

ACTION ITEM #2

WSU Pullman, Mixed Use "Village" Approval to Proceed (Stacy Pearson/Olivia Yang)

May 5, 2017

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Pullman, Mixed Use "Village" Approval to Proceed

SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration

PROPOSED: That the Board of Regents approve the WSU Pullman, Mixed Use "Village" Approval to Proceed and further delegate authority to the President or designee to enter into any and all contracts necessary to complete the transaction.

**BACKGROUND
INFORMATION:**

Request For Qualifications (RFQ) issued by WSU in March, 2016, for a high quality mixed use development on a triangular parcel of approximately 20 acres located on the Pullman Campus across the street from the hotel and near the golf course. The parcel would be leased to a developer under a long term unsubordinated ground lease. The development was to include but not limited to retail, dining, and alumni and WSU-related housing in the form of condominiums. There was one developer that submitted qualifications, Corporate Pointe Developers (CP). WSU decided to proceed with the process with CP.

The following issues will be considered and are part of negotiations with developer:

Ground Lease:

- Terms: 35 year initial term with options for two 30 year renewals.
- Lease revenue: to be negotiated based on appraised value.

- Lease revenue offset for a period by cost of relocation of turf research program. Value of relocation work based on independent estimate.
- Escalation of lease payments: To be negotiated for either CPI or other methods for adjusting rent over time such as re-appraisals or percentage increases.
- Developer proposed multi-family student housing and cottages in addition to retail and commercial.
- Tenants: WSU will have right to approve a prohibited uses list of activities for future tenants.
- Design approval by WSU to be consistent with WSU standards.
- Negotiations of other terms in ground lease (Developer seeks changes to WSU standard ground lease)

Land Sale:

Corporate Pointe proposed building alumni-condominiums but wants deeded land for that purpose.

- Sale of approximately 3 acres for proposed phase 1 of condo development, and option on approximately 6.5 acres for proposed phase 2
- Sale at or higher than appraised value as determined by independent appraiser.
- Covenants regarding condominiums to protect use as alumni-condos and surrounding uses (hotel and golf course).
- Easements for underground WSU utilities and water tower access.
- Resolution of land use/jurisdiction issues between WSU, Corporate Pointe and city of Pullman since property would no longer be owned by WSU.

Appended map at Attachment A

Attachment A



Board of Regents

WSU Pullman, Mixed Use "Village" Approval to Proceed

Resolution #170505-553

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Board of Regents approve the WSU Pullman, Mixed Use "Village" Approval to Proceed and further delegate authority to the President or designee to enter into any and all contracts necessary to complete the transaction.

Dated this 5th day of May, 2017.

Chair, Board of Regents

Secretary, Board of Regents