

California State University Channel Islands Site Authority
MINUTES of the Regular Meeting
Monday, August 7, 2017

The California State University Channel Islands (CSUCI) Site Authority (SA) met on Monday, August 7, 2017 at 11:30 a.m. on the CSUCI campus in the Handel Evans Conference Room in the John Spoor Broome Library, Camarillo St., Camarillo, CA.

1. Site Authority Board Chairperson R.J. Considine called the meeting to order at 11:33 a.m.

The Secretary called roll and a quorum of members was present. Members Present: Chairperson R.J. Considine; Trustee Silas Abrego; President Erika Beck and Supervisor John Zaragoza. Alternates present: Vice President Ysabel Trinidad, Ken Simons, Supervisor Linda Parks.

Others Present: Francis Freire from the CSU Chancellor's Office (CO), Matt Do and Javier Rivera from Jones Lang LaSalle (JLL), University Counsel Marc Mootchnik; John Gormley, Terry Tarr, Diane Mandrafina, Missy Jarnagin, Caroline Doll, Deanne Ellison and Alisha Price from the Division of Business and Financial Affairs, Jake Friesen, Kennedy Wilson (KW): Bill Robe, Chair of the University Glen Community Advisory Group; Mark Wagner from E & S Ring, Pamela Abbott-Mouchou and University Glen residents Carolyn Phillips and Russ Petruzelli.

2. Public Comment Period (Pursuant to Government Code section 11125.7): Chairperson Considine called for public comments.

Ms. Carolyn Phillips expressed concern about the accounting system and record keeping practices for Common Area Maintenance (CAM) fees; she remarked that funds are being spent on improvement projects, but does not believe they are being completed. Ms. Jarnagin assured Ms. Phillips that the accounting of the reserves balances will be shown at the next University Glen Community Advisory Group meeting. Mr. Gormley discussed the work plan to increase the level of service at the east campus. Facilities Services is working with Cal Fire for annual brush removal and developing a revised system for landscaping work. Mr. Abrego asked when the last reserve report was handed out. Ms. Phillips believed the last report was from 2016.

Mr. Russ Petruzelli, echoed the concerns of Ms. Phillips; and added that he believes the staff for landscaping is inadequate and that no long-term strategy exists for the development. Mr. Abrego asked about any transparency clauses and how members of the public can view financial statements. Chairperson Considine responded that statements are published each year and professionals have been retained to set the level of reserves. The Site Authority does not discuss personnel issues in a public setting; however, the Board assured all of no default in the common area reserve funds. Chairperson Considine believes there have been large improvements over the last three years. Supervisor Zaragoza asked if a management plan for residential areas might be available. Mr. Gormley indicated a landscaping work plan has been published, as well as a list of capital improvements related to University Glen and the University which is not yet been published to the website.

- 3. Board Member Comment Period:** Chairperson Considine called for board comments. There being none, the comment period was closed.
- 4. Approve Consent Agenda:** Chairperson Considine called for board comments on the consent agenda comprised of the following items:
- 5. ACTION:** Approval of Minutes of April 17, 2017 Meeting
- 6. INFORMATION:** CCA (Clean Choice Aggregation) Feasibility Study Project Briefing
- 7. INFORMATION:** CSUCI Water Tank Report

8. INFORMATION: Policy on System-wide Smoke and Tobacco Free Environment EO 1108
9. INFORMATION: Home Sales Report
10. ACTION: Approval of June 2017 Preliminary Financial Report

Supervisor Parks commented that it is great to see the Clean Choice Aggregation (CCA) study on the agenda. She suggested that the SA look into partnering with the county as another energy source. The motion to approve the consent agenda was made by Supervisor Zaragoza, seconded by President Beck and approved unanimously.

INFORMATION AND ACTION ITEMS

10. INFORMATION: Campus Update

President Beck acknowledged that while quiet on campus today, it will soon be busy with an influx of students. Enrollment for the fall will be above 7,000 and student housing is at capacity. CSUCI is the fastest growing CSU and one of the fastest growing public universities in the nation. Provost Dr. Geoffrey Chase, began in July, and the new Dean of Education, Brian Sevier, began today. The Mechatronics program will launch in the fall and eventually increase to 100 students. CSUCI also received recognition from BestColleges.com for being a top college for Hispanic students. Upcoming events include CI Dodger Day on 9/9/2017 and the President's Dinner and Concert in Ojai on 10/24/17.

11. INFORMATION: Site Authority Annual Operating Report

Ms. Trinidad introduced the Site Authority Annual Operating Report focusing on the agreement between Kennedy Wilson and the University. The annual report will include the capital improvement plan, the community improvement plans, and the overall relationship between Kennedy Wilson and the Site Authority.

a. Kennedy Wilson 2017/18 Capital Improvement Plan

Mr. Gormley discussed the requirement in the operating agreement with Kennedy Wilson for the submission of a five-year capital plan for the improvements to the apartments and Town Center. The plan was received, reviewed, and will be finalized soon.

b. Community Improvements

Mr. Gormley outlined several completed projects including the first phase of tree trimming and removal; improvements will be made to the granite paths due to irrigation erosion; the roadways have been repaired and resealed; the irrigation systems in the Town Center are being updated which is resulting in significant reclaimed water savings; and the apartments in Town Center are being repainted and gas shutoff valves are being replaced. The Site Authority will offer options for homeowners to paint their homes once the apartments and townhome painting has been completed. Information is located on the website for residents to review.

c. Kennedy Wilson Apartment / Town Center Ground Lease

Ms. Ellison discussed how multiple documents are used to govern the relationship between the Site Authority and Kennedy Wilson. Due to the complexity of projects, agreements, and transitions of management, the campus is retaining Point Blank Consulting to audit the KW/SA financial relationship and processes to ensure best practices moving forward. Once completed, a report will be provided to the SA Board.

12. ACTION ITEM: Reserves Designation

Ms. Jarnagin requested that a new Reserves Designation document be replaced in the meeting packet. Presentation A shows a negative fund balance. The Chancellor's Office services library debt of about \$55 million and thus, reflects a negative fund balance position for the SA. By excluding the Broome Library

debt, fund balance totals \$17 million. Staff recommended that the \$17 million be allocated to Economic Uncertainty, Capital Programs, and Debt Service in accordance with policy. President Beck made the motion to approve the reserves designation, seconded by Supervisor Zaragoza and approved unanimously.

13. INFORMATION: CI Power Plant Update and SCE Negotiation

Ms. Trinidad gave a brief update on the continuing negotiations with SCE. Recently, a nondisclosure agreement was executed and she reported cautious optimism about executing an agreement with SCE. Phone conferences and meetings are occurring on a regular basis. Supervisor Parks asked what the nondisclosure agreement pertains to and if at any point, the agreement will come back to the SA Board to approve. Ms. Trinidad confirmed that the deal terms will be brought back to the Board for approval.

14. INFORMATION: Update Status on 32 Acre Development Project

Mr. Gormley discussed the continuing activity during the spring and fall with the 32 Acre Development Project. Last month (July), the CSU Board of Trustees approved the development, including the final Environmental Impact Report, the master plan update, the schematic design, and the capital outlay program. Final negotiations in terms of the ground sublease are being discussed with Kennedy Wilson. The plan is that the first phases of construction will begin in the spring or summer of 2018.

15. ACTION ITEM: Amendment #1 to Community Development Area Specific Reuse Plan

Mr. Gormley recommended the Board approve the amendments to the Community Development Area Specific Reuse Plan which includes revising the total development units to build an additional 600 units and revising the allowable density to Low/Medium to Medium/High. Supervisor Parks expressed her concern that if a fire station is omitted, all buildings must have sprinkler systems built in place. Mr. Simons asked about the requirements for solar and sustainability. Mr. Gormley responded that staff is actively encouraging KW to include solar. Additionally, all landscaping will use reclaimed water. Supervisor Parks asked that an amendment to include reclaimed water and building sprinklers be added to the resolution (added in *italics* to resolution on amended 8-7-2017 meeting agenda item). Supervisor Parks made the motion to approve the resolution as amended, it was seconded by Supervisor Zaragoza and passed unanimously.

16. INFORMATION: University Glen Advisory Group Update

Mr. Robe brought the highest priority of the Advisory Group to the Board which is concern about the Common Area Maintenance. There are concerns with the accounting and transparency of the reserves, but now Kennedy Wilson can separately account for the finances. There are mechanisms in place for Jake Friesen and his team to meet and address issues, so items are acted upon quickly. Areas in the ground sublease have been identified where there's a lack of clarity or omission. Other members of the community are seeing improvements already. Ms. Jarnagin will be attending the next meeting to discuss reserves.

17. ADJOURN: There being no further business, the regular meeting of the Site Authority Board was adjourned at 12:27 P.M.

APPROVED:

California State University Channel Islands Site Authority Board

Respectfully Submitted:

Secretary to the Site Authority

Dated: _____