Cal Poly Considered Proposal for Public-Private 2,700-bed Student Housing Complex on Campus

California Polytechnic State University
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FOR IMMEDIATE RELEASE

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Cal Poly Granted Permission To Negotiate Partnership with Capstone Corp. to Build New Campus Housing for 2,700 Students

SAN LUIS OBISPO - Cal Poly has received conceptual approval from California State University trustees for conceptual approval to enter a public-private partnership to develop a 2,700-bed apartment-style student housing complex on campus, to be phased in during the next three years.

The approval from the CSU Finance Committee came at trustees' March 11-12 meeting at CSU Fullerton. Cal Poly is scheduled to return to trustees at their May 13-14 meeting in Long Beach, where the partnership and other formal contract details will come before the committee again for approval. If approved, the student housing project would be presented to the CSU Trustees Committee on Campus Planning, Building and Grounds for final design and environmental impact approval at trustees' Sept. 17 meeting.

Construction could begin on the complex as early as late September 2003.

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The proposal for a public-private partnership for Cal Poly campus housing came from Capstone Development Corp., a private firm that builds and operates student housing complexes on or near university campuses across the nation, to develop the complex.

Under the proposal, Capstone would finance, develop and build the student housing project. On successful completion and delivery of the project and acceptance by Cal Poly, the CSU system would issue bonds to purchase the project from Capstone. The bonds would be repaid through revenues generated by rent paid by students living in the new housing, explained Larry Kelley, Cal Poly's vice president for administration and finance.

Cal Poly would manage the complex as part of its student housing operations, said Kelley.

To offset the loss of agricultural land used for the campus housing project, Capstone is also proposing to transfer ownership of 1,254 acres of prime agricultural land in the Edna Valley to the university - including established commercial vineyards, grazing land and equestrian facilities.
"We believe this is a win/win situation for the university and the community," said Cal Poly President Warren J. Baker. "Adding more student housing on campus has always been an important part of our planning. For the past several years, we have been looking for a cost effective public-private partnership that meets state requirements so that we can accelerate our plans for additional affordable student housing. We firmly believe that approval of this project will be a significant asset to the campus and will help alleviate some of the community housing pressures."

Capstone's proposal calls for construction of a campus student housing complex that would include one-, two-, and four-bedroom apartments, a recreational swimming pool and parking for 2,000 cars. The firm estimates it could build the project for under $270 million.

If approved by trustees, the project would bring the total student housing available on the Cal Poly campus to 6,280 beds by 2006. The campus currently has 2,780 student housing beds. An additional 800-bed student complex is currently under construction and scheduled to open this fall.

The campus housing complex proposed by Capstone would be built on a site previously identified in the campus master plan as a location for student housing, near the 800-bed apartment complex currently under construction. The 27-acre site proposed for the 2,700-bed project is currently used by Cal Poly's College of Agriculture in support of Animal Science programs.

"This area was identified in the university master plan as a site ideal for future conversion to student housing," stressed Linda Dalton, Cal Poly's executive vice provost for planning and chief planning officer. "This location meets all seven principles identified for new residential communities on campus, including enhanced opportunities for student learning, a range of housing choices, availability of support services, accessibility, quality, financial feasibility and sensitivity to community impacts.

To offset the loss of grazing land, Capstone is proposing to transfer ownership of 1,254 acres of prime agricultural land just south of the San Luis Obispo city limits to Cal Poly for use by equestrian program students and Horticulture and Crop Science Department programs.

The acreage is a part of Edna Ranch and includes a 277-acre vineyard, a 28-stall horse barn, a riding ring, a hay barn and a caretaker's residence at the equestrian site. If the proposal is approved, Cal Poly plans to continue to use the property for agricultural purposes in support of its educational mission. A full-time Cal Poly staff employee would occupy the caretaker's residence to monitor the care and use of the ranch land and facilities.

"This would be a tremendous benefit to our students and several of our agriculture programs," said College of Agriculture Dean David Wehner. "It would also be a significant asset to the wine and viticulture program currently being developed at Cal Poly."

Existing chardonnay, syrah and pinot noir vineyards on the ranch would provide an "outdoor lab" for Horticulture and Crop Science students. Income from the vineyards - currently in premium wine grape production - would provide resources to Cal Poly and the College of Agriculture's academic programs, Wehner added.

The California State University Board of Trustees will consider the proposal at their March 11 meeting. If approved by the trustees, initial planning can continue with further board review and action in May.

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For additional details about the Capstone proposal for Cal Poly, Click Here.
For more details on Capstone, visit the Web site of its Capstone West division in San Diego at: http://www.capstonecompanies.com/about_capstonewest.asp.

or its corporate Web site at:
http://www.capstonecompanies.com/index.asp

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