



**UNIVERSITY CORPORATION
AT MONTEREY BAY**

8 Upper Ragsdale Drive Monterey, CA 93940 831/582-3500

MEMORANDUM

TO: Corporation Board of Directors
VIA: Melissa Jarnagin, VP of Administration and Finance/CFO
Maddison Burton, Associate Executive Director
FROM: Nancy Ayala
DATE: October 15, 2025

SUBJECT: Agenda and Read-Ahead Materials-revised

Enclosed are the agenda and read-ahead materials for the Corporation Board of Directors Special meeting on Friday, October 17, 2025. The meeting will begin at 11:00 a.m. via Zoom. <https://csumb.zoom.us/j/82642695932?jst=2>

If you have any questions or concerns before the Board meeting, please contact me at nayala@csumb.edu or Jillian Castro at jilcastro@csumb.edu.



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AT MONTEREY BAY**

8 Upper Ragsdale Drive Monterey, CA 93940 831/582-3500

Board of Directors

Friday, October 17, 2025 11:00 a.m. – 11:45 a.m.
Virtual meeting VIA Zoom

Special Meeting Agenda

- | | | |
|-------------|---|-------------|
| I. | Call to Order | V. Quiñones |
| II. | Business | |
| 30 min. | Revised Resolution: Gavilan Building (201) Conversion to Residential Hall | M. Jarnagin |
| III. | Adjournment | V. Quiñones |

Note: In accordance with Education Code §89921 and Corporation Bylaws Article VI §5, this agenda provides notice of the business to be transacted (i.e., topics for Board discussion). Action may be taken on any item on the agenda. The italicized notations above are for guidance purposes only and the Board may take action on any item listed on the agenda, whether action is specifically prescribed.

TO:	Board of Directors	DATE:	October 13, 2025
FROM:	Melissa Jarnagin, Vice President for Administration and Finance/CFO	REF:	Special Board Meeting October 17, 2025
SUBJECT:	Revised Gavilan Hall (Building 201) Renovation and Financing Resolution		

RECOMMENDATION

Approve the revised resolution authorizing an increase in the total project budget for the renovation and conversion of Gavilan Hall (Building 201) into a student residential facility, from \$18 million to an amount not to exceed \$20 million. All other elements of the project remain unchanged. The project will continue to be financed through the CSU Systemwide Revenue Bond (SRB) Program. Additionally, authorize the Executive Director, or their designee, to execute all necessary agreements and take related actions on behalf of the Corporation.

BACKGROUND

On July 11, 2025, the Board of Directors approved a resolution authorizing the renovation and conversion of Gavilan Hall (Building 201) into a student residential facility, at a project cost not to exceed \$18 million. The project was approved for financing through the CSU Systemwide Revenue Bond (SRB) Program.

Since that time, further cost validation has been completed, and updated estimates have been received. As a result, staff is returning to the Board to request approval to increase the authorized project budget to a not-to-exceed amount of \$20 million.

All other aspects of the project remain unchanged, including the scope, location, purpose, and financing strategy.

PURPOSE

The Gavilan Hall project remains a strategic investment in the University's efforts to expand student housing, improve the residential experience, and support enrollment and retention. The additional \$2 million in funding will cover updated construction costs and ensure successful project delivery without compromising quality or schedule.

At the special Board meeting on October 17, 2025, the Board will be asked to approve a revised resolution authorizing an increase in the total project budget for the renovation and conversion of Gavilan Hall (Building 201) into a student residential hall, increasing the not-to-exceed cost from \$18 million to \$20 million. The project will continue to be financed through the CSU Systemwide Revenue Bond Program (SRB Program). Additionally, the resolution seeks authorization for the Executive

Director, or their designee, to execute all necessary agreements and take any actions required to implement the project and secure the revised financing on behalf of the Corporation. Staff recommends approval of this revised resolution.

If you have any questions or concerns before the Board meeting, please feel free to contact Nancy Ayala at nayala@csumb.edu or (831) 582-3396.

Resolution of the Board of Directors of the University Corporation at Monterey Bay Gavilan Hall (Building 201) Renovation and Financing

Whereas, The University Corporation at Monterey Bay (the “Corporation”) has been formed for the purpose of furthering the educational programs of California State University, Monterey Bay (the “University”) as more fully described in the Articles of Incorporation of the Corporation (the “Articles”);

Whereas, The Corporation is an auxiliary organization of The California State University governed by California Education Code §89900 et seq. and the administrative regulations of The California State University as set forth in Title 5 of the California Code of Regulations;

Whereas, The Corporation is organized under the Nonprofit Public Benefit Corporation Law of the State of California and the Articles provide that it is not organized for the private gain of any person;

Whereas, No part of the Corporation’s net earnings, if any, will ever inure to the benefit of any person except The Board of Trustees of the California State University (the “Trustees”);

Whereas, The Articles provide that assets of the Corporation will not be distributed to any member, director or officer of the Corporation;

Whereas, The Trustees previously issued Trustees of the California State University Systemwide Revenue Bonds Series 2017A and loaned a portion of the proceeds of such bonds to the Corporation (the “Prior Loan”) to finance certain capital costs associated with the acquisition of a privately-owned student apartment housing property at 400 8th Street, Seaside, CA 93955, commonly known as the “Promontory”;

Whereas, In connection with the Prior Loan, the Trustees and the Corporation entered into that certain Loan Agreement, dated as of March 1, 2017 (as such agreement may have been amended prior to the date hereof, the “Existing Loan Agreement”);

Whereas, The Trustees previously issued Trustees of the California State University Systemwide Revenue Bonds Series 2021A and loaned a portion of the proceeds of such bonds to the Corporation to finance capital improvement and repairs to facilities, including student housing, faculty and staff housing, and dining, for purposes of upgrading to building code and life safety requirements commonly known as the “Capital Improvement Project”;

Whereas, The University has identified a need for additional student housing and has requested that the Corporation explore the feasibility of converting Gavilan Hall (Building 201) into a residential facility;

Whereas, The Corporation has completed Phase I (Design) and Phase II (Pre-Construction Services) to assess the feasibility of such a conversion, pursuant to prior authorization by the Board of Directors;

Whereas, The results of Phases I and II confirm that conversion of Gavilan Hall into student housing is feasible and in alignment with the Corporation's mission;

Whereas, The estimated cost of the conversion shall not exceed Twenty Million Dollars and No/100 (\$20,000,000.00);

Whereas, The Corporation expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

Whereas, The Corporation has requested the assistance of the Trustees to finance the Project based on the Trustees lending certain proceeds to the Corporation;

Whereas, in order to provide funds for such loan the Trustees proposes to issue Trustees of the California State University Systemwide Revenue Bonds and to loan a portion of the proceeds of such Notes or bonds, namely, the not-to-exceed principal amount of \$21,740,000;

Whereas, the Corporation and the Board desire to enter into a new loan agreement, or an amendment of the Existing Loan Agreement (as the case may be, the "Loan Agreement"), to specify the terms and conditions of such loan from the Trustees to the Corporation and to require and confirm the obligation of the Corporation to make payments at such times and in such manner as may be necessary to provide for the full repayment of the debt service on the Notes or the Trustees of the California State University Systemwide Bonds, as such debt service becomes due, and to provide for the pledge by the Corporation of its available unrestricted revenue for such repayment, subject to the terms of the Loan Agreement, as finally executed; now, therefore be it

Resolved, That the Board authorizes financing these projects through bond anticipation notes and/or the SRB Program

Resolved, That the Board of Directors hereby approves and authorizes the conversion of Gavilan Hall (Building 201) into a student residential facility, at a total project cost not to exceed Twenty Million Dollars and No/100 (\$20,000,000.00)

Resolved, That the Board of Directors further approves and authorizes the financing of the Gavilan Hall (building 201) conversion through the SRB Program;

Resolved, That the Executive Director or designee, be and is hereby authorized on behalf of the Corporation to make decisions, take actions and execute such documents necessary to implement and carry out the conversion and secure related financing;

Resolved, That this Resolution shall take effect immediately upon its adoption.

ADOPTED AND PASSED this 17th day of October 2025 by the following vote:

AYES:

NAYS:

ABSTENTIONS:

ABSENT: