

**BUSINESS & INNOVATION COMMITTEE MEETING**

Date: Friday, May 2nd

Time: 10:00am – 11:30pm

Location: <https://csudh.zoom.us/j/88107453839>

**MEETING MINUTES**

**Members Present:** Chair Sheri Repp-Loadsman, Linda Tatum, Yancey Modesto, Deborah Wallace, Thomas Norman

**Staff Present:** Tranitra Avery, Markis Lazarre, Maria Hernandez, Eric Oum, Gersan Urraca, David Gamboa

**Guests Present:** Eric Anderson, Richard Anthony

I. Roll Call

A. This meeting was held via Zoom virtual platform. Members and guests could be heard clearly. Quorum met.

II. Call to Order

A. Meeting called to order by Tranitra Avery at 10:05AM.

III. Approval of Previous Meeting Minutes

A. Linda Tatum moved and Thomas Norman seconded the motion. All in favor.

IV. Approval of Agenda

A. Deborah Wallace moved and Thomas Norman seconded the motion. All in favor.

V. Public Comments

A. No public comments were made.

VI. Business & Innovation Review

**A. AEG Agreement Review**

- i. Review and Clarify Cost Sharing Terms (JUA Sections 16.3 & 28.2)
- ii. Evaluate Parking Management Agreement
- iii. Confirm Historical Implementation Agreement Payments
- iv. Discuss Non-Compliance Leverage Strategy
- v. Consider Lease Term Extension Option
- vi. Assess Fee Title Sale Option

- A) Tranitra introduced attorney Rich Anthony, retained by Toro Auxiliary Partners (TAP) to advise on TAP's real estate agreements with AEG in light of the 2026 sublease expiration and upcoming 2028 Olympics. Rich outlined five key agreements that define TAP's relationships with CSUDH and AEG, beginning with the Master Ground Lease between CSUDH and TAP. He emphasized that this lease contains a survivorship clause to protect AEG's interests but lacks clarity around its actual termination trigger. The rent owed to CSUDH depends directly on TAP's revenue from AEG.
- B) The Ground Sublease between TAP and AEG was highlighted as the most financially consequential, with a term expiring around late 2026 or early 2027, but with three automatic 10-year renewal options. This agreement includes a symbolic \$1 base rent, admissions fee percentages, a share of parking revenue, and a minimum annual guarantee (MAG) starting at \$200,000 and indexed to inflation—likely now around \$350,000. Any revenue above the MAG is split evenly. Board members raised concerns about transparency, including limited student access to internships and unclear financial reporting from AEG. Yancy noted that while 8 to 12 CSUDH students have participated in AEG's corporate internship program, no dedicated CSUDH-specific program is currently in place.
- C) During the pandemic, AEG invoked a force majeure clause that paused rent payments, which raised questions about the university's leverage and ability to enforce other obligations such as internships, scholarships, and philanthropic contributions. Rich confirmed TAP's audit rights of AEG's financials and ticketing operations, though he committed to a closer review of those rights and any enforceable commitments AEG may have made under the agreements. These accountability concerns were flagged for deeper exploration in a future closed session.
- D) Parking management and shared facility use were additional concerns. Board members pointed out frequent event-related parking disruptions that impact students. There was discussion about clearly identifying control of individual parking lots and possibly auditing event usage to ensure university access is protected. Regarding the Joint Use Agreement (JUA), TAP and CSUDH each receive up to 1,200 hours of free access annually to the other's facilities.

- E) Disputes arose around charges for use of the tennis stadium, especially for commencement and the jazz festival, despite these uses potentially falling within the JUA's free hour allotment. Rich noted that some of the JUA's 2001-era rate schedules may be outdated and due for review.
- F) Finally, Rich reviewed the Implementation Agreement, which obligated AEG to make various campus investments, including relocating facilities, supporting the Child Development Center, and donating \$1 million through four \$250,000 contributions. While Rich believes these obligations were met, he was asked to confirm whether any longer-term philanthropic or scholarship commitments were made or implied. The meeting concluded with a clear consensus around the need to review these agreements further, confirm TAP's rights, and ensure the university's benefits are being fully realized and enforced.

B. Discussion on Oil Well Abandonment Requirements and Impact on Campus Development

- i. A topic of concern raised during the meeting involved the existing oil wells located on the campus. Questions were posed regarding their long-term presence and the possibility of terminating their operation. It was shared that prior consultants had explored this issue, but any conclusive decisions would require further evaluation. The committee expressed interest in understanding whether there was a formalized plan or strategy for the wells moving forward, and noted this as an item warranting further discussion at a future meeting.

VII. Other Items

- A. No other items were brought up.

VIII. Adjournment

- A. The meeting was adjourned following a motion by Deborah, seconded by Thomas, with thanks to all attendees. Meeting end time: 11:37am.