



**CAL POLY
Partners**

BOARD OF DIRECTORS MEETING #3

Friday, February 7, 2025, 8:30 a.m.

Vista Grande

Building 112 Room 350

MINUTES

Fiscal Year 2024-25

Present: Allison Baird-James, Damon Fleming, Sean Hurley, Cynthia Jackson-Elmoore, Jeremy James, Geri LaChance, Patrick Mullen, Cyrus Ramezani, Ashleigh Spragins, Cynthia Villa, Dean Wendt, Toby Walpole, Cara Wright

Absent: Joe Cleary

Guest: Ziyad Naccasha, Hiren Trada

Staff: Joe Alves, Dan Banfield, Andrea Burns, Holly Clark, Ellen Curtis, Jess Dozier, Jim Dunning, Tiffany Kramlich, Jason Lewis, Russell Monteath, Matt Ryan, Erin Scherer, Karen Tillman, Savannah Trujillo

I. CALL TO ORDER AND INTRODUCTIONS

Allison Baird-James, Board Chair, called the meeting to order at 8:33a.m. and welcomed the new Director of the Board, Interim Dean of the College of Agriculture, Food and Environmental Sciences, Jeremy James.

II. PUBLIC COMMENT

Baird-James asked if there was anyone present who had a public comment. There is one present.

Hiren Trada, lecturer in the College of Electrical Engineering, requested to speak about faculty and staff housing. He is requesting that lecturers be considered a higher priority on the ground sublease for faculty and staff housing. Trada would like to remain in SLO for the long-term but is struggling with the lack of housing in San Luis Obispo. It is difficult to find and afford housing.

III. MINUTES

A. Board Meeting Minutes – October 25, 2024

(M/S) (Wendt/Ramezani) that the Board accepts the October 25, 2024, minutes as presented.
None opposed.

IV. CONSENT AGENDA

A. Accept Quarterly Investment Reports

B. Accept Quarterly Financial Reports

(M/S) (LaChance/Fleming) that the Board approve the Consent Agenda items IV. A. and B.
None opposed

V. CHAIR REPORT

Allison Baird-James reported that the University is working with Cal Poly Partners on the alternative event for Saint Patrick's Day to include a concert on campus.

VI. COMMITTEE REPORTS

A. Investment Advisory Committee

Joe Alves reported there was an Investment Advisory Committee meeting on Wednesday, February 5, 2025, where the 24-25 FY to date results were discussed as well as the short-term funds. Most asset classes declined in Q4 of 2024. The only positive returns came from domestic large cap growth and domestic small cap. Alves discussed the impact of the Magnificent 7 stocks on the market. The domestic small cap, international large cap, and the international small cap all outperformed their benchmarks.

TIAA Kaspick has made a manager change replacing Morgan Stanley International with the Artisan International Value. This is an actively managed fund that has better alignment with what TIAA Kaspick needs in this sector. No changes were made to the target weights of the international large cap managers.

Bond market interest rates have shifted with the Federal rate cuts. In November and December, there were 25 basis points cuts. They anticipate slower rate cuts over the next year.

B. Budget & Finance Advisory Committee

Banfield reported that the Committee met on Wednesday, February 5, 2025, and discussed where Cal Poly Partners is financially and what is expected in the rest of the fiscal year. They also reviewed a multi-trend analysis covering pre-pandemic to post pandemic financials. Non-dining plan sales are stronger than anticipated in the budget. The impact of fixed income on the general fund is favorable. The committee discussed the acquisition of Harvest Lofts. This was not anticipated in the budgets which created a positive variance in revenues because of rental income.

The Cal Poly Partners' overall financial review showed the typical increase in receivables deferred income and cash deposits in the first six months of the fiscal year due to the dining cycle and purchase of meal plans. Overall, the large increase in assets and liabilities is primarily a result of the purchase of Harvest Lofts at \$44M. It was 100% financed through CSU financing.

Tech Park Phase II expansion and Vista Meadows housing are still active projects, increasing overall capital assets.

VII. PROGRAM OVERVIEW

A. Commercial Services

Russell Monteath presented the four divisions of Commercial Services, including Campus Dining, Mustang Shop, Conference and Event Planning and Cal Poly Print and Copy. Monteath explained how they emphasize their role in enhancing student experience and supporting campus growth. The focus is on creating meaningful connections and providing diverse services. The primary focus of Commercial Services is to enhance the student experience by providing spaces and services that foster connection and community. This includes dining, event planning, and retail services. Commercial Services is integral to campus growth, supporting new housing developments, transition from quarter to semester and year-round operations. The team is essential for implementing these projects and ensuring their success. This past year 4.7 M customers were served while employing 900 students and revenues were approximately \$60M. Plans include

launching new dining options and enhancing existing spaces to better serve students. Investments in infrastructure and services aim to improve the overall student experience.

Campus Dining

Jess Dozier presented that Campus Dining serves approximately 25,000 people daily at 50 venues across campus. The goal is to create meaningful connections and lifelong memories by fostering community through food, social spaces and shared experiences. The student experience is improving through digital ordering and robots, meal plan flexibility, sustainable practices, and inviting social spaces. Over the past few years almost \$100M has been invested in creating good student experiences. Plans include launching new dining options and enhancing existing spaces to better serve students. Investments in infrastructure and services aim to improve the overall student experience. The plan is to enable technology around this service model, potentially seeing implementation over the next year. The focus will be reassessing housing availability towards the end of summer, launching new dining options at Kennedy Library, and enhance existing spaces for better student service.

Conference and Event Planning

Erin Scherer discussed described her team of seven full-time employees and student assistants, along with an EIM intern for fall, spring, and summer quarters. She expresses a desire to extend the internship to all four quarters. The team organizes 54 campus events annually, with 20 in summer and 30 during the school year. They aim to increase this number by collaborating with different colleges on campus. EPIC is an immersive college of engineering camp with four sessions each summer, hosting over 800 campers. CEP is working to enhance student experience through supporting academic summer programs, hosting parents and supporters, and partnering with the Athletics Department. Various summer programs are highlighted, including Wonderful Camp, Summer Springboard, and Marine Science Camp, each offering unique experiences and targeting different student groups.

Upcoming events include Mixed Martial Arts in May, a live concert, and the John Madden ribbon cutting during Pro Bowl weekend in 2026. The events and camps have generated over \$400,000 in payroll and revenue for campus partners, benefiting professors, staff, and students.

Mustang Shop

Jason Lewis presented the Mustang Shop employs 38 people on average and serves 185,000 customers annually at three locations. The Mustang Shop makes learning more convenient and accessible while fostering pride on campus. The Mustang Shop conducts surveys to gather customer feedback, which is reviewed for improvement. Positive feedback highlights friendly staff and affordable prices. They enhance the student experience by having course materials ready on day one of class, fulfilling 20,000 online orders annually, and providing HEOA compliance. An advisory committee of students and staff guides improvements. The downtown store will be relocated 1144 Chorro and apparel will be available at a store at Spanos Stadium.

The Mustang Shop partners with licensing, athletics, and CP scholars to offer new products, including vintage items, and computers. Cosmetic brands are also being introduced. The shift to digital course materials is significant, with a decline in used and rental materials. The focus is on timely adoptions to ensure availability. A survey revealed that 42% of students' grades were affected by lack of materials, and 38% were impacted by costs. Most students prefer automatic provision of materials. The Poly Access program aims to increase adoption and transparency in course materials. Efforts are made to inform instructors about cost-effective options.

Andrea Burns, Associate Executive Director of Commercial Services commented that the anticipated growth on campus will be accommodated through our campus dining venues. Students are being consulted in the advancement of campus dining. Commercial Services is evaluating services at Cal Maritime to help make a difference on that campus as well.

The board took a break at 10:12 am and returned at 10:28 am.

VIII. BUSINESS

A. 1144 Chorro Street Construction Contract

(M/S) (Ramezani/Mullen) that the Board authorize the Chief Executive Officer or his designee(s) to negotiate and execute all documents necessary to facilitate a construction contract for the 1144 Chorro Street building and its related improvements with concurrence by the Chair.

None opposed.

Jim Dunning presented the driving factors in the 1144 Chorro opportunity which include community engagement supporting economic development, entrepreneurship, and retail, providing operational efficiency by co-locating Cal Poly programs and locations.

Cal Poly Partners will be the lease holder and developer of the space. Orfalea College of Business will be a sublessor for the Center for Innovation and Entrepreneurship and a small business development center. Cal Poly Partners Commercial Services division will be a sublessor for the Cal Poly Downtown store.

Karen Tillman, the Associate Executive Director of Economic Development, discussed the CIE's programs, including the Summer Accelerator and the Hatchery, which foster student innovation and entrepreneurship. The CIE has a high success rate with startups and aims to enhance community engagement in the new space. The SBDC has been successful in launching new businesses and creating jobs. It offers mentoring, advising, and workshops, and has raised significant capital for companies. Plans for the new space include increasing visibility and community involvement. The goal is to create a hub for entrepreneurship in San Luis Obispo, with more opportunities for co-working and private offices. The design and construction plans for the new space are discussed, including budget considerations and the timeline for completion. The project aims to create an innovative and engaging environment.

Dunning continued by showing a map of the location and how the CIE will have more visibility and subsequently more support. The aim is to enter a contract for 1144 Chorro Street within the next three to four weeks. Construction to start mid-to-late March 2025, with a nine to twelve month timeline. The cost of construction is estimated to be \$325 per square foot totaling \$7.9M in project costs. The owner will provide \$2M for tenant improvement. The CIE will contribute \$3.8 M, Follett will contribute \$1.5M, the County of SLO will provide \$350,000, and the city will contribute \$250,000.

IX. Staff Presentations

A. CFO Report

Dan Banfield reported that comparing year-over-year expenses reveals an increase of 22% over last year. The increase is primarily related to Harvest Lofts and the expenses associated with operating this project. This was not considered in budget. Also, the budgets related to the opening of 1901 Marketplace and Vista Grande were lean compared to what it actually cost to open. Vista

Meadows financing through Wells Fargo is being used. Net income from operations for Bartleson is ahead of the budget. Cal Poly Partners implementation of Workday is moving forward but was paused for a bit for reassessment while the flow of research activity through the system is integrated with the new system Research is implementing. The University has committed additional resources to ensure both systems are the best fit for our campus. Some of Cal Poly Partners' teams relocated to Cal Poly Mustang Business Park in the Fall, requiring new business processes.

Sponsored research expenditures for the first six months are \$24.8M, which is a 50% increase over last year. They are working on a long-form proposal that will be submitted later this year. Because of the Federal changes there has been a pause in some of the funding for federal awards, but it is unknown which awards will be affected. There is approximately \$15 M in outstanding receivables from federal awards. In April, we will know more about any risks. The Chancellor's office has taken an active role in how the CSU is managing this change. All institutions have this exposure.

B. CEO Report

Cody VanDorn recognized his teams and their hard work accomplishing all the progress discussed in today's meeting. Cal Poly Partners' success is due to the talent and diligence of all employees. The year 2024 was comprised of many stretch goals for Cal Poly Partners. Beginning with the Fall first impression for students starts in the preceding summer by completing projects and training staff. The 1901 Kitchen was an example of something that was quickly created based on demand and transitioning what it was originally envisioned to be. We will need a bigger residential dining hall but for now this helps offset the need. Another example is the Cal Poly Partners' Plaza at Spanos. This space has helped turn the stadium into a multi-event space.

The Workday implementation is a huge project that affects many different vendors on campus and is still in the process of development. Our teams moved to Mustang Business Park in the Fall, which was a big gain for campus to be able to acquire additional space. The Partners' processes have undergone extensive changes to make this relocation successful.

Cal Poly Partners Real Estate Development is beginning the construction of Vista Meadows. The project is on time and on budget. The contractors are Central Coast Builders. Our Real Estate team also completed the largest off campus acquisition to date of faculty and staff housing with the purchase of Harvest Lofts. Additionally, Tech Park II expansion and the lease of the space downtown were part of the stretch goals for the year.

In 2024 there were a few gaps realized that could further the University including creating a grocery option for students living on campus, having a residential dining hall, providing live events, and improving course material procedures. In the Business Services area, the Workday implementation needs to be completed, team engagement needs to be forefront, and an E-commerce marketplace should be explored. Our Real Estate Department needs to continue evaluating additional housing suitable for all faculty and staff.

Cal Poly Partners' development of a housing program to allow homeowners different options in pricing will require some of the Bella Montana owners to have an option of purchasing in the Vista Meadows community. This will create a lower cost housing option to become available. There will be a lottery for 8-10 Bella Montana condominium owners to purchase in the new Vista Meadows housing community. The priority for purchase will be much like the current priority in the Bella Montana neighborhood. As Vista Meadows becomes available the demand will be

assessed. The floorplans of the houses were shared with the Board. Completion of Vista Meadows is expected to begin completion in the spring of 2026.

Other goals include launching the new Cal Poly Partners name, which is completed, and Marketing has done a great job. Engagement continues to be important to meet the goals of campus including the Cal Maritime integration.

Harvest Lofts has 120 units and 80 are occupied. The goal is to have it fully leased by July 2025. After a full year's recruitment cycle of faculty and staff, demand will be determined and an additional evaluation of getting the units occupied will be discussed if needed.

Looking forward, Cal Poly Partners has several goals, including developing an E-commerce application and maybe a collaborative effort working with a partner like Grubhub to enable this function. Cal Poly Partners processes \$30-\$40 million annually through Grubhub. Also, this first year of the Cal Poly Partners Plaza at Spanos stadium was well received and is anticipated to be a big success. The ranch at Swanton is in the design phase for programming and design. The Tennis Pavilion is complete and open with the help of Facilities Management and Development as well as donors. Tech Park II should be open by late Spring. Additional funding was received to complete the second floor, allowing for opportunities with partners, NOAA and UGS. The strategy for Economic Development is to create space for business to collaborate. The building at Chorro will provide opportunities in aerospace and possibly Diablo Canyon. Lastly the Cal Maritime integration, as an off-script project that the Chancellor and CSU needed Cal Poly to partner. This will require significant time. Assessments have been made and a determination of what the preliminary needs are. Cal Poly will need to start running operations and hiring for the lack of staff at Cal Maritime. A support agreement will be entered into in late February or early March. There is still much to learn. This will be a significant investment for Cal Poly Partners. Organizational structure is still being determined.

X. ANNOUNCEMENTS

A. Next meeting April 25, 2025.

XI. ADJOURNMENT

No further matters appearing, the meeting was adjourned at 11:33 p.m.

Respectfully submitted,

Holly Clark

Holly Clark,
Recording Secretary