

AGENDA

COMMITTEE ON FINANCE

Meeting: 2:00 p.m., Tuesday, March 11, 2003
California State University Fullerton
Titan Student Union, Portola Pavilions B & C

William Hauck, Chair
Shailesh J. Mehta, Vice Chair
Murray L. Galinson
Harold Goldwhite
Dee Dee Myers
Frederick W. Pierce IV
Erene S. Thomas
Kyriakos Tsakopoulos
Anthony M. Vitti

Consent Items

Approval of Minutes of Meeting of January 28, 2003 and
Approval of Minutes of Meeting of February 28, 2003

Discussion Items

1. Status Report on the 2003/2004 Support Budgets, *Information*
2. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects, *Information*
3. Educational Partnership and Student Housing Development at California Polytechnic State University, San Luis Obispo, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON FINANCE
CSU Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California
January 28, 2003**

Members Present

William Hauck, Chair
Shailesh J. Mehta
Murray L. Galinson
Debra S. Farar, Chair of the Board
Harold Goldwhite
Frederick W. Pierce, IV
Charles B. Reed, Chancellor
Erene S. Thomas
Kyriakos Tsakopoulos

Members Absent

Dee Dee Myers
Anthony M. Vitti

Other Trustees Present

Roberta Achtenberg
Bob Foster
Alexander Lopez
Ralph R. Pesqueira

Chancellor's Office Staff

David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Richard P. West, Executive Vice Chancellor and Chief Financial Officer
Louis Caldera, Vice Chancellor, University Advancement
Jackie R. McClain, Vice Chancellor, Human Resources
Christine Helwick, General Counsel

Trustee Galinson called the meeting to order at 3:20 p.m.

Approval of Minutes

The minutes of November 12, 2002 were approved.

Status Report on the 2002/2003 and 2003/2004 Support Budgets

Mr. Richard P. West, executive vice chancellor and chief financial officer, introduced the item. He explained there was a handout, and a visual presentation as part of the budget update. Mr. West then asked Mr. Patrick Lenz, assistant vice chancellor for budget development to begin the visual presentation.

Mr. Lenz presented a comprehensive PowerPoint presentation consisting of an overview of revenue and expenditure assumptions in the budget and the fiscal implications for the California State University in the 2002-2003 and 2003-2004 fiscal years.

Mr. Lenz outlined the adjustments to the 2002-2003 budget and what actions the campuses would take to address \$125.4 million in reductions to the budget. He then covered implications of the governor's proposed 2003-2004 budget and the Administration's intent to close the budget gap (of \$34.6 billion) between revenues and expenditure over the next 18 months.

Mr. Lenz concluded his remarks noting that the governor's budget as proposed, is likely to be as good as it is going to get. Given the type of assumptions that are in the 2003/2004 budget, there appears to be little possibility for any additional revenue in 2003/2004 to resolve program reductions or to offset increases in fee revenue.

Mr. West continued the PowerPoint presentation focusing on the support budget. He said we have a tremendous challenge ahead and that much of the material and information will be somewhat redundant in subsequent meetings until there is a budget.

Because of the magnitude of the changes in reductions and proposed increases for students, Mr. West said he and Chancellor Reed recognize the need to initiate an extensive consultation and discussion process among the various constituencies. He indicated some discussions have already taken place with the students and the academic senate regarding regular communication and budget meetings designed to advise the Chancellor as budget developments occur in the legislature and with the Governor's May Revision to the budget.

Mr. West said there would be three basic forums for those discussions. The key group will be the Systemwide Budget Advisory Committee. This group has broad representation and traditionally meets four times a year. It is recommended that this committee convene monthly from now through May 2003 to be a forum for discussion of the impact of the state budget actions on the CSU.

In parallel, it is recommended that the Committee on Finance meet monthly. This would be in addition to the normal March and May 2003 regular board meetings. Arrangements will be made for the committee to meet in February and in April. There will also be a Systemwide Budget Advisory Committee Meeting scheduled a week before the Finance committee meetings.

Mr. West indicated that all board of trustee members are invited to attend any committee meeting.

Another important component in the informational process will be to hold a "Budget Summit". The idea for the Summit is based on advice received from different constituencies and will convene at the Chancellor's Office sometime in March. This will be a large group of people consisting of campus presidents, campus associated student presidents, campus academic senate chairs, the executive committee of the statewide academic senate, and the executive committee of the CSSA. The purpose of the group will be to have a discussion around the budget issues facing the CSU and to inform the Chancellor and Mr. West of the concerns and problems the campuses are facing.

Trustee Pierce asked for clarification of the fee revenue calculation as shown on one of the presentation charts. Mr. West explained the historical pattern of how fees are normally calculated and that the method is not always as straightforward as it might appear. He said there are other factors considered in the equation that are not obvious, but assured the trustee that the present calculations are consistent with past revenue pictures.

A student asked if there was any idea yet on how the campuses will be affected. Mr. West explained that the normal annual allocation process to the campuses will be accelerated this year in order to give the campuses more time for planning purposes. The initial allocations will be based literally on the governor's proposal. However, the CSU hopes to persuade the legislature and the Governor that any cuts the CSU receives will be undesignated.

Sale of Systemwide Revenue Bonds in January 2003

Mr. West explained the item provides an update to the committee on the new systemwide revenue bond program.

The first sale under the new bond program took place in April 2002. That sale was for \$175 million with a total interest cost of 5.12 percent over the term of 30 years. The cost of insurance on this project was 19.6 basis points. Because of that sale, CSU is now AAA rated with respect to our investment grade.

Mr. West then reported on the recent bond sale for the month of January 2003. The January issuance totaled \$334 million. The total cost of interest was 4.82 percent and the cost of insurance was 22 basis points. He indicated the sale encompassed several large projects including the San Jose State student housing project. Mr. West noted that in comparison, this issuance was a bit more expensive than the April 2002 sale however, in perspective it was a better deal overall due to the smaller interest rate of 4.82.

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Mr. West concluded that timing and luck of the draw have a great deal to do with these types of sales. However, due to the favorable market conditions, we were able to take down a substantial amount of debt at a modest cost and lock it in for the university.

Trustee Pierce asked if it was all fixed rate debt. Mr. West said it was.

Trustee Hauck commented that the program seems to be working very well. Mr. West agreed noting we have had excellent reception of the new program from the rating agencies.

Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects

Mr. Dennis Hordyk, assistant vice chancellor for financial services, presented the item. The item requested Board of Trustees approval to authorize issuance of interim financing under the university's commercial paper program in an aggregate amount not-to-exceed \$20.6 million for the construction/acquisition of two projects.

The first project concerned the Sonoma Student Union Recreation Center. Mr. Hordyk explained the item had been presented to the board at its September 2001 meeting but was returning for approval due to receipt of construction bids that were higher than the original estimated amount of \$16.4 million. Since that time we have received formal construction bids and the total project cost is now at \$17,155,000.

The second project related to the San Francisco State University, Property Acquisition – Park Merced Lot 41 project.

The campus is seeking approval to partially finance the purchase of property known as Park Merced, Lot 41. The property consists of apartments, playfields, tennis, racquetball, and basketball courts, as well as, a parking garage and a pre-school facility. The campus intends to use the apartments for student, faculty, and staff housing, and use the other facilities for educational purposes.

Mr. Hordyk noted the committee on campus planning, building and grounds, will be asked to approve the non-state funded capital outlay program, and the schematic/design for this project at its session during this board of trustees meeting.

The campus is seeking approval to finance the portion of the project related to housing with revenue bonds. The total cost of the project is estimated at \$19,058,000 of which \$3,475,000 is to be paid for with bond financing proceeds. The remaining \$15.6 million will be funded from cash in campus trust funds.

Mr. Hordyk pointed out, as noted in the agenda, the campus housing program ratio has experienced temporary financial difficulties due to the repair of one of its newer housing

facilities. Once the repairs are completed, the campus' housing program is expected be fully back on line. Meanwhile, the current and temporary shortfalls will be covered by reserves and other campus support.

The committee recommended approval of the proposed resolution (RFIN 01-03-01).

Auxiliary Organization Tax-Exempt Financing at California State University, Chico

Mr. Hordyk explained this was a request by the CSU, Chico Research Foundation to propose a tax-exempt borrowing to finance the acquisition and renovation of an office building and to refinance existing debt. Total financing for the project will be \$5.5 million over 30 years with an estimated interest rate of 5 ¾ percent.

The proposal is to purchase a two-story office building of approximately 19,000 square feet on approximately ½-acre of land close to the campus. The building will provide additional space to support instruction, research, and public service functions of the foundation and certain university programs.

Mr. Hordyk explained the transaction does not pose a legal obligation to the board or the state. However, the transaction will be included on the balance sheet of the CSU's financial statements and will use our credit capacity. Mr. Hordyk further explained the reasoning for utilizing the auxiliary financing approach rather than the systemwide revenue bond program for this transaction as outlined in the agenda item.

The committee recommended approval of the proposed resolution (RFIN 01-03-02).

Public Sector partnership in the Development of a California Regional Crime Laboratory Facility at California State University, Los Angeles

Mr. Hordyk reviewed the item that calls for board approval of the specific development plans for a public sector partnership for the development of a regional forensic laboratory facility on the CSU, Los Angeles campus.

The board approved the concept of the project at the May 1999 meeting. A separate agenda item related to this project will come before the committee on campus planning, building and grounds, for approval to issue revenue bonds to finance the construction of the facility.

As initially proposed, the facility was to be approximately 326,000 gross square feet at an estimated cost of \$131 million. Due to budget constraints, this has been changed to a 200,000 gross square foot facility at an estimated cost of \$96 million.

Mr. Hordyk explained in depth, the structure of the partnership and the lease configuration. He then outlined the timeline for a series of required approvals.

Trustee Hauck asked about the underlying revenue source for the project. Mr. Hordyk responded that the lease revenue bonds associated with the project are a state general fund obligation.

Dr. James M. Rosser, president, California State University, Los Angeles addressed the committee. Dr. Rosser outlined the numerous benefits the laboratory will provide to CSU, Los Angeles students and faculty, the local community, and other criminal justice programs and departments nationwide. In particular, the facility and its programs will provide opportunities for internships for students to work with professionals within the crime lab and to work with cutting-edge technology. Dr. Rosser emphasized how location of the laboratory at CSU, Los Angeles will enable the campus to continue to improve and expand its already outstanding criminal justice department.

The committee recommended approval of the proposed resolution. (RFIN 01-03-03).

Real Property Development Project at California State Polytechnic University, Pomona for the Southern California Regional Blood Processing Center for the American Red Cross

Mr. Hordyk introduced the item and explained it was a proposal by California State Polytechnic University, Pomona for approval to develop the “SoCal Project”.

The California State Polytechnic University, Pomona campus is proposing to enter into a long-term relationship with the American Red Cross to construct a new Southern California region blood processing facility at Innovation Village. Mr. Hordyk explained Innovation Village is a 960,000 square foot public/private development located on 65 acres at the Pomona campus.

The proposal is to build a 230,000 square foot blood processing facility that will include laboratory, administrative, and material management spaces as well as a donor room. The facility will be designed to process the total blood supply needed for Southern California. The project will be financed entirely by the American Red Cross and they will have sole responsibility for debt service.

Dr. Bob Suzuki, president, California State Polytechnic University, Pomona, said he was delighted to be able to present this exciting partnership to the board for consideration. He gave a brief overview of the concept of the Innovation Village development and how the Red Cross facility will serve as the anchor for this unique project.

The American Red Cross has proposed building a \$41.6 million state-of-the-art blood processing, testing, and research facility on the Pomona campus that will process around 12 percent of the Red Cross national blood supply. It will consolidate several existing facilities located in various parts of Southern California. In particular, the facility will provide jobs and internships for our students and opportunities for collaborative research for our faculty.

Dr. Suzuki emphasized how important access to the services of such a facility will be to students, the Pomona campus, the CSU, and the entire Southern California region.

Trustee Hauck asked Dr. Suzuki what consideration had been given to protect the campus in the event the American Red Cross goes into bankruptcy, or is not able to meet the obligations of the lease.

Dr. Suzuki introduced Mr. Paul Buck, director of operations for the American Red Cross, and asked for his comments. Mr. Buck said the American Red Cross is thrilled about the prospect of working with the university. He referred to the American Red Cross' long history of service and said he hopes the risk of bankruptcy will never occur.

Mr. Ray Morrison, director of facilities planning for the Pomona campus, added that the campus is delighted to have the opportunity to work with the American Red Cross and to fulfill the long-time dream and vision of president Suzuki. He concurred that the risk of bankruptcy is not a significant issue for the American Red Cross. He emphasized that the American Red Cross is a congressionally mandated organization established in 1881, and said he hopes it will be here for a long time to come.

Trustee Galinson asked for clarification on the corporate structure of the American Red Cross. He said it was his understanding that the American Red Cross and the blood banks of the American Red Cross are separate entities. If that is the case, he wanted to know exactly which entity will contract with the CSU.

Mr. Paul Buck responded that the American Red Cross is one organization. The southern California region is a unit of the American National Red Cross. He assured the trustee that the blood banks are not a separate corporate entity but are essentially an operating unit of the American National Red Cross. Trustee Galinson thanked Mr. Buck but said he wanted to go on record to request that our counsel make sure the correct entity is on the contract. Trustee Galinson also noted provision must be included in the contract to insulate CSU from any possibility of a lawsuit by the recipient of blood from this entity. He said this was a great project as long as the university is properly protected.

The committee recommended approval of the proposed resolution (RFIN 01-03-04).

The meeting was adjourned at 4:19 p.m.

COMMITTEE ON FINANCE

Status Report on the 2003/04 Support Budget

Presentation By

Richard P. West
Executive Vice Chancellor and
Chief Financial Officer

Patrick J. Lenz
Assistant Vice Chancellor
Budget Development

Summary

On February 19, 2003, the Legislative Analyst Office (LAO) released their Analysis on the Governor's 2003-04 budget. In their Analysis, the LAO considers three major issues as an alternative approach to the CSU support budget, enrollment growth, student fees, and financial aid. The LAO also makes recommendation pertaining to outreach programs, precollegiate courses, CSU carry-forward funding, and capital outlay. The BOT will receive a briefing paper on the CSU response to the LAO recommendations and other items related to the status of the 2003-04 Support Budget.

COMMITTEE ON FINANCE

Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for Various Projects

Presentation By

Dennis Hordyk
Assistant Vice Chancellor
Financial Services

Summary

This item requests the Board of Trustees to authorize the issuance of Systemwide Revenue Bonds and the issuance of interim financing under the CSU's commercial paper program in an aggregate amount not-to-exceed \$22,200,000 for the construction of two projects. To facilitate maximum flexibility in the commercial paper program, the Board is being asked to approve separate resolutions relating to each project. The long-term bonds, when sold for the projects are expected to bear the same ratings from Moody's Investor Services and Standard and Poor's Corporation as the existing Systemwide Revenue Bonds.

The projects are as follows:

1. Pomona Student Union Expansion

Previously, the Board of Trustees approved the issuance of \$20,980,000 in bonds to finance a student union expansion project at California State Polytechnic University, Pomona. The project included a two-story steel frame structure and a seismic upgrade to its existing union facility. The project was originally estimated to cost approximately \$20 million and was targeted to be completed in June 2002. The project experienced many unexpected challenges and unplanned delays ranging from releasing the original architect to changing the general contractor due to poor performance. The ensuing repackaging and rebid of the balance of the original contract resulted in adding cost to a level requiring an additional \$2.7 million to complete the project. The Board is now being asked to approve the additional financing of the project with a not-to-exceed amount of \$2,840,000, which includes associated financing costs. A twenty-seven year bond term is utilized to synchronize the debt with the life of the bonds associated with the original expansion project.

Not-to-exceed amount:	\$ 2,840,000
Amortization	Approximately level over 27 years
Pro-forma maximum annual debt service	\$ 193,692
Projected debt service coverage including the new project: ¹	
Gross revenue – all Pomona pledged revenue programs	4.67
Net revenue – all Pomona pledged revenue programs	1.83
Net revenue – projected for the campus Student Union Program	1.17

1. Projected information – Combines the 2001/02 information for the campus-operated pledged revenue programs, and the net revenue and pro-forma debt service for the first year of principal amortization of the new project.

The not-to-exceed amount shown above, the maximum annual debt service and the ratios are based on the adjusted project completion cost, debt service and financing costs at the current interest rate environment plus 50 basis points (computed average coupon rate – 5.19%; February 6, 2003), which provides a modest safeguard to be used if needed for changing financial market conditions that could occur before the permanent financing bonds are sold. The campus financial plan for repayment of the not-to-exceed amount is based on a 2.5% increase in annual enrollment and the approved increase in student body center fees, including an automatic inflationary increase. The delays with the original project indicated above have resulted in lower program revenues, and operational shortfalls have occurred which were funded by existing student union reserves. The campus has developed a student union program financial plan that with the completion of the expansion project and the implementation of the planned student body center fee increase, demonstrates the student union program will be self-supporting in 2003/04, the first full operating year for the new facilities.

2. Channel Islands – Student Housing, Phase I

California State University, Channel Islands wishes to proceed with the financing of the first phase of a design build student housing project. The phase I project will provide a minimum of 351 beds located in 86 four-single person bedroom style apartments with a common kitchen and living area in each apartment. The project will also include site development, landscaping, site lighting, signage, and approximately 230 parking spaces. The project received a favorable recommendation by the Chancellor’s Housing Proposal Review Committee recently, and is also being presented to the Board at this meeting under the Committee on Campus Planning, Buildings and Grounds for approval as an amendment to the 2002/03 Nonstate Capital Outlay Program and for schematic plan approval. The not-to-exceed par value of the proposed bonds is based on an estimated project cost of \$17,620,000. At the time this agenda item was written, the

campus was awaiting construction bids. The campus expects to award the design build contract in April 2003 to the successful bidder, and expects to open the facility in August 2004. The project will be the only available student housing near the campus for several years.

The following table provides information about the financing transaction.

Not-to-exceed amount:	\$ 19,360,000
Amortization:	Approximately level over 30 years
Pro-forma maximum annual expected debt service	\$ 1,284,175
Projected debt service coverage including the new project: ¹	
Gross revenue – all Channel Islands pledged revenue programs:	2.09
Net revenue – all Channel Islands pledged revenue programs:	1.41
Net revenue – projected for the campus Housing Program:	1.41

1. Projected information – Combines the 2001/02 information for the campus-operated pledged revenue programs and the first full year of operation of the new project with expected full-year debt service in 2005/06.

The not-to-exceed amount, the maximum annual debt service and the ratios above are based on an estimated construction project bid amount, expected debt service and capitalized interest at the current interest rate environment plus 50 basis points (computed average coupon rate - 5.27%; February 18, 2003), which provides a modest safeguard to be used if needed for changing financial market conditions that could occur before the permanent financing bonds are sold. At the project level, the campus financial plan shows that this housing project will pay for itself from the first full year of the new project's operations.

Trustee Resolutions and Recommended Action

Orrick, Herrington & Sutcliffe LLP, as bond counsel, is preparing a set of resolutions to be presented at this meeting for each project described in this agenda item that authorize interim and permanent financing for these projects. The proposed set of resolutions will be distributed at the meeting and will achieve the following:

- (1) Authorize the sale and issuance of Systemwide Revenue Bond Anticipation Notes and the related sale and issuance of the Trustees of the California State University, Systemwide Revenue Bonds in an amount not-to-exceed \$22,200,000 and certain actions relating thereto.

- (2) Provide a delegation to the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes and the revenue bonds.

Approval, individually or in total, of separate sets of financing resolutions for the following projects as described in this agenda item is recommended:

Pomona Student Union Expansion

Channel Islands – Student Housing Phase I

COMMITTEE ON FINANCE

Educational Partnership and Student Housing Development at California Polytechnic State University, San Luis Obispo

Presentation By

Dennis Hordyk
Assistant Vice Chancellor
Financial Services

Dr. Warren J. Baker
President
California Polytechnic State University, San Luis Obispo

Overview of the Development Proposal

This item requests the Board of Trustees to approve the conceptual plan in which California Polytechnic State University, San Luis Obispo would enter into a public-private partnership agreement that would enable construction of much needed student housing on campus land and provide the University with new land and facilities that would enable additional educational benefits to be developed in support of the University's educational mission. The Capstone Development Corporation (Capstone) initiated contact with the university with a proposal to partner with the campus to construct additional student housing and to obtain new agricultural educational land to be used for academic purposes. The campus has worked with Capstone to structure the concept of the partnership as described in this agenda item.

Partnership Agreement and Educational Benefits to the University

Through a partnership agreement Capstone will develop campus land and provide approximately 2,700 beds in apartment residences for Fall 2006 occupancy, or sooner if possible. The development will include approximately 2,000 surface and structured parking spaces as well as 12,000 square feet of service space. The planned site has been identified in the campus master plan for student housing, although it is currently being utilized for academic programs in agriculture. This displacement of agricultural land can be substantially mitigated with the acquisition of land discussed below. The campus master plan identifies approximately 1,620 bed spaces on the site; however the campus plans to redirect some of the bed spaces from each of the other planned student housing sites to accommodate this build out. The campus will submit a master plan amendment to the Trustees for approval at a later date.

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As part of the partnership agreement, Capstone plans to transfer to the California Polytechnic State University approximately 1,254 acres in San Luis Obispo's Edna Valley which is about five miles from the campus core. The now privately owned property has 277 acres of vineyard, an equestrian center with a caretaker residence and attached hay barn, stables, a riding ring, and a recreation facility complete with heated lap pool and two tennis courts. The land and existing facilities will be utilized to support the University's educational mission and enhance educational programs. Immediate beneficiaries will be academic programs in viticulture, crop and animal sciences by providing students and faculty with hands-on experience in wine grape-growing, herd management, and general farm management. The value of the property will be established by an independent appraisal as part of the due diligence phase of the project. It is estimated that the vineyard would currently produce \$1 million in annual net revenue that in the future will be used to support the University's educational mission.

Demand for Student Housing and the Housing Development Plan

In 2001, the University commissioned Anderson Strickler to conduct a market study to determine the demand for student housing. The resulting study concluded that the limited housing supply and overwhelming demand in San Luis Obispo County have created a critical need for student housing. San Luis Obispo County is a limited growth county, constrained by physical land features and availability of infrastructure (water and sewer). The vacancy rate in San Luis Obispo as of January 2002 was approximately 3.5%. With the approval of the University's Master Plan revision in 2001, the campus capacity for student enrollment is planned to increase from 15,000 to 17,500 full time equivalent students (FTES). The University is near completion of an 800-bed apartment facility, however this facility is not sufficient to meet demand as is evident by the over 1,400 students placing monetary deposits to vie for the available apartments. In response to these factors the University is seeking opportunities to provide additional on campus housing for students.

The campus student housing development will consist of approximately 2,700 beds in apartment-style units with surface and structured parking of at least 2,000 spaces, and approximately 12,000 square feet of service space on a site identified for student housing in the campus master plan. The University will enter into a ground lease with a campus auxiliary organization for the development site and the University's auxiliary organization plans to enter into a sub-ground lease and development agreement with Capstone to facilitate the design, construction, construction financing, and overall development of the student housing and parking. Capstone is projecting a cost per square foot of \$172 for the living units, which compares to a total cost of approximately \$180 per square foot for the CSU apartment development now being completed on the campus. Capstone will construct the facility in conformance with CEQA and schematic designs to be approved by the Trustees at a future meeting. While Capstone, a private entity, will be at risk for the cost of the project, construction period financing and ultimate project

delivery, this project will adhere to California Labor Code prevailing wage rates. At the time this agenda item was written, the method of financing the construction by Capstone was unknown.

Upon successful completion, and delivery and acceptance of the facility, the CSU would be obligated to purchase the improvements which would require issuing debt from the CSU Systemwide Revenue Bond (SRB) program for an amount estimated not to exceed \$270 million. This amount includes the cost of the project, the developer's profit, the cost of the land to be transferred to the University by the developer, and debt issuance costs. The debt is to be repaid from the housing revenues received from operation of the project. Finalized plans for SRB financing will be brought to the Trustees at a future meeting. At the time of the purchase, the CSU would also simultaneously terminate the ground leases with the auxiliary organization and Capstone. The campus may contract for facility management services with an auxiliary. The University intends to operate the residential life programs for the facility's residents.

Recommend Action

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Trustees:

1. Approve the concept of a public-private partnership that would provide land and facilities to support the University's educational mission and academic programs, and bring student housing to the campus.
2. Authorize the chancellor to enter into negotiations for agreements as necessary to facilitate the development of campus land as explained in agenda item 3 of the March 12-13, 2003 meeting of the Committee on Finance.
3. Will consider the following additional action items for approval at appropriate times during the process:
 - a) Approval of the development plan negotiated by the campus and the developer with the advice of the chancellor for acquisition of agricultural land and construction of student housing;
 - b) Approval of the master plan amendment;
 - c) Approval of the schematic plans;
 - d) Approval of the EIR; and
 - e) Approval of the financing plan and authorization to issue systemwide revenue bonds