

THE UNIVERSITY CORPORATION
Board of Directors
March 8, 2022

A meeting of The University Corporation Board of Directors was called to order by Chair Erika D. Beck at 3:02 p.m. on Tuesday, March 8, 2022 via Zoom Conference Call at California State University, Northridge. A quorum was present.

Members Present via computer video and audio:	Erika D. Beck, Mechelle Best, Harvey Bookstein, Colin Donahue, Ronald Friedman, Carlos Fuentes, Paige Hajiloo, Jonathan Hay, Hamid Johari, Rose Merida, Dave Moon, Michael Phillips, Kiana Requena, Jerald Schutte, Ben Yaspelkis
Members Absent:	Miya Butler, Isabella O'Brien
Staff Present via computer video and audio:	Misha Angelini, Heather Cairns, Cindy Estrella, Rick Evans, Mike Lennon, Stacey Lord, Philia Militante, Cindy Ruan, Grace Slavik, Linda Turner, Kathryn Weeks, Lih Wu
Others Present via computer video and audio:	Amy Berger, Lory Espinosa, Omar Galvez, Ivy Kusler, Charlene Manzueta, Tom McCarron, Bella Newberg, Christopher Sanford, Mary Clare Smithson, Edith Winterhalter

ITEM I APPROVAL OF NOVEMBER 2, 2021 MINUTES

MSP (Schutte/Phillips): That the minutes of the November 2, 2021 Board of Directors meeting be approved as circulated.

ITEM II RECEIPT OF FEBRUARY 1, 2022 EXECUTIVE COMMITTEE MINUTES

The minutes from the February 1, 2022 Executive Committee meeting were received as informational.

ITEM III RESEARCH AND SPONSORED PROGRAMS UPDATE

Dr. Erika Beck, CSUN President briefly introduced Dr. Christopher Sanford as CSUN's Associate Vice President for Research and Sponsored Programs. She shared that Dr. Sanford joined CSUN in June 2021.

Dr. Chris Sanford started his presentation with a quick background about himself. He shared that he came from a research background in the interface of Biology and Engineering and he has been funded by the National Science Foundation and the private sector. Dr. Sanford reported that Charlene Manzueta, who has been with CSUN for 8 years, is now the newly appointed Director of Research and Sponsored Programs. Dr. Sanford acknowledged that the department is very fortunate to have Ms. Manzueta as director as her background will help propel Research and Sponsored Programs in a stronger direction.

Dr. Sanford indicated that soon the department will roll out Pivot RP, a system designed to help faculty find funding. He mentioned a couple of internal grants, such as the Pandemic Recovery grants, the Research, Scholarship and Creative Activity Award and the summer grants, that will help faculty generate data and do creative activities that will lead to external submission of proposals.

Dr. Sanford presented a chart showing the External Proposals Submitted versus Award for Fiscal Years 18/19, 19/20, 20/21 and 21/22. Dr. Sanford recognized that there was a dip in the number of proposal submissions and awards in FYs 19/20 and 20/21 due to the impact of the COVID pandemic but he expressed his optimism for FY21/22.

Dr. Sanford spotlighted two recent grants: Equitable Calculus for Life Sciences led by Principal Investigator Alexander Alekseenko, and Student Support Services Programs, led by Principal Investigators Frank Muniz and Shiva Parsa. Both grants are expected to increase retention and graduation rates for CSUN students. He concluded his presentation by mentioning a couple of upcoming state and federal bills in which priorities will put CSUN in a poised position to capitalize on many exciting opportunities.

Mr. Dave Moon, Professor, Art Department, asked about what is circular economy. Dr. Sanford answered that circular economy is using products in the economy that can be recycled which in turn reduces costs. It is an efficient way of manufacturing things.

Rick Evans, TUC Executive Director highlighted that the seamlessness and collaboration between pre and post award is strong, and that is attributed to Dr. Sanford's leadership. Mr. Evans mentioned the program PRO-PI (Professional Resourceful on behalf of the Principal Investigator) which is geared toward constantly improving the customer service culture and the associated systems at TUC and how this program can be helpful in growing research and sponsored programs on campus.

ITEM IV CHARTWELLS HIGHER EDUCATION UPDATE

Mr. Evans reported that after two years of minimal food services on campus, on Valentine's day, greeted with a cookie from the President, the campus saw a majority of stores open up. Mr. Evans introduced Ivy Kusler, Regional Vice President, Chartwells, to provide an update on Chartwells' progress, challenges and other upcoming initiatives. Before turning it over to Ms. Kusler, Mr. Evans provided a quick update that last year the Chancellor's Office helped facilitate an RFP process, to establish a Master Services Agreement (MSA) food services wherein the MSA was eventually awarded to Chartwells. At this time, Chartwells is a campus partner to nine California State universities in food services. With the awarding of the MSA, Chartwells is expected to provide additional high-level support and corporate infrastructure to its campuses within the CSU System.

Ivy Kusler, Regional Vice President, Chartwells, shared that Chartwells is extremely honored to have been selected as a partner for the CSU. Ms. Kusler mentioned that she was selected to oversee the CSU campuses and was afforded the ability to create an entire team to support the partnership. She also reported that effective July 1, 2022, Chartwells will switch from receiving a management fee from TUC, and will now assume the profit and loss responsibilities for all foodservices.

Omar Galvez, Chartwells Resident District Manager, echoed Ms. Kusler's excitement about having a bigger team to support the CSUN. He cited that currently Chartwells is operating 14 retail locations on campus. These locations are actively using Boost which is Chartwells' mobile-ordering platform. Mr. Galvez indicated that Chartwells will continue to build around this platform so more people will have the ability to order ahead. He stated that having this tool not only speeds-up the queue lines but will also create a different dimension of service.

Mr. Galvez reported that it is a nation-wide struggle to retain employees as the labor market becomes increasingly competitive. Accordingly, Chartwells continues to push a variety of recruiting campaigns, increase visibility in all hiring platforms, and develop different plans on retaining and signing-in employees.

Lory Espinosa, Director of Catering, Chartwells who oversees the on-campus catering as well as the Orchard Conference Center, provided an update on a couple of building improvements such as the new signage installed at the exterior of the Orchard. Ms. Espinosa also relayed that a new technology, Clover hand held devices, are being utilized in catering and in the concessions at the Soraya Center. She reported on marketing efforts underway. She also shared that preparation for the in-person commencement is underway.

Mr. Galvez presented the statistics on Matador Eats' social media presence comparing Fall 2020 to Fall 2021, with video views up by 4,363% in Facebook and up by 9,051% in Instagram. He also shared some of the themed events that were held in the Residential Dining Hall such as the Vegetarian Month in October and the Pajama Night in December just to name a few. He reported that there is an increase in Meal Plans from 1,289 in Fall semester to 1,342 in Spring semester which is a welcoming news as typically this number drops in the Spring. Mr. Galvez ended his presentation with an update that Chartwells scored 100% in five out of eight areas in the 2021 Sustainability Scorecard. Accordingly, he acknowledged that to continue with a full campus is where the actual challenge lies but Chartwells is ready to take on the challenge.

Ms. Rose Merida, asked if there is an opportunity for students to provide feedback on how food services is doing. She gave an example of going to TUC or Matador Eats website or having a QR code in stores where students can scan and submit their feedback. She also asked about what is the timeline for opening up other stores on campus. Mr. Galvez replied Chartwells is prepared to open up more stores in the Fall but is aware of the day-to-day challenges associated with labor shortages. Ms. Merida asked if there are already documents drafted to address the pricing schedule for both internal and external partners of the Orchard Center and who has priority in booking the facility. Ms. Espinosa responded there is a different pricing between internal and external customers. Those who inquire about the facility are provided the pricing schedule. Ms. Espinosa confirmed, that at the moment, booking is on a first-come first-served basis.

Dr. Jerald Schutte, Professor, Sociology Department, asked if the bill AB-2689 were to pass, are there any provisions made by Chartwells specifically for meal plans, auxiliary for housing plans or state and general funds for use of virtual currency (Cryptocurrency). Mr. Colin Donahue, Vice President, Admin & Finance, responded that although there is a recent instance where the campus was able to accept a cryptocurrency from a donor, the process is still in its infancy stages.

ITEM V PARTNERSHIP WITH PREMIER AMERICA CREDIT UNION

Mr. Evans provided background on corporate partnerships in general. He stated that Mr. Donahue took a leadership role, in the CSU system, which led to the selection of two firms capable of providing corporate consulting partnership. One company was ADC. ADC subsequently did an assessment for CSUN of potential opportunities that could support the university's mission through the generation of revenue with direct sponsorships, business-to-business opportunities, the enhancement of student support and academic connections, and potential private sector research activity. Mr. Evans conveyed that ADC, along with Learfield (CSUN's Licensing partner for Athletics) continued to pursue opportunities on behalf of CSUN which eventually led to the partnership between Premier America Credit Union (PACU) and CSUN. He

clarified that although ADC and Learfield helped bring CSUN this deal, Ms. Heather Cairns, Director of Administrative Services, TUC, has been instrumental in moving the project along.

Ms. Cairns reported that CSUN and PACU recently entered into a 10-year strategic partnership agreement in which contract will be held and managed by TUC. She further explained that this partnership involves a cross divisional participation, and that the other big piece of the agreement is the re-naming of the Matadome. Ms. Cairns shared that PACU is a full-service community financial institution that offers banking services to 100,000 members. PACU's headquarters is located in Chatsworth and the CEO, Rudy Pereira is a CSUN graduate. She indicated that PACU has a vision of supporting the education mission. She then presented a snapshot of the 10-year Premier America investment which is a total of \$8.3 million where there is a significant contribution toward the naming piece of the Matadome.

Ms. Cairns shared that the Matadome will now be known as the "Premier America Credit Union Arena." The steps to the renaming included Board of Trustees approval, designing the building signage, followed by updating the campus signage and maps. She further reported that another important aspect of the partnership is having a retail branch on campus. The goal is to open a branch inside the Campus Store Complex in August 2022, and this will be a separate lease agreement with TUC. Finally, ATMs will be added, one at the exterior of the Campus Store Complex and another in the USU.

Ms. Cairns presented a summary of the cross divisional partnerships with Athletics, Alumni, The Soraya. She provided a couple of examples of these partnerships such as: in-game promotions and tickets to events with Athletics; an Alumni credit card and sponsorship of Alumni events; and artist meet and greets, tabling events, and other mixed media advertising for the Soraya. In addition, the Campus Activities Fund can be utilized for Financial Literacy programs and can open up opportunities for students to have internships, mentorship, and speaker series.

Dr. Phillips asked how does the CSUN and PACU partnership affect the relationship with Matador Credit Union or with Wells Fargo? Mr. Evans responded that this relationship with PACU does not affect the campus relationship with Wells Fargo. He continued that to his knowledge there is no formal partnership between CSUN and Matador Credit Union and that CSUN and PACU partnership does not affect any relationship or lack thereof with the Matador Credit Union. Dr. Phillips asked if the Financial Literacy programming will be done in conjunction with classes in the Department of Finance or with those programs provided in Department of Health and Human Development. Mr. Donahue commented that PACU really would like to get in and partner with CSUN and the college and talk about how to build those programs to be most effective not only with students but with faculty and staff.

ITEM VI FACULTY HOUSING INITIATIVE

Mr. Evans began his presentation by introducing Mr. Tom McCarron who will be co-presenting this agenda item as Mr. McCarron is providing higher level consulting on this project. Mr. Evans shared that Mr. McCarron used to be the Executive Director of TUC, then a CSUN Vice President, and then moved onto Sr. Vice President at San Diego State where he successfully helped launch the Mission Valley project. Mr. Evans reported that TUC has a long-standing Real Estate Committee of the TUC Board, which met a couple of weeks ago to preview this project and receive initial input. Mr. Evans shared that the campus has attempted to develop a faculty/staff housing project on North Campus for decades. Most recently in 2017

through 2019, the committee worked with a company called JLL, to develop market and demand studies. The focus on this project was derailed when the pandemic hit, but starting back in October, 2021 the North Campus Development Corporation (NCDC) Board revisited the concept of a project. Mr. Evans stated that the goals of this project, called Devonshire Downs, is to promote and enhance faculty & staff recruitment and retention by offering quality modern housing with attainably priced rents for CSUN employees. Mr. Evans added this project also supports the University's efforts to recruit and retain out of area faculty and staff.

Mr. Evans reported about the Faculty & Staff Demand Analysis for North Campus and listed a couple of things learned from the study such as that price and value drive demand, housing should provide a diversity of unit types and long-term residency is preferred just to name a few. He described that lot F10 consists of approximately 6.4 acres and that it can accommodate 200 units and 300 surface parking stalls. He stated that in choosing the corner location, it gives a sense that the whole site is complete and that it can feel like a community unto itself. Mr. Evans explained that the site plan prioritizes the community by fronting open spaces with residences and creating closer proximity to amenity spaces.

Mr. Evans began discussing the financial planning side of the project. He presented the base housing program which reflects the results of previously completed demand study and new construction trends in the Northridge market. The program has 40% dedicated to 2 Bed, 1 Bath; 26% to 2 Bed, 2 Bath; and then about 30% to studio and 1 bed, 1 bath; and a very small percentage to 3 bedroom. Mr. Evans reported that the estimate project cost at \$125 million, which includes all the predevelopment, consultants, permits and estimate cost escalation to the midpoint of construction.

Mr. Evans discussed about several things to look at to make the project financially viable. These included, possible room for savings in the soft costs and possibly in hard constructions costs; the potential to get a residential prevailing wage designation from the Department of Industrial Relations instead of commercial prevailing wage; the possibility to obtain a partial tax exemption since university employees will be living on campus; and equity contributions. Mr. Evans relayed that the more equity that can be assembled, the easier the proforma gets. NCDC only has \$5.5 million and although it will put in most of its reserves, Mr. Evans acknowledged that NCDC does not have the capacity to get this project built on it own.

Mr. Evans stated that TUC, which is the only auxiliary that traditionally manages a faculty/staff housing program on behalf of CSUN, can potentially play a role and take ownership of this project. He reported that NCDC has already authorized \$1.1 million to continue pre-development efforts in the next few months and is aware and prepared to spend another \$1 million after that to get to the Design/Build process. Mr Evans stated that if the project gets pulled into TUC, and the project is approached through the perspective that it is part of the overall TUC program as a \$50 million company, then the project becomes more viable toward obtaining SRB financing. He listed that to make the Devonshire Downs project viable, TUC will most likely need to invest all of its unallocated and real estate reserves (approximately \$8 - \$10 million), receive a contribution of NCDC's unallocated reserves of \$4.5 million, as well as pledges from NCDC's annual income and obtain contributions and pledges from other resources such as a pledging the 40% of TUC annual net surplus it typically returns to the special account for university projects.

Mr. McCarron proceeded with presenting the proforma. He echoed what Mr. Evans mentioned earlier about the total cost of the project and that it equates to \$600 per square foot, including, what he believes a 9% annual inflation factor since construction will not start for almost two years. He shared that Mr. Evans and the real estate committee, along with Mr. Donahue as campus CFO, have been exploring various sources

to reach this equity contribution. Mr. McCarron then explained that unlike a private developer where construction financing is more expensive, the CSU will use relatively inexpensive CP (about 2%) before issuing 30-year bonds. Accordingly, those bonds might be issued after the project is completed or much earlier if CSU Financing & Treasury predicts rates might rise in the near future.

Mr. McCarron discussed that a model has been put together which makes this project financially viable. He advised that the early years will be challenging on a cash flow basis, but time is on our side. Assuming 2-3% inflation each year, revenues will continue to increase as will about 30% of the annual expenses. However, the other 70% of annual expense is debt service on those 30 year bonds which stays the same every year. He clarified that the cash flow continues to improve every year until finally, after 30 years, the debt is paid off and cash flow improves dramatically. Mr. McCarron then shared a brief history of his time at CSUN. He was the Executive Director of TUC and NCDC from 1999 through 2007. He mentioned that his predecessor had purchased 28 townhomes at the College Court complex after the 1993 Northridge earthquake which were renovated and leased to CSUN employees. Early in Mr. McCarron's tenure, a Real Estate Fund was set-up, and established a Real Estate Committee to help acquire real estate for the benefit of the CSUN community. He indicated that townhomes and vacant lots were purchased during his years as Executive Director and he observed that Mr. Evans has continued this trajectory during his 14 years as Executive Director.

Mr. Evans concluded the presentation on this agenda item by providing the following tentative schedule:

- **January 2022** – Project kick-off
- **July 2022** – Issue RFQ, and then the RFP to select the Design-Build team
- **January 2023** – Selection of the Design-Build Team
- **May 2023** – Board of Trustees Approval of Schematic Design and Financial Plan
- **January 2024** – Start Construction
- **Early Fall 2025** – Construction Complete --- estimate is about 20 months to construct

Dr. Phillips asked which project will happen first, the Devonshire Downs project or the hotel project. Mr. Evans responded that there is currently much more momentum behind the Devonshire Downs. Dr. Phillips pointed the 50/50 occupancy make up between campus and non-campus lessees and suggested to have some call option on the lease agreement so that TUC will not have the same long-term leasing with non-campus people when more demand for units from campus people arises.

Ms. Merida asked if there will be a subsidized parking for students since this project will take away parking spaces at Lot F10. Mr. Donahue replied that Lot F10 is underutilized and currently parking spaces are available in Lot F9 and G6 Parking Structure. Additionally, there is some consideration to dedicate more student parking at G6.

Mr. Moon expressed his excitement that finally there is a project being done on North Campus after all these years, and that this will enhance the ability of CSUN to recruit more faculty. He acknowledged the hard work that everyone has done to make it happen.

Dr. Gerald Schutte, Professor, Sociology Department, asked if this 200-unit housing project a first phase or the end game? Mr. Donahue replied that the campus master plan includes over 500 units of faculty/staff housing on North Campus.

Dr. Mechelle Best, Professor, Tourism Department, asked whether this project is only being built for housing or will it also build a community where there will be services beyond housing, such as recreational areas, that may provide opportunities for students to work and build programs. Dr. Best clarified her question, that part of it is not only about occupants engaging with students but the actual amenities provided to who will be living in the apartment because the amenities will make the space more competitive and attractive. Mr. Donahue replied that this is one of the reasons why the Design-Build model is selected for this project because this can incentivize proposers to give the amenities careful consideration.

Mr. Harvey Bookstein, Partner, Armanino, LLP suggesting looking at the possibility of building more than 200 units. Mr. Bookstein recognized the equity challenge, but stressed that rents and demand in the region continue to escalate.

Dr. Beck expressed her enthusiasm about the project. Coming from a campus (CSUCI) that had a very large, robust faculty staff residential community. She commented on its transformative qualities and that it is one the best assets for the University. She thanked Mr. Donahue, Mr. Evans, Mr. McCarron and the entire team for the thoughts and engagement in this project.

ITEM VII ANNOUNCEMENTS

There being no further business, the meeting adjourned at 4:50 p.m.

Respectfully submitted,



24-May-2022

Colin Donahue, Recording Secretary