

**THE UNIVERSITY CORPORATION  
Executive Committee  
September 19, 2019**

A meeting of The University Corporation Executive Committee was called to order by First Vice President, Ben Yaspelkis at 3:00 p.m. on Thursday, September 19, 2019 in University Hall Room 250, California State University, Northridge. A quorum was present.

**Members Present:** Colin Donahue, Dianne Harrison, Rose Merida, Michael Phillips (via phone), Ben Yaspelkis

**Staff Present:** Heather Cairns, Elizabeth Corrigan, Rick Evans, Linda Turner, Sheree Schragger, Grace Slavik, Karina Ward, Lih Wu

**Others Present:** Catherine Kniazewycz, Howard Lutwak

---

**ITEM 1 APPROVAL OF MAY 1, 2018 EXECUTIVE COMMITTEE MINUTES**

**MSP (Phillips/Donahue): That the minutes of the May 30, 2019 Executive Committee meeting be approved as circulated.**

**ITEM 2 FINANCIAL STATEMENT**

Executive Director, Rick Evans reviewed the 'Net Cash Generated' schedule. As of June 30, 2019, Net Cash Generated to Replenish Reserves, Contribution to Support Campus Projects, and Net Cash Generated to Replenish Other Reserves are slightly below budget. Mr. Evans explained that most of the divisions beat budget except for Food Services.

Mr. Evans stated that FY 19/20 is not reflected on the report however the Food Services division had experienced some challenges relating to summer conferencing programs. Which has resulted in that division being well below budget for the first two months of FY 19/20. Mr. Donahue asked what caused these challenges. Elizabeth Corrigan, Director of Foodservices, reported that summer conferences bring in a large portion of revenue during the summer. At the end of the spring semester, TUC reviewed the summer program calendar with Student Housing and Conference Services and confirmed the Foodservices budget based on the calendar. However, a few factors occurred that negatively impacted revenue: smaller groups arrived, some groups did not use dining services, other groups made changes and reduced previously committed meals, and cancellations occurred. For the upcoming year, TUC will offer meal plans for the summer conference groups to help minimize loss.

Chief Financial Officer, Lih Wu reviewed the 'Balance Sheet'. Ms. Wu noted that total assets increased due investments and accounts receivable grants & contracts. Ms. Wu explained that cash and equivalents is higher this year due to the capital budget for the proposed CSUN Hotel and the new University Restaurant and Conference Center.

Ms. Wu continued with a review of long term and short-term investments. Overall, fiscal year 2018/2019 was a positive year.



Mr. Evans noted that in the agenda there are three action items listed. However, only items a) and b) are recommended for approval. Mr. Evans reported that the initial total project budget was estimated at \$7 million with TUC contributing half, \$3.5 million. As the project is moving forward into design and associated cost estimates, it is clear that the project is going to be closer to \$8.5 million. Additional value engineering will significantly impact the quality of the program.

Ms. Cairns reported that schematic design was completed in July 2019 with preliminary design projected to be completed in October 2019. At the upcoming board meeting, updated designs will be presented and a naming exercise will be conducted.

Ms. Cairns stated that the budget remains at \$8.5 million. TUC continues to work with Gensler, the project architect to bring costs down, but further reductions would sacrifice the program and also make it difficult for a supplier to operate efficiently. Ms. Cairns explained there is still a need for \$750,000 allocation to cover TUC's portion of the shortfall. The additional \$750,000 would come from university controlled, non-general fund sources. Ms. Cairns reviewed the schedule of reserves showing the proposed additional funding source.

Ms. Cairns continued with action item b) which formalized the selection of Gensler as the project architect. Gensler was hired through a competitive RFP process to complete the feasibility study that was presented at the March 2019 Board meeting. Gensler is the most prepared to continue design development having completed the feasibility study and schematic design. The agreement scope and costs of \$748,720 have been reviewed and approved by CSUN's Facilities Planning, Design and Construction.

Mr. Donahue asked Catherine Kniazewycz, Campus Architect, Director of Design and Construction, if there are any specialty additions in the costs. Ms. Kniazewycz stated there are some special consultants. Mr. Donahue asked if the cost was based on the standard CSU template that renders the fees and calculations based on the size of the project. Ms. Kniazewycz confirmed that costs were done based on the template. Mr. Donahue asked when the project will go out to bid. Ms. Kniazewycz stated it will go out to bid in December.

Ms. Corrigan provided an update on the RFP process. Two of eight suppliers submitted proposals. Both are highly regarded, solid companies. Ms. Corrigan stated that both are capable operators. The financial picture and program services will be a large factor in the supplier selection. The financial projections estimate an annual deficit which will need to be addressed. Mr. Evans stated that more vetting will be done to determine the best operator for the CSUN Restaurant and Conference Center.

Ms. Corrigan explained the Catering Exclusivity Policy. The policy would apply to catering expenditures using general funds, enterprise funds, and auxiliary funds. Student organization groups would be exempt from the policy. Implementing the Catering Exclusivity Policy would keep the money on campus and provide more financial support to the university.

Dr. Harrison asked if the projected deficit of an outside operator is comparable to the cost of operating the Orange Grove Bistro (OGB). Mr. Evans stated that it's difficult to compare because the outside operator would a different program than the OGB. Mr. Donahue asked, as a clarification, if the project would be a net loss to the actual total surplus from operations. Ms. Wu confirmed that it would be. Dr. Phillips commented that it would be good to compare the total amount of money being spend on off-campus

catering. Mr. Evans stated that TUC is working closely with University Advancement on the Catering Exclusivity Policy.

**MSP (Phillips/Yaspelkis): That The University Corporation Executive Committee recommend that The University Corporation Board of Directors:**

- a) **Approve an additional and final allocation of \$750,000 to fulfill The University Corporation's updated commitment of \$4,250,000 toward the project cost.**
- b) **Approves the \$748,720 architectural services agreement from Gensler for the Restaurant and Conference Center project. Gensler's service agreement begins with design development and extends through building occupancy.**

**ITEM 4 HOTEL UPDATE**

Mr. Evans reported that the design and development of the hotel is on track to break ground summer 2020. The goal is to open late Fall 2021. The hotel project will be on the September Board of Trustees agenda as well as TUC Board of Directors agenda for final approval.

**MSP (Phillips/Donahue): That The University Corporation Executive Committee recommend that The University Corporation Board of Directors approve, delegate, and authorize The University Corporation Executive Director:**

- a) **To sign a Master Ground Lease for approximately 3.32 acres with California State University, Northridge (CSUN) and the Trustees of the California State University (Trustees).**
- b) **To sign a Ground Sublease with Corvias Northridge Hotel, LLC, a Delaware limited liability company ("Tenant"), for a Public-Private Partnership Hotel Development of a branded hotel on the California State University, Northridge campus.**

**ITEM 6. RESEARCH AND SPONSORED PROJECTS – AWARDS AND SUBMISSIONS (APRIL, MAY, JUNE, AND JULY 2018)**

Mr. Evans provided some highlights from the fiscal year 18/19 year end. Mr. Evans advised that Research and Sponsored Programs activities total is at \$34.3 million exceeding budget by 5%, indirect cost recovery (IDC) rate is close to 17%, and the net available to campus is \$2.5 million, 65% ahead of budget.

Dr. Sheree Schragger, Managing Director of Research and Sponsored Programs, reported that this will be the first year some colleges will see a net return of IDC. Dr. Schragger reviewed the grant awarded in June comparing FY 17/18 and FY 18/19. The difference is a result of the government shut down in the winter of 2019 causing a delay in grant awards. The awards will be reflected in the August 2019 total.

**ITEM 9. ANNOUNCEMENTS**

The open meeting ended at 3:58 p.m. The Executive Committee went into executive session to consider a legal and personnel matter.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Colin Donahue", written over a horizontal line.

Colin Donahue, Recording Secretary