

AGENDA

JOINT COMMITTEES ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 1:45 p.m., Tuesday, November 19, 2019
Glenn S. Dumke Auditorium

Committee on Finance

Lillian Kimbell, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Rebecca D. Eisen
Jane W. Carney
Juan F. Garcia
Hugo N. Morales
Romey Sabalius
Lateefah Simon
Peter J. Taylor

Committee on Campus Planning, Buildings and Grounds

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Larry L. Adamson
Jane W. Carney
Wenda Fong
Jeffery R. Krinsk
Jack McGrory
Thelma Meléndez de Santa Ana
Peter J. Taylor

- Consent** 1. Approval of Minutes of the Meeting of September 24, 2019, *Action*
Discussion 2. San Diego State University, Potential Mission Valley Campus Expansion
Status Update, *Information*

**MINUTES OF THE JOINT MEETING OF THE
COMMITTEES ON FINANCE AND
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

September 24, 2019

Committee on Finance

Lillian Kimbell, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Rebecca D. Eisen
Jane W. Carney
Juan F. Garcia
Hugo N. Morales
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**Committee on Campus Planning,
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Peter J. Taylor

Adam Day, Chairman of the Board
Timothy P. White, Chancellor

Trustee Rebecca D. Eisen called the meeting to order.

Public Comment

Several speakers expressed concern with the developer that has been identified for the proposed hotel on California State University, Northridge. They also commented on the need for student and faculty housing.

Approval of Minutes

The minutes of the January 22, 2019 joint committee meeting were approved as submitted.

Approval of Various Actions Related to a Hotel Development Project at California State University, Northridge

Information about the proposed public-private partnership for a hotel at CSU Northridge was presented for approval.

Following the presentation, the trustees asked questions about the developer selection process, development agreement, financial terms, and value and condition of the asset upon expiration of the agreement. The trustees were informed that the campus will receive one percent of gross hotel revenue, which will increase to four percent over time, and that agreement terms ensure that deferred maintenance does not build up over time, as is standard for all public-private partnerships of the CSU. The trustees expressed support for the item.

The committee recommended approval of the proposed resolution (RFIN/CPBG 09-19-02).

Approval of Various Actions Related to a New Student Union Project at California State University, Fresno

Information about the proposed new student union for CSU Fresno was presented for approval.

Following the presentation, Trustee Romey Sabalius commented on the processes for student fee increases and the impact such increases have on students, however he acknowledged that the increase for this project was passed through a student referendum and therefore expressed his support for the project.

The committee recommended approval of the proposed resolution (RFIN/CPBG 09-19-03).

Trustee Eisen adjourned the Joint Committees on Finance and Campus Planning, Buildings and Grounds.

**JOINT COMMITTEES ON FINANCE
AND CAMPUS PLANNING, BUILDINGS AND GROUNDS**

San Diego State University, Potential Mission Valley Campus Expansion Status Update

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Office

Adela de la Torre
President
San Diego State University

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design and Construction

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

This item provides the California State University Board of Trustees with an update on the potential Mission Valley expansion at San Diego State University (SDSU). At its July 2018 meeting, the CSU Board of Trustees approved the endorsement of Measure G, a ballot initiative directing the City of San Diego (the “City”) to sell the Mission Valley site, subject to certain conditions, to the Trustees of the California State University in the interest of expanding the San Diego State University campus.

Background

The San Diego campus currently sits on 288 acres with little opportunity for expansion due primarily to the surrounding residential development and geographic constraints. Voter approval of Measure G directs the City to sell the existing San Diego County Credit Union Stadium (SDCCU), formerly known as Qualcomm stadium, and real property of 135 acres to the Trustees of the California State University. Measure G provides an opportunity to increase the university’s educational and research programs, improve athletic and recreational facilities, and partner with the City to expand affordable housing, create a university innovation district, and contribute to the long-term development of the Mission Valley community.

Development of Master Plan, Environmental Impact Public Review, and Schematic Plans

The campus has developed a physical master plan for the long-term development of the site. The plan is grounded in the development requirements of Measure G that requires, among other things, a river park and associated open space for use by the public; demolition of the existing stadium and replacement joint use stadium; facilities for education, research and entrepreneurial programs in a mixed-use setting; faculty, staff, student and community housing; and trolley and other public transportation uses and improvements to minimize vehicular traffic impacts in the vicinity.

Significant planning efforts have occurred to solicit input from the campus and community, investigate site constraints, analyze alternative solutions to serve increased undergraduate and graduate student enrollment, and plan a mixed-use development comprised of community housing, commercial, retail, and other space per the Measure G requirements. The plan promotes a live, work, and transit-friendly environment.

The SDSU Mission Valley master plan provides a blueprint that includes:

- 15,000 full-time equivalent student (FTE) capacity (approx. 20,000 students)
- 1.6 million gross square feet (GSF) for the Campus Innovation District
- 4,600 units of student, faculty, staff, and community housing
- 95,000 GSF of retail at pedestrian level in other buildings
- 80 plus acres of recreational, park and open space, including a 35-acre river park on land that will remain city-owned
- Hotel and conference center - up to 400 rooms, 50,000 square feet of conference space
- 35,000 capacity multi-use stadium

The creation of upper division undergraduate, graduate, and research facilities at SDSU Mission Valley will directly reduce such demands on the main campus and provide critically needed capacity for more traditional academic learning spaces including classrooms and lecture halls.

The Draft Environmental Impact Report (EIR) was released for a 60-day public review that ended on October 3, 2019. During that time, the campus continued its extensive community engagement efforts with the campus and broader Mission Valley community to ensure the public understands the proposed project and its benefits to the region, as well as obtain feedback that will help improve the potential project.

SDSU is preparing its Final EIR and anticipates presenting it to the Board of Trustees for consideration at its January 2020 meeting. In addition to the Campus Master Plan, the Final EIR includes the environmental impact analysis for the schematic design for the proposed site infrastructure, river park and stadium development.

Real Property Purchase Offer

Since the approval of Measure G initiative on November 6, 2018, which the Board of Trustees voted to endorse in July 2018, SDSU has been in active negotiations with the City on the acquisition of the approximately 135-acre site. The initiative, and resulting municipal code, require the development of many of the features of the master plan noted above.

On October 14, 2018, SDSU, on behalf of the Trustees of the California State University, delivered a formal offer to the San Diego City Council followed by delivery of a revised offer on October 28, 2019. At the time of this board item preparation, the revised offer proposed by SDSU and the CSU contains the following key terms:

- \$86.2 million purchase price plus a time-based escalation provision relating the public utilities portion of the property estimated at \$1.5 million for an estimated total of \$87.7 million.
- Full compliance with the California Environmental Quality Act.
- SDSU will develop and maintain a 34-acre community river park (to remain in city ownership and not part of the 135.12 acres to be acquired) as part of the Mission Valley site development. The river park improvements are to be completed no later than seven years after the final purchase and sale, and prior to occupancy of any building on the site other than the new stadium.
- Of the 135.12 acres, SDSU will develop and maintain 22 acres of park and open space for campus and community use.
- SDSU agrees to set aside ten percent of the total number of housing developed on the site for affordable housing.
- In coordination with the City, SDSU will contribute to designing, constructing, and funding the City's future Fenton Parkway Bridge, estimated at \$27 million, as a separate future City project. The bridge is not part of SDSU's campus master plan nor is it required by the master plan EIR as a mitigation measure. CEQA compliance for the future bridge project will remain with the City as the lead agency for that project. To help cover part of the bridge cost:
 - SDSU will receive development impact fee credits from the City.
 - The City will contribute \$1.3 million from existing capital improvement funds allocated to the bridge.
 - SDSU has requested the City allocate up to \$8.5 million of the purchase price proceeds toward the construction of the bridge.
- SDSU has requested the City allocate \$1.5 million of the purchase price proceeds for other costs of the Mission Valley development.
- SDSU to fund an additional \$5M for additional off-site traffic improvements, which will be identified in the final EIR.

- Upon closing, SDSU will assume responsibility for operation, maintenance and eventual demolition of the existing stadium.
- SDSU to acquire the site “as is.”
- City will use reasonable efforts to cause Kinder Morgan to timely close all monitoring and extraction wells.
- Final execution and closing of the purchase and sale subject to, among other conditions, Board of Trustee approvals, including approval of the final EIR under CEQA and the campus master plan.

Next Steps

SDSU and staff anticipate returning to the Board of Trustees in January 2020 for consideration and approval of the final EIR, and approval of the SDSU Mission Valley physical master plan. Additionally, subject to certification and approval of the EIR and Master Plan, the final terms of the Purchase and Sale Agreement (PSA) and a not-to-exceed financing approval for the purchase of the site and additional infrastructure development costs along with schematic design of the site development package (includes River Park included in Measure G) will also be brought before the Board of Trustees in January 2020.

If the Board of Trustees approves the Final EIR, Master Plan, and PSA, the PSA will be presented to the San Diego City Council in February 2020 for its consideration. SDSU’s Final EIR is to serve as the City’s CEQA determination document as a Responsible Agency for the City Council’s discretionary action related to the Purchase and Sale Agreement.

Upon City Council’s approval of the potential PSA, it is estimated close of escrow would occur by the end of March 2020. SDSU plans to return to the Board of Trustees in March 2020 to obtain approvals on the stadium schematic design and financing. Future Board of Trustees items would include approvals of Public-Private Partnership Agreements related to the residential, campus, and hotel portions of the project.