The California State University Channel Islands Site Authority met on Monday, May 10, 2004. The meeting was held in the Training Room of the new Administration Building, California State University Channel Islands (CSUCI), One University Drive, Camarillo.

Chairperson Considine presided and called the meeting to order at 11:45 a.m. Roll call was given and all members were present.

Members Present:

R. J. (Jim) Considine, Jr., Chairperson
Charlotte Craven, Vice Chairperson
Debra Farar
Kathy Long
Linda Parks
Richard Rush
Richard West

Others Present:

Karen Carr, Legal Counsel to the Site Authority
Joanne Coville, CSUCI
George Dutra, CSUCI
Richard Hiscocks, Bond Counsel, Orrick, Herrington & Suytcliffe, LLP
Dennis Hordyk, CSU Chancellor’s Office
Richard Leffingwell, CSU Chancellor’s Office
David Rosso, CSU Chancellor’s Office
Elvyra San Juan, CSU Chancellor’s Office
Nikolai Sklaroff, Citigroup Global Markets Inc.
Elizabeth Velasco, Secretary to the Site Authority

Chair Considine called for the approval of the minutes of the March 8, 2004 meeting. Ms. Parks moved to approve the minutes, Dr. Rush seconded, and the motion carried unanimously.

The public comment period was opened pursuant to Government Code Section 11125.7. Chairperson Considine called for comments. Mary Rockenstein Carlson, a resident of University Glen, addressed the Board and expressed her concern regarding the collection of special taxes, also referred to as Mella Roos taxes. Mrs. Carlson explained that several other University Glen homeowners were present to address this same issue as they had received similar invoices. Mrs.
Carlson disputed the manner in which the special taxes were being collected and questioned why the CSUCI Financing Authority directly billed the homeowners instead of the Ventura County Tax Collector. Mrs. Carlson expected that the Ventura County Tax Collector would collect the special taxes in the traditional manner, twice annually in April and November, and stated that the documents she signed at the time of purchase did not indicate otherwise. Mrs. Carlson claimed that the Site/Financing Authority had no control of the collection of these taxes and did not allow adequate time for the homeowners to make the payments, which were due in 30 days according to the notices and requested large lump sums ($3K – $5.4K) for periods dating back as far as 18 to 24 months in some cases. Furthermore, she stated that no prior notice was given to the homeowners informing them of the special method imposed to collect the special taxes. In addition, Mrs. Carlson explained that the invoices were unclear because they did not provide pertinent information, nor did they appear to be official tax bills.

Having heard Mrs. Carlson’s complaints, Mr. Considine asked Ms. Coville to respond. Ms. Coville referenced the action taken at the Financing Authority Meeting of February 9, 2004 approving the collection of special taxes for 2002/2003 and 2003/2004 for the Community Facilities District (CFD). Ms. Coville indicated that the bills were distributed in early March of this year to carry out the action approved by the Financing Authority. Ms. Coville stated that the special taxes were billed at the amounts included in the homeowner closing documents prorated from the date escrow closed. In future project phases, homeowners will be billed in escrow. A consultant has been hired to oversee the annual submission of tax data to the Ventura County Tax Collector who will then bill homeowners for this tax and their property taxes. Lastly, since so many homeowners expressed difficulty paying the taxes, the due date was extended 75 days until June 30, 2004.

Mr. Considine assured Mrs. Carlson that next year she would receive regular billings for special taxes by the Ventura County Tax Collector. He also asked Ms. Carr, Counsel to the Site Authority, and Ms. Coville to provide a letter of explanation to the University Glen homeowners addressing the special tax. He then requested that Ms. Coville resend the bills along with the letter of explanation.

Dr. Jeannie Grier, a resident of University Glen and a CSUCI faculty member, stated that she was billed for almost two year’s of special taxes and that the short notice and large payment was a burden for some homeowners. She also claimed that the documents she signed when buying the home did not indicate that taxes would be collected by the CSUCI Financing Authority, nor was it made clear that these special taxes would increase 2% each year. She further expressed concern about the affordability of homes in Phase 1C (formerly known as Phase 3). Ms. Carol Cory of the University Glen Sales Office explained to the Board and Dr. Grier that the disclosure statement did include information about the special taxes and the annual 2% increase.

Ms. Patty Pulido, a resident of University Glen and an employee of the University, inquired where income from the rentals is being directed and requested to see a full annual report. Mr. Considine requested that the annual audit reports be posted on the web and Ms. Coville agreed to do so.
Dr. Beatrice de Oca, a resident of University Glen and a CSUCI faculty member, expressed concern about the price of homes in future phases increasing 20-25%. Mr. Considine explained that the cost of materials, such as lumber and concrete, the increase of wages and insurance among other factors have contributed to the increase which can be seen nation-wide. Ms. Coville stated that prices have not yet been determined for Phase 1C and that the Site Authority would decide on the prices of Phase 1C homes at a future meeting. Ms. Coville added that Unidev is currently doing an affordability study as well.

Mr. Dale Velador, a resident of University Glen and an employee of the University, asked if taxes could be collected in two payments instead of one lump sum. He also asked that the Site Authority consider a 12-month program similar to the one used by CSU Monterey Bay. Mr. Considine stated that he would take Mr. Velador’s comments under advisement. Mr. West inquired as to what could be done for homeowners who were experiencing difficulty paying their taxes and deferred to President Rush who in turn said that he would look into the matter. Mr. Considine also offered his assistance.

Ms. Patti Johnson, a resident of University Glen and an employee of Ventura County Superintendent of Schools, stated that she and other residents have tolerated the noise of construction nearby as well as the inconvenience of not having a shopping center in the community. She further claimed that the community has had no open forum to address their issues of concern. Mr. Considine replied that Site Authority meeting notices are posted publicly and that a calendar of meetings is posted on the CSUCI website. He also encouraged the residents to attend future Site Authority meetings and assured them that the Site Authority will do its best to address their issues. Ms. Coville added that there is a University Glen homeowners meeting the very next day (5/11) in the evening at which time they will begin the process of electing officers to fill five seats of the Homeowners Advisory Council which when formed will deal with many of the day-to-day issues of the homeowners as defined in the Ground Sublease.

Dr. Nancy Mozingo, a resident of University Glen and a CSUCI faculty member, requested that the minutes of the Site Authority meetings be posted to the CSUCI website, and staff agreed to do so. She also inquired as to when the elementary school will be built.

Mr. David Carlson, a resident of University Glen and a CSUCI staff member, asked that the Site Authority respond in writing to the concerns presented by the University Glen residents before the end of the month. Mr. Carlson summarized the concerns as follows:

- Address the supplemental tax bill
- Explain how the special taxes are now collected and how they will be collected in the future
- Address what the special taxes fund

Ms. Coville will work with Site Authority Counsel to provide the written notice to the University Glen residents and resend the bills as requested.

Mr. John Elmer, a resident of University Glen, asked if the rental properties were paying special tax assessment or whether only the home owners were paying that tax. Mr. Leffingwell stated
that the special taxes are used to pay off the bonds for the development of the infrastructure, but on a gradual basis. He added that a certain percentage of the gross rental income, 20%, is also used as payment for the bonds.

There being no further comments, Chair Considine closed the public comment period of the CSU Channel Islands Site Authority meeting.

Moving to Item 4, President’s Report, Dr. Rush reported that the University has had a successful academic year thanks to Chancellor Reed and Vice Chancellor West. He indicated that the report to the Western Association of Schools and Colleges, our accrediting body, is being prepared and that a site visit will occur in October of this year. The Student Housing Project is on schedule and will be available for students to occupy next fall. Last, President Rush expressed his appreciation for the hard work of faculty and staff in helping create this University.

Ms. San Juan presented Item #5, Construction Status Update. Ms. San Juan had also provided a full written report to the Site Authority Board Members in advance. The key items addressed by Ms. San Juan were that Phase 1B is complete, on budget and on schedule for occupancy, that Phase 1C vertical construction is underway, and that the Town Center is set for completion in April 2005. The Guaranteed Maximum Price (GMP) for Phase 1C is 14% higher due to the increase in workers compensation insurance and lumber as well as other materials. The Broome Library bids were high; the lowest bid was 24% over the approved budget. Bid results are currently being evaluated to determine the most feasible option for proceeding with value engineering to allow project construction to go forward.

Mr. Hordyk added that Phase 1C will contain the last of the rental units, and even though the prices of houses in Phase 1C increased, they are still well below the external market by 55 – 66% compared to the homes in Phase 1A which were planned to be about 80% that of the open market at the time. At Mr. West’s request, Mr. Hordyk also addressed resale homes, one home was recently resold and a second one is expected to become available soon. He also pointed out that the re-priced homes are consistent with Phase 1B pricing.

Ms. San Juan presented Item #6, Approval of Guaranteed Maximum Price (GMP) for Phase 1C Vertical Construction. Resolution No. SA 04-05-01, A Resolution of the California State University Channel Islands Site Authority Approving the Guaranteed Maximum Price (GMP) Phase 1C Housing, was reviewed by the Board. Ms. San Juan and Mr. Hordyk explained that there have been challenges with construction costs and subcontractors which resulted in a higher GMP of $41,352,494. Ms. Parks inquired about fire safety efforts and if sprinklers would be installed in the homes. Staff replied that the apartments are sprinkled, but the town homes and single family homes are not. However, town homes have a two-hour fire wall between them as well as solid decks and tile roofs. Ms. Parks then asked how much it would cost to install sprinklers in the town homes and staff responded that the cost to install sprinklers is somewhere between $4 – 6K per home. This discussion led to further conversation regarding fire safety, but Chair Considine felt that this subject would be better addressed as a separate item at a future Site Authority meeting. Ms. Craven then moved to approve the resolution at hand, Ms. Farar seconded and, at Mr. Considine’s request, roll call was taken. Resolution No. SA 04-05-01 was approved with
the following vote: AYES: Considine, Craven, Farar, Long, Rush, West; NOES: Parks; ABSTENTIONS: None.

Mr. Hordyk presented Item 7, Approval of Financing of CSUCI Rental Housing Bonds Series 2004, and requested the Board’s approval of Resolution No. SA 04-05-02, Resolution of the Governing Body of the California State University Channel Islands Site Authority Approving the Form and Authorizing the Execution of a Loan Agreement, a Reimbursement Agreement, a Leasehold Deed of Trust, an Official Statement, a Bond Purchase Contract and a Remarketing Agreement, and Authorizing Related Actions. Mr. Hordyk invited Mr. Sklaroff to explain the financing of the bonds. Next, Mr. Hiscocks was asked to explain the details of the resolution. Staff recommended that the Site Authority approve the resolution as presented. Dr. Rush moved to approve Resolution No. SA 04-05-02, Mr. West seconded and the motion carried unanimously as indicated by the following vote: AYES: Considine, Craven, Farar, Long, Parks, Rush, West; NOES: None; ABSTENTIONS: None.

Mr. Hordyk presented Item 8, Approval of Financing of Revenue Bonds Series 2004 A (For-Sale Housing Construction), and requested the Board’s approval of Resolution No. FA 04-05-02, Resolution of the Governing Body of the CSUCI Financing Authority Authorizing the Issuance of Not to Exceed $65,500,000 Aggregate Principal Amount of CSUCI Financing Authority Revenue Bonds, Series 2004 (Rental Housing and Town Center) In One or More Series, Approving the Form and Authorizing the Execution of an Indenture, a Loan Agreement, an Intercreditor Agreement, an Official Statement, a Bond Purchase Contract, a Remarketing Agreement and Authorizing Related Actions. Mr. Hordyk indicated that this item employs the same concept as the previous bond. After a brief discussion, Ms. Craven moved to approve Resolution No. FA 04-05-02. The motion carried unanimously as indicated by the following vote: AYES: Considine, Craven, Farar, Long, Parks, Rush, West; NOES: None; ABSTENTIONS: None.

Ms. Coville presented the Financial Update and Budget for FY 2004/05 for University Glen. She apologized that the report was missing a second page entitled, “FY 2003 Budgets Compared to Actual for University Glen and Alliance Residential Management.” Ms. Coville stated that the report includes the Budgets for University Glen as well as Alliance. University Glen’s actual expenditures are well below the budget estimates. Ms. Coville requested the Board’s approval for the updated FY 2004/05 Budget. Dr. Rush pointed out that a figure was missing from the Insurance line item and Ms. Coville indicated that the missing amount was not a significant number which would create a negative total. Dr. Rush then moved to approve the FY 2004/05 University Glen and Alliance Residential Management Budgets, Ms. Craven seconded, and the motion carried unanimously.

Ms. San Juan reported on the Master Plan Amendment and Reuse Plan Amendment. A full written report was also provided to the Board members in advance. Ms. San Juan stated that CSU Trustees approved the revisions to the University’s Master Plan at its March 17, 2004 meeting.

Mr. Dutra provided a briefing on the status of the Lewis Road Widening/Construction Project. The funding for the project is still uncertain and the likelihood of funding won’t be known until
after the November elections when the ½ cent tax initiative is voted on. The land exchange for the entrance road is being handled by the State Department of General Services. Ms. Parks asked about options for the redesign of Lewis Road as well as the constructions plans.

There being no further business to come before the Board, the meeting adjourned at 1:05 p.m.

APPROVED:
California State University Channel Islands Site Authority

Signed: _____________________________ Dated: _____
          11-15-04

Secretary to the Site Authority