

AGENDA

COMMITTEE ON FINANCE

Meeting: 2:00 p.m., Tuesday, November 16, 1999
Glenn S. Dumke Conference Center

Anthony M. Vitti, Chair
Laurence K. Gould, Jr., Vice Chair
Bob Foster
Harold Goldwhite
Frederick W. Pierce, IV
Ali C. Razi
Stanley T. Wang

Consent Item

Approval of Minutes of Meeting of September 14, 1999

Discussion Items

1. Auxiliary Organization Financing at San Francisco State University, *Information*
2. Approval for the Issuance of the California State Housing System Revenue Bonds, San Diego State University, Residential Suites and Residential Dining Complex, *Action*
3. Private Sector Participation in the Development of Innovation Village, a 65-Acre Technology Park at California State Polytechnic University, Pomona, *Action*
4. Annual Student Fee Report, *Information*
5. Public Sector Participation in the Development of a Department of Justice Crime Lab at California State University, Fresno, *Action*

**MINUTES OF MEETING OF
COMMITTEE ON FINANCE**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

September 14, 1999

Members Present

Anthony M. Vitti, Chair
Bob Foster
Harold Goldwhite
William Hauck, Chairman of the Board, ex officio
Frederick W. Pierce IV
Ali C. Razi
Charles B. Reed, Chancellor, ex officio
Stanley T. Wang

Members Absent

Laurence K. Gould, Jr., Vice Chair

Other Trustees Present

William D. Campbell
Martha C. Fallgatter
Dee Dee Myers
Joan Otomo-Corgel
Ralph R. Pesqueira
Michael D. Stennis

Chancellor's Office Staff

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

Trustee Anthony M. Vitti, chair, called the meeting to order at 1:33 p.m.

Approval of Minutes

The minutes of July 7, 1999, were approved.

Auxiliary Organization Financing at San Diego State University

Trustee Vitti explained that the item was intended to inform the board of the proposed borrowings by a recognized auxiliary organization of the California State University. The San Diego State University Foundation is preparing to borrow funds for the purpose of purchasing and renovating a facility for campus research using one of its existing properties as security for the transaction. Additionally, the foundation is preparing to refinance previously issued tax-exempt debt in order to modify certain financial covenants in the existing bond documents. The financing transactions related to this item will not create any obligation on the part of the State of California or the trustees.

Softball/Baseball Facilities Improvement Project at CSU Sacramento

The item describes a public/private partnership that would allow CSU Sacramento to develop new campus softball/baseball facilities. The proposed agreement will be between CSU Sacramento's foundation and a private baseball organization, and would not financially obligate the university.

Mr. Richard P. West, executive vice chancellor and chief financial officer, presented the item. He referred to a handout on the item and noted that the scope of the project had been brought to the board conceptually in 1996, and again in 1997. Mr. West explained that the agreement was still in the negotiation process between the River City Baseball Association and the campus foundation. He briefly reviewed the history of the 3.5 million dollar project, of which the foundation expects to receive one million dollars as a gift in kind. The remaining 2.5 million will be debt that the foundation would incur. The primary issue of concern here is assuring that there is sufficient indemnification for payment of the 2.5 million by the foundation. Mr. West said the item is for information only at this time, and reiterated that the university would not be obligated for any of the debt associated with the project.

Dr. Donald R. Gerth, president, CSU Sacramento, said that he thought Mr. West had characterized the transaction very accurately and agreed that the project was still very much a work in progress. He said there was an element of some urgency due to the time factor involved, and that was why it was being presented to the board at this time. President Gerth stated he would not give final approval to the project unless he was totally satisfied that the campus foundation was completely protected with respect to repayment of the indebtedness.

Trustee Vitti asked President Gerth for additional clarification, to better understand the terms of the project. Chairman Hauck said he was also not sure he fully understood the scope of the project, and inquired where the revenue for the project would be coming from.

Mr. Edward Del Biaggio, vice president, administration, for Sacramento State, explained the details of the intended agreement as he understood it. Chairman Hauck indicated he was still skeptical about reliability issues, and echoed President Gerth's concern about protection of the campus foundation with regard to repayment of debt. Trustee Foster urged that the campus take another look at the proposal, and to seriously consider all the possible ramifications should the baseball entity fold prior to fulfillment of the proposed agreement.

Trustee Vitti concluded the conversation by noting that the committee did not wish to discourage the project, but stressed that certain issues must be addressed and that President Gerth must continue to exercise caution.

Development of the 2000/2001 Support Budget

Trustee Vitti asked Mr. West to present the item. Mr. West noted there were two hand-outs associated with the item, specifically, a detailed report on the previous budget year, and a draft of the 2000/2001 lottery budget.

Mr. West reviewed the reports, noting the substantial increase for CSU in lottery allocations, citing the robust growth of the economy as the likely catalyst. He noted that as a result of the increased funding and a change in allocation policy, campuses will receive a larger allocation of funds. The campuses will utilize the increased funding to support systemwide programs relating to outreach and retention and teacher recruitment.

Mr. West introduced a slide presentation containing details and highlights of the upcoming budget recommendations in preparation for the October 1999 special board meeting. Some of the items of interest and anticipated conversation include: continuing discussions with the Department of Finance with regard to Compact II negotiations; an out-of-state tuition fee increase; and methods for resolving long-term budget deficiencies, to mention a few.

A brief discussion took place regarding a possible 15 percent nonresident tuition fee increase. Such an increase would bring CSU closer to the level currently charged by its CPEC comparison in institutions. Trustee Vitti asked if there were any political reasons for not going ahead. Mr. West said it was an economic rather than political consideration.

Increased enrollment growth requirements will be a major issue of concern. Mr. West reported that CSU is currently at 1.1 percent over-enrollment for 1998/99. It is anticipated that enrollment growth will continue to increase at a rate equivalent to one medium-sized campus per year, to put in perspective.

Mr. West mentioned that funding will be sought for additional items above and beyond the compact and fee revenue lines. In particular, funding for the CSU Channel Islands campus and the Coachella Valley project will be an important consideration as will a request for an additional 1 percent for narrowing the faculty salary gap.

Trustee Goldwhite raised the issue of rising marginal costs and the need to address the fact that they are not adequate to cope with the burgeoning enrollment increases. Mr. West concurred and added there are many areas in need of further exploration, citing high cost programs as an example.

Mr. West concluded by acknowledging that CSU has experienced a substantial and much appreciated budget increase this past year. Despite this increase, the CSU must continue to seek additional funds to meet anticipated enrollment increases.

Adjournment

The meeting adjourned at 2:17 p.m.

BRIEF

Information Item

Agenda Item 1
November 15-17, 1999

COMMITTEE ON FINANCE

Auxiliary Organization Financing at San Francisco State University

Presentation By

Richard P. West, Executive Vice Chancellor and
Chief Financial Officer

Summary

This agenda item is to inform the Board of Trustees of a proposed borrowing by a recognized auxiliary organization of the California State University. The financing transaction will not create any obligation of the State of California or the Trustees. The financing of the auxiliary organization will proceed pursuant to the chancellor's delegation in the Board of Trustees' CSU Policy for Financing Activities approved on November 11, 1998.

San Francisco State University Foundation, Inc., is preparing to borrow funds to purchase an apartment complex that will be used for faculty housing using the property as security for the transaction.

ITEM

2

Agenda Item 1

November 15-17, 1999

COMMITTEE ON FINANCE

Auxiliary Organization Financing at San Francisco State University

The San Francisco State University Foundation, Inc., is currently negotiating the acquisition of a 27-unit, 3 bedroom, apartment complex across from campus for faculty housing. This action is being undertaken to address the need for faculty housing in an expensive real estate market in the San Francisco Bay Area. The complex, commonly referred to as the Tapia Triangle, is located along Tapia Drive, Font Boulevard, and Holloway Avenue across from the campus. The complex is approximately 40 years old and remaining life is estimated at 30 years, with no immediate improvements anticipated. A structural report has been completed and additional inspections will be undertaken prior to closing the transaction.

The proposed purchase price is \$6.2 million. The San Francisco State University Foundation, Inc., a recognized auxiliary organization of the California State University, is preparing to finance through a local bank an amount not to exceed \$5,000,000 to purchase the apartment complex. The foundation has also earmarked a total of \$1,500,000 for equity and acquisition costs from its working capital reserves. A "Broker Price Opinion" has been obtained to establish a purchase price, and a more detailed appraisal will be obtained prior to completion of the transaction.

The foundation was able to secure a 15-year taxable loan commitment with a 30-year amortization schedule from the Bank of San Francisco using the property as the sole security for the transaction. By the third year of operations, as old leases expire and are replaced with new leases, the foundation expects to start generating annual operating surpluses sufficient to accumulate funds to repay the remaining principal at the end of the 15-year loan period.

The following summarizes key information on the proposed financing:

Financed amount, not to exceed:	\$5,000,000 (taxable)
Term:	Due in 15 years/30-year amortization
Estimated rate:	7.69% to 8.0%, variable after 2 years

BRIEF

Action Item

Agenda Item 2
November 15-17, 1999

COMMITTEE ON FINANCE

Approval for the Issuance of the California State Housing System Revenue Bonds, San Diego State University, Residential Suites and Residential Dining Complex

Presentation By

Richard P. West, Executive Vice Chancellor
and Chief Financial Officer

Summary

This item requests the Board of Trustees to authorize the sale and issuance of California State University Housing System Revenue Bonds in an aggregate principal amount not to exceed \$40,300,000 to finance the construction of the Residential Suites and Residential Dining Complex at San Diego State University.

Recommended Action

Adoption of the proposed resolutions.

ITEM

2

Agenda Item 2

November 15-17, 1999

COMMITTEE ON FINANCE

Approval for the Issuance of the California State University Housing System Revenue Bonds, San Diego State University, Residential Suites and Residential Dining Complex

Background

This item requests that the Board of Trustees authorize the sale and issuance of an additional series of California State University Housing System Revenue Bonds in an amount not to exceed \$40,300,000 to finance the construction of the Residential Suites and Residential Dining Complex at San Diego State University.

The construction project is budgeted at \$40,472,000. The sale of bonds will provide approximately \$37,750,000 for project construction after accounting for cost of issuance, capitalized interest during construction and interest earnings on construction funds. The balance of the construction funds will be provided from housing reserves and a campus auxiliary organization food service provider.

The campus has developed a comprehensive financial plan supporting the project. The proposed bond amount will reimburse approximately \$753,000 in 1999/2000 costs expended by the San Diego State University Housing program for design services and request for proposal preparation. The debt service for the proposed bonds will be paid from revenue generated from the university student housing facilities and from an operating lease for the dining facility to the auxiliary organization food service provider. Aztec Shops, Ltd., an approved CSU auxiliary organization responsible for university food service and other commercial activity at the campus, will operate the dining facility. The debt is secured by housing revenues from the systemwide dormitory revenue bond program.

The following summarizes key information on the proposed housing system financing:

Not-to-exceed amount:	\$40,300,000
Term:	30-year amortization
Estimated all-in TIC rate:	5.85% to 6.91%
June 30, 1999, debt service coverage	1.87 times
Projected debt service coverage, first year of operations:	1.98 times
Bond insurance commitment:	Seeking insurance qualification
Bond intrinsic rating before bond insurance:	A+

The not-to-exceed amount contemplates an upper margin that might be needed as a result of market changes in what has been a somewhat uncertain interest rate environment over the last few months. The amount of bonds sold will be adjusted to market conditions at the time of the sale to provide no more than the approximate \$37,750,000 net amount needed for construction. The not-to-exceed amount is consistent with the campus budget for repayment of debt service.

Campus Housing Program

The campus currently has 2,931 spaces in operation financed through the Dormitory Revenue Fund and another 218 apartment spaces financed through tax-exempt financing secured by the San Diego State University Foundation. The demand for campus housing has been in excess of available spaces for the past two years. A recent market study by Brailsford & Dunlavey, an independent consultant, determined that there is considerable unmet demand for suite/apartment style student housing.

In addition, the new proposed housing will serve to offset the projected loss of 669 spaces in residence halls on the west side of campus scheduled for demolition several years after the construction of the new housing. The buildings scheduled for demolition consist of three campus residence halls known as Templo del Sol that were built in 1957/58. The campus is constrained by limited land and these three-story structures are an inefficient land use as well as deficient in seismic, health and safety codes, and accessibility standards. The cost estimates for just the remedial work related to safety and ADA access exceeds 50 percent of the replacement cost. Also, the residence halls are located on land identified by the May 1999 Board of Trustees' approved Master Plan as a future sports and recreational area. For these reasons the university plans to consolidate the majority of housing on the east side of campus and centralize residential dining.

Proposed Facility

In response to survey and focus group data, the university plans to construct, using a design/build process, 694 spaces contained in two six-story buildings arranged in 8-person suites. The majority of these spaces will have 8 single bedrooms (interior suites contain 4 single bedrooms and 2 double bedrooms), two bathrooms, living room and kitchen counter area. A two-story with basement commons building will be located between the residential suite buildings. The first floor of the commons building will provide space for the facility's administrative functions as well as laundry and meeting/seminar rooms. The second floor will provide residential dining for 732 students, serving the resident population on the east side of the campus with a "market place" type food service. This centralized facility will eliminate a long walk to the existing commons facility and will provide the high quality residential life experience demanded by today's student residents. Construction is expected to commence on the 3-acre site in April 2000 with occupancy in fall 2001.

Other Information

With the assistance of staff at the Chancellor's Office, the preliminary plan was reviewed by the Housing Proposal Review Committee in May 1999. The committee provided a positive recommendation for the project to the chancellor and the president of San Diego State University.

The campus has received request for proposal design/build bids and has determined a qualified winning proposer for design and construction of the project.

4

Fin.

Agenda Item 2

November 15-17, 1999

A separate item will be presented to the trustees' Committee on Campus Planning, Buildings and Grounds at this meeting requesting the trustees to approve the schematic/design for this project.

Trustee Resolutions

Orrick, Herrington & Sutcliffe LLP, as bond counsel, is preparing resolutions to be presented at this meeting which will achieve the following:

- (1) Authorize the sale and issuance of the California State University Housing System Revenue Bonds, in an amount not to exceed \$40,300,000 and certain actions relating thereto including the approval of the form of the Notice of Sale as presented to the board at this meeting.
- (2) Approve the form of the official statement prepared by Kelling, Northcross & Nobriga, financial advisor, as presented to the board at this meeting.
- (3) Provide for a delegation to authorize 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.
- (4) State the official intent of the Board of Trustees under federal income tax law to pay and reimburse the capital costs of the project from the proceeds of the bonds.

Recommended Action

The resolutions being presented by bond counsel and the form of the official statement will be distributed to the trustees at the meeting and are recommended for approval.

BRIEF

Action Item

Agenda Item 3
November 15-17,1999

COMMITTEE ON FINANCE

Private Sector Participation in the Development of Innovation Village, a 65-Acre Technology Park at California State Polytechnic University, Pomona

Presentation By

Bob Suzuki, President
California State Polytechnic University, Pomona

Richard P. West, Executive Vice Chancellor
and Chief Financial Officer

Summary

Cal Poly Pomona is proposing to enter into a public/private partnership for the construction of "Innovation Village," a 65-acre mixed-use technology park development on campus. Innovation Village will be a master planned community of technology-based enterprises, including business incubator facilities for start-up companies, multi-tenant research and development buildings, build-to-suit corporate offices, supporting retail, and possibly a housing element. Innovation Village will provide the setting for the interface between the university's human and technological resources and those of the private sector. It will promote and support technology transfer, student and faculty professional advancement, community economic development, and environmental design.

The trustees are being asked to review and approve the concept of utilizing the private sector to design, finance, and construct buildings within Innovation Village at Cal Poly Pomona and to authorize the project to proceed with the understanding that additional information will be presented to the board at key points in the process.

Recommended Action

Approval of the resolution.

ITEM

2

Agenda Item 3

November 15-17, 1999

COMMITTEE ON FINANCE

Private Sector Participation in the Development of Innovation Village, a 65-Acre Technology Park at California State Polytechnic University, Pomona

Background

California State Polytechnic University is proposing to seek through a Request for Qualification/ Request for Proposal (RFQ/RFP) process, private sector participation to design, finance, and construct approximately 960,000 square feet of multiple buildings in "Innovation Village," a mixed-use technology park on university property. Innovation Village will be a master planned community of technology-based enterprises, including business incubator facilities for start-up companies, multi-tenant research and development buildings, build-to-suit corporate offices, supporting retail, and possibly a housing element. It will be built on 65 acres of university property located on a strategic site at the southeastern entrance to the campus within a mile from three major freeways. The property is vacant of structures and is used by the university for crop production and pasture that will be relocated next year to approximately 50 acres on the landfill property being acquired from the Los Angeles County Sanitation District.

The Innovation Village concept is the result of six years of planning and analysis. It is envisioned that the Village will house several university-related activities, including the Technology and Training Center, which was approved by the trustees on March 17, 1999. This project includes facilities for: the NASA Commercialization Center, an incubator devoted to commercializing technology developed at JPL and the Dryden Flight Center; a Federal Economic Development Administration supported business incubator; and a new building for the College of the Extended University. This project will serve as a magnet to attract additional technology related businesses to Innovation Village.

Educational Benefits and Synergies

Innovation Village will provide the setting for the interface between the university's human and technological resources and those of the private sector. It will promote and support technology transfer, student and faculty professional advancement, community economic development, and environmental design.

The marketing strategy for Innovation Village is centered on promoting Cal Poly Pomona's centers of academic excellence and technology expertise, as they provide the basis for attracting business and industry to the park. The university's centers of academic excellence include (but are not limited to) the following: multimedia, geographic information systems technology, computer and software engineering, environmental design and planning, plant and animal biotechnology, and textile technology. Cal Poly Pomona will provide a wide range of support services and amenities to Innovation Village tenants that are not available in freestanding or non-university projects. These services will become powerful marketing tools for development of the project.

The companies located within Innovation Village will have access to the full array of university support services, including conference facilities, building services and maintenance, university technology services and expertise, and formal technology transfer programs and policies. Innovation Village will be linked with the university's microwave and satellite broadcasting and communications systems, as well as its computer, networking and multimedia capabilities and will be linked with other technology centers via the internet with broadband and satellite communication capabilities.

The university will employ its professional, faculty, and student resources to support and learn from the resident companies of Innovation Village, and will engage the leaders and technicians from these companies in the teaching and learning process and in student mentoring. The resulting synergy will bring significant benefits, including:

- Increased technology innovation and transfer
- Enhanced reality-based teaching, learning, and research
- Sound university-based business investment opportunities
- Improved quality of life for the community and region

Economic Advantages and Benefits

In 1997 the university undertook a demographic and economic overview and market analysis of various land use products (including office, research and development, light industrial, retail, entertainment, recreation and residential) as part of an asset management strategic assessment of the university's land resources. It concluded that, given the availability of real estate assets, its strategic economic location, and the potential to develop synergistic projects, the university should undertake further planning to identify the appropriate mix of uses that best met its long-range goals.

In 1998 the University Village Business Plan concluded that general market conditions support the development of a university-based technology park at Cal Poly Pomona. It also concluded that the university has latitude with respect to its approach to the development of the property. Using a reasonably conservative set of assumptions relating to the scope and schedule, it is estimated that a public/private partnership may yield approximately \$10 million cash flow over a ten-year period, not including the capitalized asset value. The University Village Business Plan also concluded that the value of the property varies depending on the development program and in proportion to the degree of university participation and level of risk in the development process.

An appraisal of the property later in 1998 found that the estimated market value of the property in an "as is condition" was approximately \$12.5 million. The estimated "prospective" retail value of the property, assuming entitlements are in place and subject to the completion of interior roads and amenities, would be approximately \$20.4 million. The appraisal also concluded that while competition would exist, the campus location and existing market conditions would attract tenants looking for first generation retail, R&D/office and light industrial space. The appraisal and more recent discussion with major land and tenant brokers, developers and builders indicate that the general market conditions support the development of a university-based technology park at Cal Poly Pomona. Southern California should continue to experience strong growth in the technology sector, especially in the areas of multimedia and entertainment technology, computers and software, biotechnology, and textiles. The Innovation Village parcel will be the largest single undeveloped commercial property in the immediate trade area, enabling a level of planning and environmental quality that will be unique in the market area and which should result in rental premiums over free-standing buildings in the area.

Other Information

The village plan is consistent with the Cal Poly Pomona Strategic Planning Guidelines – Toward the 21st Century. At a later date, the trustees will be asked to approve the related master plan revision, which has been approved at the campus level, and is presently being evaluated under the California Environmental Quality Act.

Summary

This proposal establishes a program that allows the California State Polytechnic University, Pomona to proceed with the planning to develop, with the assistance of the private sector, approximately 65 acres of existing university agricultural land for the purpose of improving the educational mission of the university. Cal Poly Pomona is proposing to enter into a public/private partnership for the construction of “Innovation Village,” a 65-acre mixed-use technology park development on campus. Innovation Village will be a master planned community of technology-based enterprises, including business incubator facilities for start-up companies, multi-tenant research and development buildings, build-to-suit corporate offices, supporting retail, and possibly a housing element. The program will be implemented through working agreements with a specific private sector developer to lease state land and design, finance, and construct designated and approved facilities for the benefit of the university.

The following resolution is recommended for approval:

RESOLVED, By the Board of Trustees of the California State University, that the trustees:

1. Support the concept of utilizing the private sector to design, finance, and construct a mixed-use, multiple building project called Innovation Village at California State Polytechnic University, Pomona as described in Agenda Item 3 of the November 15-17, 1999, meeting of the Committee on Finance and authorize the project to proceed with the understanding that additional information will be presented to the trustees at key points in the process.
2. Confirm the chancellor’s authority to enter into such agreements as are necessary to initiate the process for specific development programs to be considered by the campus, Office of the Chancellor, and the Board of Trustees; and
3. Consider the following action items for approval by the trustees at appropriate times during the development process:
 - (a) Specific development program(s) negotiated by the campus and the developer, with the advice of the chancellor;
 - (b) Master Plan revisions;
 - (c) Proposed schematic plans; and
 - (d) Environmental documents for the project.

BRIEF

Information Item

Agenda Item 4
November 15-17, 1999

COMMITTEE ON FINANCE

Annual Student Fee Report

Presentation By

Richard P. West, Executive Vice Chancellor
and Chief Financial Officer

Summary

The California State University Student Fee Policy requires presenting an annual student fee report to the board. In 1999/2000, the state funded a 5 percent reduction in the mandatory systemwide State University Fee. During the same period mandatory campus-based fees have increased. While CSU's mandatory fees, in total, declined for a second consecutive year, our comparison public institution fees climbed. Attached are copies of the 1999/2000 CSU Resident, Undergraduate Student Fees Report; the 1999/2000 Mandatory, Campus-based Fee Adjustments Report; and the 1999/2000 Comparison Institutions Fee Survey.

ITEM

2

Agenda Item 4

November 15-17, 1999

COMMITTEE ON FINANCE

Annual Student Fee Report

The mandatory systemwide State University Fee for both undergraduate and graduate students was reduced 5 percent in 1999/2000. The State University Fee was reduced from \$1,506 to \$1,428 for undergraduate students and from \$1,584 to \$1,506 for graduate students. CSU received a \$24.2 million General Fund budget appropriation in 1999/2000 to replace lost student fee revenue. While mandatory systemwide fees decreased in 1999/2000, mandatory campus-based fees have increased. The average CSU mandatory campus-based fees increased from \$383 in 1998/1999 to \$402 in 1999/2000. The combined average for CSU mandatory systemwide and campus-based fees for resident, undergraduate students in 1999/2000 is \$1,830 per academic year, representing an overall 3 percent decrease from the 1998/1999 average of \$1,889. Attachment A provides 1999/2000 CSU resident, undergraduate student fees by campus.

Campus presidents are delegated authority to adjust campus-based fees after appropriate student consultation as outlined in the fee policy. Also, the fee policy encourages campus presidents to evaluate existing fees to determine if fees can be consolidated or eliminated. Attachment B lists 1999/2000 mandatory campus-based fee adjustments, as well as campus-based fees eliminated in the prior academic year.

Fees at the California State University are among the lowest fees in the nation for a four-year university. While CSU's student fees decline for a second year, our comparison institutions' fees continue to increase. The 1999/2000 comparison institution average for mandatory systemwide and campus-based fees is \$3,880 representing an increase of 7 percent. CSU's average for mandatory systemwide and campus-based fees (\$1,830) represents 47 percent of the comparison institution average (\$3,880). Attachment C lists 1999/2000 comparison institution, mandatory systemwide and campus-based fees for resident, undergraduate students by institution.

1999/2000
California State University Resident, Undergraduate Student Fees

	Systemwide Fees		Campus Based Fees					Total	
	*State University Fee				Materials, Services and Facilities	Student Body Assoc.	Student Body Center	Student Health Services	SUF and Campus Based Fees
	Up to 6 Units	6.1 or more Units	** IRA	Health Facilities					
Bakersfield	\$828	\$1,428	\$64	\$6	\$0	\$77	\$70	\$150	\$1,795
Chico	\$828	\$1,428	\$128	\$6	\$0	\$60	\$192	\$176	\$1,990
Dominguez Hills	\$828	\$1,428	\$10	\$6	\$0	\$135	\$76	\$80	\$1,735
Fresno	\$828	\$1,428	\$20	\$6	\$0	\$40	\$76	\$130	\$1,700
Fullerton	\$828	\$1,428	\$20	\$6	\$0	\$108	\$168	\$50	\$1,780
Hayward	\$828	\$1,428	\$36	\$6	\$0	\$45	\$66	\$99	\$1,680
Humboldt	\$828	\$1,428	\$96	\$6	\$0	\$71	\$89	\$161	\$1,851
Long Beach	\$828	\$1,428	\$50	\$6	\$0	\$46	\$100	\$70	\$1,700
Los Angeles	\$828	\$1,428	\$25	\$6	\$0	\$71	\$126	\$120	\$1,776
Maritime Academy	\$828	\$1,428	\$100	\$6	\$0	\$210	\$0	\$394	\$2,138
Monterey Bay	\$828	\$1,428	\$0	\$0	\$387	\$0	\$0	\$0	\$1,815
Northridge	\$828	\$1,428	\$30	\$6	\$0	\$120	\$170	\$60	\$1,814
Pomona	\$828	\$1,428	\$40	\$6	\$0	\$42	\$126	\$135	\$1,777
Sacramento	\$828	\$1,428	\$16	\$6	\$0	\$194	\$142	\$76	\$1,862
San Bernardino	\$828	\$1,428	\$74	\$6	\$0	\$36	\$85	\$104	\$1,733
San Diego	\$828	\$1,428	\$30	\$6	\$0	\$30	\$142	\$140	\$1,776
San Francisco	\$828	\$1,428	\$70	\$6	\$114	\$84	\$104	\$130	\$1,936
San Jose	\$828	\$1,428	\$52	\$6	\$0	\$111	\$162	\$110	\$1,869
San Luis Obispo	\$828	\$1,428	\$162	\$6	\$135	\$71	\$243	\$84	\$2,129
San Marcos	\$828	\$1,428	\$80	\$6	\$0	\$40	\$40	\$40	\$1,634
Sonoma	\$828	\$1,428	\$200	\$6	\$0	\$98	\$126	\$120	\$1,978
Stanislaus	\$828	\$1,428	\$65	\$6	\$0	\$60	\$100	\$140	\$1,799
System Average	\$828	\$1,428	\$62	\$6	\$29	\$80	\$109	\$117	\$1,830
Average Campus Based Fee									\$402

*Graduate student fees: up to 6 units, \$876; 6.1 units or more, \$1,506

**Instructionally Related Activities Fee

**1999/2000
 Mandatory Campus-based Fee Adjustments**

Campus	Fee Name	1998/1999	1999/2000	Change
Chico	Instructionally Related Activities Fee	\$114	\$128	\$14
	Student Body Association Fee	40	60	20
	Health Services Fee	172	176	4
	Student Body Center Fee	188	192	4
Fresno	Student Body Association Fee	16	40	24
Hayward	Instructionally Related Activities Fee	30	36	6
	Health Services Fee	93	99	6
Humboldt	Student Body Association Fee	47	71	24
Long Beach	Student Body Association Fee	34	46	12
Los Angeles	Instructionally Related Activities Fee	19	25	6
	Health Services Fee	0	120	120
	Student Body Center Fee	95	126	32
	Student Body Association Fee	54	71	17
Sacramento	Student Body Association Fee	188	194	6
San Luis Obispo	Student Body Association Fee	68	71	3
Sonoma	Student Body Association Fee	74	98	24

Campus-based Fees Eliminated or Consolidated in Prior Academic Year*

Campus	Fees Eliminated
Humboldt	Materials, Services & Facilities Fee—Unofficial Transcript Fee; and 114 individual course fees of type Musical Instrument and Audio/ Visual Equipment Fee
Humboldt	Within Enrollment Management—Special Services Fee: Replacement Document Fee component eliminated, Fax Delivery Service Fee component reduced
Long Beach	Geology Lab, Natural Science/Computer Science (NSCI)

*Consolidated Fees reported in 1998/1999: 0

1999/2000 Comparison Institutions Fee Survey

Mandatory Systemwide and Campus-based Fees for Resident, Undergraduate Students

University	1998/1999	1999/2000	\$ Change	Percentage Change
Rutgers University (Newark, NJ)	\$5,551	\$5,833	\$282	5.1%
University of Connecticut (Storrs, CT)	5,330	5,404	74	1.4%
University of Maryland, at Baltimore	4,846	5,160	314	6.5%
George Mason University (Fairfax, VA)	4,344	5,124	780	18.0%
State University of New York, at Albany	4,338	4,453	115	2.7%
Illinois State University	4,085	4,285	200	4.9%
Wayne State University (Detroit, MI)	4,008	4,127	119	3.0%
Cleveland State University	3,671	3,894	223	6.1%
COMPARISON AVERAGE*	3,617	3,880	263	7.3%
University of Wisconsin, at Milwaukee	3,482	3,743	261	7.5%
Georgia State University, at Atlanta	2,778	3,358	580	20.9%
University of Texas, at Arlington	2,883	3,336	453	15.7%
University of Colorado, at Denver	2,230	2,548	318	14.3%
North Carolina State University	2,364	2,414	50	2.1%
Arizona State University, at Tempe	2,160	2,262	102	4.7%
University of Nevada, at Reno	2,184	2,259	75	3.4%
CALIFORNIA STATE UNIVERSITY	1,889	1,830	(59)	-3.1%

*Average does not include CSU

BRIEF

Action Item

Agenda Item 5
November 15-17, 1999

COMMITTEE ON FINANCE

Public Sector Participation in the Development of a Department of Justice Crime Lab at California State University, Fresno

Presentation By

John D. Welty, President
California State University, Fresno

Richard P. West, Executive Vice Chancellor
and Chief Financial Officer

Summary

This item requests the Board of Trustees to approve a specific development program negotiated by the campus with the state of California Department of Justice for development of approximately 2.6 acres of campus-owned land for a new crime lab facility to be paid for by the state. The educational partnership will serve to enhance the educational mission of the university and provide practical knowledge and realistic experiences that will better prepare students who are entering the field of forensic science. This facility will also support research by students and faculty that will be a significant resource for the Department of Justice.

The trustees are being asked to approve the development program utilizing the public sector to develop, finance, construct, and operate a new 36,000-square-foot crime lab facility at California State University, Fresno and to confirm the chancellor's authority to enter into agreements that will facilitate the development of the project.

Recommended Action

Approval of the resolution.

ITEM

2

Agenda Item 5

November 15-17, 1999

COMMITTEE ON FINANCE

Public Sector Participation in the Development of a Department of Justice Crime Lab at California State University, Fresno

Background

The Board of Trustees, at its May 11-12, 1999, meeting approved the concept of a plan in which California State University, Fresno (University) would enter into an educational partnership agreement for a term of approximately forty years with the state to develop approximately 2.6 acres of university land for a new crime lab facility for the Department of Justice. The crime lab facility is intended to enable the establishment of a comprehensive and hands-on instructional program related to forensic chemistry and criminology.

An existing crime lab facility was built on the campus in 1973. It is located on land leased to the Department of Justice. The lease expires on June 30, 2003, and the existing building will become the property of the trustees at the end of the ground lease period.

Proposed Facility

With funding provided by the state Department of Justice, working through the Department of General Services, the state will design, construct, manage, operate, and maintain a new 36,000-square-foot facility on approximately 2.6 acres of university land. The facility will contain laboratories, meeting rooms, offices, and storage areas and will be located on a site master planned for Applied Sciences and Technology (Building # 41) which is consistent with the campus needs. The Department of General Services will be required to complete a Negative Declaration to meet CEQA requirements prior to commencement of construction. The Department of Justice recognizes that the planning and development of the new crime lab facility must comply with trustee policies and be consistent with the university's architectural review process and physical master plan. The university will provide required custodial services, utilities, and maintenance on a charge-back basis while the Department of Justice will provide all other resources for the design, construction, and operation of the facility.

Educational Program Agreement

The University will lease the site identified for the crime lab facility to the California State University, Fresno Association, Inc. (the Association), a recognized CSU auxiliary organization, for a period of forty years. The Association, in turn, will sublease the site to the Department of Justice and authorize the department to design, construct, operate, and maintain the crime lab facility. The site, up to 2.6 acres, will be subleased for a period of forty years. The annual ground sublease payment will be \$50,000 per year for ten years and then \$1 per year thereafter. The Department of Justice will provide the resources to design, construct, operate, and maintain this 36,000-square-foot crime lab facility that will vest in the trustees at the end of the term. The Department of General Services will administer the development of the facility.

Key Elements of the Ground Lease and Educational Partnership

A ground lease between the University and the Association, and a sublease between the Department of Justice and the Association have been developed. In addition, a Memorandum of Agreement between the University and the Department of Justice has been developed that outlines certain operating relationships and contains provisions that will yield significant educational benefit to our students and faculty. The following items summarize the key points contained in these leases and agreements:

Department of Justice (DOJ)

- DOJ will pay for all charges for water, sewer, natural gas, electricity, steam, telephone, and other utility and communication services.
- DOJ recognizes that the planning and development of the new crime lab facility must comply with the policies of the trustees and be consistent with the University's architectural review process and physical master plan.
- The project must be constructed in conformity with the schematic plans approved by the trustees.
- The plans and specifications for the crime lab facility must be reviewed by the Seismic Peer Review Board consistent with CSU policy.
- DOJ will terminate the existing ground lease dated March 18, 1974, and transfer ownership of the existing laboratory facility at 6014 N. Cedar Avenue to the trustees.
- DOJ employees will have access to university facilities.
- DOJ will provide crime scene processing and analysis of physical evidence for the University police department at no charge.
- DOJ will provide training to university police personnel, reserve officers and cadets on proper evidence handling, collection, and processing.
- DOJ will provide a limited number of student internships.
- DOJ will provide supervised access to laboratories, equipment, and conference rooms for students and faculty.

University

- The University will enter into a ground lease for the site with the Association for a period of 40 years. The Association will in turn enter into a sublease for the site with the Department of Justice to design, construct, operate, and maintain the site for a period of 40 years.
- The University will have access to the new crime lab facility for specified instructional and applied research opportunities.

- The crime lab facility and all of its improvements shall become the property of the University at the end of the lease term.
- The University will provide continuing education opportunities to DOJ employees.
- The University will identify faculty with specific areas of expertise to serve as technical consultants to DOJ.
- The ground lease can be terminated by the trustees if the Department of Justice fails to complete construction of the project within a reasonable time after full execution of the sublease.

California State University, Fresno Association, Inc.

- The Association will enter into a sublease for the site with the Department of Justice to design, construct, operate, and maintain the site for a period of 40 years.
- The Association will receive an annual ground lease payment of \$50,000 per year for 10 years and then \$1 per year thereafter from the Department of Justice.

Summary

This proposal seeks to establish an educational partnership with another state agency to construct a new 36,000-square-foot crime lab facility on approximately 2.6 acres of existing university land for the purpose of enhancing the university's academic program and educational facilities. This proposal will provide the university with a strong partner for our School of Natural Sciences and will provide needed support for initiatives in the areas of forensic science, criminology, and other academic programs.

The following resolution is recommended for approval:

RESOLVED, By the Board of Trustees of The California State University, that the board:

1. Approves the program for California State University, Fresno to work with the Department of General Services and the Department of Justice to design, construct, operate, and maintain a new crime lab facility located on approximately 2.6 acres of campus-owned land which will also serve to provide educational facilities as described in Agenda Item 5 of the November 16-17, 1999, meeting of the trustees' Committee on Finance.
2. Confirm the chancellor's and his designee's authority to enter into agreements with the Department of Justice and Department of General Services as necessary to implement development of the project as approved by the Board of Trustees.
3. Will consider the following action items for approval at appropriate times during the development process:
 - (a) Proposed schematic plans and
 - (b) Environmental document for compliance with CEQA.