

## **AGENDA**

### **COMMITTEE ON FINANCE**

**Meeting: 12:30 p.m., Tuesday, May 9, 2000**  
**Glenn S. Dumke Conference Center**

Anthony M. Vitti, Chair  
Laurence K. Gould, Jr., Vice Chair  
Bob Foster  
Harold Goldwhite  
Neel I. Murarka  
Frederick W. Pierce IV  
Ali C. Razi  
Stanley T. Wang

#### **Consent Items**

Approval of Minutes of Meeting of March 14, 2000

#### **Discussion Items**

1. Status Report on the 2000/2001 Budget, *Information*
2. Approval of Joint Powers Agency for Financing Activities at California State University, Channel Islands, *Action*
3. Financing Transaction for Purchase of Office Building Adjacent to Campus by a CSU Fullerton Auxiliary Organization, *Information*
4. Conceptual Plan of a Private Sector Development for a Soccer Academy and Stadium Complex at California State University, Dominguez Hills, *Action*
5. Auxiliary Organization Financing at California State University, Chico, *Information*
6. Real Property Development Projects—Revision of Policy, *Action*

**MINUTES OF MEETING OF  
COMMITTEE ON FINANCE**

**Trustees of The California State University  
San Jose State University  
Student Union  
One Washington Square  
San Jose, California**

**March 14, 2000**

**Members Present**

Anthony M. Vitti, Chair  
Laurence K. Gould, Jr., Vice Chair  
Bob Foster  
Harold Goldwhite  
William Hauck, Chairman of the Board, ex officio  
Neel I. Murarka  
Frederick W. Pierce IV  
Ali C. Razi  
Charles B. Reed, Chancellor, ex officio  
Stanley T. Wang

**Other Trustees Present**

Roberta Achtenberg  
William D. Campbell  
Martha C. Fallgatter  
Debra S. Farar  
Joan Otomo-Corgel  
Ralph R. Pesqueira  
Michael D. Stennis

**Chancellor's Office Staff**

David S. Spence, Executive Vice Chancellor and Chief Academic Officer  
Richard P. West, Executive Vice Chancellor and Chief Financial Officer  
Jackie R. McClain, Vice Chancellor, Human Resources  
Douglas X. Patiño, Vice Chancellor, University Advancement  
Christine Helwick, General Counsel

Trustee Anthony M. Vitti, chair, called the meeting to order at 4:18 p.m.

**Approval of Minutes**

The minutes of January 25, 2000, were approved.

## **Status Report on the 2000/2001 Budget**

Chair Vitti asked Mr. Richard P. West, executive vice chancellor and chief financial officer, to present the report.

Mr. West presented an update of current budget negotiations. His report focused on the recommendations received from the Legislative Analyst's Office on the CSU budget. Through a series of general comments, the LAO expressed its concern that higher education received more favorable treatment than K-12 in the governor's budget. Based on its policy perspective, the LOA recommended a major re-direction of funds from higher education to K-12.

The Senate rejected the LAO's recommendations, and it is expected the Assembly will take similar action when they begin their hearings. Mr. West briefly covered other matters of ongoing interest, including the continuation of discussions with the DOF and the Governor's Office on the Stockton and Channel Islands sites; CSU's supplemental funding request priorities (one-time and ongoing); and employee compensation.

Mr. West concluded, saying he was pleased with the positive reception of the CSU budget to date.

## **Student Fee Policy**

Mr. West introduced the item, which recommended changes to the student fee policy. The policy, which was passed by the Board of Trustees in May 1996, is applicable to all fees charged to students. Mr. West clarified that the policy does not affect the State University Fee, which is part of the negotiations with the state and the Governor's Office.

The requested changes would require some alterations to fee categories and definitions, and will require each campus to develop a fee referenda process. Another important component of the proposed changes would be elimination of the one-third financial aid requirement associated with future increases in campus mandatory fees.

Trustee Goldwhite expressed concern about the lack of faculty consultation on the policy. He said he would appreciate the committee's consideration of making this an information item at this time, in order to allow the academic senate and campus faculty the opportunity to review and comment on the proposed policy changes. He noted that, if necessary, he would move for postponement at the appropriate time, and hope for a second to his motion.

Several student representatives expressed support of the proposed resolution on behalf of their respective organizations.

President Rosser cited the importance of approving the item at this time due to the tight time constraints related to unresolved fee issues that several campuses are currently facing. President Gerth agreed and said that the effect of postponing the proposal at this time could delay the process for another year. For example, he mentioned there are several major issues at the Sacramento campus

waiting to be resolved pending action of the board, one way or the other. President Gerth said he encouraged approval of the proposed resolution at this meeting.

Trustee Pierce shared his observation that the original one-third financial aid requirement has hindered the development of some student-based programs funded from student body association fees and student body center fees. He said the proposed revisions reflect a positive change that will have long-term importance and impact on current and future students at CSU.

Trustee Goldwhite moved to postpone action on the resolution until the board's May meeting. Chair Vitti asked Trustee Goldwhite if he was moving for an amendment. Trustee Goldwhite said no, he was simply moving to postpone action and said, if seconded, he would speak to his motion. Chair Vitti asked if there was a second to Trustee Goldwhite's motion. The motion was seconded.

Trustee Goldwhite briefly addressed the committee. He concluded his remarks by suggesting that the board think carefully about the principle of consultation with interested groups.

Chair Vitti recapped that Trustee Goldwhite's motion had been made and seconded. Chair Vitti called for a vote on Trustee Goldwhite's motion to postpone action. The motion was not adopted.

Trustee Murarka then moved to approve the resolution as proposed in the agenda item.

The committee recommended approval of the proposed resolution (RFIN 03-04-00).

Trustee Goldwhite abstained from the vote.

### **Authorize the Issuance and Sale of the California State Polytechnic University, Pomona Student Union Revenue Bonds, Series C, and Related Matters**

Mr. West introduced the item, which was a request for approval of financing for a university union improvement (phase II project) at the Pomona campus. Mr. West explained funding for the project was not to exceed \$21.1 million, and is based on student fee income which is part of the dormitory revenue fund financing. He reported that revenue for the project is in place, and sufficient debt coverage has been determined.

The committee recommended approval of the proposed resolution (RFIN 03-05-00).

### **Adjournment**

The meeting adjourned at 4:50 p.m.

**BRIEF**

**Information Item**

Agenda Item 1  
May 9-10, 2000

**COMMITTEE ON FINANCE**

**Status Report on the 2000/01 Support Budget**

**Presentation By**

Richard P. West, Executive Vice Chancellor  
and Chief Financial Officer

**Summary**

Legislative budget hearings are currently under way in the state Assembly and Senate. A report will be presented on actions taken by the higher education budget subcommittees on Legislative Analyst Office recommendations and other issues concerning the Governor's Budget request. It is anticipated that the May revision of state revenue projections will be presented on May 17. The trustees will be advised of any potential issues associated with the CSU supplemental funding requests for 2000/01 and the May Revise.

**BRIEF**

**Action Item**

Agenda Item 2  
May 9-10, 2000

**COMMITTEE ON FINANCE**

**Approval of Joint Powers Agency for Financing Activities at California State University,  
Channel Islands**

**Presentation By**

Brad Wells, Assistant Vice Chancellor  
Financial Services

**Summary**

This item requests the Board of Trustees to take actions to approve a Joint Powers Authority and to facilitate financing of infrastructure needs at California State University, Channel Islands.

**Recommended Action**

Approval of the resolution.

## ITEM

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Agenda Item 2  
May 9-10, 2000

### COMMITTEE ON FINANCE

#### **Approval of a Joint Powers Agency for Financing Activities at California State University, Channel Islands**

In January 2000, the Board of Trustees received a status report on the development of California State University, Channel Islands. That report included a number of planning steps that will be brought back to the trustees at the July 2000 meeting for approval.

Since the report in January, additional information about the basic infrastructure needs and possible methods of financing have been evaluated by our legal advisors and financing specialists. The review concluded that while the CSU Channel Islands Site Authority (the "Site Authority") is uniquely positioned to manage the development of the campus property, it is not a qualified issuer of community facilities district ("CFD") tax-exempt bonds. These bonds finance for infrastructure improvements secured by special taxes. As a result, the development team including our legal and financial specialists is recommending creation of a separate joint powers agency established pursuant to the Joint Exercise of Powers Act of California.

#### **The Proposed JPA**

The joint powers agency would be formed through a Joint Exercise of Powers Agreement between the California State University and the California State University, Channel Islands Site Authority. A proposed form of the joint exercise of power agreement intended to create the CSUCI Financing Authority is contained in Attachment A to this agenda item. The governing board of the CSUCI Financing Authority would be composed of the members on the governing board of the Site Authority. On April 10, 2000, the Site Authority approved establishing the CSUCI Financing Authority and the form of the agreement for the authority.

After the CSUCI Financing Authority is created, it will have the power to assist the trustees and the Site Authority with various types of financing, including creation of CFD pursuant to the Communities Facilities District Act (the "CFD Act") in order to levy a special tax upon leasehold and possessory interest, and to take other actions pursuant to the laws of the state. The JPA would have the power to issue revenue bonds and special tax bonds as well as to acquire, finance, construct, equip, maintain, operate, and lease buildings and other improvements for the Channel Islands campus.

In order to create the CFD and levy the special tax pursuant to the CFD Act, the sole land owner within the CFD, namely, the Board of Trustees, must take certain actions, such as voting to approve a special tax to be levied upon certain leasehold or possessory interests within the CFD. It is also proposed that the chancellor or his designee be authorized to take such actions on behalf of the Board of Trustees.

#### **Summary**

Staff recommends creating a joint powers agency to handle the specialized financing needs of CSU Channel Islands. It is necessary for the Board to approve this action at this time in order to proceed with financial planning activities for the California State University, Channel Islands and avoid delays in the project schedule.

The following resolution is recommended for approval:

**WHEREAS**, Pursuant to the laws of the State of California, including the Joint Exercise of Powers Act (Sections 6500 and following of the Government Code of the State of California) (the “Law”) the California State University, Channel Islands Site Authority (the “Site Authority”) and the Trustees of the California State University (the “Trustees”) desire to create a joint exercise of powers entity to be known as the CSUCI Financing Authority (the “Financing Authority”);

**WHEREAS**, Pursuant to the Law, the Trustees and the Site Authority shall create the Financing Authority by entering into the CSUCI Financing Authority Agreement, dated as of May 10, 2000, in substantially the form presented to this meeting (the “JPA Agreement”);

**WHEREAS**, To effectively finance various infrastructure and related improvements serving the California State University, Channel Islands campus, the Authority will undertake proceedings to establish a community facilities district (the “District”) and levy a special tax, all pursuant to the laws of the State of California, including California Government Code Sections 53311 and following (the “Community Facilities District Act”);

**WHEREAS**, In order to establish the District and levy the special tax pursuant to the Community Facilities District Act, the Trustees, as the sole landowner of property within the District, must take certain actions, including without limitation voting to approve a special tax to be levied upon certain leasehold or possessory interests within the District; now, therefore, be it

**RESOLVED**, By the Board of Trustees of The California State University, as follows:

Section 1. The JPA Agreement is hereby approved. The Chancellor or his designee is hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute and deliver the JPA Agreement with such changes therein as such officer determines are necessary and appropriate, and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the JPA Agreement.

Section 2. The Chancellor or his designee is hereby authorized to take all actions, for and in the name and on behalf of the Trustees, that he determines to be necessary or appropriate as the authorized representative of the landowner in connection with the establishment of the District at the California State University, Channel Islands, including without limitation voting in a landowner election pursuant to the Community Facilities District Act to approve a special tax upon leasehold and possessory interest within the District.

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Fin.

Agenda Item 2

May 9-10, 2000

Section 3. The Treasurer, the officers of the Board, the Chancellor or the Executive Vice Chancellor and Chief Financial Officer or the Assistant Vice Chancellor, Financial Services, or the Senior Director, Financing and Treasury, are each hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to assist the Site Authority and the Financing Authority with the financing of infrastructure improvements at the California State University, Channel Islands, including without limitation the creation of the District, the authorization, issuance and sale of the bonds for the District by the Financing Authority, the execution and delivery of a continuing disclosure certificate, a tax certificate and other certificates, instruments and agreements relating to the bonds and otherwise to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect from and after its passage and approval.

**CSUCI FINANCING AUTHORITY AGREEMENT**

THIS AGREEMENT, dated as of May 10, 2000 (this “Agreement”), by and between the TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY, an agency of the State of California, duly organized and existing under and by virtue of the laws of the State of California (the “Trustees”), and the CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS SITE AUTHORITY, an authority of the State of California, duly organized and existing under and by virtue of the laws of the State of California (the “Site Authority”)

**W I T N E S S E T H:**

WHEREAS, the Site Authority and the Trustees are each empowered by law to acquire, finance, construct, equip, maintain, operate and lease buildings and other improvements for the California State University, Channel Islands (the “Campus”), and infrastructure, facilities and appurtenances necessary or convenient therefor; and  
WHEREAS, it is deemed advisable for the Site Authority and the Trustees to provide for such improvements, and for the orderly development of the Campus by jointly exercising their common powers in the manner set forth in this Agreement;  
WHEREAS, the Site Authority and the Trustees are desirous of using the authority granted by the laws of the State of California (including without limitation California Government Code Sections 6500 and following and Sections 67470 and following and California Education Code Sections 89030 and following), which authorize the Trustees and the Site Authority to create a joint exercise of powers entity (the “CSUCI Financing Authority” or the “Financing Authority”);  
WHEREAS, by this Agreement, the Trustees and the Site Authority desire to create and establish the CSUCI Financing Authority for the purposes set forth herein and to exercise the powers described herein;  
NOW, THEREFORE, the Trustees and the Site Authority, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**SECTION 1. DEFINITIONS**

Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

**Board**

The term “Board” shall mean the governing board of the Financing Authority.

**Campus**

The term “Campus” shall mean the campus of the California State University, Channel Islands, which includes the site of the former Camarillo State Hospital.

**Financing Authority**

The term “Financing Authority” shall mean the CSUCI Financing Authority created by this Agreement.

**JPA Law**

The term “JPA Law” shall mean Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Sections 6500-6599) as the same may be amended from time to time.

Public Capital Improvements

The term “Public Capital Improvements” shall have the meaning set forth in the JPA Law, including Section 6546 of the JPA Law.

Site Authority

The term “Site Authority” shall mean the California State University, Channel Islands Site Authority, an authority of the State of California, duly organized and existing under and by virtue of the laws of the State of California, including California Government Code Sections 67470 and following and California Health and Safety Code Section 33498 and following.

Trustees

The term “Trustees” shall mean the Trustees of the California State University, an agency of the State of California, duly organized and existing under and by virtue of the Constitution and laws of the State of California, including California Education Code Sections 66600 and following and Sections 89000 and following.

**SECTION 2.      PURPOSE**

This Agreement is made pursuant to the laws of the State of California, including the JPA Law, to provide for the joint exercise of powers common to the Trustees and the Site Authority for the purpose of financing Public Capital Improvements [serving the Campus] by exercising the powers referred to in the recitals hereof and described in Section 5 herein.

The Trustees and the Site Authority desire to assist in the implementation of the development and utilization of the Campus, including the implementation and execution of the specific reuse plan for, and to finance and support the transition of the property known as, Camarillo State Hospital from its former use to a new California State University campus and compatible uses and to provide Public Capital Improvements and in order to accomplish those goals are willing to assist in financing costs and expenses associated with Public Capital Improvements, including those located at or near the Campus or elsewhere serving the Campus.

Accordingly, the purpose of this Agreement is to exercise such powers jointly by acquiring, financing, constructing, equipping, maintaining, operating, leasing, and subleasing Public Capital Improvements, together with necessary or convenient appurtenances, parking facilities, walks, other site improvements, infrastructure and landscaping, and to provide for maintenance and operation thereof. Such purposes will be accomplished and said common powers exercised in the manner set forth in this Agreement.

The Financing Authority will fulfill the purposes of this Agreement by undertaking the purchase and sale or issuance of bonds in accordance with the JPA Law and all other applicable laws of the State of California, including without limitation the formation of a community facilities district and the issuance and sale of special tax bonds pursuant to the Mello-Roos Community Facilities Act of 1982 (codified at California Government Code Sections 53311 and following). The Trustees and the Site Authority hereby agree that any such bonds purchased, sold or issued by the Financing Authority shall not constitute general obligations of the Financing Authority but shall be payable solely from the moneys pledged to the repayment of principal of or interest on such bonds under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which the bonds are issued.

SECTION 3. TERM

This Agreement shall become effective as of the date hereof and shall continue in full force and effect until May 1, 2050, unless extended or earlier terminated by a supplemental written agreement of the Site Authority and the Trustees; provided, however, that in no event shall this Agreement terminate while any notes or bonds of the Financing Authority remain outstanding under the terms of an indenture, trust agreement, fiscal agent agreement or other instrument pursuant to which such notes or bonds are issued. In any event, the Financing Authority shall cause all records regarding its formation, existence, any notes or bonds purchased, sold or issued by it and proceedings pertaining to its termination to be retained for at least six years following termination of the Financing Authority or final payment of any bonds issued by the Financing Authority, whichever is later.

SECTION 4. AUTHORITY

A. Creation of Authority

There is hereby created pursuant to the laws of the State of California, including the JPA Law, an authority and public entity to be known as the “CSUCI Financing Authority.” As provided in the JPA Law, the Financing Authority shall be a public entity separate from the Trustees and the Site Authority. The debts, liabilities and obligations of the Financing Authority shall not constitute debts, liabilities or obligations of the Trustees or the Site Authority.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Financing Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State of California in the manner set forth in Section 6503.5 of the JPA Law.

B. Governing Board

The Financing Authority shall be administered by the Board, which shall consist of the seven (7) members of the Site Authority. The alternates of the Site Authority shall also serve, in the same manner as with the Site Authority, as alternate members for the Financing Authority. Members and alternates appointed by the Chancellor shall serve at the pleasure of the Chancellor, who may at any time make substitute appointments for the Financing Authority Board.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member of the Board if the Financing Authority shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

C. Meetings of Board

(1) Regular Meetings. The Board shall hold at least one regular meeting each year, and, by resolution or rule, may provide for the holding of regular meetings at more frequent intervals. The date upon which, and the hour and place at which, each such regular meeting shall be held shall be fixed by resolution of the Board.

(2) Legal Notice. All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Bagley-Keene Public Open Meeting Act (codified at California Government Code Sections 11120 and following) or any successor legislation hereinafter enacted.

(3) Minutes. The secretary of the Financing Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Trustees and the Financing Authority.

(4) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

D. Officers; Duties

(1) The chairperson and the vice chairperson of the Financing Authority shall be elected from among the members of the Board by a majority vote of the members of the Board. The Board shall by resolution appoint a secretary of the Financing Authority.

(2) The Treasurer of the Trustees is hereby designated as Treasurer of the Financing Authority. Subject to the applicable provisions of any indenture, trust agreement, fiscal agent agreement or resolution providing for a trustee or other fiscal agent, the Treasurer is designated as the depository of the Financing Authority to have custody of all the money of the Financing Authority, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the JPA Law.

(3) The Director of Accounting of the Trustees, who performs the function of accounting director for the Trustees, is hereby designated as Controller of the Financing Authority, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the JPA Law. The Controller shall draw checks to pay demands against the Financing Authority when the demands have been approved by the Financing Authority.

(4) The Trustees shall determine the charges, if any, to be made against the Financing Authority for the services of the Treasurer and Controller. The Trustees may provide staff for the Financing Authority and shall determine the charges to be paid by the Financing Authority for such services.

(5) The Treasurer and Controller of the Financing Authority are designated as the public officers or persons who have charge of, handle, or have access to any property of the Financing Authority, and such officers shall file an official bond as required by Section 6505.1 of the JPA Law in the amount of \$25,000, provided that such bond shall not be required if the Financing Authority does not possess or own property or funds with an aggregate value of greater than \$500.00.

(6) The Controller of the Financing Authority is hereby authorized and directed to prepare or cause to be prepared:

(a) a special audit as required pursuant to Section 6505 of the Government Code of the State of California every year during the term of this Agreement; and

(b) a report in writing on the first day of July, October, January, and April of each year to the Board, the Trustees and the Financing Authority, which report shall describe the amount of money held by the Treasurer and Controller of the Financing Authority for the Board, the amount of receipts since the last such report, and the amount paid out since the first such report.

(7) The Secretary of the Site Authority is hereby designated as Secretary of the Financing Authority and the Senior Director, Financing and Treasury of the Trustees is hereby designated as Executive Director of the Financing Authority. The General Counsel for the Trustees shall be and act as Counsel to the Financing Authority.

(8) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

#### SECTION 5. POWERS

The Financing Authority shall have the powers common to the Site Authority and the Trustees, including the power to acquire, construct, equip, maintain, operate, and lease buildings and related facilities for public education and related purposes. The Financing Authority shall further have the power to provide for maintenance and operation of facilities which have been acquired or constructed in whole or in part by the Financing Authority. The Financing Authority is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following: to make and enter into contracts, to acquire, to finance, to construct, to provide for maintenance and operation of any Public Capital Improvement; to acquire, hold, or dispose of property within the State of California, [provided, however, that any disposition of real property other than easements must first receive the written consent of the parties to this Agreement;] to incur debts, liabilities, or obligations which shall not constitute debts, liabilities, or obligations of any party to this Agreement; to receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and any governmental entity; and to sue and be sued in its own name. Said power shall be exercised in the manner provided in the JPA Law and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon The Trustees in the exercise of similar powers. The Financing Authority may also accept donations or contributions from any source and may also issue bonds pursuant to the JPA Law and any other applicable laws of the State of California, whether heretofore or hereafter enacted or amended.

Notwithstanding the foregoing, the Financing Authority shall have all additional powers conferred under the JPA Law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

#### SECTION 6. TERMINATION OF POWERS

The Financing Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement as provided in Section 3 or until the Trustees and the Site Authority shall have mutually rescinded this Agreement; provided, however, that in no event shall this Agreement be terminated or rescinded while any bonds of the Financing Authority remain outstanding under the terms of the indenture, trust agreement, fiscal agent agreement or other instrument pursuant to which any bonds of the Financing Authority are issued.

#### SECTION 7. FISCAL YEAR

Unless and until changed by resolution of the Board, the fiscal year of the Financing Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to the following June 30.

#### SECTION 8. DISPOSITION OF ASSETS

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 6 hereof, all assets of the Financing Authority shall be distributed to the Trustees, subject to the provisions of Section 9 hereof.

#### SECTION 9. CONTRIBUTIONS AND ADVANCES

Contributions or advances of public funds and of personnel, equipment or property may be made to the Financing Authority by the Trustees and the Site Authority for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the Trustees or the Site Authority, as the case may be, and the Financing Authority at the time of making such advance. It is mutually understood and agreed that neither the Trustees nor the Site Authority has any obligation to make advances or contributions to the Financing Authority to provide for the costs and expenses of administration of the Financing Authority, even though either may do so. The Trustees or the Site Authority may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Financing Authority. The provisions of Government Code Section 6513 are hereby incorporated into this Agreement. After termination of this Agreement pursuant to Section 3, any surplus money in possession of the Financing Authority shall be returned to the Trustees and the Site Authority in proportion to the unreimbursed contributions each has made or as otherwise agreed to by the Trustees and the Site Authority.

#### SECTION 10. AGREEMENT NOT EXCLUSIVE

This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the Trustees and the Site Authority, except as the terms of this Agreement may conflict therewith, in which case the terms of this Agreement shall prevail.

#### SECTION 11. ACCOUNTS AND REPORTS

The Financing Authority shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Financing Authority shall be open to inspection at all reasonable times by the Trustees and the Site Authority and their representatives. The Financing Authority shall give an audited written report of all financial activities for each fiscal year to the Trustees and to the Site Authority within 150 days after the close of each fiscal year.

So long as required by Section 6505.6 of the Government Code of the State of California, the Controller of the Financing Authority shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Financing Authority. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with the Trustees and the Site Authority. Such report shall be filed within 12 months of the end of the fiscal year or years under examination.

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants, in making an audit pursuant to this section shall be borne by the Financing Authority and shall be a charge against any unencumbered funds of the Financing Authority available for the purpose.

In any year the Financing Authority may, by unanimous request of the Board, replace the annual special audit with an audit covering a two-year period. The audit may be conducted in conjunction with an audit of the Site Authority or the Trustees.

**SECTION 12. CONFLICT OF INTEREST CODE**

The Financing Authority by resolution shall adopt a Conflict of Interest Code as required by law.

**SECTION 13. BREACH**

If default shall be made by the Trustees or the Site Authority in any covenant contained in this Agreement, such default shall not excuse either the Trustees or the Site Authority from fulfilling its obligations under this Agreement and the Trustees and the Site Authority shall continue to be liable for the performance of all conditions applicable to the Trustees or the Site Authority, respectively, herein contained. The Trustees and the Site Authority hereby declare that this Agreement is entered into for the benefit of the Financing Authority created hereby and the Trustees and the Site Authority hereby grant to the Financing Authority the right to enforce by whatever lawful means the Financing Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Financing Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Financing Authority to any or all other remedies.

**SECTION 14. SEVERABILITY**

Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

**SECTION 15. SUCCESSORS; ASSIGNMENT**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

**SECTION 16. AMENDMENT OF AGREEMENT**

This Agreement may be amended by supplemental agreement executed by the Trustees and the Site Authority at any time to provide for the financing of Public Capital Improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the Trustees and the Site Authority in accordance with the laws of the State of California, including the JPA Law, or for any other purpose; provided, however, that in no event shall this Agreement terminate while any notes or bonds of the Financing Authority remain outstanding under the instrument pursuant to which such notes or bonds are issued.

SECTION 17. FORM OF APPROVALS

Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of the Site Authority, by resolution duly and regularly adopted by the board of the Site Authority, and, in the case of the Trustees, by resolution duly and regularly adopted by the Board of Trustees of the California State University or by written approval of the Chancellor in those matters where the Chancellor is delegated authority by the Trustees, and, in the case of the Financing Authority, by resolution duly and regularly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

SECTION 18. PUBLIC WORKS CONSTRUCTION

The Financing Authority may apply the California State University Contract Act [Public Contract Code Sections 10700 and following] and related provisions governing public works performed for the California State University in the administration of its public works projects.

SECTION 19. MISCELLANEOUS

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld. This Agreement is made in the State of California under the Constitution and laws of such State and is to be so construed. Where reference is made to duties to be performed for the Financing Authority by a public official or employee, acting *ex officio*, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made in this Agreement to Controller or Treasurer indicating specific duties to be undertaken by said officers, said officers may independently determine which of them shall undertake any particular duty. Where reference is made to actions to be taken by the Site Authority or the Trustees, such action may be exercised through the officers, staff, or employees of the Site Authority or the Trustees, as the case may be, in the manner provided by law or lawful regulation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their proper officers thereunto duly authorized, and approved as of the day and year first above written.

TRUSTEES OF THE CALIFORNIA STATE  
UNIVERSITY

By \_\_\_\_\_  
Chancellor

CALIFORNIA STATE UNIVERSITY, CHANNEL  
ISLANDS SITE AUTHORITY

By \_\_\_\_\_  
Chairperson

**BRIEF**

**Information Item**

Agenda Item 3  
May 9-10, 2000

**COMMITTEE ON FINANCE**

**Financing Transaction for Purchase of Office Building Adjacent to Campus by a CSU Fullerton Auxiliary Organization**

**Presentation By**

Brad Wells, Assistant Vice Chancellor  
Financial Services

**Summary**

This item provides information to the Board of Trustees regarding the purchase of an office building adjacent to the CSU Fullerton campus by the California State University, Fullerton Foundation. The Foundation proposes to utilize proceeds from a bond sale in an aggregate principal not to exceed \$28 million to finance the acquisition.

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### COMMITTEE ON FINANCE

#### **Financing Transaction for Purchase of Office Building Adjacent to Campus by a CSU Fullerton Auxiliary Organization**

##### **Background**

The California State University, Fullerton Foundation (“the Foundation”) has requested that the California Statewide Communities Development Authority issue an amount not to exceed \$28 million in bonds (Series A and Series B) to purchase the office building located at 2600 E. Nutwood Ave., Fullerton, California, adjacent to the main campus of CSU Fullerton. The proposed sale will consist of both tax-exempt and taxable bonds.

The Fullerton campus is experiencing extraordinary growth, adding 1,000 new students each year over the past three years. This trend is expected to continue. With this enrollment growth comes the concomitant need for additional faculty and staff and space for offices, classrooms, and other support space. The main campus has virtually reached its physical capacity and there are no approved capital projects that can adequately address this need. Moreover, to build a state supported classroom building to meet this demand, at current per square footage costs, would require an estimated \$50 million including replacement of parking.

The Fullerton campus is located in a business/residential area of the city. The 10-story office building is immediately adjacent and to the south of the campus. The 200,000 gross square foot building is leased to various tenants. Currently, the university and two of its auxiliaries lease approximately 33 percent of the building. The campus is planning to lease an additional 20,000 square feet this summer and an additional 20,000-50,000 square feet over the next two years.

If the campus were to continue renting space, the annual cost would approximate the cost of the annual debt service payments if the Foundation were to purchase the building. The Foundation has undertaken a process to purchase the building that was initiated with the employment of a real estate acquisition consultant. An appraisal of the facility established a market value of approximately \$20,000,000. A seismic review resulted in a positive finding, and the Chancellor’s Office has examined the study and recommended that the campus review additional structural information for the building. The Foundation will finalize investigation of seismic issues in consultation with the university prior to completing the purchase transaction.

The bonds will be a special obligation of the Foundation supported by the rental revenues of the building. The university will be the initial primary tenant and will be obligated to pay the lease costs for the term of the financing on the space it leases unless funds are not appropriated for the CSU in an annual state budget, or unless such expenditures are prohibited in an annual state budget for the CSU. In addition, the university will be required to lease additional space as it becomes available at rates and terms that are mutually agreeable.

The bonds will be a special obligation of the Foundation to ensure that the Foundation will retain its borrowing for a faculty housing project to be launched within the next few months. In addition to paying for the purchase price of the building, proceeds from the bond sale will be used for tenant improvements and establishment of bond reserves. At the time of the financing for the office building, the Foundation also will make provisions to have the title to the building pass to the trustees upon the repayment of all bonds and any subsequent debt on the property.

The Foundation, due to its governance structure and relationship to the university, is not an instrumentality of the state for federal tax purposes and cannot directly issue tax-exempt bonds. Thus the Foundation will contract with the California Statewide Communities Development Authority (CSCDA) to be a conduit issuer of the bonds. The CSCDA is a joint powers agency established to facilitate issuance of tax-exempt bonds by 501(3) (c) corporations; however, the Foundation will have the sole responsibility to repay the bonds.

The following summarizes key information on the proposed financing and will be updated at the meeting:

Bond principal:	Not to exceed \$28 million.
Term:	30-year amortization.
Type:	Approximately 65% tax-exempt, 35% taxable debt. Taxable bonds will be redeemable when private uses are vacated.
Debt service coverage:	1.1 - 1.2 times.
Additional parity debt test:	The Foundation will covenant to not issue additional parity bonds unless historic revenues for 12 of the last 18 months exceed the maximum future debt service by a factor of 1.2.
Bond insurance commitment:	Seeking bond insurance qualification.
Bond intrinsic rating before insurance:	Seeking a bond rating.
Expected bond interest rates:	Seeking to determine rates based on outcome of other factors.

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Involvement of experts:

George K. Baum is the underwriter; consultant Orrick, Herrington, Sutcliffe LLP is the bond counsel; and Richard Lee & Associates is real estate acquisition consultant.

CSUF, Foundation, Board of Directors:

A resolution approving the financing will be adopted by the Board of Directors prior to the meeting of the Board of Trustees.

Under the current delegated authority of the financing policy approved by the trustees, the chancellor and the executive vice chancellor and chief financial officer will take any actions needed to assist the campus in completing the financing transaction described in this item.

## **BRIEF**

**Action Item**

Agenda Item 4  
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### **COMMITTEE ON FINANCE**

#### **Conceptual Plan of a Private Sector Development for a Soccer Academy and Stadium Complex at California State University, Dominguez Hills**

##### **Presentation By**

James E. Lyons, Sr., President  
California State University, Dominguez Hills

Brad Wells, Assistant Vice Chancellor  
Financial Services

##### **Summary**

California State University, Dominguez Hills is in preliminary discussions with the Los Angeles Galaxy Major League Soccer Team regarding the possibility of entering into a public/private partnership for the construction of a 25,000- to 30,000-seat soccer stadium, soccer academy facilities, parking, and renovations to existing campus athletic venues.

The trustees are being asked to review and approve the concept of this public/private partnership to design, finance, and construct the facilities and develop the soccer academy and stadium at California State University, Dominguez Hills and authorize the project to proceed with the understanding that additional information will be presented to the board at key points in the process.

##### **Recommended Action**

Approval of the resolution.

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May 9-10, 2000

### COMMITTEE ON FINANCE

#### **Conceptual Plan of a Private Sector Development for a Soccer Academy and Stadium Complex at California State University, Dominguez Hills**

##### **Background**

During the past year, the Los Angeles Galaxy Major League Soccer Team (“the Galaxy”) has explored the possibility of building a 25,000- to 30,000-seat soccer stadium at one of over half a dozen locations in and around Los Angeles. The administration at CSU Dominguez Hills became aware of their interest in building a stadium at the end of 1999 and contacted Galaxy management in order to better understand the project and pursue the possibility of the stadium being constructed on campus. Interest at CSU Dominguez Hills was generated because of the very successful campus soccer program and the growing popularity of soccer in Southern California. After several discussions, both parties have agreed that the partnership concept should be pursued.

The proposed project has two major components. The first component is the construction of a stadium with associated support facilities and parking that would serve as the home of the Galaxy as well as a possible site for the soccer competitions including international games, NCAA Final Four, top amateur championship games and tournaments. The second component is dependent upon a bid that the Galaxy is preparing to submit to the United States Soccer Federation (USSF) for their National Training Center. The National Training Center, if built in Southern California, will be the home to the USSF national men’s and women’s teams, their under-20 teams, amateur tournaments, camps, coaching clinics, and other events. The bid would require that USSF receive facilities such as soccer fields, locker rooms, weight rooms, offices, video rooms, gymnasium, pool, track, accommodations capable of housing 240 people, and a minimum 7,000-seat stadium.

The Galaxy currently plays their home games in Pasadena at the Rose Bowl. While the Rose Bowl has served them well, the Galaxy would prefer a soccer specific stadium that would better serve their average attendance of 18,000 per game. Additionally, a location such as CSU Dominguez Hills has the potential of improving ticket sales because it is closer to their market base. The campus is currently proposing that the stadium be constructed on the site of the velodrome that was constructed for the 1984 Olympics. Since the 1984 Olympics, the campus has not been able to develop a financially successful competitive cycling program to utilize this facility.

In addition to the soccer and academy discussions, Galaxy officials have inquired about the prospect of adding tennis tournaments either in conjunction with the Galaxy stadium or as a separate free-standing venue. The feasibility of this opportunity will also be evaluated over the next few months.

### **Education Benefits and Synergies**

This project provides an opportunity to build what could be the finest soccer facility in the United States. If combined with an opportunity to build a training academy for the U.S. Soccer Federation and with this country's best amateur players, Southern California could be at the forefront of soccer in this country. In addition to providing a stadium venue that will be available for use by CSU Dominguez Hills for its major events, such as commencement, this project would provide significant capital improvements to existing campus athletic facilities. Having this venue on campus will also contribute to student life on campus, enhance existing campus athletic programs, and provide a national profile for both the campus and the city of Carson. This project has the potential of attracting additional enrollment for the campus and excellent business opportunities for the city of Carson. While the city of Carson has not taken a position on the Galaxy proposal, discussions are ongoing with the city administration.

### **Economic Advantages and Benefits**

Absent a partnership of this nature, CSU Dominguez Hills would not be able to provide a venue of this magnitude. The Galaxy estimates the total design and construction costs of this project at 50 to 70 million dollars. No campus funds are being requested to fund this project. The Galaxy plays most of their home games on Saturday evenings; therefore, conflicts with the majority of the campus academic programs will be avoided. This project will build a substantial amount of new parking on the campus that will save students, faculty, and staff the financial burden of funding the construction of these facilities. Events scheduled in the stadium will be planned and programmed to avoid conflicts with the campus academic programs.

The campus currently rents bleachers and other seating for its annual commencement. Having the stadium will save these costs totaling approximately \$100,000 each year. The enhancement to student life and the potential for enrollment growth provides significant financial advantages to the campus. Additionally, there will be the ability for the campus to host revenue generating events in the stadium.

### **Summary**

This agenda item is being presented to provide the trustees with a conceptual plan of a public/private partnership between California State University, Dominguez Hills and the Los Angeles Galaxy Major League Soccer Team to construct a 25,000- to 30,000-seat soccer stadium, soccer academy facilities, parking, and renovations to existing campus athletic venues. At a later date, if this project moves forward, the trustees will be asked to approve the related master plan revisions, any proposed schematic plans, and the required environmental documents. The following resolution is recommended for approval:

**RESOLVED**, By the Board of Trustees of The California State University, that the trustees:

1. Support the concept of a public/private partnership that could lead to the construction of a soccer stadium, soccer academy facilities, parking, and

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renovations to existing campus athletic venues (“the Project”) at California State University, Dominguez Hills and authorize the campus in consultation with the Chancellor’s Office to formulate a development plan for the Project with the understanding that the development plan and additional information will be presented to the trustees at key points in the process.

2. Confirm the chancellor’s authority to enter into such agreements as are necessary to prepare the development plan for the Project to be considered by the campus, Office of the Chancellor, and the Board of Trustees; and
3. Consider the following action items for approval by the trustees at the appropriate times during the development process:
  - (a) The development plan that includes, but is not limited to, an update of the conceptual plan presented to the trustees, a summary of important terms and conditions of specific agreements negotiated by the campus and the developer, the results of due diligence studies including an assessment of risks associated with the project, and a multi-year financial plan.
  - (b) Master Plan revisions;
  - (c) Proposed schematic plans;
  - (d) Environmental documents for the project.

**BRIEF**

**Information Item**

Agenda Item 5  
May 9-10, 2000

**COMMITTEE ON FINANCE**

**Auxiliary Organization Financing at California State University, Chico**

**Presentation By**

Brad Wells, Assistant Vice Chancellor  
Financial Services

**Summary**

This item provides information to the Board of Trustees about a transaction by the California State University, Chico Research Foundation to borrow funds on a tax-exempt basis to finance the prior purchase and capital improvements of an office building adjacent to the campus, and to finance capital improvements of the soccer stadium located on campus. The auxiliary organization intends to issue privately placed tax-exempt bonds in an amount not to exceed \$2,250,000 for these purposes.

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Agenda Item 5  
May 9-10, 2000

### COMMITTEE ON FINANCE

#### **Auxiliary Organization Financing at California State University, Chico**

The California State University, Chico Research Foundation (“the Research Foundation”) is proposing to borrow an amount of up to \$2,250,000 on a tax-exempt basis to finance the prior purchase and capital improvements of an office building adjacent to the campus, and to finance capital improvements of the university soccer stadium. The auxiliary will finance the required project costs by issuing privately placed tax-exempt bonds with a 20-year amortization. Depending on market conditions, the bonds may have either a 10-year call feature or a feature to reset the bond interest rate after 10 years. The bonds will be secured by the general fund of the Research Foundation. The Research Foundation, a recognized auxiliary organization of the California State University, has consulted with Orrick, Herrington & Sutcliffe LLP to determine that the Foundation qualifies as an “instrumentality of the state” based on an IRS private letter ruling, and the firm will be engaged to advise the Foundation in the role of bond counsel. The Research Foundation has also contracted with A. G. Edwards, financial advisor, to assist in selling the bonds.

The CSU Chico Research Foundation will use approximately \$1,550,000 of the borrowed amount to finance the prior purchase and renovation of a 16,562-square-foot facility located one block from campus, at 35 Main Street. Originally purchased in April 1999 with general funds of the Research Foundation, the facility will be used to house Foundation research projects. The building’s current commercial tenants are being gradually phased out to provide off-campus space for Foundation projects in order to meet the demand for university facilities brought about by increasing enrollments.

The Research Foundation will also use approximately \$650,000 of the bond sale proceeds to rebuild the university soccer stadium. The university will ground lease the soccer stadium to the Research Foundation for the term of the financing. Upon completion of the construction, the Foundation will operate the stadium for the duration of the financing. The campus will contract with the Foundation to use the facility for its general academic program. The Research Foundation also intends to make the facility available by lease or license to the local professional soccer team (the Rooks) at times that do not conflict with university activities. The facility will also be used by the community’s youth soccer teams, and in consideration of that public benefit, the City of Chico has agreed to provide an interest-free loan in the amount of \$500,000 to assist in the construction of the new facility. The loan will be repaid at \$25,000 per year by the Research Foundation. The university will agree to rent the soccer stadium facility for an amount that totals the city loan repayment, the bond debt costs, and the operating costs, less revenue received by the Research Foundation’s rental to the professional soccer team and any other rental activity. After the bonds are repaid, the improvements will become the property of the university.

The plan for financing the 35 Main Street building and the soccer stadium construction was approved by the Research Foundation's Board of Directors on 10/26/99 and in more detail on 1/27/00. The debt will be serviced with lease revenues from the university for use of the soccer stadium and other revenues received by the Research Foundation. The debt will be backed by the full faith and credit of the Research Foundation. The cost of issuance is estimated to be less than \$50,000.

The following summarizes key information on the proposed financing:

Financed amount:	Not to exceed \$2,250,000
Term:	20-year amortization
Estimated rate:	6.30%, tax-exempt, with an all-in-cost of between 6.35% - 6.40%
Projected debt service coverage (unrestricted revenues of the Research Foundation):	Approximately 4.5
Bond rating and insurance:	Private placement of bonds, therefore no rating or insurance will be obtained

Under the current delegated authority of the financing policy approved by the trustees, the chancellor and the executive vice chancellor and chief financial officer will take any actions needed to assist the campus in completing the financing transaction described in this item.

**BRIEF**

**Action Item**

Agenda Item 6  
May 9-10, 2000

**COMMITTEE ON FINANCE**

**Real Property Development Projects—Revision of Policy**

**Presentation By**

Brad Wells, Assistant Vice Chancellor  
Financial Services

**Summary**

This item requests the Board of Trustees to take action to revise the policy for the development of real property projects.

**Recommended Action**

Approval of the resolution.

## ITEM

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Agenda Item 6  
May 9-10, 2000

### COMMITTEE ON FINANCE

#### **Real Property Development Projects—Revision of Policy**

##### **Background**

This item revises the policy of the Board of Trustees approved in March 1994 governing the development of public/private or public/public real estate partnerships. Based on the experience of the ensuing six years, the current item is presented to more clearly state the points of responsibility and to specify the steps necessary to allow the projects to proceed in an orderly manner. The policy does not alter the process for those projects that are normally reviewed and funded as part of the CSU capital outlay process.

##### **Purpose**

This policy applies to projects involving long-term contractual relationships that use or develop campus real property to further the educational mission of the campus through the acquisition of physical assets, income, and/or educationally related opportunities for students and faculty.

##### **Roles and Procedures**

Campus presidents are responsible for the planning and execution of all matters related to real property development projects on their respective campuses. The executive vice chancellor and chief financial officer is responsible for assisting campuses in planning projects and for staff review and analysis prior to action by the Board of Trustees. The chancellor and the executive vice chancellor and chief financial officer shall make the decision if there are questions as to the applicability of the policy to a specific project.

##### **Approval of Concept**

Early in the process, the campus will present a conceptual plan to the Board of Trustees for approval describing the campus aspirations for a real property development project.

The process leading to ultimate approval of the project by the Board of Trustees requires early and continuing involvement of the Chancellor's Office; therefore, the campus should contact the land development review committee established by the executive vice chancellor and chief financial officer that includes finance, campus planning and legal staff at the beginning of the conceptual phase. Upon notification of the project, the executive vice chancellor and chief financial officer will issue a set of specific procedures to be used by the campus in developing the project. The letter will indicate the steps and process to be followed leading to approval of the development plan. Campuses will be responsible for notifying the land development committee of project developments as they occur.

### **Approval of Development Plan**

Before execution of any commitments for use of the property, the campus will seek final approval of the real property development project from the trustees. An action item will be presented to the Board of Trustees that will provide detailed information on the project including:

1. an update of the conceptual plan presented to the trustees,
2. the results of due diligence studies including an assessment of risks associated with the project,
3. a summary of the important terms and conditions of all proposed substantive agreements, and
4. a multi-year financial plan.

The campus will seek approval of the trustees for the development plan after all terms and conditions have been negotiated by the campus, finalized in appropriate legal documents, and reviewed and analyzed by the Chancellor's Office. Further approvals by the board will be sought as necessary to accommodate master plan changes and schematic design review and approval.

The following resolution is recommended for approval:

**RESOLVED**, By the Board of Trustees of The California State University, that the policy and procedures for public/private (public/public) real estate partnerships approved at the March 22-23, 1994, meeting is rescinded and the chancellor is directed to issue policies and procedures regarding projects involving real property development consistent with the principles contained in Agenda Item #6 of the Committee on Finance at the May 9-10, 2000, meeting of the Board of Trustees.