# NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION Board of Directors April 11, 2017

A meeting of the North Campus-University Park Development Corporation Board of Directors was called to order by Chair, Dianne F. Harrison at 9:01 a.m. on Tuesday, April 11, 2017 in University Hall 250, California State University, Northridge. A quorum was present.

**Directors Present:** Sevag Alexanian, Colin Donahue, Rick Evans, Dianne F. Harrison, David Honda,

William Watkins

**Directors Absent:** Daniel McConaughy

Others Present: Heather Cairns, Matt Do (Jones, Lange, LaSalle) – via telephone, Elizabeth

Kioussis, Rich Barnett (Northern Trust), Linda Turner, Lih Wu

# ITEM #1 CONSIDERATION OF APRIL 21, 2016 MINUTES

MSP (Watkins/Honda): That the April 21, 2016 minutes be approved as circulated.

#### ITEM #2 ELECTION

The term of Colin Donahue expires this year. The University President recommends that Mr. Donahue be reelected to a three-year term.

MSP (Honda/Watkins): That the North Campus-University Park Development Corporation Board of Directors reelect Colin Donahue to a three-year term (2017-2020).

# ITEM #3 AUDIT COMMITTEE CHARTER

The Auxiliary Audit Committee charter was updated to make it more robust and to eliminate references to the CSUN Foundation, which elected to establish a separate audit committee.

MSP (Donahue/Honda): That the North Campus-University Park Development Corporation Board of Directors approve the audit committee charter as proposed. (Appendix A)

# ITEM #4 FINANCIAL STATEMENTS/INVESTMENTS REPORT

Chief Financial Officer, Lih Wu distributed the March 31, 2017 financial statements and noted that the corporation was \$244,000 better than budget. The two key contributing factors are the additional land leased by Rydell Chevrolet and investment gains.

Northern Trust portfolio manager, Rich Barnett distributed an investments report. He advised that while the global stock market has been up since before the U.S. presidential election, the Northern Trust view is that the new administration will lead to greater growth and higher inflation, provided they accomplish tax reform and infrastructure investment goals. In reviewing the portfolio, Mr. Barnett stated that performance over the last twelve months was strong, with total fund grown of 11.8%. Average annual growth since inception in 2013 is 5.4%.

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(Mr. Barnett left.)

#### ITEM #5 2017/2018 OPERATING BUDGET

Ms. Wu stated that the 2017/2018 operating budget assumes steady revenue, consistent expenses, and investment income slightly less than current year. Professional fees are higher, as real estate finance consultants, Jones Lang LaSalle and architectural firm, AC Martin will be engaged to assist in identifying the highest and best use of North Campus land. The budget include a \$350,000 contribution to the university, an increase of \$100,000 over the contributions of the last several years.

MSP (Donahue/Watkins): That the 2017/2018 operating budget be approved as presented. (Appendix B)

#### ITEM #6 RYDELL LEASE UPDATE

Associate Director of Real Estate, Linda Turner updated the Board on the Rydell Chevrolet ('Rydell') lease, which started in June 2013 and included decommissioned parking lot G10 and lot G12. In 2016, Rydell asked for additional land; they are now also leasing a portion of the athletic field. Rydell has installed fencing and added gravel, which they will remove upon departure. Ms. Turner reported that 2017/18 rent will be \$254,000. She advised that there have been no complaints from area residents. Rydell wishes to extend their lease to 2020. The Board expressed general concurrence.

#### ITEM #7 MEDTRONIC FUEL CELL

In April 2016, the Board approved Medtronic's installation of a fuel cell on their leased land. Ms. Turner shared photographs of the installation and advised that the fuel cell was placed away from area homes so as not to disturb neighbors. Additional foliage was added on the west-side perimeter fence to provide greater cover. The fuel cell has no effect on the university's carbon footprint.

#### ITEM #8 ON-CAMPUS HOTEL PROJECT

Mr. Evans reported that the hotel proposed for the Orange Grove Bistro site will be a private development adding that such public/private partnership (P3) projects will be considered for North Campus. The hotel development will be high quality, support the university mission, provide a replacement restaurant, and eliminate the Orange Grove Bistro's maintenance and replacement costs. The University Corporation will hold the related contracts and act as landlord.

The five-story hotel will include 148 rooms, 3,000 square feet of conferencing space and a hotel restaurant. A separate, 6600 sq. ft. restaurant will be independently operated. The project includes dedicated hotel/restaurant surface parking. Total cost is estimated at \$52 million.

Mr. Evans continued that the Request for Qualifications (RFQ) and Request for Proposals (RFP) processes were accomplished in 2016. Negotiations began in January, 2017 on key deal points to be memorialized in the letter of intent. This will be followed by an Access Option Agreement that will provide the developer access to the site to accomplish the California Environmental Quality Act (CQA) requirements, which process is expected to take six months.

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Colin Donahue added that assessment of the project's long-term value to CSUN factors in the elimination of the Orange Grove Bistro's deferred maintenance and operating costs, as well as the project's quality and fit with the campus master plan.

# ITEM 9 LEVERAGING NORTH CAMPUS LAND TO SUPPORT CAMPUS PRIORITIES

Mr. Evans distributed the Scope of Services document (Appendix C) prepared by Jones Lang LaSalle (JLL), and introduced Matt Do of JLL's Public Institutions Team, who participated via telephone.

Mr. Do reviewed the scope of services, stating that as part of their process, JLL will assess the viability of the existing Devonshire Downs plan. The analysis will focus on a variety of scenarios, such as faculty/staff housing, corporate research park, offices and multipurpose event center. Colin Donahue advised that architects, AC Martin will work with JLL to develop massing studies, review the various uses and determine how they link to one another. He added that any project will require a master plan update, which process will include outreach to appropriate groups.

### ITEM #10 ANNOUNCEMENTS

There were no announcements.

There being no further business, the meeting ended at 10:00 a.m.

Colin Dona	ahue, Seci	etarv	

Respectfully submitted