

**California State University Channel Islands  
SITE AUTHORITY**

**Minutes of Meeting  
16 March 2009**

The California State University Channel Islands Site Authority met on Monday, 16 March 2009. The meeting was held at the University Glen Corporate Office on the California State University Channel Islands (CSUCI) campus, 45 Rincon Drive, Suite 104-A, Camarillo.

Chair of the Site Authority Ms. Linda Parks called the meeting to order at 11:38 a.m. Following the recitation of the pledge of allegiance, the secretary gave the roll call and all members were present.

Members Present:

R. J. Considine, Jr., Vice Chair  
Charlotte Craven  
Debra Farar  
Kathy Long  
Linda Parks, Chair  
Richard Rush  
Richard West

Members Absent:

None

Others Present:

George Ashkar, CSU Chancellor's Office  
Erik Blaine, CSUCI-University Glen  
Kelly Cox, CSU Chancellor's Office  
Joanne Coville, CSUCI  
Robert Eaton, CSU Chancellor's Office  
Colleen Nickles, CSU Chancellor's Office  
Steven Raskovich, Counsel to the Site Authority  
David Rosso, CSU Chancellor's Office  
Elizabeth Rubalcava, Secretary to the Site Authority  
Elvyra San Juan, CSU Chancellor's Office  
Deborah Wylie, CSUCI

Ms. Parks called for the approval of the minutes of the 27 June 2008 meeting. Ms. Craven and Ms. Parks both noted minor corrections to the minutes. Ms. Craven moved to approve the minutes with two corrections, Mr. Considine seconded, and the motion carried with all in favor.

Ms. Parks called for public comments, pursuant to Government Code Section 11125.7. There being none, Ms. Parks closed the public comment period.

Ms. Parks then called for board member comments, but there were none.

Ms. Parks presented the 2009 Calendar of Meetings to the Board for review and approval. Ms. Long moved to adopt the calendar of meetings, Ms Craven seconded and the motion carried unanimously.

Dr. Blaine presented the FY 2009/10 University Glen Corporation (UGC) Budgets: Corporate, Sales and Leasing. Dr. Blaine explained that these budgets have been reviewed by University Glen Corporation, campus and Chancellor's Office staff and that he is now submitting these budgets to the Site Authority Board for its review, comment and approval. Should the Board approve, the budgets will then be presented to the UGC Board of Directors on April 30, 2009. Dr. Rush moved to approve the budgets as presented, Mr. Considine seconded, and the motion carried unanimously.

Next, Dr. Blaine presented the CY 2009 University Glen Corporation (UGC) Budgets: Homeowner and Town Center Common Area Maintenance (CAM). Dr. Blaine stated that the 2009 Homeowner CAM Budget was reviewed and approved by UGC Board of Directors at their February 5 meeting. The budget represents a zero fee increase to the homeowners this year. Based on actual expenses for 2009, the Town Center common area maintenance fee was reduced for retail tenants from fifty cents to thirty-seven cents per square foot. Dr. Rush moved to approve the budgets as presented, Mr. Considine seconded, and the motion carried unanimously.

Moving to Item #8, Dr. Rush gave his report on University activity. He first commented on the State budget, explaining that the CSU System realized a \$97 million reduction of which \$31 million was a one-time reduction. Next year, the \$31 million will be returned to the CSU but the System will still have a \$66 million dollar reduction in FY 2009/10. This is close to the Governor's budget of January 2008, at which time he and Ms. Joanne Coville, Vice President for Finance and Administration, had agreed to plan the campus budget according to that base. For planning purposes, they did not change the campus budget when the May Revise was released. Thus, enough money was reserved for this year and next year provided there are no further cuts. Dr. Rush explained that because of these steps, the campus' financial state is tolerable, which he credited to Ms. Coville. There are some specters on the horizon such as the fallout from the Federal stimulus package and the May 19 election which will determine whether our financial condition remains the same or changes for better or worse.

With regard to enrollment, there has been tremendous interest. However, on November 30, the University closed enrollment and by that time we already had 7,700 applicants. Our enrollment will not increase this year so we will simply replace students that graduate in May. We expect to graduate somewhere between 750 and 1,000 students this year. Also, the University has

exceeded the enrollment cap slightly, primarily because statute requires us to accept students that are eligible and qualified.

Next, Dr. Rush discussed the 370-acre County park land transfer that is pending approval by the County Board of Supervisors. The University has proceeded in due diligence and will honor all deed restrictions on the property. Dr. Rush views the property as a park buffer for the University in order to keep intact the character of the campus, but we will also make it available to recreation. The California Coastal Conservancy has agreed to pay for improvements such as trail heads and the like. Dr. Rush will be appearing before the Board of Supervisors on April 14.

With regard to internal activity on campus, our lead biologist, Dr. Ching-Hua Wang, received a stem cell research grant of \$1.7 million from the California Institute for Regenerative Medicine (CIRM). In addition, four of our biology students have been accepted into doctoral programs which is a prime example of the quality of our biology program. Also, five of our faculty members have published books.

As for new construction on campus, the ribbon cutting for the Martin V. Smith Center for Integrative Decision-Making will take place on April 3, 2009. Dr. Rush invited all members of the Board to attend the celebration. Construction on our new Student Union is moving along and he expects it to be finished this fall on schedule. The campus infrastructure project has resumed now that we received authorization to continue our state-funded construction projects.

Dr. Rush also announced that, as of today, he has appointed Carl Reed as Director of Athletics. Mr. Reed comes highly recommended to the University from Stanford. In addition, Dr. Rush announced that our sailing team came in third at the Harbor Cup Regatta behind Maine Maritime and USC this past weekend.

Next, Ms. San Juan provided the Construction Status Update. Regarding the last phase of housing, we are still on hold until the market turns around. Thus, staff have not begun to look at redesigning this final housing phase. Ms. San Juan also reported on the status of the lawsuit involving the former Town Center contractor, Fassberg, and indicated that the Site Authority will not be spending the monies held in retention, which is just under a million dollars, until staff have a firm timeline from the bankruptcy court.

Ms. San Juan also presented the 2009 Supplemental Environmental Impact Report as information for the Board. Maps of the 2004 Master Plan and the 2009 Master Plan were distributed to board members in order to provide a comparison of the changes to the flood levy, as well as athletics space, a substation, restrooms, and open space. The 2009 Master Plan will be brought to the CSU Board of Trustees later this month for approval and certification.

Moving to Item #11, Mr. West announced that he retired from the CSU last December and since then has been working with the System on a part-time basis. He announced that his replacement, Benjamin F. Quillian, will take his place on the Board and serve as treasurer as of the date of this meeting. On behalf of the Board, Dr. Rush thanked Mr. West for his leadership and friendship, recognizing him for his distinct contributions to the State of California and to our University.

Dr. Rush then announced the appointment of a new alternate member, County Supervisor John Zaragoza, who defeated former supervisor John Flynn in the last election. Dr. Rush indicated that he sent a letter to the City Selection Committee with regard to this matter in January. Subsequently, the Committee informed him that Supervisor Zaragoza had been formally appointed to the Site Authority Board.

Moving on to Item #13, Ms. Cox presented the FY 2007/08 Audited Financial Statements and briefly highlighted items of significance. Ms. Cox began by stating that KPMG issued a clean opinion of the financials. University Glen Corporation is now fully integrated as part of the Site Authority, which has complete financial accountability for UGC. Ms. Cox reviewed net assets, liabilities, revenue, and long-term debt. Mr. West clarified that the financials reflect the incorporation of UGC's revenue and expenses, as well as the long-term debt for the Town Center and rental property. In addition, Homes Sales consisted of not new homes but rather housing which was repurchased and then later sold by the SA. Mr. West provided further clarification of the \$4.4 million in contributions for debt service provided by the System as indicated on the Statement of Cash Flows on page 5 of the report. The Chancellor's Office anticipated revenue based on housing sales and rental income to finance some academic space exclusively in the Library. That revenue was to be covered by the sale of the units in the final housing phase, which is now on hold. Thus, the Chancellor's Office made the contribution in this interim process until the final phase of housing is complete. Following Mr. West's comments, the Board briefly discussed the housing market and the potential cost of homes in the final phase.

Dr. Blaine presented the last item on the agenda, University Glen Housing and Rental Update and Financial Report. Dr. Blaine distributed three reports for the Board's review: 1) 2008 Year-End Town Center CAM Report, 2) 2008 Year-End Homeowners CAM Report, and 3) 2008-09 Year-to-Date Corporate, Sales and Leasing Report. Because the reports were not available in advance of the meeting, Dr. Blaine did not expect the Board to review them at present but would address any board questions at the Site Authority's next meeting. The Homeowners Annual report has already been sent to the homeowners and the Town Center Annual report will be sent to the tenants later this week.

Next, Dr. Blaine reported on housing sales and resales citing the most significant activity. The Site Authority currently owns three homes and will be purchasing a fourth in April or May. One of the homes is in the process of being sold and escrow is expected to close on or before April 30, 2009. With regard to homeowner to homeowner direct sales, there are three in escrow and twelve letters of intent to sell. Concerning resales, there have been fifteen in FY 2008/09 which includes eleven homeowner direct sale transactions. Also, in 2008/09, twelve property improvement applications were reviewed by the Homeowners Advisory Council and UGC.

Dr. Blaine then reported on leasing activity. Phase 1A/B/C are 76% occupied and 77% leased and eleven of the fourteen Town Center retail spaces are leased. Dr. Blaine also identified which lessees occupy the spaces in Buildings A, B, C and D, along with potential lessees for the remaining three available spaces.

In response to Mr. Considine's question regarding home sale prices, Dr. Blaine indicated that the sale prices range from approximately \$350,000 to \$400,000 depending on which phase the home

was built. Dr. Blaine added that UGC is looking to begin a more aggressive marketing plan that would include a greater reduced rental rate, as much as twenty percent, for faculty and staff.

There being no further business to discuss, the public meeting adjourned at 12:13 p.m.

APPROVED:

California State University Channel Islands Site Authority

Signed: Elizabeth Rubalcava  
Secretary to the Site Authority

Dated: 12/19/09