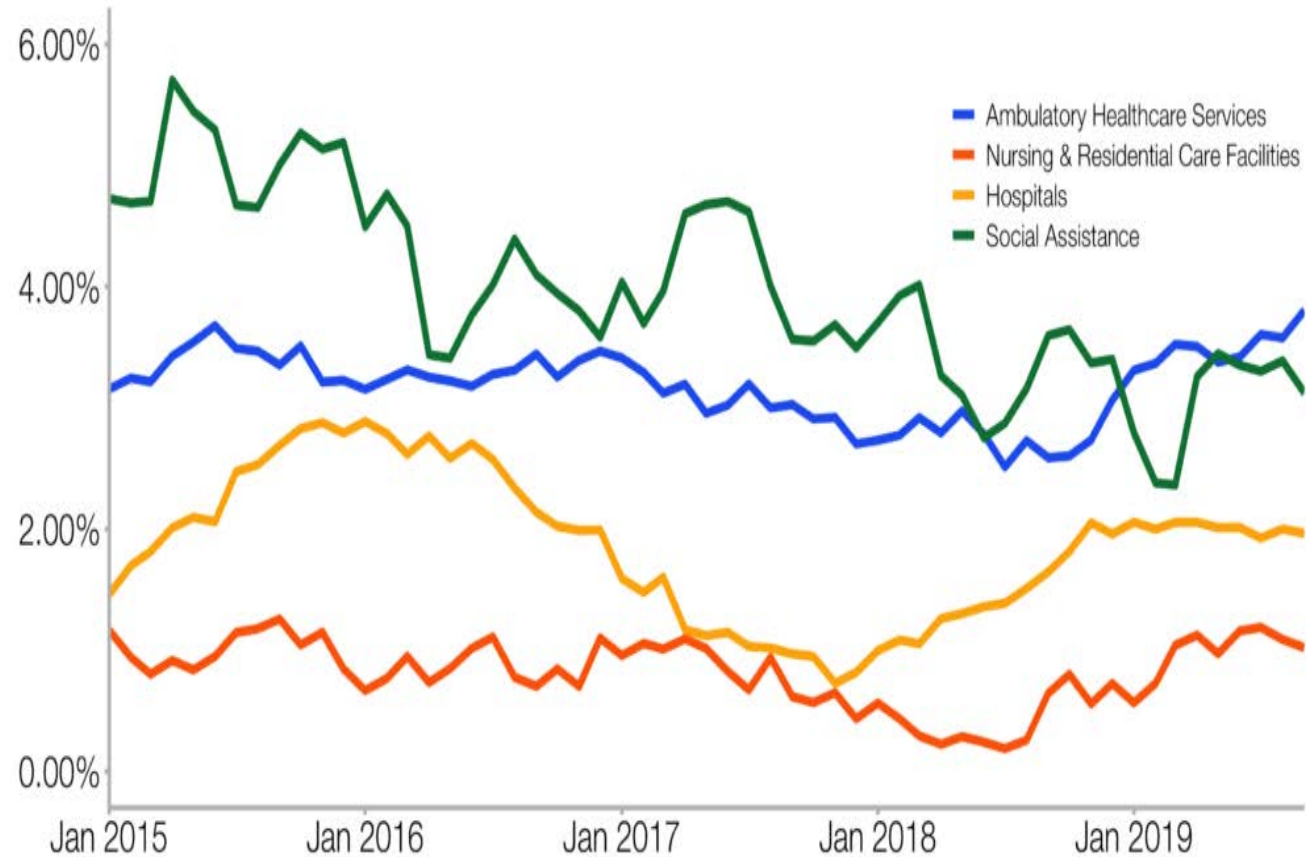
Source: Deloitte analyses using data from Medicare cost reports (via Truven Health Analytics).

Deloitte Insights | [deloitte.com/insights](https://deloitte.com/insights)



# Why a Medical Office Building? - Outpatient Services are Expanding

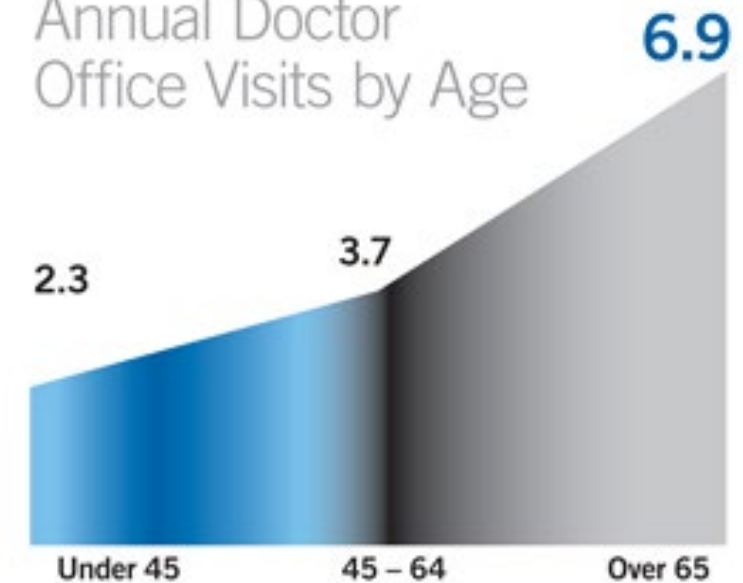
Ambulatory Healthcare Services continues to grow  
**Healthcare & Social Assistance Employment Growth, YoY**



Source: U.S. Bureau of Labor Statistics

indeed

Annual Doctor  
Office Visits by Age



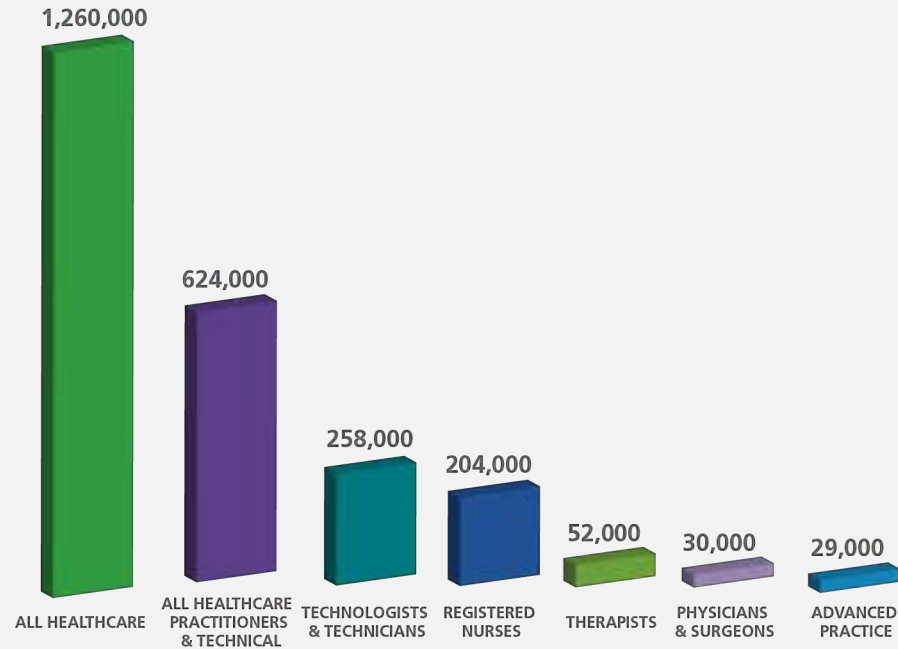
Source: U.S. Centers for Disease Control and Prevention



# Why a Medical Office Building? - Outpatient Services are Expanding

## AVERAGE ANNUAL JOB OPENINGS 2016-2026

Source: Bureau of Labor Statistics

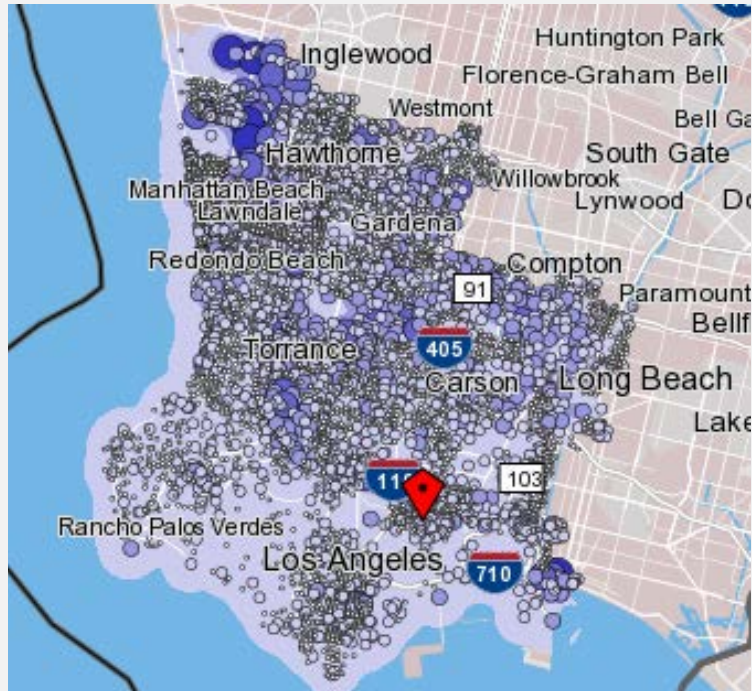


Increased healthcare utilization is driving healthcare employment

- Healthcare sector employment is projected to grow 70% faster than the broader U.S. economy through 2022
- There is increasing demand for non-physician practitioners, including nurses, physician assistants, and other healthcare professionals
- Consumer preferences for specialists and preventative care have boosted healthcare employment in these specialties, accelerating demand for MOBs as patients move to lower cost outpatient settings



## Economic Overview – South Bay



Companies in the South Bay employ 510,000 people with most employment concentrated in Torrance and El Segundo.

The best represented industry sectors are manufacturing (employing 14.9% of the workforce) and transportation and warehousing (12.8%).

Both industries benefit from access to the Ports and Los Angeles International Airport. In addition, the region has a strong professional employment base; 4.5% of the workforce is employed in finance, insurance, and real estate, and 7.7% of the workforce is employed in professional services.

The strength of the region's employment base is reflected in the national and international companies that choose to locate in the region.

400,000 workers live in the South Bay, indicating a net inflow of 110,000 workers each day. The inflow reflects the residential supply constraints ubiquitous throughout the South Bay.

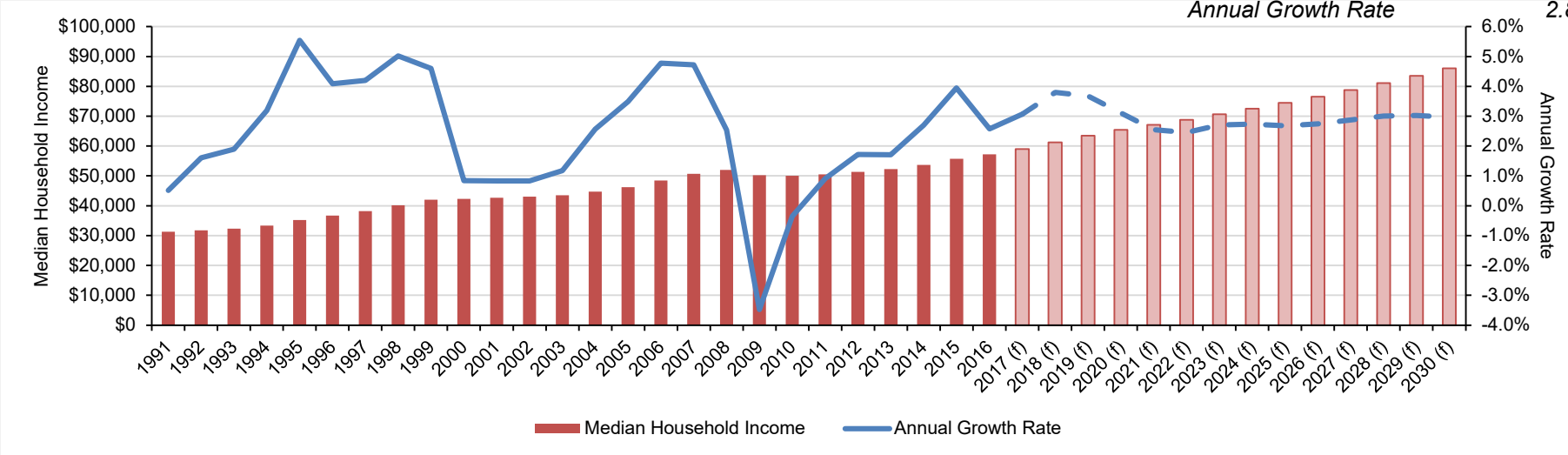


# Demographic Overview

Los Angeles has seen consistent increases in population and incomes for the past several decades, as the region’s robust employment base and desirable quality of life attract new residents. The Los Angeles metropolitan area is the second largest in the United States and is home to approximately 13 million people.

Incomes within a five-mile radius of University Village far exceed those of broader Los Angeles. The area immediately surrounding the project site is poised for rapid income growth in the next five years, and the area median income in the five-mile radius surrounding University Village should surpass that of the greater South Bay by 2021.

	5 Mile Radius	South Bay	Los Angeles Metro
<b>Population</b>			
2016	15,988	704,069	13,320,613
2021	16,321	724,347	13,806,580
Annual Growth Rate	0.41%	0.57%	0.72%
<b>Households</b>			
2016	4,728	252,157	4,354,894
2021	4,811	258,134	4,494,560
Annual Growth Rate	0.35%	0.47%	0.63%
<b>Median Age</b>	40.0	39.8	35.7
<b>Median Household Income</b>			
2016	\$74,591	\$76,146	\$61,511
2021	\$85,981	\$85,625	\$69,835
Annual Growth Rate	2.88%	2.37%	2.57%



# Project Description

University Village is an unparalleled opportunity to develop 69 acres of land in the heart of the Los Angeles metropolitan region. Dominguez Hills is proposing a mixed-use community that extends development on the University's campus and offers a new, vibrant community focal point. At completion, University Village will be a new urban center for the South Bay Region and will be a residence of choice for individuals throughout the region.

University Village is convenient to four major freeways and jobs throughout the Los Angeles region, including convenient regional access to Downtown Los Angeles, the Westside and Orange County, not to mention local South Bay employment centers from Silicon Beach to Long Beach.

The project site is bounded by Victoria Street, Central Avenue, University Drive, and Dominguez Hills' academic campus to the west.



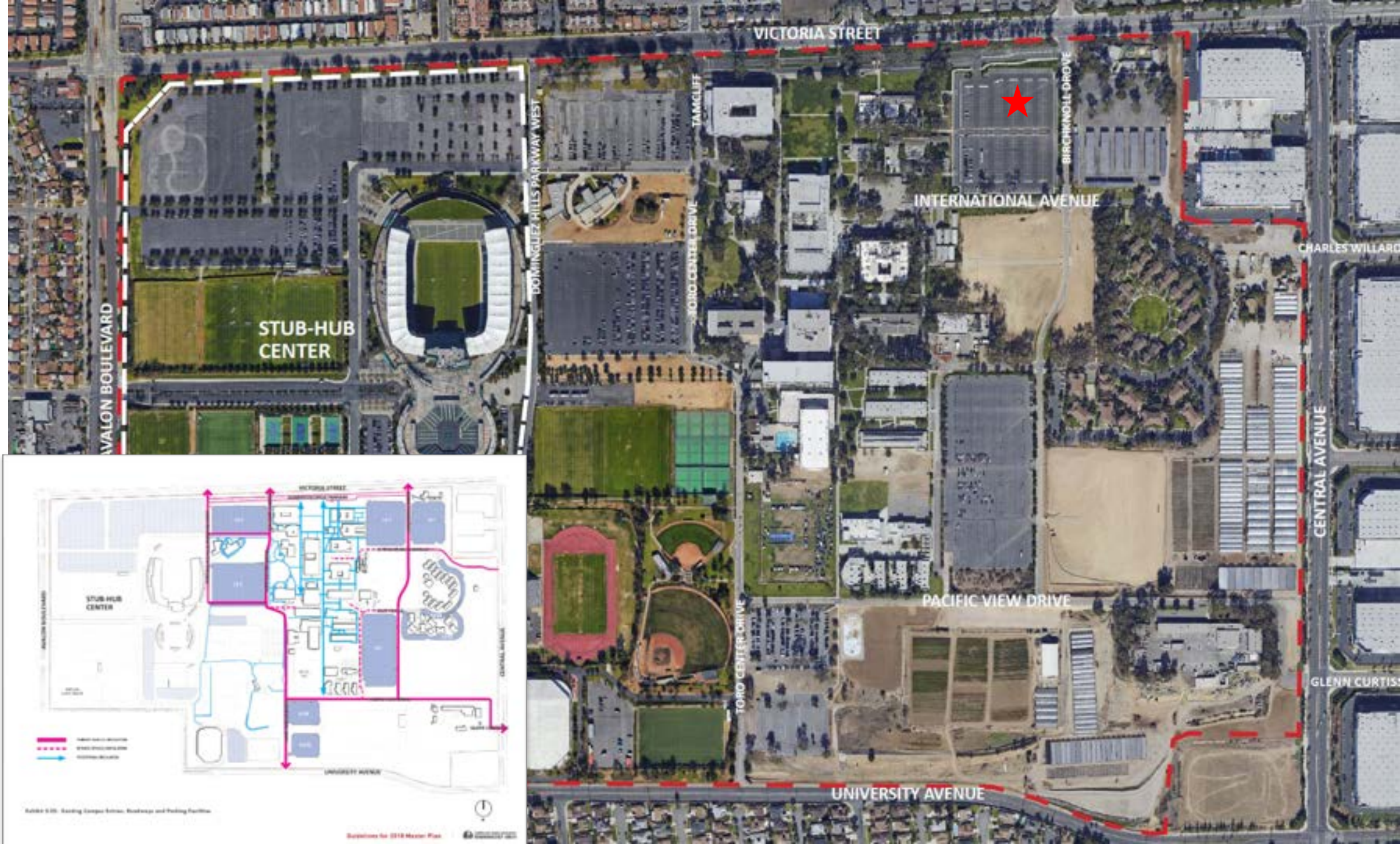
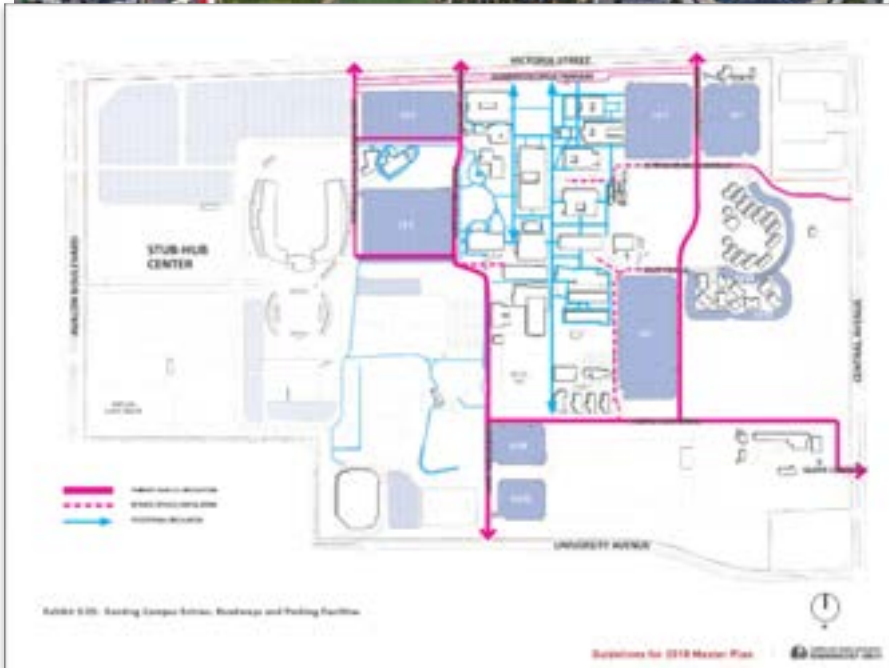
- College of Business Completion Fall 2021
- Has a mini conference center with a 250 seat Auditorium which will be the venue for conferences, Distinguished Speaker Series, etc.
- Has a Banquet Hall with a commercial kitchen
- Has a Palm Court designed for outdoor venues and dining



# Preliminary Transportation Considerations



# EXISTING CONDITIONS

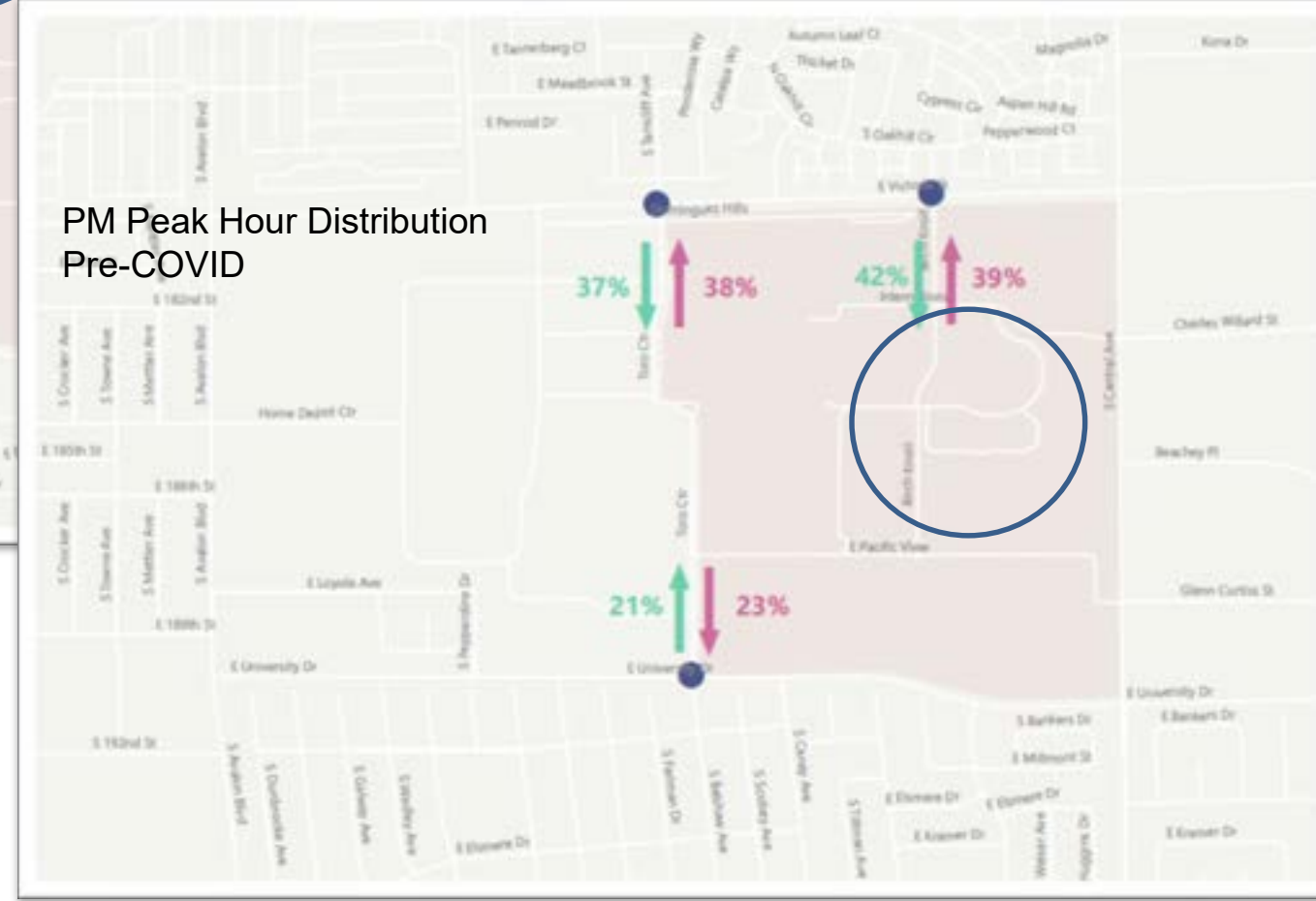


# EXISTING CONDITIONS

AM Peak Hour Distribution  
Pre-COVID



PM Peak Hour Distribution  
Pre-COVID



# 2018 Master Plan

UNIVERSITY VILLAGE PLAN KEY

- CAMPUS APARTMENT HOUSING
- GROUND FLOOR RETAIL & RESIDENTIAL
- CAMPUS BUSINESS PARK
- PARKING STRUCTURE
- SURFACE PARKING

Exhibit 4-10: University Village Detail



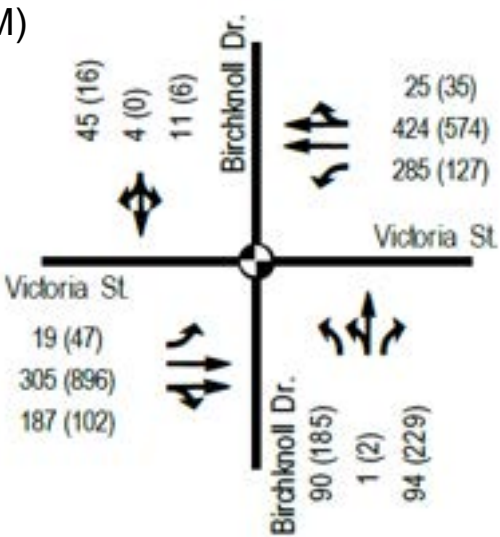
UNIVERSITY VILLAGE CONCEPTUAL DEVELOPMENT FRAMEWORK	
	UP TO:
Total Campus Apartment Housing	2,149 units
Total Campus Business Park	720,918 gsf
Total Retail	96,085 gsf

Exhibit 4-11: University Village: Proposed Development

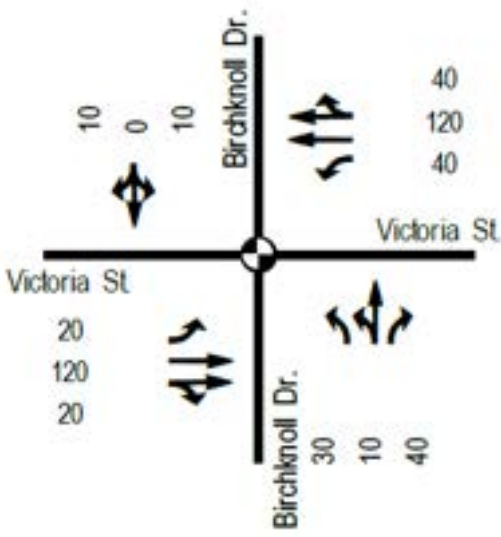
Guidelines for 2018 Master Plan



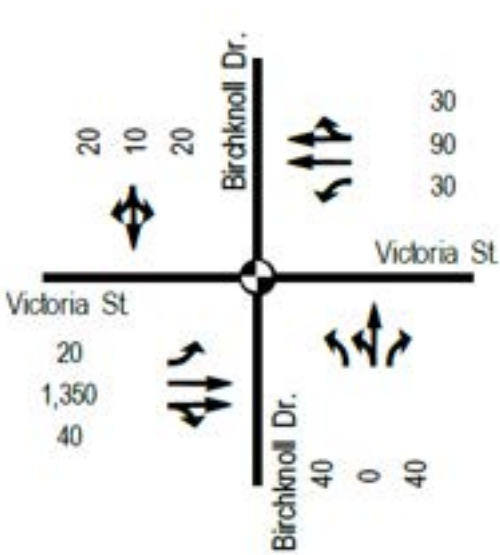
AM (PM)



April 2017 Weekday  
LOS: A (B)



Pre-Game Sunday  
LOS: A



Post-Game Sunday  
LOS: B

Ex + Project Weekday  
LOS: A (E)

Ex + Project Pre-Game  
LOS: A

Ex + Project Post-Game  
LOS: B

2025 No Project  
LOS: A (B)

2025 Pre-Game  
LOS: A

2025 Post-Game  
LOS: B

2025 + Project  
LOS: D (F)

2025 + Project Pre-Game  
LOS: A

2025 + Project Post-Game  
LOS: B

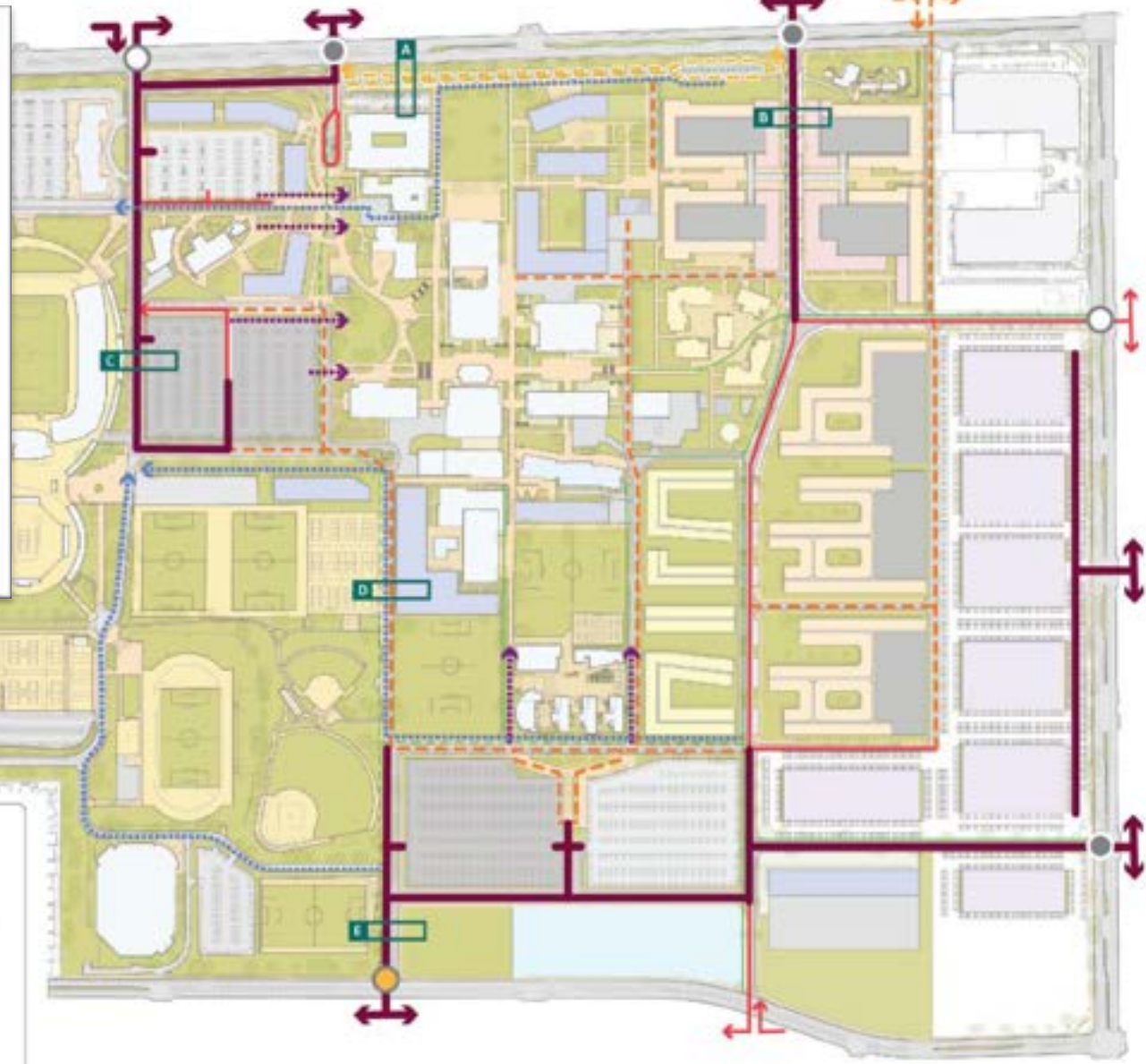
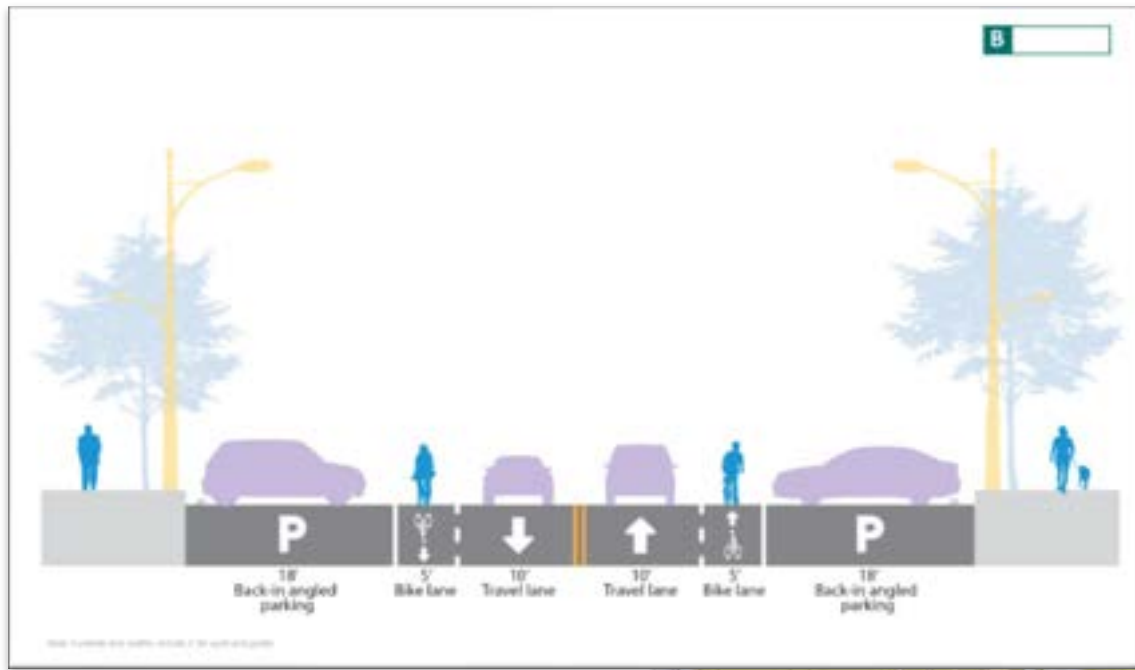
2035 No Project  
LOS: A (B)

2035 Project Pre-Game  
LOS: A

2035 Project Post-Game  
LOS: B



# Master Plan Circulation



# Proposed Medical Office Building

100,000 GSF over 5 Floors

Land Use (ITE Code)	Size	Unit	AM Peak Hour			PM Peak Hour		
			Rate per 1000 SQFT	Trips		Rate per 1000 SQFT	Trips	
				In	Out		In	Out
Restaurant (930)	15,000	SQFT GFA	2.07	21	11	14.13	117	96
Clinics with Labs (630)	15,000	SQFT GFA	3.69	44	13	3.28	14	35
Medical Offices (720)	50,000	SQFT GFA	2.78	109	31	3.46	49	123
University R&D	20,000	SQFT GFA	0.42	7	3	0.49	2	9
<b>Total</b>				181	58		182	263

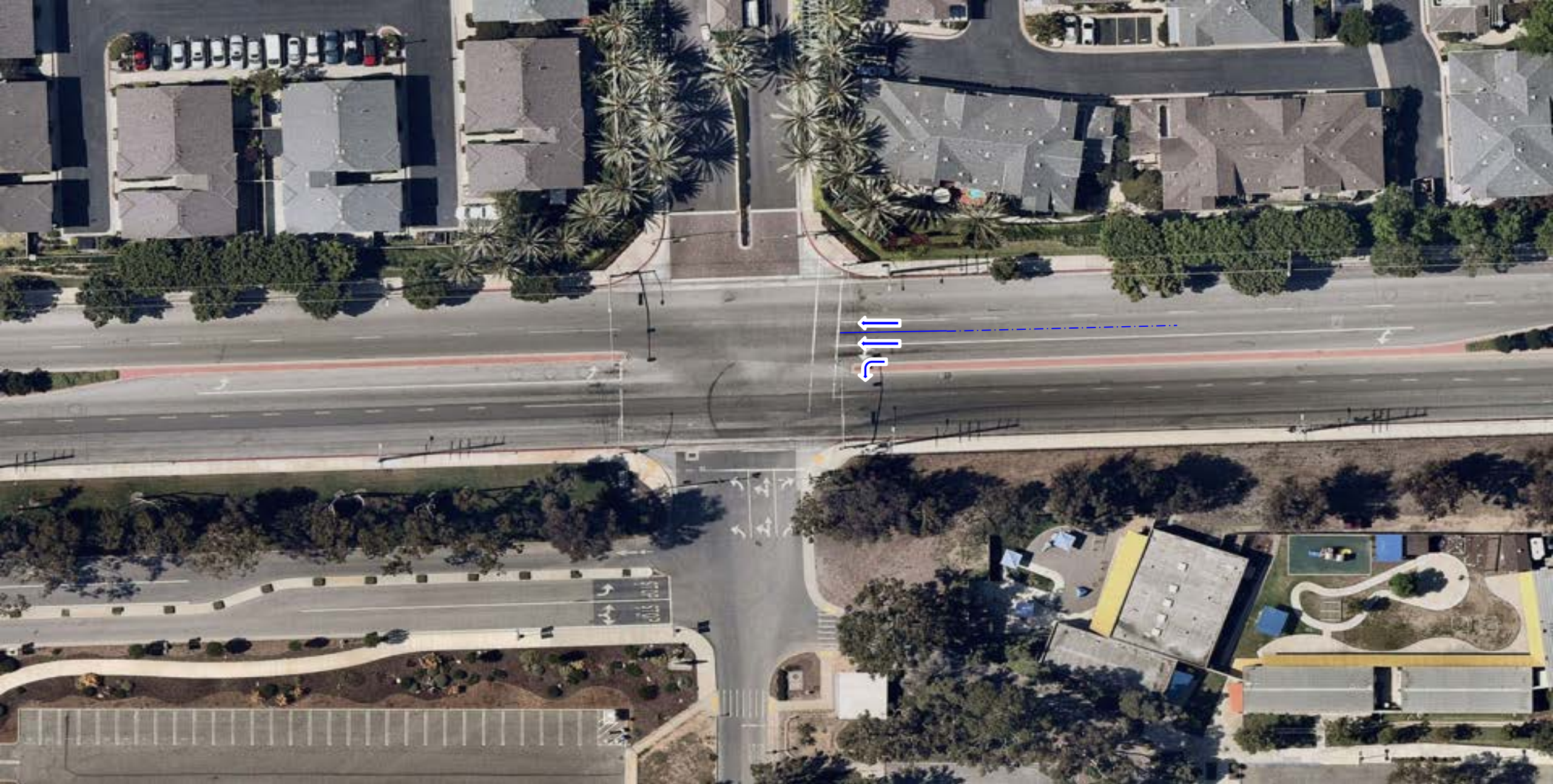


*Excludes Internal Capture and/or Pass-by*



## Overall University Village Master Plan Trip Generation

Land Use (ITE Code)	Size	Unit	AM Peak Hour			PM Peak Hour		
			Rate	Trip		Rate	Trip	
				In	Out		In	Out
Market Rate Housing (220)	2,149	DU	0.51	219	877	0.62	866	466
Retail (820)	96,085	sq. ft.	1.58	94	58	6.07	280	303
Business Park (770)	720,918	sq. ft.	1.34	821	145	1.21	227	646
Subtotal				1,134	1,080		1,373	1,415
Internal Capture %				7%	7%		12%	12%
Internal Trips				78	78		167	167
University Village Net Total				1,056	1,002		1,206	1,248



CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

**CSUDH**





# Parcels - Prime

- 3.25 acres on Victoria adjacent to the I&I
- A view of the Bay



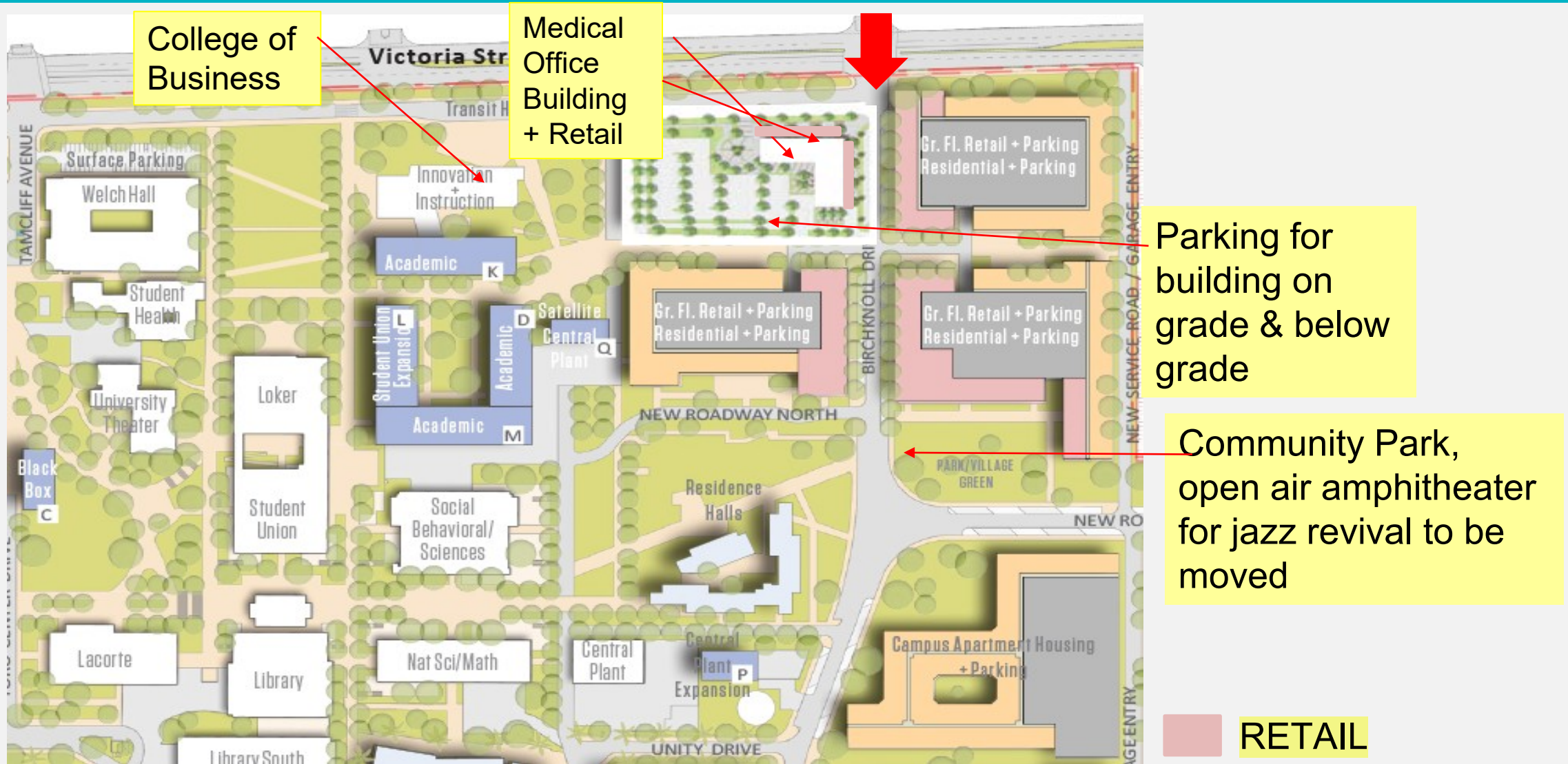
# Parcels – Prime

## The Prime Parcels are on Victoria

- Having the most exposure and high profile
- Seen as an integral part of the campus, a valuable CSUDH address
- Easy access from an important arterial street - Victoria is 190<sup>th</sup> street, a straight line from Torrance, the 110, the 405, the 710 and 91
- Planned to create a ground floor “village” retail street with 45-degree street parking
- Adjacent to planned housing development
- Adjacent to the Innovation and Instruction (College of Business) building



# Parcels - Prime



# LA METRO PROPOSAL

## Proposal for Land Lease Partnership Between California State University, Dominguez Hills Toro Auxiliary Partners (TAP) and LA Metro

This proposal outlines a strategic partnership between California State University, Dominguez Hills Toro Auxiliary Partners (TAP) and LA Metro to support the acquisition and operation of 2,700 electric buses in preparation for the 2028 Los Angeles Olympics (LA28). CSUDH offers land leasing opportunities to provide the necessary space for bus operations while also positioning the university to benefit from in-kind contributions and partnerships with LA Metro, particularly in areas of sustainability, urban mobility, and transportation-related educational programs.

### Land Lease Overview

CSUDH proposes to lease the following land, with key financial terms as indicated below:

#### Site 1

**Lease Period** 10/1/2024 to 09/30/2028 (48 months)

##### Site 1 Building

Square Feet	9,800 SF
Rate	\$1.65/SF
Monthly Rent	\$16,170.00
Annual Rent	\$194,040.00 (subject to a 3% annual increase)

##### Site 1 Land

Square Feet	708,940 SF
Rate	\$0.75/SF
Monthly Rent	\$531,705.00
Annual Rent	\$6,380,460.00 (subject to a 3% annual increase)

#### Site 2

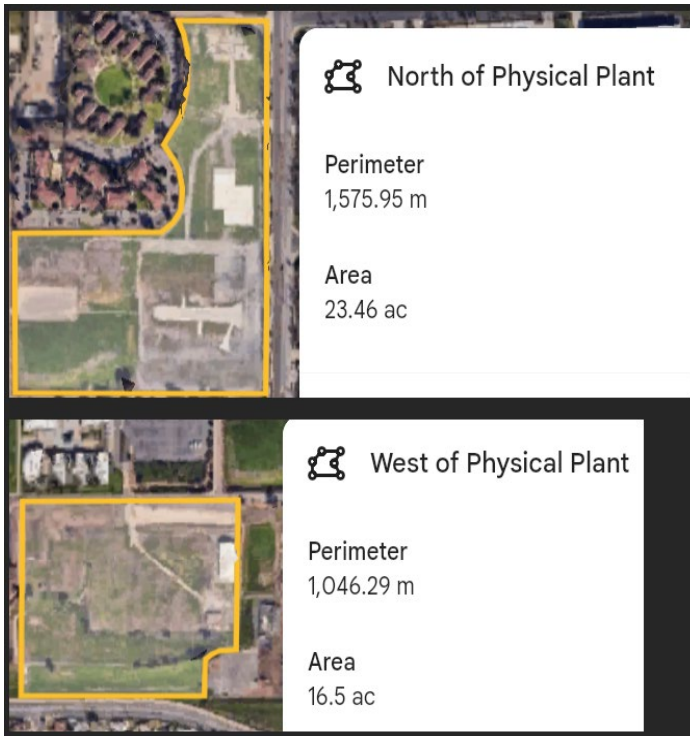
**Lease Period** 1/1/2026 to 9/30/2028 (21 months)

Square Feet	1,021,918 SF
Rate	\$0.40/SF
Monthly Rent	\$408,767.20
Annual Rent	\$4,905,206.40 (subject to a 3% annual increase)

## MAPS



**Land Identified by LA Metro as Potential Sites**



**TAP Estimated Measurement of Site  
(will complete a site survey before  
completion of final agreement)**

## Monetary Contribution and Capital Improvement Structure

The rent for this partnership will be divided equally between a monetary contribution (50%) and a capital improvement fund (50%). The monetary contribution will be allocated between CSUDH and Toro Auxiliary Partners (TAP) to support the university's operational needs.

Site 1	Term		Monetary	Capital Improvement	TOTAL
	10/1/2024 9/30/2025	Y1	\$ 3,287,250.00	\$ 3,287,250.00	\$ 6,574,500.00
	10/1/2025 9/30/2026	Y2	\$ 3,385,867.50	\$ 3,385,867.50	\$ 6,771,735.00
	10/1/2026 9/30/2027	Y3	\$ 3,487,443.53	\$ 3,487,443.53	\$ 6,974,887.05
	10/1/2027 9/30/2028	Y4	\$ 3,592,066.83	\$ 3,592,066.83	\$ 7,184,133.66
	Total		\$ 13,752,627.86	\$ 13,752,627.86	\$ 27,505,255.71

Site 2	Term		Monetary	Capital Improvement	TOTAL
	1/1/2026 12/31/2026	Y1	\$ 2,452,603.20	\$ 2,452,603.20	\$ 4,905,206.40
	1/1/2027 12/31/2027	Y2	\$ 2,526,181.30	\$ 2,526,181.30	\$ 5,052,362.59
	1/1/2028 9/30/2028	Y3	\$ 1,951,475.05	\$ 1,951,475.05	\$ 3,902,950.10
	Total		\$ 6,930,259.55	\$ 6,930,259.55	\$ 13,860,519.09

### Proposed Financial Terms

Monetary	\$ 20,682,887.40
Capital Improvement	\$ 20,682,887.40
	<b>\$ 41,365,774.81</b>

## Capital Improvements

The capital improvement fund will be allocated for significant infrastructure enhancements to support LA Metro's operational needs during the LA28 preparation and beyond. This includes, but is not limited to:

- Construction or refurbishment of bus depots and maintenance facilities.
- Electrical infrastructure upgrades to support the charging and operation of electric buses.
- Improvements to transportation access roads and related facilities on the leased land.
- Expansion of energy-efficient and green infrastructure, aligned with sustainability goals for LA28.

This 50/50 rent division ensures that CSUDH not only benefits from the monetary contributions but also from critical, tangible infrastructure improvements that will enhance campus facilities. These improvements will also serve future collaborations and educational initiatives.

## **Payment and Reporting of Capital Improvements**

All capital improvement expenses will be paid directly by LA Metro, with financial reporting and accountability managed bi-annually. This process allows CSUDH to provide updates to the California State University (CSU) system on infrastructure improvements and associated costs, ensuring transparency and alignment with the university's long-term infrastructure strategy.

## **Annual Rent Increase**

Each annual rent amount will be subject to a 3% increase to account for inflation and market adjustments. This increase will be applied across all years of the lease term.

## **Partnership Opportunities**

This land lease partnership offers several opportunities for collaboration between CSUDH and LA Metro, along with the potential for in-kind contributions that will enhance both organizations' missions:

### **1. Research and Innovation in Urban Mobility**

- This partnership will support research collaboration between LA Metro and CSUDH's Urban Transportation Research Center, focusing on urban mobility, electric bus efficiency, and sustainable public transportation solutions.

### **2. In-Kind Contributions**

- Access to LA Metro's electric buses or donation of elect for CSUDH's educational programs and research.
- Internship and career development opportunities for CSUDH students in partnership with LA Metro.
- Joint sustainability initiatives, with a particular focus on projects aligned with the LA28 Olympic goals.

## **Conclusion**

This proposal outlines a comprehensive and mutually beneficial partnership that supports LA Metro's transportation objectives while advancing CSUDH's academic, financial, and sustainability goals. Together, both organizations can contribute to the success of the LA28 Olympics and the long-term development of sustainable transportation infrastructure in Los Angeles.

**OFFICE OF REAL ESTATE DEVELOPMENT**



## **Proposal for Review**

Office of Real Estate Development (New Department)

Update 10/9/2024

Prepared by

Tranitra Avery, Executive Director

Contact: [tsavery@csudh.edu](mailto:tsavery@csudh.edu)

# Office of Real Estate Development

*Effective Date: July 1, 2025 (pending review)*

## Guiding Principles

The CSUDH Toro Auxiliary Partners, Office of Real Estate Development strategy is to support the University's mission in a manner that recognizes its long-term vision and fiscal responsibility to the students. The office purpose is to steward land assets in support of CSUDH's teaching, research, and partnership mission.

The Office of Real Estate Development is committed to acquiring and managing the real property assets necessary to deliver an exceptional physical environment to all customers of the university and to develop and cultivate a financially attractive real estate portfolio for CSUDH.

- Future real estate management for campus and annex locations
- Management and negotiation of all contracts related to the acquisition or disposition of real estate
- Negotiation of all leases and use agreements for space where CSUDH is either a proprietor or a tenant
- Conceptual and site feasibility studies
- Market studies, infrastructure analysis, historic preservation, and neighborhood services
- Private and public partnerships

## Goal for New Department

The CSUDH Toro Auxiliary Partners Office of Real Estate Development assists with the growth and management of all the University real property assets, often serving as the liaison between the university and local municipalities and/or private sector organizations. The office will assist with issues affecting property acquisition, property entitlements, and infrastructure improvements. In addition, coordinate property valuation efforts, and implement any of the university's goals that involve strategic partnerships to become reality.

## Property Leasing

The CSUDH Toro Auxiliary Partners Office of Real Estate Development identifies and acquires off-campus leased space to satisfy University needs. The office works directly with real estate brokers and building owners to negotiate lease and contract terms mutually favorable to both proprietor and tenant. Private sector proprietor that has available space that may be of interest to the University will contact this office for further discussion. The office also manages real property owned by the university and leased to the private sector.

### **Off-Campus Leasing of Office or Lab Space**

University departments with space needs should first consult the University Space Committee to understand the principles of space allocation and the process for requesting space. When appropriate, leased space may be utilized to meet departmental needs. Department that needs space and want or need to lease should contact the Office of Real Estate Development to discuss the programmatic requirements and determine a path forward.

### **Land Use and Real Property Information Requests**

The department will manage university land-use requests, including easements, rights of entry, encroachments. This is inclusive of field real property information requests.

The CSUDH Toro Auxiliary Partners Office of Real Estate Development will supervise and coordinate all purchase, exchange, and sale of property; acquisitions or grants of easements; and requests for building demolition on behalf of the university, the university's endowment, and the university's affiliated foundations.

**Table 1: Illustrative Financial Models**





Models	Chargebacks 	Direct Allocation 	Indirect Allocation 	Hybrid 
Description	- Charge departments occupying space pro rata share of OPEX/rent/other charges necessary to maintain the space to pre-defined standards (typically includes the cost to transact and overhead)	- Allocate direct cost of real estate resources (i.e. salary, benefits, fringe) to key departments occupying space and/or using services	- Aggregate costs of real estate resources (similar to direct model) plus external expenses, technology and other expense pools into a catalog - Space/service users pay portion of catalog based on SF, \$-spend or other mechanism	- Potential for “best of breed” model combining various components
Pros	- Common industry practice tied to occupied SF and can be audited on a routine basis - Can be complemented with hourly rate structure for out-of-scope services	- Works best if team split into unique focus areas (i.e. P3 team member 100% allocated to project) - Accretive to leading practice CRM models	- Typically allows for recapture of ancillary expenses such as brokerage commissions - May allow more flexibility to generate revenue or recover costs for unique transactions	
Cons	- Requires framework to separate RE costs from facilities or other expense pools - Can be difficult to extend to non-administrative facility types (e.g. housing, hospitality, sports)	- Difficult to implement if RE resources are regularly supporting variety of departments or space users - Less flexible to changes in the portfolio or focus areas	- More difficult concept as expenses get bundled then split amongst users - More difficult to justify to users of space or services, at times - Could require approval of all users to update catalog	

Chart 1: Organizational Model

