AGENDA

COMMITTEE ON FINANCE

Meeting: 2:15 p.m., Wednesday, November 8, 2000
Glenn S. Dumke Conference Center

William Hauck, Chair
Murray L. Galinson, Vice Chair
Neel I. Murarka
Dee Dee Myers
Frederick W. Pierce, IV
Ali C. Razi
Stanley T. Wang

Consent Items

Approval of Minutes of Meeting of September 19, 2000

Discussion Items

1. Annual Student Fee Report, Information
2. Real Property Development Project at California State University, Monterey Bay, Action
3. Real Property Development Project at California State University, Hayward Action
MINUTES OF THE MEETING
COMMITTEE ON FINANCE

Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California 90802

September 19, 2000

Members Present

William Hauck, Chair
Murray L. Galinson, Vice Chair
Laurence K. Gould, Jr., Chair of the Board, ex officio
Neel I. Murarka
Dee Dee Myers
Frederick W. Pierce, IV
Ali C. Razi
Charles B. Reed, Chancellor, ex officio
Stanley T. Wang

Other Trustees Present

William D. Campbell
Daniel N. Cartwright
Debra S. Farar
Harold Goldwhite
Ralph R. Pesqueira

Chancellor’s Office Staff

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

Chair Hauck called the meeting to order at 2:04 p.m.

Approval of Minutes
The minutes of July 18, 2000, were approved.

**California State University**
**2001/2002 Support Budget**

Chair Hauck introduced Mr. Richard P. West, executive vice chancellor and chief financial officer, who presented an overview and slide presentation of the 2001/2002 support budget request. Mr. West noted that a special meeting of the board would be held via teleconference on October 26, 2000 for formal adoption of the proposed request.

Mr. West explained that the purpose of the item was to provide information in advance of the October meeting.

The proposed budget request includes partnership agreement funds plus additional funds for items above the partnership agreement. The total budget request represents an increase of $366.4 million to the $3.4 billion base budget.

The request includes within the partnership, a four percent increase for all employees and an additional two percent above the partnership. Enrollment funding in the amount of 96.6 million is proposed to fund a 3.5 percent growth in enrollment.

Trustee Farar inquired if the $8 million dollars in the partnership for K-12 was a continuation of the outreach dollars for previously targeted high schools or if it was slated for any other outreach programs. Dr. David S. Spence, executive vice chancellor and chief academic officer, replied that it was a continuation for the target programs.

Trustee Pierce inquired about the status of the deferred maintenance shortfall and where we are with regard to bringing things up to standard. Mr. West explained that deferred maintenance requirements have stabilized thanks to an initiative passed approximately two or three years ago investing a significant sum in our maintenance program. However, he acknowledged there is still a substantial backlog.

Trustee Pierce commended Chancellor Reed and Mr. West on a visionary and responsive budget.

**California State University Recommended Lottery Revenue Budget 2001/02**

Chair Hauck introduced the item noting it was being presented for information and is scheduled for adoption at the special October 26, 2000 meeting of the board.

Chair Hauck asked if the item had been prepared factoring in the potential competition from Indian gaming. Mr. West stated that it had not been explicitly considered, but assured him that
there are sufficient reserve measures built into the process that would provide a cushion in the event of a decrease in funding for any reason.

Mr. West explained the item noting there is a total of $42.7 million in the proposed lottery budget for 2001/02. The budget supports the forgivable loan/doctoral incentive program, California pre-doctoral program, CSU summer arts program, and many campus-based instructional programs. There are no new programs in the lottery budget this year. There are continuations at the current level and a small increase for inflation of systemwide programs. Approximately $30 million is distributed to the campuses for discretionary and instructional support.

Trustee Wang noted that since the majority of lottery funds are distributed to the campuses, he wondered if there was an evaluation mechanism in place to assess systemwide lottery funded programs. Mr. West said there is no formal evaluation process, rather campuses are given flexibility to utilize the funds and are encouraged to aid their instructional programs accordingly.

Authorize the Issuance and Sale of the San Diego State University Parking System Revenue Bonds, Series B, and Related Matters

Chair Hauck asked Mr. Bradley W. Wells, assistant vice chancellor for financial services, to present the action item.

Mr. Wells said the item was intended to approve financing for a 2,000 space parking structure at San Diego State University. The project is to be financed through the sale of parking revenue bonds in an amount not to exceed $15.4 million. The estimated interest on the 25-year bonds is 5.6 percent. Revenues pledged to pay the debt service on these bonds include parking fees collected at San Diego State University.

Mr. Wells noted the board approved the schematic plans and the CEQA analysis for the project at the May 1999 board meeting and the project was added to the non-state capital outlay program in January 2000. The original plan contemplated bridge financing provided by the transit authority, however changes in interest rates and additional parking revenues have since eliminated that requirement. Additionally, both Moody’s and Standard and Poor’s have upgraded the revenue bond program, which will have some beneficial impact on interest rates.

The committee recommended approval of the proposed resolution.

Development of a National Training Center and Sports Complex at California State University, Dominguez Hills

Chair Hauck noted the item had initially been presented to the board in May and was now being presented for approval of the economic framework of the project.
Mr. Wells reviewed the basic structure of the proposed public/private partnership development. As a result of the discussion and approval of the conceptual plan at the May 2000 meeting, the campus has proceeded to work with Anschutz L.A. Soccer (ALAS) to develop the specific economic framework and business proposal for the project. At a later date, the board will be asked to approve related master plan revisions, required environmental documents, and any proposed schematic plans for the project.

Dr. James E. Lyons, president, California State University, Dominguez Hills presented an overview of the current status of the project. President Lyons explained in detail the significant changes to the scope of the original proposal. The initial concept was presented as a soccer complex and has since expanded to a national training center and sports complex. The new complex now includes plans for a new Olympic standard Velodrome facility.

President Lyons expressed his excitement about the project along with his observations and caveats regarding the monumental amount of work yet to be done. He has met and discussed the pros and cons of the project with various community groups noting the importance of continuing to work with those groups in addressing their concerns.

President Lyons introduced Mr. Tim Lieweke, president of the Staples Center/Anschutz Corporation who addressed the committee. Mr. Lieweke updated the committee on progress made since the last meeting, and assured them that Anschutz is prepared to provide financing of $100 million and to find additional sponsors for the project.

Trust Razi said it was a great program as long as there is room for future campus expansion, and the assurance that the campus and surrounding community will be guaranteed use of the facility. Trustee Galinson echoed Trustee Razi’s concern regarding utilization rights and emphasized that access must be documented in the agreement.

Chancellor Reed suggested the formation of a subcommittee to work with President Lyons in addressing the many concerns and issues still remaining prior to completion of a final agreement with ALAS. Chair Hauck selected trustees Anthony M. Vitti, Murray L. Galinson, Frederick W. Pierce, IV, and William D. Campbell to serve with him on the subcommittee.

The committee recommended approval of the proposed resolution.

Approval for the Issuance of the California State Housing System Revenue Bonds, California State University San Bernardino Apartment Complex

Mr. Wells introduced the item that requested the Board of Trustees to authorize the sale and issuance of California State University Housing System Revenue Bonds to finance the
construction of a student apartment complex at California State University, San Bernardino. Mr. Wells noted that the aggregate principal amount of the bonds were not to exceed $13.8 million.

The committee recommended approval of the proposed resolution.

**California State University Tax-Exempt Commercial Paper**

Mr. Wells explained this was an information item intended to keep the board apprised of an initiative to explore and develop a commercial paper program for the CSU that would lower aggregate borrowing costs for the fee-based revenue bond financing programs that are administered and controlled by the Board of Trustees.

The proposed method will reduce our interest costs during the construction period and result in more efficient debt management practices.

Under the program, the CSU Institute, a recognized CSU auxiliary, would issue short-term debt once the board has approved the revenue bond project and the construction is ready to begin. At the time the construction is complete, or when market conditions are favorable, the previously authorized long-term revenue bonds would be issued and the proceeds would pay off the short-term commercial paper debt.

The CSU Institute Board of Directors has authorized the expenditure of $75,000 to develop this commercial paper program. Planning for implementation of the program would begin immediately with the expectation that it would be up and running by early next calendar year. Final approval of the plan will be presented to the Board of Trustees.

Chair Hauck explained that the main point here was to alert the Board of Trustees to the proposed change in policy and to present the opportunity to raise any related issues and questions prior to moving toward the final stage of implementation.

The committee recommended approval of the proposed resolution.

**Joint Powers Authority at California State University, Stainless Stockton Center**

The item was discussed at the July 2000 board meeting with the understanding that it would be brought back at the September meeting for board approval.

Mr. West said he was pleased to report that an agreement had been reached with the City of Stockton on the governance structure to be used to manage the redevelopment of the Stockton Center.
Previous concerns about the membership composition of the Joint Powers Authority Board (JPA) have also been resolved. The current structure of the board will consist of seven members; three appointed by the chancellor and three appointed by the Mayor of Stockton. The Mayor of Stockton and the Chancellor would jointly appoint the seventh member. It was also agreed that at least five members of the JPA would be required to approve a budget or any long-term debt associated with the site.

Trustee Pierce asked for clarification on the formal approval process and whether the board will be apprised of the development plans for this and future projects. Mr. West said he would have the written policy reviewed and get back to Trustee Pierce. Meanwhile, he assured the committee that any major redevelopment strategies would be brought back to the board as a regular practice.

Chair Hauck asked how the officers of the JPA board would be chosen. Mr. West replied that at the first meeting of the JPA, the seven members of the board would elect a chair and a vice chair by a simple majority vote.

Chair Hauck acknowledged the hard work and perseverance by Mr. West and others, in bringing this difficult task to a reasonable resolution.

The committee recommended approval of the proposed resolution.

The meeting adjourned at 3:23 p.m.
COMMITTEE ON FINANCE

Annual Student Fee Report

Presentation By

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

Summary

CSU Student Fee Policy requires an annual campus report to the Board of Trustees on fees charged to students. The 2000/01 academic year resident, undergraduate student fees table (page 2) is provided for your consideration. The fee table provides annual CSU systemwide and campus fees that must be paid to apply to, enroll in, or attend the university.

The CSU systemwide, State University Fee level has remained unchanged from the 1999/00 academic year. The full-time academic year State University Fee remains at $1,428 for undergraduate students and $1,506 for graduate students. In 2000/01, the state provided sufficient General Fund dollars to avoid the need for an increase in the State University Fee. Average fees for resident, undergraduate students, which include both the systemwide State University Fee and campus annual fees that must be paid to apply to, enroll in, or attend the university, average $1,839 for the 2000/01 academic year. This represents an increase of only $9 over the 1999/00 academic year average fees. Also as footnoted on the fee table, non-resident tuition is $246 per semester unit and $164 per quarter unit.

Additional user based campus fees may be charged that are not required of all enrolled students. These fees are paid by students who receive specific materials, services, or for the use of facilities provided by the university, or to enroll in a course offered through a self-support instructional program. Examples of these fees include "Extension Course Fees," "Miscellaneous Course Fees," and "Transcript of Record Fee." Finally, penalty and deposit campus fees may be charged to students to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty. Examples of these fees include "Check Return Fee" and "Damage Deposit Fee."

Also provided for your information is the 2000/01 comparison institutions, academic year resident, undergraduate student fee levels table (page 3). As illustrated, fees at CSU are the lowest in the nation among public comparison institutions used by the California Postsecondary Education Commission for faculty salary comparisons. The 2000/01 average resident, undergraduate student fees at comparison institutions ($3,946) are more than double comparable fees at the CSU ($1,839). The table includes average 2000/01 academic year resident, undergraduate student fees at CSU's comparison institutions. The 2000/01 comparison institution average resident, undergraduate student fee level has increased 4.1 percent ($157) over the 1999/00 comparison institution average fee level. In contrast, the CSU's 2000/01 average resident, undergraduate student fee level has increased only increased 0.5 percent ($9).
## CSU 2000/01 Academic Year, Resident, Undergraduate Student Fees

<table>
<thead>
<tr>
<th>Campus</th>
<th>Systemwide Fees</th>
<th>Campus Fees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State University Fee</td>
<td>Instruct. Related Activities Fee</td>
<td>Health Facilities Fee</td>
</tr>
<tr>
<td></td>
<td>Up to 6 units or more</td>
<td>or more</td>
<td>or more</td>
</tr>
<tr>
<td>Bakersfield</td>
<td>$828 $1,428 $64 $6 $- $77 $70 $150</td>
<td>$1,795</td>
<td></td>
</tr>
<tr>
<td>Chico</td>
<td>828 1,428 138 6 0 70 200 184</td>
<td>2,026</td>
<td></td>
</tr>
<tr>
<td>Dominguez Hills</td>
<td>828 1,428 10 6 0 135 76 80</td>
<td>1,735</td>
<td></td>
</tr>
<tr>
<td>Fresno</td>
<td>828 1,428 20 6 36 46 80 130</td>
<td>1,746</td>
<td></td>
</tr>
<tr>
<td>Fullerton</td>
<td>828 1,428 20 6 18 108 168 50</td>
<td>1,798</td>
<td></td>
</tr>
<tr>
<td>Hayward</td>
<td>828 1,428 42 6 0 45 99 105</td>
<td>1,725</td>
<td></td>
</tr>
<tr>
<td>Humboldt</td>
<td>828 1,428 96 6 10 71 89 161</td>
<td>1,861</td>
<td></td>
</tr>
<tr>
<td>Long Beach</td>
<td>828 1,428 50 6 0 88 100 70</td>
<td>1,742</td>
<td></td>
</tr>
<tr>
<td>Los Angeles</td>
<td>828 1,428 19 8 0 54 95 120</td>
<td>1,724</td>
<td></td>
</tr>
<tr>
<td>Maritime Academy</td>
<td>828 1,428 100 6 0 210 0 394</td>
<td>2,138</td>
<td></td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>828 1,428 0 0 291 96 40 0</td>
<td>1,855</td>
<td></td>
</tr>
<tr>
<td>Northridge</td>
<td>828 1,428 30 6 0 120 170 60</td>
<td>1,814</td>
<td></td>
</tr>
<tr>
<td>Pomona</td>
<td>828 1,428 40 6 0 60 126 135</td>
<td>1,795</td>
<td></td>
</tr>
<tr>
<td>Sacramento</td>
<td>828 1,428 16 6 0 206 142 76</td>
<td>1,874</td>
<td></td>
</tr>
<tr>
<td>San Bernardino</td>
<td>828 1,428 74 6 0 36 85 104</td>
<td>1,733</td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>828 1,428 30 6 0 30 142 140</td>
<td>1,776</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>828 1,428 70 6 0 84 104 130</td>
<td>1,822</td>
<td></td>
</tr>
<tr>
<td>San Jose</td>
<td>828 1,428 40 6 0 111 162 110</td>
<td>1,857</td>
<td></td>
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<tr>
<td>San Luis Obispo</td>
<td>828 1,428 162 6 135 71 243 84</td>
<td>2,129</td>
<td></td>
</tr>
<tr>
<td>San Marcos</td>
<td>828 1,428 80 6 12 100 40 40</td>
<td>1,706</td>
<td></td>
</tr>
<tr>
<td>Sonoma</td>
<td>828 1,428 200 6 20 102 126 120</td>
<td>2,002</td>
<td></td>
</tr>
<tr>
<td>Stanislaus</td>
<td>828 1,428 47 6 0 62 100 160</td>
<td>1,803</td>
<td></td>
</tr>
<tr>
<td><strong>System Average</strong></td>
<td><strong>$828 $1,428 $61 $6 $24 $90 $112 $118</strong></td>
<td><strong>$1,839</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Average Campus Based Fees</strong></td>
<td><strong>$411</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Graduate students fees: up to 6 units $876; 6.1 units or more $1,506;
   Non-resident tuition: $246 per unit/semester system; $164 per unit/quarter system

2. Based on State University Fee of 6.1 units or more
<table>
<thead>
<tr>
<th>University</th>
<th>1999/00</th>
<th>2000/01</th>
<th>Change</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rutgers University (Newark, NJ)</td>
<td>$5,833</td>
<td>$6,333</td>
<td>$501</td>
<td>8.6%</td>
</tr>
<tr>
<td>University of Connecticut (Storrs, CT)</td>
<td>5,404</td>
<td>5,596</td>
<td>192</td>
<td>3.6%</td>
</tr>
<tr>
<td>University of Maryland, at Baltimore</td>
<td>5,160</td>
<td>5,490</td>
<td>330</td>
<td>6.4%</td>
</tr>
<tr>
<td>State University of New York, at Albany</td>
<td>4,453</td>
<td>4,625</td>
<td>172</td>
<td>3.9%</td>
</tr>
<tr>
<td>Illinois State University</td>
<td>4,285</td>
<td>4,339</td>
<td>54</td>
<td>1.3%</td>
</tr>
<tr>
<td>Wayne State University (Detroit, MI)</td>
<td>4,127</td>
<td>4,291</td>
<td>164</td>
<td>4.0%</td>
</tr>
<tr>
<td>Cleveland State University</td>
<td>3,894</td>
<td>4,110</td>
<td>216</td>
<td>5.5%</td>
</tr>
<tr>
<td>George Mason University (Fairfax, VA)</td>
<td>3,756</td>
<td>3,768</td>
<td>12</td>
<td>0.3%</td>
</tr>
<tr>
<td>University of Wisconsin, at Milwaukee</td>
<td>3,743</td>
<td>3,763</td>
<td>20</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>COMPARISON AVERAGE</strong>*</td>
<td>3,789</td>
<td>3,946</td>
<td>157</td>
<td>4.1%</td>
</tr>
<tr>
<td>University of Texas, at Arlington</td>
<td>3,336</td>
<td>3,470</td>
<td>134</td>
<td>4.0%</td>
</tr>
<tr>
<td>Georgia State University, at Atlanta</td>
<td>3,358</td>
<td>3,132</td>
<td>(226)</td>
<td>-6.7%</td>
</tr>
<tr>
<td>North Carolina State University</td>
<td>2,414</td>
<td>2,814</td>
<td>400</td>
<td>16.6%</td>
</tr>
<tr>
<td>University of Colorado, at Denver</td>
<td>2,548</td>
<td>2,769</td>
<td>221</td>
<td>8.7%</td>
</tr>
<tr>
<td>Arizona State University, at Tempe</td>
<td>2,262</td>
<td>2,346</td>
<td>84</td>
<td>3.7%</td>
</tr>
<tr>
<td>University of Nevada, at Reno</td>
<td>2,259</td>
<td>2,340</td>
<td>81</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>CALIFORNIA STATE UNIVERSITY</strong></td>
<td>$1,830</td>
<td>$1,839</td>
<td>$9</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

*Average does not include CSU
COMMITTEE ON FINANCE

Real Property Development Project at California State University, Monterey Bay

Presentation By

Peter P. Smith, President
California State University, Monterey Bay

Bradley W. Wells, Assistant Vice Chancellor
Financial Services

Summary

The Board of Trustees approved an item at the May 11-12, 1999, meeting supporting the concept of establishing an educational partnership between California State University, Monterey Bay (CSUMB) and the Chartwell School including the identification of a site on the campus for construction of a new facility.

The Chartwell School is a private elementary/middle school serving students with language-based learning disabilities. The school’s mission is to provide bright, dyslexic students with the skills and self-confidence required to return to mainstream education. Now in its eighteenth year, Chartwell has long been regarded as an important resource in education on the Monterey Peninsula.

Over the past year, the Chartwell School and CSUMB have worked together to define the project and to select a site for the proposed school. In addition, the campus has been able to move forward, in collaboration with the Chartwell School and through a generous gift from a private donor, with the appointment of a new faculty member to an endowed professorship in special education for the further development of a special needs education curriculum that will link the Chartwell School with the CSUMB mission.

The campus and the Chartwell School have agreed on the site for the new school facility and are ready to proceed with development of the ground lease. California State University, Monterey Bay is seeking approval of a development program with Chartwell School which will include the lease of 6.52 acres on the Monterey campus for the purpose of constructing a special needs school. It is estimated that the improvements to be constructed on the site by Chartwell School will cost approximately $7.0 million. All capital and operating costs will be the responsibility of Chartwell School.
Proposed Arrangement

CSUMB will enter into a 60-year ground lease with the Chartwell School, with two 15-year options, for a 6.52-acre parcel at the corner of First Street and Second Avenue on the Monterey Bay campus. The unimproved land will be leased “as is” and Chartwell School will be solely responsible for the all costs to develop the property. The ground lease will initially yield $2,366 per month and will be indexed in five-year increments at the rate of 1% per year. Chartwell School will improve the property through the construction of school to accommodate up to 150 students, playing fields and recreation facilities, and a parking lot. The costs of operating the facility, including the cost of utilities, maintenance, public safety support, and services will be fully borne by Chartwell. At the end of the lease period, the facilities will revert to the Trustees.

The schematic plans for the school, along with the appropriate environmental documentation, will be subject to the approval of the Trustees of the California State University. The campus has evaluated the land and water usage related to this development and has determined that the proposed development will have no adverse impact on the FTES capacity of the physical master plan given that the main campus consists of over 1,300 acres of land. Rather, it is anticipated that the presence of this program will have a net positive effect on attracting students and resources to the campus in a way that would be consistent with the development of the overall campus master plan. The exact quantification of this impact on water usage will be addressed in the environmental documents to be prepared in conjunction with the school’s development plan.

Educational Benefit

The partnership with Chartwell School was formed to enhance CSUMB students’ understanding of critical issues in the field of learning disabilities. Chartwell and the CSUMB teacher education program have already collaborated to offer a course in the underlying structures of language required for the teaching of reading and spelling to elementary students. In addition, Chartwell’s director served on the search committee for a distinguished professor in the area of literacy development. With the hiring of the professor and the development of the literacy program, Chartwell will offer internship programs for CSUMB students. The academic program at Chartwell provides a systematic approach to the teaching of reading, language, and literacy development. Since language difficulties tend to define the area of mild to moderate learning disabilities, learning about Chartwell’s approach and students will give teacher candidates from CSUMB key curriculum and instructional experiences needed to be effective in their first teaching assignment. Prospective special education teachers from CSUMB will profit from mentoring, support, and professional development activities offered at Chartwell. Future employment opportunities for CSUMB graduates are a logical outcome of this relationship.
The following resolution is recommended for approval:

**RESOLVED.** By the Board of Trustees of The California State University, that the Trustees approve the development program with the Chartwell School at California State University, Monterey Bay described in Agenda Item 3 of the November 17, 2000 meeting of the Trustees’ Committee on Finance.
COMMITTEE ON FINANCE

Real Property Development Project at California State University, Hayward

Presentation By

Norma Rees, President
California State University, Hayward

Bradley W. Wells
Assistant Vice Chancellor
Financial Services

Summary

This item requests conceptual approval of a real property development project at California State University, Hayward to permit the construction of an Internet switching center on undeveloped campus land leased to GEOgraphic Network Affiliates-International, Incorporated.

Background

The campus has been active with the operations of the Corporation for Network Initiatives in California and the University Corporation for Advanced Internet Development, entities dedicated to accelerating the availability of applications and services in support of research and teaching through the development of Internet2. Internet2 is a consortium of over 170 universities working in partnership with industry and government to develop and deploy advanced network applications and technologies. These activities have led to conversations with GEOgraphic Network Affiliates-International, Inc. about the prospect of constructing a major Internet switching center on the campus.

Project Description

The proposed project consists of four buildings providing a total of 480,000 square feet of space on 12 to 15 acres of undeveloped campus land that is not currently master planned for use by the campus. GEOgraphic Network Affiliates-International, Inc. will lease space within the buildings to various telecommunications carrier companies to house network equipment and servers. Locating these network exchange points of the various carriers in the same facility permits fast and inexpensive interconnections between their networks.
Educational Benefits

The proposed project has the potential to provide educational benefits for Cal State Hayward and the CSU. Cal State Hayward faculty, students, staff, schools, institutes and centers may improve access to higher education’s advanced services Internet2 network in support of goal four of the CSUH University Goals and Objectives – “Continue to develop and maintain infrastructure to promote access for faculty, staff and students.”

Economic Framework

The use of undeveloped campus land for construction of an Internet switching center could yield significant financial benefit for the campus in the form of ground lease payments. In addition, potential cost reductions for access to Internet2 could allow the extension of this valuable service to the entire CSU. Contingent upon the discussion with the Board of Trustees, the campus and chancellor’s office staff will proceed to explore in great detail the potential risks and benefits associated with the project, including the development of alternative land uses and valuations to ensure that the CSU receives appropriate value for the use of state land.

Summary

This agenda item is being presented to provide the trustees with a conceptual plan of a real property development project between California State University, Hayward and GEOgraphic Network Affiliates-International, Incorporated to construct an Internet switching center on the campus. 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.

Recommended Action

The following resolution is recommended for approval:

RESOLVED, By the Board of Trustees of The California State University, that the trustees support the concept of a real property development project that could lead to the construction of an Internet switching center at California State University, Hayward 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.