

THE UNIVERSITY CORPORATION
Board of Directors
September 27, 2019

A meeting of The University Corporation Board of Directors was called to order by Chair, Dianne F. Harrison at 2:00 p.m. on Friday, September 27, 2019 in the Sierra Center Colleagues Room, California State University, Northridge. A quorum was present.

- Members Present:** Jacob Akopnik, Mechelle Best, Harvey Bookstein, Matthew Contreras, Colin Donahue, Ronald Friedman, Carlos Fuentes, Dianne F. Harrison, Mohammed Hotaki, Hamid Johari, Sabrina Maglalang, Rose Merida, Dave Moon, Jerald Schutte, Diana Vicente,
- Members Absent:** Michael Phillips, Ben Yaspelkis
- Staff Present:** Genelyn Arante, Heather Cairns, Elizabeth Corrigan, Susan Dickman, Rick Evans, Tim Killops, Dan Martin, Linda Turner, Karina Ward, Lih Wu
- Others Present:** Michael De La Rose, Catherine Kniazewycz, Ken Rosenthal
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ITEM I WELCOME NEW DIRECTORS

Dr. Harrison welcomed the following new directors, appointed by the University President:

<i>Faculty:</i>	Mechelle Best	Three-year term (2019-2022)
	Ben Yaspelkis (Reappointed)	Three-year term (2019-2022)
<i>Community</i>	Harvey Bookstein (Reappointed)	Three-year term (2019-2022)
<i>Students:</i>	Jacob Akopnik	Two-year term (2019-2021)
	Matthew Contreras	Two-year term (2019-2021)
	Mohammed "Q" Hotaki (Completing the term of Beverly Ntagu)	One-year term (2019-2020)
	Diana Vicente	Two-year term (2019-2021)

Dr. Harrison welcomed Dr. Mechelle Best to the board and thanked Dr. Ben Yaspelkis and Mr. Harvey Bookstein for their continued service.

ITEM II APPROVAL OF JUNE 3, 2019 MINUTES

MSP (Fuentes/Friedman): That the minutes of the June 3, 2019 Board of Directors meeting be approved as circulated.

ITEM III CONFLICT OF INTEREST STATEMENTS AND DIRECTORS HANDBOOK

The 2019/2020 Directors Handbook and conflict of interest statement was distributed at the meeting for signature. Changes in the Directors Handbook are noted in red.

ITEM IV FILMING & LICENSING UPDATE

Rick Evans, Executive Director, noted that all the presentations for today's meeting have been printed and passed out.

Mr. Evans introduced Licensing Manager, Genelyn Arante, who updated the Board on recent filming activity on campus, including commercials for Macy's and IBM, television shows *VEEP*, *NCIS*, and *Perfect Harmony*. Harvey Bookstein asked what is the difference between revenue and filming fee. Ms. Arante explained that revenue includes all of the costs associated to the film shoot charged to the production company. Filming fee is the licensing fee to film on campus with the majority of it returning back to the university.

Ms. Arante reported that TUC will serve as the CSU Chancellor's Office licensing agent for filming done on location at the Chancellor's office in Long Beach. Recent marketing efforts included advertising in trade publications and attending industry events such as the California On Locations Awards. Licensing continues to collaborate with the Department of Cinema & Television Arts through a job shadow program, guest speaker series, and Licensing's student extras program.

Ms. Arante provided an update on trademark licensing through Learfield Licensing. New programs have been developed including seasonal look books, expansion into new retail stores, and increasing sales. Royalty revenue in FY 18/19 has nearly doubled in comparison to FY 17/18. Mr. Arante closed by showing an updated sizzle reel that included past filming projects on campus.

Mr. Donahue asked what contributed the significant increase in royalty revenue. Mr. Evans stated that the partnership with Learfield Licensing has resulted in increased sales.

ITEM V PROJECTS UPDATE

Tim Killops, Associate Director of Facilities and Operations, reported on recently completed projects including: point of sale reconfiguration at the Sierra Center Marketplace, and the zero-waste implementation at Sierra Center. Mr. Killops reported that the Sierra Center is diverting approximately 75% of waste from the landfill with a goal of 95% diversion rate.

Susan Dickman, Program and Marketing Manager, reported that TUC, in collaboration with Facilities Planning, is working to update the waste receptacle signage and diversion plan to mirror the new campus model. Ms. Dickman explained the new color coding for the waste receptacles: blue will be for multi stream recycling, green for organic materials, and black will continue to be for landfill trash.

Dr. Best asked if TUC's waste hauler is recycling plastics coded as 4-7. Ms. Dickman stated that to our knowledge, the waste hauler will allow plastics labeled 1-7. Mr. Killops stated that the trash is sorted and recycled at the material recovery facility. Dr. Best asked if that information may be confirmed.

Ms. Dickman continued with an overview of the CSUN Dining nutritional brochure. There are four different brochures, one for each of the following locations: Arbor Grill, Freudian Sip, Marketplace, and Pub Sports Grill. The brochures will be available at each dining location and online.

Ms. Dickman presented on the updated TUC website. The website has been improved to increase accessibility, usability, and functionality. The website is also mobile device friendly. TUC is working with IntersectLA to roll out the new site and have launched three of the six main TUC areas: TUC's main page, dining, and human resources. Real estate, financial services, and licensing will be the next sites to roll out.

Dr. Harrison commented that the nutritional information brochure is a good tool to inform students that many nutritious options are available at the dining locations. Mr. Evans noted that Ms. Corrigan works with the Marilyn Magaram Center and Klotz Student Health Center on nutritional analysis.

Rose Merida asked how often the vending machines are checked for expired product. Mr. Evans stated that a third-party vendor operates the vending machines but TUC has oversight on the vendor. Ms. Corrigan stated that the vendor is on campus regularly and there is a process in place if/when there is a problem with the machine and products sold.

Ms. Merida stated that Ms. Dickman and CSUN Dining were a big help to the Associated Students Red Couch Tour during the Spring 2019 semester. Ms. Dickman presented and answered questions about CSUN Dining which helped students better understand how dining worked.

ITEM VI CSUN RESTAURANT & CONFERENCE CENTER UPDATE

Mr. Evans stated, in partnership with CSUN's Facilities Planning department, the Corporation has completed the RFP process and have two qualified operators bid on the project. Envision Strategies, a consulting company, was retained to assist with this process. Mr. Evans thanked Dr. Jerry Schutte, a CSUN faculty member, for serving on the selection committee.

Mr. Evans noted that in the agenda there are three action items listed. However, only items a) and b) are recommended for approval. The selection committee is conducting an extensive vetting process and not ready to make a recommendation on the preferred vendor at this point. Mr. Evans stated that a special Board meeting may be called later in the year once the committee is ready to ask for the Board's approval on the recommended supplier.

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 anticipated that the total project is going to be closer to \$8.5 million upon receipt of contractor bids. Additional value engineering is not recommended as it will significantly impact the scope and quality of the program. Mr. Evans stated that one of the recommendations is to request Board approval for the additional \$750,000 to fulfill TUC's updated commitment toward the project cost.

Mr. Bookstein inquired regarding the source of the balance of the project budget? Mr. Donahue stated that the university has been allocated approximately \$3.5M in CSU capital outlay funds allocated to cover the infrastructure portion of the project. Since the project financial plan calls for an equal funding by the campus and the TUC, the campus will identify additional funds as necessary based upon receipt of bids.

Catherine Kniazewycz, Campus Architect and Director, Design & Construction, provided an update on the design and timeline of the project. Heather Cairns, Director of Administrative Services, presented on the potential placement of The University Club memorabilia at the new location as well as the progress of the communication webpage University Restaurant and Conference Center (URCC). Ms. Cairns reviewed the two action items presented to the board, items a) relating to the budget and b) the architectural service agreement with Gensler.

Mr. Bookstein asked what was cut from the project as part the \$2 million budget reduction. Mr. Evans stated that one of the items taken out of the design is a bar however alcohol will still be served at the restaurant. Ms. Kniazewycz explained that the biggest savings is contributed to a redesign of the floor plan. Mr. Evans reported that one of the priorities is to have two cook lines in the kitchen to support both the restaurant and catering program.

Dr. Best asked if there will be office space within the facility for the contract management company. Ms. Corrigan confirmed there will be office space for the vendor. Ms. Merida asked if the building will be more environmentally friendly. Ms. Kniazewycz stated that the facility will use energy efficient lighting, durable finishes, and recycled building material. Mr. Donahue stated that the building was renovated and will be a more energy efficient space. Ken Rosenthal, AVP Facilities Development & Operations, explained that the building has new insulation, energy efficient windows, LED lighting and as a whole brought up to current California green building code standards.

Dr. Schutte expressed three concerns including removal of the bar, circulation area, and parking. Dr. Schutte provided a design recommendation to address the circulation area. Mr. Bookstein asked where the bar would have been located. Ms. Kniazewycz explained that the bar is being designed as an add alternate to the project. However, the bar would cause the project to go well over budget. Mr. Donahue suggested an outdoor mobile bar could be used in the interim, similar to the Soraya courtyard set-up used during performance. Dr. Best asked if the bar would have been in the restaurant. Ms. Kniazewycz confirmed the bar would have been in the restaurant which would have resulted in a loss of tables but an addition of bar seats. Carlos Fuentes asked if the hotel would have a bar. Mr. Evans stated the hotel will have a bar.

Dr. Schutte asked how parking will be addressed for this facility. Ms. Cairns explained there are discussions with Parking Services to have the pay by spaces in the F2 parking lot be designated for the restaurant patrons. The current pay by spaces at F2 will be moved onto the Bertrand loop so there will not be a loss of parking spaces and the faculty and staff spots will remain unchanged.

Mr. Bookstein asked the student board members if having a restaurant would be valuable to the student population. Diana Vicente stated the restaurant would not be of value or a benefit to the students. She explained that students have a limited amount of time to sit down at a restaurant for lunch and that it is less expensive to eat somewhere else on/off campus. Mr. Fuentes asked if the students would rent space at the URCC for events. Ms. Vicente stated that it would be unlikely unless it was free or at minimal cost. Matthew Contreras stated that the University Student Union (USU) offers meeting/conference space to student groups for free and most student groups cannot afford to pay rental fees. Ms. Vicente stated she did see the benefit of having the URCC for the campus community.

Ms. Cairns provided an overview of action item a) a need for \$750,000 allocation to cover TUC's portion of the shortfall of the \$8.5 million budget. 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.

Elizabeth Corrigan, Director of Foodservices, provided an update on the RFP process. Two of eight suppliers submitted proposal, both are highly regarded, solid companies. Ms. Corrigan stated that both are capable operators. TUC hired Envision Strategies, hospitality consultants and experts in their field to develop an RFP that would find a contract management partner to operate the URCC. The supplier selection committee includes TUC executive management and Dr. Jerry Schutte.

Mr. Bookstein asked for clarification on what services the supplier would provide. Ms. Corrigan clarified the supplier is a contract management company that would operate the URCC. Ms. Corrigan presented the highlights on the two proposals received as well as her site visits to campuses managed by each contract management company.

The financial picture will be a large factor in the supplier selection. The financial projections estimate an annual deficit which will need to be addressed. TUC will be identifying key performance indicators (KPIs) to balance and mitigate cost while also maintaining an excellent hospitality program.

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. Ms. Corrigan explained that a catering policy was a requirement by the contract management company operating the URCC.

Ms. Vicente asked if TUC could provide the language that exempts student groups. Ms. Corrigan stated that the policy is still being worked on and will share it once it is ready. Mr. Evans clarified that the contract management companies who bid on the contract required that a catering policy was in place before the opening of the URCC. Dr. Best asked if there will be academic partnerships with the Department of Recreation and Tourism. Ms. Corrigan confirmed that academic partnerships were included in the RFP. Dr. Schutte stated that he has asked both suppliers to present their ability to market to the outside community and to provide more information on their marketing/branding strategy. If the supplier is able outreach to the outside community they will be successful.

Mr. Bookstein expressed three concerns: 1) the \$8.5 million budget is an estimate and the project may require more or less, the budget approval is based on a speculation, 2) a portion of the \$750,000 will be from FY 19/20, 3) is the money being allocated for the URCC could potentially be used for other projects. Mr. Bookstein followed up with his support of the project and for the overall purpose of the URCC to provide a service to the campus community. Mr. Evans explained that TUC intends to stay within the projected budget of \$8.5 million. Mr. Donahue confirmed that the university contribution will be the control factor to the budget. Mr. Bookstein asked if it would cost less to tear down and rebuild instead of renovating the current space. Mr. Rosenthal stated that the current space is the best possible location for the URCC. It has been completely renovated and a wide-open space that can be designed to meet the needs of the university. The kitchen is the original kitchen area when the cafeteria was located there. The largest

component of the budget is the kitchen because there are two kitchens being built; one for the restaurant and one for the catering kitchen.

Susan Dickman, Program and Marketing Manager, presented on the process of working with University Marketing and Communications and Intersect to curate a list of potential names for the URCC. Ms. Dickman facilitated a real time poll to gather feedback from the board members. Ms. Dickman explained that these names along with suggestions from board will be provided to the operator. TUC will be involved with the determining the final name of the project. The board members suggested that additional feedback and input is solicited from a wider campus population of faculty and staff.

MSP (Donahue/Friedman): 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 VII HOTEL PROJECT 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 as a whole received final Board of Trustees approval at the September 24-25, 2019 meeting. TUC's Executive Committee also approved forward the actions to the full Board for approval.

Mr. Rosenthal presented on the key project goals, hotel design, and specifications. Mr. Rosenthal commented that the strong partnerships between Administration & Finance, Facilities Planning, TUC, and the Chancellor's Office has been key to the forward progress of this project.

Mr. Evans reported on the key agreement terms and the key performance indicators (KPIs). TUC worked with Dr. Best to determine the KPIs for Recreation and Tourism Management (RTM) academic partnership. Mr. Evans also reviewed the Master Ground Lease terms and timeline.

Mr. Evans introduced Michael De La Rosa, Principal at Corvias. Mr. De La Rosa provided background information on Corvias and an overview on the company's various partnerships. Mr. De La Rosa stated that Corvias specializes in long-term partnerships and commitment to customer service. Mr. De La Rosa provided additional information on Corvias' partnership with the Department of Defense programs.

Mr. Contreras stated that groups he is involved with such as the San Fernando Valley Democrats have expressed interest on the level of quality Corvias will maintain for the hotel. Dr. Harrison stated that the CSU Board of Trustees were focused on the accountability measures or KPIs. There are six KPIs on the facility including guest satisfaction, guest room condition, cleanliness, etc... as well as six KPIs in regards to the academic partnership. CSUN and the CSU Board of Trustees felt confident with the KPIs and vetting conducted on this project. Additionally, Corvias' experience has previous experience with higher education institutions. Mr. De La Rosa clarified that Evolution Hospitality, not Corvias will be the hotel operator. Mr. De La Rosa provided more information on the Department of Defense and military housing programs.

Mr. Contreras asked if there will be opportunity for emergency housing for students in need. Mr. Donahue stated that would not be the responsibility for a private partner building a hotel on campus; student housing as well as faculty/staff housing is part of the CSUN Master Plan. Housing insecurity needs will be addressed by the campus community, including Student Affairs. Dr. Harrison explained that emergency programs are in place to help students on an emergency basis. The campus also refers students to existing resources available. Mr. De La Rosa stated that Corvias creates scholarships funds with their partners which includes housing allowances for military, students, and spouses. Mr. Donahue confirmed that a scholarship for RTM is one of the KPIs in the lease agreement.

RECOMMENDATION:

MSP (Bookstein/Best): 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.**

Mr. Contreras voted against the motion.


ITEM VIII ANNOUNCEMENTS

Mr. Evans reminded the board members to sign and turn in the conflict of interest form.

Mr. Evans reported that the TUC received a clean audit for FY 18/19. Mr. Evans thanked Mr. Friedman for serving as the Auxiliary Audit Committee Chair.

There being no further business, the meeting adjourned at 4:35 p.m.

Respectfully submitted,


Colin Donahue, Recording Secretary