

AGENDA

JOINT COMMITTEES ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 1:45 p.m., Tuesday, January 28, 2020
Glenn S. Dumke Auditorium

Committee on Finance

Lillian Kimbell, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Rebecca D. Eisen
Jane W. Carney
Juan F. Garcia
Hugo N. Morales
Romey Sabalius
Lateefah Simon
Peter J. Taylor

Committee on Campus Planning, Buildings and Grounds

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Larry L. Adamson
Jane W. Carney
Wenda Fong
Maryana Khames
Jeffery R. Krinsk
Jack McGrory
Peter J. Taylor

- Consent** 1. Approval of Minutes of the Meeting of November 19, 2019, *Action*
- Discussion** 2. San Diego State University - Certification of the Final Environmental Impact Report for the Proposed Mission Valley Campus Master Plan; Approval of the Proposed Mission Valley Campus Master Plan; Authorize the Chancellor to Execute a Purchase and Sale Agreement for the Mission Valley Campus Real Property Acquisition Within the Terms and Parameters Set forth in this Action Item; Approval to Amend the Capital Outlay Program for the Proposed Real Property Acquisition and Site Development; and Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for the Proposed Project, *Action*

**MINUTES OF THE JOINT MEETING OF THE
COMMITTEES ON FINANCE AND
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

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

November 19, 2019

Committee on Finance

Lillian Kimbell, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Jane W. Carney
Rebecca D. Eisen
Juan F. Garcia
Hugo N. Morales
Romey Sabalius
Lateefah Simon
Peter J. Taylor
Adam Day, Chair of the Board
Timothy P. White, Chancellor

**Committee on Campus Planning,
Buildings and Grounds**

Rebecca D. Eisen, Chair
Romey Sabalius, Vice Chair
Larry L. Adamson
Jane W. Carney
Wenda Fong
Jack McGrory
Jeffrey R. Krinsk
Peter J. Taylor

Trustee Rebecca D. Eisen called the meeting to order.

Public Comment

Public comment was made related to funding for facilities and deferred maintenance.

Approval of Minutes

The minutes of the September 24, 2019 joint committee meeting were approved as submitted.

San Diego State University, Potential Mission Valley Campus Expansion Status Update

An update was provided on San Diego State University's Mission Valley campus expansion efforts, including site acquisition details and proposed uses for the site. The trustees expressed gratitude to the members of the San Diego State University Mission Valley advisory committee for their work.

**JOINT COMMITTEES ON FINANCE AND
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

San Diego State University - Certification of the Final Environmental Impact Report for the Proposed Mission Valley Campus Master Plan; Approval of the Proposed Mission Valley Campus Master Plan; Authorize the Chancellor to Execute a Purchase and Sale Agreement for the Mission Valley Campus Real Property Acquisition Within the Terms and Parameters Set forth in this Action Item; Approval to Amend the Capital Outlay Program for the Proposed Real Property Acquisition and Site Development; and Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for the Proposed Project.

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Adela de la Torre
President
San Diego State University

Tom McCarron
Senior Vice President
San Diego State University

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design, and Construction

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

This agenda item requests the following actions by the California State University Board of Trustees with regard to the proposed Mission Valley Campus Master Plan (Master Plan) and proposed Mission Valley Real Property Acquisition and Site Development (the “Project”), which will expand San Diego State University at a proposed site in Mission Valley:

- Certification of the Final Environmental Impact Report dated January 17,2020; adoption of the Findings of Fact and Statement of Overriding Considerations; and approval of approximately \$40 million for CSU's payment for on-site and off-site traffic improvements, including required mitigation, project features, and additional community benefit improvements;
- Approval of the Proposed Campus Master Plan, included as Attachment C;
- Authorize the Chancellor to execute the proposed Purchase and Sale Agreement ("PSA") to acquire the proposed Project site from the City of San Diego (the "City"), consistent with the terms of the revised Offer to Purchase Mission Valley Campus Master Plan Project ("Offer") dated and submitted to the City on October 28, 2019, included as Attachment B; and subject to the terms of Measure G as approved by City voters on November 6, 2018, and the final terms and conditions of the PSA;
- Approval to Amend the Capital Outlay Program for the proposed Real Property Acquisition from the City of San Diego and Site Development
- Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments for the proposed Project.

Approval of the above actions will further the process for the overall development of the proposed Master Plan. When fully built-out, the proposed Master Plan will provide academic and research space supporting up to 15,000 full-time equivalent students (FTES) with other related campus-supporting facilities including a 35,000-capacity multi-purpose stadium, housing, retail, park space, and hotel and conference facilities.

The potential financing and schematic design of the proposed multi-purpose stadium is planned for presentation to the Board of Trustees at their March 2020 meeting. Additional actions to further develop the site and generate revenue to fund the property acquisition and site development, such as the approval of public-private partnerships for the housing, retail, hospitality and campus research and innovation facilities will be presented at future Board of Trustees' meetings.

The Board of Trustees must certify that the Final Environmental Impact Report (Final EIR) is adequate and complete under the California Environmental Quality Act (CEQA) and the Guidelines for Implementation of the California Environmental Quality Act (CEQA Guidelines) in order to approve the proposed Master Plan. The Final EIR with Findings of Fact and Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program (MMRP) are available for public review at <http://missionvalley.sdsu.edu/community-engagement.html>.

Attachment A provides a summary of the CEQA analysis, public comments received and CSU/SDSU's responses, and alternatives considered. Attachment B is the Term Sheet/Offer presented to the City on October 28, 2019. Attachment C is the Master Plan for the proposed SDSU Mission Valley campus.

The Final EIR concluded that the proposed Project would result in significant and unavoidable impacts on air quality, historic resources, noise, population and housing, public services, and transportation. The remaining significant and unavoidable transportation impacts relate primarily to California Department of Transportation (Caltrans) facilities and issues relating to remainder fair-share funding, i.e., whether adequate funding programs are in place to provide the necessary remainder funding. The impacts on City facilities have been resolved through negotiations in which the City agreed to provide future access and permitting to complete the proposed mitigation measures. Significant and unavoidable impacts on Caltrans facilities will be subject to CSU's proportionate fair share, and assistance to Caltrans in its efforts to obtain necessary approvals for the recommended improvements.

Potential Contested CEQA Issues

Pursuant to the Board of Trustees' request that contested issues be noted early in the agenda item, the following description summarizes key issues raised during the Draft EIR public comment period:

Transportation Mitigation

Concerns were raised about impacts on parking and traffic congestion in neighboring communities; requests to study additional intersections or disagreements with the campus conclusions on level of transportation impacts; and concerns about mitigations identified as "infeasible" and "significant and unavoidable" related to working in City and Caltrans rights-of-way. In addition, there were requests to improve bike and pedestrian connectivity to neighborhoods, reduce/eliminate parking to force use of transit, incentivize/subsidize the use of transit, and provide more transit service in terms of connections and frequency, particularly between the campuses. Comments were also received that not enough parking is being provided.

To address bike connectivity concerns, the proposed Master Plan will improve gaps in an existing bike connection between the campuses. The proposed Master Plan identifies a maximum parking count with the flexibility for private development partners to provide less parking. The campus added information on the proposed changes to their Transportation Demand Management (TDM) Program which provides a transportation coordinator, will require each on-site employer to provide a minimum number of subsidized transit passes to employees, and clarified that campus transit pass programs will also apply to campus employees and students on the Mission Valley Campus.

Prior to and following release of the Draft EIR, SDSU representatives met separately with representatives of the City of San Diego and Caltrans to discuss the EIR transportation analysis, including proposed mitigation measures. The meetings provided a forum to discuss the EIR's proposed mitigation improvements, including CSU/SDSU's role in implementing the mitigation (i.e., pay full-share or fair-share of improvement costs, or directly construct the improvements). A brief summary of the relevant meetings with each agency is provided below. Additional information regarding the meetings is provided in the Final EIR, Thematic Response PD-3, Mitigation Negotiations.

City of San Diego

Representatives of SDSU and the City of San Diego began discussions regarding transportation-related issues in May 2019. Specific to mitigation, these meetings culminated in a December 2019 meeting during which SDSU presented proposed revisions to the Draft EIR traffic mitigation measures for City facilities made in response to the City's request. As revised, the traffic mitigation measures provide that CSU/SDSU will either: (1) pay the City the full cost of the recommended mitigation improvement; or (2) construct/install the necessary improvements to the reasonable satisfaction of the City Engineer. See Final EIR Mitigation Measures MM-TRA-2, MM-TRA-3, MM-TRA-4, MM-TRA-8, MM-TRA-9, MM-TRA-10, MM-TRA-11, and MM-TRA-13. Based on the negotiations, SDSU agreed that for those mitigation improvements for which CSU/SDSU's fair-share percentage at the subject location is less than 100%, SDSU nevertheless will fully fund the improvements, for the limited purpose of this Master Plan only, in light of the substantial benefits that would accrue to the community. Additionally, the City submitted comments relating to these issues in response to the Draft EIR. Those comments have been responded to in the Final EIR.

At the last meeting, the City noted preliminary approval of the revised mitigation measures and the final EIR has been revised to indicate the mitigation measures are now feasible. A table prepared by transportation engineers Fehr & Peers (F&P) that includes the estimated SDSU corresponding proportionate fair-share percentage, is provided in the Final EIR.

California Department of Transportation (Caltrans)

SDSU representatives met with Caltrans on June 25, 2019, prior to release of the Draft EIR, to provide Caltrans with an overview of the Master Plan and related transportation features. Various subjects were discussed at the meeting, including bicycle and pedestrian circulation, potential interstate interchange improvements, parking, and traffic distribution. Following release of the Draft EIR, Caltrans submitted comments relating to the mitigation measures proposed in the Draft EIR specific to Caltrans facilities. In response, on January 15, 2020, SDSU representatives met again with Caltrans to commence negotiations regarding CSU's fair-share mitigation obligations relative to the Project's identified significant impacts to Caltrans facilities. At the meeting, SDSU provided Caltrans with information prepared by F&P that included the estimated proportionate fair-share at each significantly impacted Caltrans facility. Following the meeting, SDSU coordinated with Caltrans to review SDSU's responses to Caltrans comments on the Draft EIR and subsequently continue. SDSU expects the negotiations to be completed in the near-term.

The Final EIR clarified that the transportation improvements are only infeasible with respect to needing to obtain approvals, rights of entry and funding from another jurisdiction. The campus has resolved concerns related to the City's jurisdiction over its own facilities. The state highway improvements will need support, planning, approvals, and co-funding from Caltrans.

San Diego River and Murphy Canyon Creek

Comments related to impacts on the San Diego River and Murphy Canyon Creek include concerns about adjacent park activities (lights, dogs chasing wildlife, maintaining buffers) impacting wildlife; the continuity of habitat corridors between the two waterways; and requests to widen, naturalize, and otherwise improve Murphy Canyon Creek. To reduce impacts on the San Diego River and Murphy Canyon Creek, the campus relocated a road further from Murphy Canyon Creek and created an underpass to allow for human and wildlife connectivity under the new road. The refined site plan includes more setbacks and buffers that will reduce spillover of light and minimize invasive plants within the river and creek. Additional detail on specific agency and organization comments is provided in the CEQA summary section, Attachment A.

Background and Educational Benefit

The SDSU campus, situated on 288 acres, has little opportunity for expansion due primarily to the surrounding residential development and geographic constraints. The Mission Valley property provides a key location and opportunity for SDSU to grow, prosper, and meet continuing higher education needs. In addition, it will create positive economic impact on the community and surrounding region of San Diego by increasing employment opportunities and sales tax and other applicable tax revenues from future real property developments through public-private partnerships.

In July 2018, the CSU Board of Trustees endorsed Measure G, a City of San Diego ballot initiative which authorizes the City of San Diego to sell the existing San Diego County Credit Union Stadium site, formerly known as Qualcomm Stadium, and real property totaling 135 acres (the “Mission Valley property”) to the CSU Trustees. The measure was passed on November 6, 2018 and subsequently codified into law as a municipal code section (SDMC 22.0908) with certain conditions, including, but not limited to, the construction of a river park for the City, new football/multi-purpose stadium, campus academic and research complex, and primarily public-private development of mixed-use and multi-family housing projects to serve the campus community.

Following the passage of Measure G, SDSU and the City of San Diego met regularly for nearly a year to discuss key terms of the land acquisition and jointly commissioned a fair market value appraisal, which was the basis of the formal purchase offers made by SDSU.

On October 14, 2019, a formal purchase offer for the Mission Valley property was delivered to the City, and pursuant to further discussions with the City, a revised Offer was submitted on October 28, 2019 (Attachment B). At its November 18, 2019 meeting, the San Diego City Council voted unanimously to direct the City Attorney to draft a PSA based on SDSU’s October 28, 2019 Offer, and to bring forward the draft PSA in January 2020.

On November 19, 2019, the CSU Board of Trustees was provided with updates on the proposed Project Master Plan, draft Environmental Impact Report, and key terms of the October 28, 2019 Offer submitted by SDSU to the City. The San Diego City Council received an update from city staff in mid-December 2019 and a memo from the City Attorney issued January 9, 2020 informed the City Council that a draft PSA is planned for presentation to the City Council at its public meeting on January 27, 2020. Final terms and conditions of the proposed PSA remain under negotiation.

The proposed Master Plan will enable the creation of undergraduate, graduate, teaching and research facilities to directly reduce space demands on the main campus, and provide critically needed main campus seat capacity for more traditional academic learning spaces (i.e. classrooms and laboratories). The SDSU Mission Valley Campus Master Plan would accommodate up to 15,000 FTES over time. In addition, it will provide SDSU with an opportunity to construct improved athletic and recreational facilities, expand affordable housing, create a university innovation district, and contribute to the long-term development of the Mission Valley community.

Proposed SDSU Mission Valley Campus Master Plan

The proposed Real Property Acquisition is situated south of Friars Road, west of Interstate 15, and north of Interstate 8. It is approximately 5 miles from downtown San Diego and 2.5 miles west of the main campus. The existing San Diego Metropolitan Transit System (MTS) Trolley Green Line and Stadium Trolley Station are situated adjacent to the southern border of the site. The Green Line connects SDSU's main campus directly to the proposed Mission Valley campus. The San Diego River is located directly south of the proposed site and intended to be a key community aspect of the proposed Campus Master Plan development.

Parks, Recreation and Open Space

The campus will include development of approximately 80 acres of park and open space, including a River Park as envisioned by past community planning efforts, such as the San Diego River Park Master Plan and the Mission Valley Community Plan. The River Park will include approximately 34 acres that will remain in City ownership to fulfill the requirements of SDMC 22.0908.

- The River Park will include active recreation facilities such as flexible use turf and play areas, play structures, and multi-purpose fields; hike and bike trail connections; native planted areas to serve as water treatment and animal habitat; instructional and observational opportunities; and a site reserved for a future City-funded community recreation center located adjacent to the River Park and trolley station.
- In addition to the River Park and additional parks and open space to be shared with the community, the proposed Mission Valley Campus Master Plan will include an open turf area located in the northwest corner of the proposed site that will be used for recreation and open space most of the time, and for temporary parking during certain capacity events in the multi-

purpose stadium. It will also include two primary campus outdoor malls and green space around campus academic buildings with pedestrian connections and hike and bike loops to promote wayfinding and navigation across the proposed site.

Campus Research and Innovation District

The 1.6 million gross square feet campus research and innovation district will include up to 15 buildings containing office, research, and teaching space to support the teaching, education, and research mission of the university. These buildings will allow for new research partnerships with private companies and public entities, provide opportunities for student internships, create an incubator for new and innovative business and academic uses, and enhance regional economic development. Thirteen of these buildings would be located south of the new multi-purpose Stadium and two would be located east of the new multi-purpose Stadium. Up to 5,000 garage parking spaces would be provided beneath the buildings to serve students, faculty, staff, and visitors and will also support stadium events.

These buildings will be developed primarily through public-private partnerships. These public-private partnership buildings will support the university's educational, research, entrepreneurial, and technology programs in collaboration with the private partners who will fund, construct and maintain the buildings. Over time, the buildings will transition to university ownership in accordance with the terms of the ground lease.

Multi-purpose Stadium

The proposed new multi-purpose Stadium could accommodate 35,000 attendees and support collegiate football and bowl games, professional and collegiate soccer, concerts, and other university, community and corporate events. The multi-purpose Stadium will be located in the northwest corner of the proposed Master Plan. It would include spectator facilities such as food service, concessions, and retail facilities, along with campus, lecture and meeting space, team facilities, and administrative offices and operations.

Residential Uses

The residential area is on the eastern half of the proposed Campus Master Plan. It is comprised of up to 18 buildings totaling up to 4,600 residential units with 5,662 parking spaces. The residential area would provide housing for students, faculty, staff, and the larger community, with the affordable units constructed on-site. Over time, the buildings will transition to university ownership in accordance with the terms of the ground lease. SDMC 22.0908 requires the proposed development to follow the City's current affordable housing policy, which is 10 percent of all units at 60% percent average median income.

Hotel Uses

The proposed Campus Master Plan will include a hotel located north of the new Stadium. This hotel will have up to 400 rooms, approximately 70 for-sale units, 40,000 square feet of conference space, and approximately 425 parking stalls.

Retail Uses

The proposed Master Plan includes 95,000 square feet of campus-servicing retail uses located within the residential and campus buildings, primarily along the main entry drive (Street D). These retail uses will support the daily needs of employees and residents as well as stadium events.

Fiscal Impact

The total value of all capital that will be required to fully develop the Mission Valley Campus Master Plan is currently estimated at approximately \$3 billion, however, the bulk of that development capital will be provided by third parties through agreements, such as public-private partnerships. To set the stage for the long-term development of the site through such partnerships, it is proposed that CSU and SDSU make an initial investment utilizing campus and system resources. This initial investment will be comprised of two components. The first is the property acquisition and the site infrastructure development. The cost of this component is \$350 million and will be financed through a combination of system debt and campus and auxiliary resources with long term repayment coming primarily from public-private partnership ground rent revenues. The proposed public-private partnerships will return to the board for consideration at a later date.

The second component will be the construction of a new multi-purpose stadium, currently estimated at \$300 million. While the stadium is treated as a separate component for board approvals, such as schematics and financing, it is a critical part of the initial site preparation investment, since the new multi-purpose stadium will allow for the demolition of the old stadium, which sits in the heart of the site and must be removed to fully prepare the site for development. Construction of the multi-purpose stadium is expected to be financed with system debt, acquisition gifts from premium seat holders, advance ticket revenue, and philanthropy, with debt repaid from annual gifts, sponsorships, ticket revenues, naming rights, and concession revenues. Approvals for the multi-purpose stadium will be presented to the Board of Trustees for consideration at the March 2020 meeting.

California Environmental Quality Act (CEQA) Action

Prior to formal adoption and approval of the Mission Valley Campus Master Plan, and execution of the proposed PSA, CSU, as lead agency, is required to prepare an EIR that analyzes the potential significant environmental impacts of the proposed Mission Valley Master Plan and considers all feasible project alternatives and mitigation measures. Moreover, CEQA requires that a Final EIR

be completed and certified prior to authorizing or committing to approve or undertake the Real Property Acquisition and Site Development Project, or proceed with any particular use or development of the Master Plan, including the River Park.

The proposed future PSA will provide a framework for conveyance of the property from the City to the CSU, and reserves to the CSU all necessary discretionary authority to approve, deny or condition the development of the Master Plan, including the authority to adopt any feasible mitigation measures or alternatives necessary to avoid or substantially lessen significant impacts to the environment. Because any approval of the Master Plan is expressly conditioned upon the completion of environmental review in compliance with CEQA, the PSA will be executed as authorized by CEQA Guidelines section 15004(b)(2)(A), which provides “that agencies may designate a preferred site for CEQA review and may enter into land acquisition agreements when the agency has conditioned the agency’s future use of the site on CEQA compliance.”

The Final EIR has been prepared to analyze the potential environmental effects of the proposed Master Plan in accordance with CEQA requirements and Guidelines. The Final EIR is presented to the Board of Trustees for review and certification, and fully discusses all issue areas, impacts, and alternatives which have been analyzed as required by law. Where a potentially significant impact is identified, feasible mitigation measures, if any, have been proposed to reduce the impact.

The Draft EIR was distributed for comment for a 60-day period concluding on October 3, 2019. The final documents are available online at: <http://missionvalley.sdsu.edu/community-engagement.html>. The Final EIR is a “Project EIR” and comprehensively analyzes all phases of development and operation of the proposed Master Plan; no further CEQA review will be required prior to implementation of the Master Plan. This includes the proposed Site Development including roadways, utilities, parks, recreation and open space, the Campus Research and Innovation District, a Multi-purpose Stadium, and Residential, Hotel and Retail Uses.

The Final EIR concluded that the proposed Master Plan would result in significant and unavoidable impacts relating to air quality, cultural resources, noise, population and housing (cumulative), public services (cumulative) (i.e., fire protection/emergency services and schools impacts), and transportation. CEQA requires CSU, the decision-making lead agency, to balance, as applicable, the economic, legal, social, technological, or other benefits of the proposed Master Plan against its significant and unavoidable environmental impacts when determining whether to approve a project. If the specific benefits of the proposed Master Plan outweigh the unavoidable adverse environmental effects, those effects may be considered “acceptable” and the agency is then required to adopt a Statement of Overriding Considerations in order to approve the Final EIR. Because the Final EIR concludes that the proposed Master Plan would result in significant and unavoidable impacts, a Statement of Overriding Considerations has been prepared for Board of Trustees’ consideration and adoption.

Please see Attachment A for the CEQA summary of issues identified through public review of the Draft Environmental Impact Report, public comments and SDSU responses, and alternatives considered.

Amend the Capital Outlay Program

SDSU wishes to amend the 2020-2021 Capital Outlay Program for the proposed Mission Valley development real property acquisition and site development. The estimated cost of the proposed Project is \$350 million and includes:

Acquisition	\$87,700,000
Site Development Infrastructure ¹	\$169,000,000
On- and off-site traffic improvements	\$40,000,000
Fees, Contingency, Services	<u>\$53,300,000</u>
 Total Proposed Project Cost	 \$350,000,000

Real Property Acquisition – Offer to Purchase and Purchase and Sale Agreement Key Terms

Since the approval of the Measure G initiative on November 6, 2018 (SDMC 22.0908), SDSU has been in active negotiations with the City on the acquisition of the site. The initiative, and resulting municipal code, require the development of many of the features of the Master Plan noted above.

On October 14, 2018, SDSU, on behalf of the Trustees of the California State University, delivered a formal offer to the San Diego City Council followed by delivery of a revised offer on October 28, 2019 (Attachment B). At the time of this board item preparation, the revised offer proposed by SDSU contains the following terms:

- **Property:** 135.12 acres, acquire “as is.”
- **Purchase Price:** \$86.2 million plus an estimated \$1.5 million time-based escalation provision relating to the public utilities-owned portion of the property, for an estimated total of \$87.7 million.
- **Murphy Canyon Creek:** Approximately 2 acres of Murphy Canyon Creek will be included in the proposed acquisition of 135.12 acres and purchased “as is”. SDSU will not be required to make any improvements to Murphy Canyon Creek.
- **Stadium Demolition and Maintenance:** Upon closing, SDSU will assume responsibility for ongoing maintenance, up-keep and demolition of the existing stadium.

¹ Includes SDSU park space and River Park completed in this phase. Excludes residential park and campus open space to be completed with future phases.

- **Fenton Parkway Bridge:** The City will pursue the Fenton Parkway Bridge as a separate City facility in the future, and will remain a separate City project for CEQA and all other purposes. Subject to CEQA compliance, SDSU will construct a 2-lane at grade Bridge and fund its environmental review, design, permitting and construction subject to partial reimbursement. SDSU estimates the campus share of bridge traffic at 25%, or \$6.75 million. SDSU will construct the bridge before occupancy of more than 65% of planned equivalent dwelling units. Therefore, SDSU proposed the following in order to receive partial reimbursement from the City:
 - \$1.3 million from the City's Capital Improvement Fund
 - \$8.5 million of the property purchase price funds be provided by the City.
 - City to provide Development Impact Fees as noted below.
- **Development Impact Fees:** SDSU's non-state private partners constructing non-SDSU facilities will pay development impact fees (DIF). SDSU and other publicly developed and occupied facilities will be exempt. Because SDSU is constructing the River Park and additional park improvements, it is anticipated that no party will be required to pay park DIF fees. SDSU shall be entitled to cash reimbursement or DIF credits for the reimbursable costs expended by SDSU and approved by the City in accordance with the PSA and Mission Valley Impact Fee Study.
- **Additional Project Improvements:** SDSU requests the City allocate \$1.5 million of the purchase price to be held in a joint account for other improvements to the property.
- **Transportation Improvements:** In addition to the transportation mitigation responsibilities under the Final EIR, SDSU will provide \$5,000,000 for additional traffic improvements in coordination with the City.
- **River Park:** SDSU will design, construct and maintain in perpetuity, the 34-acre River Park. The River Park will be completed no later than seven years after the Purchase and Sale Agreement's effective date and prior to occupancy of any building on the Property, other than the new multi-purpose stadium.
- **Additional 22 acres of Parks:** SDSU will design, construct and maintain at least 22 acres of population-based park facilities owned by SDSU and available for general community use.
- **Future City Recreation Center Site:** SDSU will reserve an approximate one-acre site for the City to construct and operate a recreation center in the future.
- **Affordable Housing:** SDSU will provide 10% of the total number of housing units developed to be set aside as affordable housing units, which may include student housing units.
- **Groundwater Management:** SDSU will grant easements for the City to install groundwater wells for monitoring. City also retains Pueblo water rights.
- **Removal of Kinder Morgan Wells:** City to use reasonable efforts to cause Kinder Morgan to timely remove and close all monitoring extraction wells and related facilities.
- **Environmental Contamination:** SDSU will defend and indemnify the City against all claims regarding the Property's condition and waive all environmental claims against the city. The City will tender written claims to Kinder Morgan for reimbursement of any property remediation costs arising from their environmental contamination.

- **Compliance with CEQA:** SDSU will comply with CEQA, including CSU Board of Trustees certification of the Final EIR.
- **Possessory Interest and Other Taxes:** Non-state private development partners will pay sales tax, possessory interest tax, and/or transit occupancy tax, as required by applicable law.
- **Legal Challenges:** SDSU will defend and indemnify the City for all legal challenges with respect to the Final EIR, PSA, and Campus Master Plan.
- **Sovereignty:** Consistent with Section 22.0908 and CSU's status as a sovereign state agency, nothing in the PSA will abrogate the authority of the CSU Board of Trustees. CSU will issue all development related permits and collect all DIFs (for disbursement to the City if required) for all aspects of the Master Plan.
- **Measure G Compliance:** The PSA will incorporate all other conditions and requirements as required by SDMC section 22.0908 and related Measure G campaign promises.
- **CSU Approval:** The Board of Trustees must approve the Final EIR, Campus Master Plan and PSA.
- **Council Approval:** City Council must accept and approve the Final EIR findings and related mitigation measures and PSA.
- **Closing Date:** The target closing date is March 27, 2020
Potential Delay in Closing: (a) City will lease Property to SDSU for \$1.00 per month; (b) SDSU will assume all on-going and maintenance and operational costs; (c) unless the delay is the City's fault, the purchase price will increase applying a rate of 2.149% per year.

Site Development

Rough Grading

Rough grading will be completed for all areas of the Project including the development pads for future residential and research/innovation buildings, as well as all streets. This grading will raise the residential development pads and associated streets above the 100-year flood plain to prepare them for development by public-private partners.

In the interim condition, rough graded building pads will be surfaced with gravel and used as temporary parking for the stadium. Drivable, gravel access routes to the fully constructed streets will be provided through these temporary parking areas, and temporary storm water infiltration basins will be provided. These parking areas and temporary access connections will be modified over time as development occurs on the residential and research/innovation pads.

Utilities

Main utility service lines for electricity and telecommunications, natural gas, storm and sanitary sewer and domestic cold water will be provided in the center and west portions of the site. These utilities will provide adequate capacity for the entire build-out and will be ready for connection by developers of the residential parcels. In addition, primary storm water treatment and retention basins will be constructed.

Streets and Circulation elements

The proposed Project will develop primary streets or segments of streets as part of the site development package. These include connections to Friars Road, Fenton Parkway, Rancho Mission Road, and San Diego Mission Road, and access to the existing Trolley Station. These streets or segments will be constructed in their entirety, including sidewalks, bicycle facilities, medians, light fixtures and other furniture, street trees and other landscaping. In addition, a hike/bike loop that circumnavigates the raised development area of the campus will be constructed.

Parks and Open Space

Over 80 acres of park land will be developed, primarily at the south and east edges of the site as well as the tailgate park areas west of the Stadium will be developed. Of this amount, approximately 34 acres will be developed as the River Park and remain in City of San Diego ownership. Additional park space will be developed in the residential area as those parcels are built-out.

The River Park, located along the south and east edges of the site will be constructed, maintained and operated by SDSU, and will be designed as one park with no demarcation of the land ownership boundaries. It will include four open multi-use field areas will be suitable for a variety of community and university sports activities. Other activity areas will include basketball courts, fitness areas, outdoor games and a skate area. The park will also include children's playgrounds and restroom facilities. Two additional multi-use natural turf fields, located adjacent to the new Stadium, will be reinforced so it can be used for overflow parking to accommodate approximately 1,000 cars for capacity events at the Stadium.

Gathering and event areas will include a terraced amphitheater and a central plaza adjacent to the trolley station with adequate hard surfaces to support a variety of community events. Passive recreation will include native planting, water treatment and retention, wetland, and habitat area with pedestrian and multi-use trails. The site provides a vegetated flood plain for the 100-year flood condition and connects through an underpass that will allow for habitat corridor between Murphy Canyon Creek and the San Diego River. Improvements include overlook platforms to support educational and contemplative use. Picnic tables and other seating will be distributed throughout to support a range of activities and use of the park.

Timing

Working Drawings Completed

April 2020

Construction Start

April to June 2020

Site Development Completion (including River Park)

August 2023

Financing

The financing of the CSU and SDSU's investment in the Mission Valley development can be separated into two pieces. The first is the acquisition of the site and the infrastructure improvements (the proposed Project), which will be required to prepare for further long-term development of the site. Financing approval for this piece is being requested herein and is discussed in further detail below. The second piece is the stadium, the financing for which will be supported by stadium revenues and will be presented for financing approval at a later meeting of the Board of Trustees.

As noted, the total cost of the proposed Project is estimated at \$350 million and will be funded from the following sources:

Systemwide Revenue Bonds supported by Project/campus revenues:	\$250 million
Systemwide Revenue Bonds supported by system revenues:	\$ 60 million
Campus and auxiliary resources:	<u>\$ 40 million</u>
Total	\$350 Million

The long-term source of repayment for the Systemwide Revenue Bonds supported by proposed Project/campus revenues will come from ground lease revenue from future public-private partnership development of the housing, retail, hospitality, and the campus research and innovation components. However, because the site needs to be acquired and the infrastructure prepared before vertical development can begin, revenues from public-private partnership projects are not expected to begin materializing until 2023 and will not reach full development until 2037. In the meantime, other non-operating campus and auxiliary revenues of up to \$17.2 million will be used to meet the annual debt service requirements and serve as a cash flow bridge to the public-private partnership revenues.

As public-private partnership projects come online, the campus and auxiliary revenues will be supplanted by public-private partnership revenues until the campus and auxiliary revenues are no longer required and the annual debt service is being fully paid by public-private partnership revenues. In addition, as public-private partnership revenues grow beyond those levels required to meet debt service requirements, excess revenues will be available to meet general campus operating needs and replenish campus resources that were utilized to meet earlier debt service payments.

The source of repayment for the Systemwide Revenue Bonds supported by system revenues is proposed from existing system cash flow allocated for capital financing. Upon board approval of the proposed Project, it will be submitted to the California Department of Finance for review consistent with the academic capital project approval process.

In order to match the expected cash flow generated by the public-private partnership projects, the debt will be structured as interest only for a number of years, most likely fifteen to twenty years, with principal payments due in later years. The final structure of the principal payments will be determined at the time of debt issuance depending upon market conditions, but could include bullet maturities, with or without formal sinking funds. Following the interest only period, the campus will begin setting aside public-private partnership revenues in excess of the interest payments in amounts that will allow for full repayment of all principal when due. At present, the financial plan calls for the full repayment of the debt within thirty-five years, however to increase structuring flexibility, this item requests authorization to issue the debt for as long as forty years. The structure will also call for taxable debt due to the levels of private use expected to be generated by the public-private partnership developments and the stadium.

The proposed total amount of Systemwide Revenue Bonds or related debt instruments (both those supported by proposed Project/campus revenues and those supported by system revenues) will be issued at a not-to-exceed par amount of \$317,000,000 on a fully taxable basis. The not-to-exceed amount is based on a total Project budget of \$350 million with a contribution of \$40 million from campus and auxiliary reserves. A portion of the bonds will also fund approximately \$2.9 million in additional net financing and issuance costs.

The not-to-exceed amount, interest-only payments, principal payments, and debt service coverage ratios shown below are based on an all-in interest cost of 4.55 percent, inclusive of a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold.

Based upon the available campus and system revenues, the debt service coverage for the interest only period of the debt is forecast to be 1.40 per year, which exceeds the CSU minimum benchmark of 1.10. The final schedule of principal payments will not be determined until the debt is issued, however, debt service coverages have been analyzed under a number of different principal payment schedules and demonstrate the ability to pay off the debt. Under a conservative scenario where the principal payments are made over a 14-year period from 2042 through 2055, the debt service coverage ratio starts at 1.08 and increases to 1.46, levels that compare favorably to the CSU minimum benchmark of 1.10. When combining these revenue stream projections with 2018-2019 actuals for other campus pledged revenue programs, the campus' overall net revenue debt service coverage for the first year of the interest only period is projected to be 1.43, which exceeds the CSU campus benchmark of 1.35. With respect to the campus' overall net revenue debt service coverage when principal repayment begins, the debt service coverage ratios compare favorably to the CSU campus benchmark of 1.35 under different scenarios and assuming conservative growth assumptions for other campus pledged revenue programs.

Recommendation

The following resolutions are presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Board of Trustees finds that the January 17, 2020 Final EIR has been prepared in accordance with the requirements of the California Environmental Quality Act, and the Guidelines for Implementation of the California Environmental Quality Act.
2. The Final EIR addresses the proposed Mission Valley Campus Master Plan, the proposed Real Property and Site Development Project, other near-term projects, and all discretionary actions related to the proposed Master Plan as identified in the Final EIR.
3. The Board of Trustees hereby certifies the January 17, 2020 Final EIR for the San Diego State University Mission Valley Campus Master Plan.
4. Prior to the certification of the Final EIR, the Board of Trustees reviewed and considered the Final EIR and found it to reflect the independent judgment of the Board of Trustees. The Board of Trustees hereby certifies the Final EIR as complete and adequate and finds that it addresses all potentially significant environmental impacts of the proposed Master Plan, and fully complies with the requirements of CEQA. For purposes of CEQA and the CEQA Guidelines, the administrative record includes the following:
 - a. The 2019 Draft EIR for the San Diego State University Mission Valley Campus Master Plan;
 - b. The Final EIR, including comments received on the Draft EIR, responses to comments, and revisions to the Draft EIR in response to comments received;
 - c. The CEQA Findings of Fact, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program, including the mitigation measures identified therein for Agenda Item 2 of the January 28-29, 2020 meeting of Joint Committees on Finance and Campus Planning, Buildings and Grounds, which identifies the specific impacts of the proposed Mission Valley Campus Master Plan and related mitigation measures.
 - d. The proceedings before the Board of Trustees relating to the subject Mission Valley Campus Master Plan, including testimony and documentary evidence introduced at such proceedings; and
 - e. All attachments, documents incorporated, and references made in the documents as specified in items (a) through (d) above.

5. This resolution is adopted pursuant to the requirements of Section 21081 of the California Public Resources Code and Section 15091 of the CEQA Guidelines which require the Board of Trustees to make findings prior to the approval of the project.
6. The Board of Trustees hereby adopts the CEQA Findings of Fact and Statement of Overriding Considerations stating that the proposed Master Plan, including the Real Property Acquisition and Site Development Project, and other near-term projects' benefit to the California State University outweigh the remaining significant and unavoidable air quality, cultural resources, noise, population and housing, public services, and transportation impacts.
7. The Board of Trustees hereby adopts the Mitigation Monitoring and Reporting Program, including the mitigation measures identified therein for Agenda Item 2 of the January 28-29, 2020 meeting of Joint Committees on Finance and Campus Planning, Buildings and Grounds, which identifies the specific impacts of the proposed Mission Valley Campus Master Plan and related mitigation measures, which are hereby incorporated by reference. The mitigation measures identified in the Mitigation Monitoring and Reporting Program shall be monitored and reported in accordance with the Mitigation Monitoring and Reporting Program which meets the requirements of CEQA.
8. The Board of Trustees hereby adopts the Statement of Overriding Considerations stating that the proposed Master Plan, including the Real Property Acquisition and Site Development Project, and other near-term projects' benefit to the California State University outweigh the remaining significant and unavoidable air quality, cultural resources, noise, population and housing, public services, and transportation impacts.
9. The Final EIR has identified potentially significant impacts that may result from implementation of the proposed Mission Valley Campus Master Plan, Real Property Acquisition and Site Development Project and other near-term projects. However, the Board of Trustees, by adopting the Findings of Fact, finds that the inclusion of certain mitigation measures as a part of the Master Plan approval will reduce most, but not all, of these effects to less than significant levels. Those impacts which are not reduced to less than significant levels are identified as significant and unavoidable and are overridden due to specific Master Plan benefits to the CSU identified in the Findings of Fact and Statement of Overriding Considerations.
10. The Board of Trustees approves the use of approximately \$40 million for its share of future off-site mitigation for the City of San Diego and the California Department of Transportation. The funds are expected to be provided from future state capital or operation budget funding, the CSU, self-support entities, private developers, the City, and/or other entities.
11. The proposed Master Plan will benefit the California State University.

12. The Board of Trustees hereby acknowledges the Final Environmental Impact Report for the Mission Valley Campus Master Plan dated January 17, 2020 as complete and in compliance with CEQA.
13. The San Diego State University Mission Valley Campus Master Plan is approved.
14. The Chancellor or his designee is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the Final EIR for the San Diego State University Mission Valley Campus Master Plan, and the Real Property Acquisition and Site Development Project.
15. The 2019-2020 Capital Outlay Program is amended to include \$350 million for acquisition, preliminary plans, working drawings, and construction for the Mission Valley Real Property Acquisition and Site Development project.
16. The Trustees hereby authorize the Chancellor to execute the final Purchase and Sale Agreement (“PSA”) for the purchase and acquisition of the Mission Valley site from the City of San Diego subject to the following conditions:
17. If the Chancellor and the Chair of the Board of Trustees agree that the terms and conditions of the PSA do not materially deviate from the terms of the October 28, 2019 Offer to Purchase (Attachment B), the Chancellor shall execute the PSA.
18. If the Chancellor or the Chair believe that there are material differences between the PSA and Attachment B, the Chancellor shall not execute the PSA and shall instead forward it to the Board of Trustees for their review and approval at a future meeting.
19. Financing for the Mission Valley Real Property Acquisition and Site Development Project as described in this Agenda Item 2 of the Joint Committees on Finance and Campus Planning, Buildings and Grounds at the January 28-29, 2020 meeting of the CSU Board of Trustees is approved. Orrick, Herrington & Sutcliffe LLP, as bond counsel, is preparing resolutions to be presented at this meeting that authorize interim and permanent financing for the Project described in this Agenda Item 2 and provide for the following:
 - a. Authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate amount not-to-exceed \$255,977,000 and certain actions relating thereto.
 - b. Authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans

placed directly with banks, in an aggregate amount not-to-exceed \$61,023,000 and certain actions relating thereto, subject to the California Department of Finance approval of the project.

- c. Authorize the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the revenue bonds, bond anticipation notes, or related debt instruments.

Summary of California Environmental Quality Act (CEQA) Analysis and Findings

This attachment provides information on the actions taken in compliance with CEQA, identifies potentially contested issues, and unavoidable significant impacts with regard to the proposed Mission Valley Campus Master Plan (Master Plan) for San Diego State University (SDSU):

The Board of Trustees must certify that the Final Environmental Impact Report (Final EIR) is adequate and complete under the California Environmental Quality Act (CEQA) in order to approve the proposed physical Master Plan for the site, the proposed Real Property Acquisition and Site Development (Project), and near-term projects such as the multi-use stadium. The Final EIR with Findings of Fact and Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program (MMRP) are available for review by the Board of Trustees and the public at:

<http://missionvalley.sdsu.edu/community-engagement.html>.

The Final EIR concluded that the Master Plan would result in significant and unavoidable impacts on air quality, historic resources, noise, population and housing, public services, and transportation. The remaining significant and unavoidable transportation impacts relate primarily to California Department of Transportation (Caltrans) facilities and issues relating to remainder fair-share funding, i.e., whether adequate funding programs are in place to provide the necessary remainder funding. The impacts on City facilities have been resolved through negotiations in which the City agreed to provide future access and permitting to complete the proposed mitigation measures. Significant and unavoidable impacts on Caltrans facilities will be subject to CSU's proportionate fair share, and assistance to Caltrans in its efforts to obtain necessary approvals for the recommended improvements.

Potential Contested CEQA Issues

The following issues were raised during the Draft EIR public comment period:

Transportation Mitigation

Concerns were raised about impacts on parking and traffic congestion in neighboring communities; requests to study additional intersections or disagreements with the campus conclusions on level of transportation impacts; and concerns about mitigations identified as “infeasible” and “significant and unavoidable” related to working in City and Caltrans rights-of-way. In addition, there were requests to improve bike and pedestrian connectivity to neighborhoods, reduce/eliminate parking to force use of transit, incentivize/subsidize the use of transit, and provide more transit service in terms of connections and frequency, particularly between the campuses. Comments were also received that not enough parking is being provided.

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To address bike connectivity concerns, the proposed Master Plan will improve gaps in an existing bike connection between the campuses. Requests to improve connectivity to neighborhoods to the south are beyond the scope of the proposed Master Plan due to the high costs to bridge across the river and Interstate 8. The proposed Master Plan identifies a maximum parking count with the flexibility for private development partners to provide less parking. The campus added information on the proposed changes to their Transportation Demand Management (TDM) Program which provides a transportation coordinator, will require each on-site employer to provide a minimum number of subsidized transit passes to employees, and clarified that campus transit pass programs will also apply to campus employees and students on the Mission Valley Campus.

Prior to and following release of the Draft EIR, SDSU representatives met separately with representatives of the City of San Diego and Caltrans to discuss the EIR transportation analysis, including proposed mitigation measures. The meetings provided a forum to discuss the EIR's proposed mitigation improvements, including CSU/SDSU's role in implementing the mitigation (i.e., pay full-share or fair-share of improvement costs, or directly construct the improvements). A brief summary of the relevant meetings with each agency is provided in the agenda item body. Additional information regarding the meetings is provided in the Final EIR, Thematic Response PD-3, Mitigation Negotiations.

The Final EIR clarified that the transportation improvements are only infeasible with respect to needing to obtain approvals, rights of entry and funding from another jurisdiction. The state highway improvements will need support and co-funding from Caltrans.

San Diego River and Murphy Canyon Creek

Comments related to impacts on the San Diego River and Murphy Canyon Creek include concerns about adjacent park activities (lights, dogs chasing wildlife, maintaining buffers) impacting wildlife; the continuity of habitat corridors between the two waterways; and requests to widen, naturalize, and otherwise improve Murphy Canyon Creek.

The proposed project does not propose any improvement, facility, construction, or staging within any portion of Murphy Canyon Creek; and therefore, while the existing creek is within the project boundary, no project element, component, improvement, or feature is contemplated within the creek. Construction would also not necessitate or result in any alteration to Murphy Canyon Creek or the San Diego River. No structures would be built within the Murphy Canyon Creek floodway or within any other portion of the 100-year flood zone.

To reduce impacts on the river and Murphy Canyon Creek, the campus relocated a proposed road further away from Murphy Canyon Creek and created an underpass to allow for human and wildlife connectivity under the new road. The refined site plan includes more setbacks and open space buffers that will reduce spillover of light and minimize potential for disturbance and invasive plants within the river and creek. Further, the EIR includes mitigation measures to enhance the

ecological function of the river and creek relative to the project. Mitigation measures require temporary installation of construction fencing to delineate the limits of grading; the measures also provide biological monitoring and a monitoring report during construction. In addition, mitigation measures require signage/barriers between the River Park and shared parks and open space along the San Diego River and Murphy Canyon Creek. These same measures restrict the landscape planting to minimize invasive plants within the river and creek. The measures also require compliance with buffer setbacks and a lighting plan.

California Environmental Quality Act (CEQA) Action

A Final EIR has been prepared to analyze the potential environmental effects of the proposed SDSU Mission Valley Campus Master Plan in accordance with CEQA requirements and State CEQA Guidelines. The Final EIR is presented to the Board of Trustees for review and certification. The Final EIR fully discusses all issue areas, impacts, and alternatives which have been analyzed as required by law. Where a potentially significant impact is identified, feasible mitigation measures, if any, have been proposed to reduce the impact. The Draft EIR was distributed for comment for a 60-day period concluding on October 3, 2019. The final documents are available online at: <http://missionvalley.sdsu.edu/community-engagement.html>.

The Final EIR is a “Project EIR” and comprehensively analyzes all phases of development and operation of the proposed Mission Valley Campus Master Plan; no further CEQA review will be required prior to Master Plan implementation, including near-term projects.

The Final EIR concluded that the Master Plan would result in significant and unavoidable impacts relating to air quality (project and cumulative impacts), cultural (historical) resources (project impact), noise (project construction and cumulative operational impacts), population and housing (cumulative impacts), public services (cumulative fire protection/emergency services and schools impacts), and transportation (Existing Plus Stadium Event, intersection, freeway segment, ramp metering, stadium parking) impacts. CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of the project against its unavoidable environmental risks when determining whether to approve a project. If the specific benefits of the Master Plan outweigh the unavoidable adverse environmental effects, those effects may be considered “acceptable” and the agency is then required to adopt a Statement of Overriding Considerations in order to approve the Master Plan, including near-term projects. Because the Campus Master Plan Final EIR has determined that the Master Plan would result in significant and unavoidable effects, a Statement of Overriding Considerations has been prepared for Board of Trustees’ consideration.

Issues Identified Through Public Review of the Draft EIR

A Notice of Preparation (NOP) of the Draft EIR was mailed to state and local agencies and comments were received. The campus held three public scoping meetings to discuss the NOP and

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EIR process and provide the public an opportunity to identify environmental issues that should be addressed. Notices were mailed to the required state and local agencies announcing the meeting and the campus community was notified via e-mail. Based on the NOP and public/agency comments, the following environmental topics were deemed to require study in the Draft EIR: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Energy, Geology/Soils, Greenhouse Gas Emissions, Hazards & Hazardous Materials, Hydrology/Water Quality, Land Use/Planning, Mineral Resources, Noise, Population/Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, Utilities, and Wildfire.

One hundred and thirty-four Draft EIR comment letters or emails were received from individuals. Following the close of the public comment period, 10 additional letters from individuals were received. Though not required under CEQA, written responses to the late comments are available for public review at: <http://missionvalley.sdsu.edu/community-engagement.html>.

Ten comment letters were received from government agencies. At the federal level, comments were submitted by Federal Emergency Management Agency (FEMA). At the state level, comments were submitted by the California Department of Fish and Wildlife (DFW), the California Department of Transportation (Caltrans), the California Public Utilities Commission (PUC), and acknowledgment of NOP receipt from the State Clearinghouse. At the local and regional levels, comment letters were submitted by the City of San Diego (multiple departments in a single combined letter) (CSD), San Diego Unified School District (SDUSD), San Diego Regional Water Quality Control Board (SDRWQCB), San Diego Association of Governments (SANDAG), and San Diego Metropolitan Transit System (MTS).

Four Native American Tribal Agencies or organizations submitted comment letters including the Manzanita and Viejas Bands of the Kumeyaay Nation, the Campo Band of Mission Indians, and the Kumeyaay Diegueño Land Conservancy Organization.

Fifteen organizations submitted comment letters including Normal Heights (NHPG), North Park (NPPG), Serra Mesa (SMPG), Navajo (NPG), Allied Gardens/Grantville (AGGPG), and Mission Valley (MVPG) (2 letters) Planning Groups, Citizens Coordinate for Century 3 (C-3), The San Diego River Park Foundation, (SDRPF), the San Diego Green Building Council (SDGBC), The Environment + Design Council (ED+C), the Sierra Club, The Audubon Society (2 letters), the San Diego County Archeological Society (SDCAS), Promise Posterity, and the SDSU Associated Students Green Love Commission (Green Love).

Volumes I (Public Comments) and II (Responses to Comments) of the EIR contain copies of each of the comment letters and detailed responses to each of the comments raised in the letters. Volume III contains corrections and clarifications to the Draft EIR in response to public comments and minor Master Plan changes.

Agency Comments

California Department of Fish and Wildlife (CDFW) raised biological resource issues of concern, specifically the potential direct and indirect impacts to the San Diego River and Murphy Canyon Creek, and potential impacts to wildlife corridor functionality and flora and fauna therein. CDFW noted that the Draft EIR includes a 100-foot buffer from City Multi-Habitat Planning Area (MHPA), and reemphasized the importance of riparian buffers. CDFW believes that 100 feet is a reasonable minimum buffer for this portion of the San Diego River. CDFW also encouraged SDSU to consider returning Murphy Canyon Creek to a more natural configuration, and keeping the development footprint outside the 100-year floodway as well as a 35-foot-wide area on either side of the floodway.

SDSU Response: The Master Plan has been designed with a 100-foot buffer between the San Diego River and active uses within the River Park. Further, most passive trail uses have been removed from the 100-foot buffer; however, stretches of the river pathway encroach as close as approximately 86 feet to the river, which is outside the San Diego River Park Master Plan prescribed 35 feet. As to Murphy Canyon Creek, the Master Plan would not impact the creek, and as shown in EIR Figure 2-5, multiple existing constraints adjacent to the creek preclude expansion or reconfiguration of the creek. However, as requested, the proposed campus buildings are set back from the creek and the river to allow for natural flooding of these features. Further, the Master Plan has been revised to eliminate Street “H,” which formerly ran parallel to the creek, and thereby provide an additional buffer between Master Plan development and the creek. As to the 100-year floodway, the Master Plan was designed to avoid installation of buildings or habitable structures within the river influence area; the non-River Park portions of the vertical development are located outside of the 100-year floodway and 35 feet beyond the floodway.

California Department of Transportation (Caltrans) raised various comments related to traffic mitigation statements, the Draft EIR Traffic Impact Study, the Vehicle Miles Traveled (VMT) analysis, air quality, hazardous waste/materials, noise, visual resources, hydrology and drainage studies, transit, complete streets and mobility network, land use and smart growth, campus mitigation, and right-of-way.

SDSU Response: SDSU provided detailed technical responses to the Caltrans questions and comments, including the Master Plan’s Transportation Demand Management (TDM) program, strategies to reduce VMT, and the Transportation and Parking Management Plan. As to mitigation, the EIR discusses mitigation measures relative to Caltrans facilities and demonstrates CSU’s recognition of its responsibility to feasibly mitigate Master Plan impacts to these facilities. The EIR includes appropriate mitigation relative to state highways, would provide public benefits that reduce traffic congestion on state highways, and includes Master Plan features that would reduce impacts to Caltrans facilities to the extent feasible.

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SDSU representatives met with Caltrans on June 25, 2019, prior to release of the Draft EIR, to provide Caltrans with an overview of the Master Plan and related transportation features. Various subjects were discussed at the meeting, including bicycle and pedestrian circulation, potential interstate interchange improvements, parking, and traffic distribution. Following release of the Draft EIR, Caltrans submitted comments relating to the mitigation measures proposed in the Draft EIR specific to Caltrans facilities. In response, on January 15, 2020, SDSU representatives met again with Caltrans to commence negotiations regarding CSU's fair-share mitigation obligations relative to the Project's identified significant impacts to Caltrans facilities. At the meeting, SDSU provided Caltrans with information prepared by F&P that included the estimated proportionate fair-share at each significantly impacted Caltrans facility. Following the meeting, SDSU coordinated with Caltrans to review SDSU's responses to Caltrans comments on the Draft EIR and subsequently continue negotiations. SDSU expects the negotiations to be completed in the near-term.

The Final EIR clarified that the transportation improvements are only infeasible with respect to needing to obtain approvals, rights of entry and funding from another jurisdiction. The state highway improvements will need support and co-funding from Caltrans.

California Public Utilities Commission (CPUC) states that the Master Plan site has existing rail tracks within the Master Plan area and that the development proposes construction and modification of rail crossings, over which CPUC has jurisdiction. CPUC requests to be included on future notices and states that construction or modification of public crossing of rail transit requires authorization from the CPUC.

SDSU Response: The Final EIR has been revised to clarify that improvements to Street I and connection to Fenton Parkway would include cross the existing MTS Trolley Green Line, and that such improvements would be subject to authorization of the CPUC. In addition, SDSU has met with CPUC and will include CPUC on all future environmental notices.

Federal Emergency Management Agency (FEMA) presented information and comments concerning floodplain mapping and floodplain management building requirements.

SDSU Response: The Master Plan has been designed in accordance with FEMA's direction that buildings within the river floodplain must be elevated so the lowest floor is at or above the Base Flood Elevation in accordance with the effective Flood Insurance Rate Map. CSU/SDSU also anticipates processing a Conditional Letter of Map Revision/Letter of Map Revision (CLOMR/LOMR) to remove portions of the vertical development out of the Base Flood Elevation. In addition, no structures would be built within the floodway or within any other portion of the 100-year flood zone. The River Park will serve as a floodplain buffer between the San Diego River and the developed portions of the proposed Master Plan, which will be constructed on pads elevated above the floodplain depths. Therefore, all structures would be set back from the natural

floodplain. As a result, the proposed Master Plan would not impede or redirect flood flows at the site.

Metropolitan Transit System (MTS) commented that MTS would not be supportive of SDSU's proposed Purple Line alignment adjacent to Interstate 15 for several reasons. MTS also wants to ensure that the Mission Village Drive Extension (Street "D") is designed with the necessary parameters required for a future elevated transit guideway. MTS also raised comments regarding the existing trolley Green Line, MTS bus service, and roadway connections.

SDSU Response: As to the planned Purple Line transit, SDSU is working with both MTS and SANDAG on the Purple Line alignment and station location. The Master Plan accommodates the Purple Line alignment shown in SANDAG's January 2017 Purple Line Conceptual Planning Study; this alignment would run up the middle of the new campus's "Street D." The Street D median width has been designed to accommodate footings for the potential elevated trolley in the general alignment shown on the 2017 SANDAG planning study. As to the trolley Green Line, adequate trolley capacity is expected to be available to serve the additional riders that would be generated by the Master Plan. As to bus service, SDSU has met with MTS regarding potential future bus operations at the Master Plan site; SDSU understands that no new service currently is planned, but the proposed site plan has been designed to accommodate a bus transfer center adjacent to the Green Line trolley station, with space for up to four stop/layover spaces. As to roadway connections, MTS commented that a more direct connection of Rancho Mission Road into the eastern end of Street "3" would provide better access for potential future bus routes; in response, the Final EIR includes a revised site plan that includes the requested connection.

San Diego Associated Governments (SANDAG) submitted comments based on the policies included in San Diego Forward: The Regional Plan (2015 Regional Plan), noting that SDSU must include every feasible mitigation measure, including paying its fair share for traffic mitigation projects, to reduce VMT and GHGs in compliance with the Regional Plan. SANDAG's specific comments focused on trolley, parking, bus service, and bicycle infrastructure issues. SANDAG also noted that the alignment of the planned Purple Line through the center of the Master Plan should be incorporated into the design and construction of the site.

SDSU Response: The EIR summarizes SANDAG's 2015 Regional Plan and associated Sustainable Communities Strategy. The Master Plan would not conflict with these plans because of the Master Plan's location on an in-fill site in Mission Valley served by transit; the Master Plan's implementation of Transportation Demand Management programs that reduce VMT at a level consistent with the objectives of SB 743 and SANDAG's 2015 Regional Plan and Sustainable Communities Strategy; and the Master Plan's exceedance of existing regulatory compliance standards. As to the planned Purple Line, the Master Plan's design accommodates the planned and proposed alignments of this future transit line.

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San Diego Regional Water Quality Control Board (RWQCB) provided comments on hazards and hazardous materials, and hydrology and water quality. As to hazards and hazardous materials, RWQCB clarified the existing groundwater and vapor monitoring well network and piping conveyance system located on the stadium property. RWQCB noted that the existing groundwater and vapor monitoring networks on the stadium property pose a continuing threat to water quality resulting from all current activities allowed by the City of San Diego and the future construction at the property. As hydrology and water quality, RWQCB generally agrees with the evaluation methodologies presented in the Draft EIR and does not anticipate significant impacts on receiving water quality from the Master Plan. However, RWQCB finds that the Master Plan does not adequately include design features that are effective and efficient to adapt to climate change and improve water quality. Also, the Master Plan should consider stream restoration opportunities in Murphy Canyon Creek and the San Diego River. Further, RWQCB provided numerous comments concerning technical aspects of the hydrology and water quality analysis, including relating to bacteria Total Maximum Daily Load (TMDL), non-structural best management practices (BMPs), potential trash and debris pollution, biofiltration BMP sizing requirements, water quality modeling results, and demolition and post-demolition activities.

SDSU Response: SDSU considered and provided detailed responses to RWQCB’s comments, and revised the Final EIR accordingly, including EIR Appendix 4.9-1, Water Quality Technical Report.

The City of San Diego letter included comments from several departments. The City:

1. Took issue with the identification of traffic mitigation improvements to areas outside of CSU jurisdiction as infeasible.
2. Noted concerns with SDSU’s commitment to construct and maintain best management practices against future hydrology, water quality and flooding impacts.
3. Requested that the Fenton Parkway Bridge, as noted in the Mission Valley Community Plan Update (MVCPU) and Impact Fee Study, be included as a traffic mitigation.
4. Requested a robust TDM monitoring program as part of the Final EIR to ensure the TDM program’s traffic impact reduction potential.
5. Requested construction of a Class IV cycle track along Friars Road as outlined in the Mission Valley Community Plan Update.
6. Stated that the Master Plan did not adequately plan for a proposed MTS Purple Line trolley alignment.
7. Requested that the EIR use the city’s adopted thresholds for potential GHG impacts.
8. States that the TDM Program as presented (lacking a detailed monitoring program) is inadequate to support a conclusion of less than significant GHG impacts.
9. Requested that the Final EIR fully reflect any additional design features, mitigations, or other commitments noted in the PSA as well as analysis of environmental impacts of above.
10. Expressed concern that the Draft EIR was not adequate to serve as the environmental document for the PSA.

SDSU Response:

1. Clarified the rationale behind the statement of infeasibility, and agreed with the city that the infeasibility with respect to city owned facilities would be removed through the negotiated terms of the PSA.
2. Modified the property boundary in Final EIR to reflect SDSU ownership of Murphy Canyon Creek. Added text to the Final EIR to clarify that SDSU would be responsible for funding, construction, and maintaining permanent BMPs.
3. Clarified that the Fenton Parkway Bridge is not a component or element of the campus Master Plan because it was not proposed or required to implement the campus Master Plan, nor was it identified as a required mitigation measure. The bridge is not a required mitigation measure because the Draft EIR analysis determined that the Master Plan's significant impacts could be mitigated without the bridge. Nonetheless, CSU/SDSU understands that the City desires the bridge as a separate facility that is part of its long-term traffic circulation plan for the Mission Valley Community Plan area; and therefore, the City believes that the bridge has independent utility without regard to the Master Plan. As a result, CSU/SDSU has offered to fund, design and construct the bridge as a community benefit a separate environmental review process.
4. Clarified that the TDM program will be included in the Master Plan's Mitigation Monitoring and Reporting Program (MMRP) in order to provide transparent and robust monitoring. Moreover, the TDM Program provides for a TDM Program Coordinator to ensure the TDM strategies are implemented and effective. In addition, a TDM Monitoring Plan has been prepared to further ensure program implementation.
5. Noted that the proposed project design is consistent with the Mission Valley Community Plan Update identification of a Class IV bicycle track along Friars Road, including the segment adjacent to the northern boundary of the project site, as it does not preclude it from being added in the future. The proposed project design includes maintaining the existing bike lane on Friars Road along the project frontage, and includes a bikeway with a median separating bicycle and vehicle traffic that is parallel to the proposed cycle track.
6. Noted that the Draft EIR site plan provides two potential alignments for a future Purple Line trolley and future bus access to the site. The roadway infrastructure supports bus access and provides four loading/layover bays immediately adjacent to the existing Green Line trolley station. In subsequent conversations with MTS, the two agencies have identified an alignment along the west side of the site that appears to be more feasible than any previously assessed alternatives. This new alignment has been added to the Final EIR diagrams.
7. Noted that the GHG thresholds and analysis contained in the Draft EIR were substantially similar to the City's GHG thresholds; provided additional details in the Final EIR regarding how the proposed Master Plan would be consistent with the City's Mission Valley Community Plan Update Final Program EIR regarding the GHG emission reduction benefits of increased density in Mission Valley; and, further described the proposed project's consistency with the City's Climate Action Plan.
8. Noted that the TDM Program is a Master Plan feature and that substantial detail is provided in the Master Plan description regarding the program. Identified the Transportation Coordinator

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as the person responsible for measurement and monitoring. Noted that the TDM Master Plan features would be included in the MMRP to provide a record of the monitoring. Prepared a TDM Monitoring Plan to further ensure program implementation.

9. Noted that the Draft EIR was prepared in accordance with CEQA and has evaluated all potential environmental impacts associated Master Plan, including its near-term projects. Mitigation measures have been applied where feasible in order to reduce potential impacts and alternatives to the proposed Master Plan have been analyzed accordingly.
10. CSU/SDSU believes the EIR is adequate as it stands, but has proposed in the PSA to indemnify the city of legal action against the EIR or the PSA to ease the city's concern about using an EIR certified under a different sovereign authority.

Representatives of SDSU and the City of San Diego began discussions regarding transportation-related issues in May 2019. Specific to mitigation, these meetings culminated in a December 2019 meeting during which SDSU presented proposed revisions to the Draft EIR traffic mitigation measures for City facilities made in response to the City's request. As revised, the traffic mitigation measures provide that CSU/SDSU will either: (1) pay the City the full cost of the recommended mitigation improvement; or (2) construct/install the necessary improvements to the reasonable satisfaction of the City Engineer. See Final EIR Mitigation Measures MM-TRA-2, MM-TRA-3, MM-TRA-4, MM-TRA-8, MM-TRA-9, MM-TRA-10, MM-TRA-11, and MM-TRA-13. Based on the negotiations, SDSU agreed that for those mitigation improvements for which CSU/SDSU's fair-share percentage at the subject location is less than 100%, SDSU nevertheless will fully fund the improvements, for the limited purpose of this Master Plan only, in light of the substantial benefits that would accrue to the community. Additionally, the City submitted comments relating to these issues in response to the Draft EIR. Those comments have been responded to in the Final EIR.

At the last meeting, the City noted preliminary approval of the revised mitigation measures and represented they would communicate any suggested revisions to SDSU following further review. At the time of publication of this agenda item, the City has not provided any requested revisions. A table prepared by transportation engineers Fehr & Peers (F&P) that includes the estimated SDSU corresponding proportionate fair-share percentage, is provided in the Final EIR.

San Diego Unified School District (SDUSD) raised comments concerning technical aspects of the Draft EIR's public services analysis. SDUSD stated that the Draft EIR relies on outdated information from the MVCPU EIR, even though SDUSD sent SDSU a letter in May 2019 with up-to-date student enrollment, capacity, and generation data. SDUSD also commented on the Draft EIR's findings that the Master Plan would not result in direct impacts to school facilities, but would result in a cumulatively considerable impact on schools.

SDSU Response: SDSU clarified and, where appropriate, revised its public services analysis in response to the SDUSD comments. Specifically, SDSU identified where the Draft EIR incorporated SDUSD's student enrollment information from its May 2019 correspondence. In addition, in the Final EIR Public Services section, SDSU updated and clarified various tables and

discussions to reflect the additional information from SDUSD. The revisions did not change the analysis or conclusions of the Final EIR. As to SDUSD's comments on the EIR's findings concerning school impacts, SDSU's responses note that the EIR is consistent with SDUSD's comments.

State Clearinghouse (SCH) provided a closure letter, acknowledging the Master Plan has complied with the SCH review requirements for draft environmental documents under CEQA, and providing information on comments received by SCH on the Draft EIR.

SDSU Response: The closure letter is included in the Final EIR.

SDSU provided documents and additional technical detail in response to specific technical questions/comments.

Tribal Governments and Organizations

Kumeyaay tribal representatives expressed concern for the sensitivity of the proposed project area. Due to the immediate proximity of the proposed project to the San Diego River, the Kumeyaay trail system, and the prehistoric village of Nipawai/Nipaguay, there is an increased potential that buried tribal cultural resources are located within the proposed project area. The Kumeyaay bands and organizations have expressed concerns about disturbance and treatment of cultural resources during construction and requested that qualified Kumeyaay monitors be present. In addition, they have requested some expression of Kumeyaay history in the design of the Master Plan.

SDSU Response: No California Register of Historical Resources (CRHR) listed or eligible cultural resources, and no known archaeological resources, were identified through the records searches, Native American Heritage Commission (NAHC) and tribal correspondence and consultation, or an intensive pedestrian survey of the area. However, construction related to the proposed project may impact previously unidentified CRHR eligible cultural resources; and, there is still the potential for unanticipated archaeological finds during construction of the proposed project. The EIR provides mitigation measures that would reduce the potential for impacts on tribal cultural resources to less-than-significant levels. The mitigation measures outline procedures for proper treatment of unanticipated Tribal Cultural finds that comply with the CEQA Guidelines. The mitigation measures also outline procedures to ensure proper treatment of unanticipated human remains finds during construction activities, and compliance with applicable regulations. The mitigation measures require that a qualified Kumeyaay Cultural Monitor and a qualified archaeological monitor shall be present full-time during all initial ground-disturbing activities. After construction is finished, operational/permanent activities would not result in significant impacts to tribal cultural resources. In response to comments, SDSU conducted additional investigations to better inform SDSU's understanding of the resource sensitivity of the proposed project area of potential effect (APE), and revised the Final EIR accordingly. SDSU has also agreed to provide Kumeyaay monitors to be rotated through the bands that have expressed interest.

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The campus has a River Park Advisory Group to identify locations and opportunities to incorporate site and Kumeyaay history through interpretive elements in the park and site open space. SDSU will work with Kumeyaay organizations to design specific elements.

Organization Comments

The Normal Heights Planning Group (NHPG). Comments from the community group focused on roadway connections to the site. These included connectivity at the four corners of the site; connections to the south across the river and I-8 (specifically mentioning the Fenton Parkway Bridge) and non-motorized connections to the site, specifically to the I-15 Bikeway. The group also commented on one specific intersection of interest to the community and noted that the planned MTS Purple Line (transit facility) should be expedited.

SDSU Response: The response noted that connections are provided at all four corners of the site and that the site provides significant non-motorized transportation facilities that connect to planned facilities in the Mission Valley including the San Diego River Park trail. The Master Plan does not preclude or prevent any of the specific connections proposed by the group, nor are these improvements required to mitigate the impacts of the Master Plan. As to the Fenton Parkway Bridge, the response notes that this bridge is not required to mitigate the impacts of the Master Plan but that the University has agreed to fund it as a separate project with separate review and approval through the city as part of the proposed PSA being negotiated. As to the specific intersection, the EIR reviewed that intersection and the Master Plan does not result in a significant impact at that intersection, thus no mitigation is required. The response also noted that the Purple Line is not part of the Master Plan, but that the Master Plan does accommodate multiple possible alignments through the site for this future project by MTS.

The North Park Planning Group represents a community to the southwest but not immediately adjacent to the site. Their comments focused on encouraging the city to grant authorization for SDSU to make traffic improvements to city facilities, utilizing VMT as a method to determine transportation impacts, consistency with the MVCPU and four requested specific traffic improvements.

SDSU Response: SDSU noted continued conversations with the City regarding traffic improvements and obtaining authorization for those improvements. SDSU directed the commenter to the section of the EIR where a VMT analysis is contained. SDSU notes that the Master Plan and its proposed mitigation measures are substantially compliant with the MVCPU. SDSU notes that at two of the intersections where a specific improvement was requested, the Draft EIR proposed mitigations reduce the impacts to less than significant, thus no additional mitigation is required. At the other two intersections, the analysis did not identify a significant impact, so no mitigation is required.

The Serra Mesa Planning Group represents communities located directly north of the Master Plan site. Serra Mesa's comments were primarily concerned with traffic, parking and stadium noise in the neighborhoods located to the north of the site. The traffic and parking impact comments reflect those summarized in the Potential Contested CEQA Issues summary above.

SDSU Response: As to the noise comments, SDSU clarified the duration and frequency of events that may cause noise exceedance and noted that the events will not be significantly different in schedule than what is in the current stadium, that the new stadium has half of the seats of the existing one, and thus the crowd size and noise will be less than what exists today. The response to the traffic comments is summarized in the Potential Contested CEQA Issues discussion above.

The Navajo Community Planners represents neighborhoods to the east and northeast of the site. This group's comments focused on provision of parks for this community, and traffic. The comment letter requested information on traffic mitigations at three specific locations.

SDSU Response: SDSU clarified the park space provided and indicated that the 34 acres of City-owned park covered the noted deficit in this community as well as the Mission Valley Community. The response explained that for one of the locations, mitigation is infeasible due to existing structures and limited right of way. For the second identified location, mitigation will be implemented as authorized by the City of San Diego per the PSA terms under negotiation. For the third traffic impact location, the mitigation at this location is infeasible due to being under Caltrans jurisdiction. The response notes that SDSU will fund its fair share and support Caltrans in pursuing co-funding for this improvement. The response also highlights the Master Plan's TDM measures and how those will reduce trips to the site by 14 percent.

The Allied Gardens/Grantville Planning Group represents neighborhoods to the east and north of the site. Their comments were primarily concerned with the omission of five roadway segments that were not evaluated for traffic impacts and proposed mitigations. The letter also notes three additional locations where a.m. and p.m. peak and stadium event traffic currently impacts the neighborhood negatively, particularly as vehicles cut through neighborhood streets.

SDSU Response: SDSU noted that at the five identified locations increased traffic did not meet the threshold for requiring additional analysis. As to the three additional locations, the response notes that additional traffic on these streets does not meet the threshold requiring additional analysis. As to stadium traffic, the new stadium is half the size of the existing one, and thus will produce less traffic before and after events.

The Mission Valley Planning Group (MVPG) represents the community in which the site is located. The MVPG comments focused on air quality impacts during construction (recommended requiring Tier 4 equipment and altering Master Plan schedule), additional photovoltaic panels to reduce operational emissions, additional measures to encourage transit (less parking and more transit pass incentives), the loss of the Stadium as a historical resource, noise levels during

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construction and stadium operations, and the need to make a fair share commitment to traffic infrastructure to mitigate transportation impacts.

SDSU Response: The response noted the mitigation measure requires Tier 4 equipment where feasible and clarified that not all construction equipment presently is available in the market as Tier 4. The response also explained that the Master Plan schedule was delineated to meet the Master Plan goals and the timelines outlined in City of San Diego Municipal Code (SDMC) Section 22.0908. The Master Plan's sustainability commitments have been refined to include more photovoltaic panels to the maximum extent possible, considering the available roof area and lack of surface parking. The response noted the approximately 14 percent reduction in trips achieved through TDM measures provided (including requiring some transit pass subsidies) in the EIR, and clarified that the amount of parking proposed on the site is less than typical for the Mission Valley. SDSU acknowledged the significant and unavoidable impact on cultural resources due to the proposed demolition of the stadium, and highlighted the measures put in place to mitigate this impact. SDSU clarified the noise levels and timing and noted that the events in the new stadium will not differ significantly in type or schedule than those in the current stadium, other than having a smaller potential audience size.

Citizens Coordinate for Century 3 (C-3) is a non-profit San Diego organization dedicated to preserving and improving the region's natural and built environments. C-3 provided comments on the Draft EIR's Master Plan description, cumulative projects and methods, biological resources, cultural resources, energy, greenhouse gas emissions, land use and planning, population and housing, public services and recreation, transportation, other environmental considerations, and alternatives sections. In particular, C-3 states that the Draft EIR fails to adequately describe the PSA, as well as the actual, as opposed to possible, physical elements of the Master Plan. C-3 also states that the EIR should identify and discuss the possibility of future NFL games in the proposed stadium.

The biological resources comments focused on the Murphy Canyon Creek corridor, including noise and light impacts. The energy comments state that the Master Plan layout does not comply with the model to get LEED-ND credit for solar; also, the north-south orientation does not provide optimal layout for solar efficiency. In addition, C-3 states there is inadequate discussion of possible water reuse. C-3 also states that that plan and environmental analysis are isolated from the goals and underlying principles of the MVCPU. As to Master Plan alternatives, C-3 states the EIR fails to consider highly plausible alternatives and improperly dismisses the stadium reuse alternative.

SDSU Response: SDSU prepared the Draft EIR in accordance with CEQA and evaluated all potential environmental impacts associated with the Master Plan. Mitigation measures have been applied where feasible and alternatives have been analyzed accordingly. The EIR includes information about the PSA being negotiated, and also provides extensive detail concerning the proposed Master Plan and its characteristics. The EIR does not analyze the future potential of expanding the proposed stadium to accommodate a future NFL franchise because such expansion

is not part of the Master Plan and is not reasonably foreseeable. As to the Murphy Canyon Creek corridor, the Final EIR was revised to clarify the issue. As to energy and LEED-ND, the Master Plan design includes enforceable commitments to: (i) achieve LEED-ND designation; and (ii) install on-site photovoltaic panels. In addition, the EIR discusses the types of water efficiency features that may be incorporated to maximize water efficiency under the LEED system. As to the MVCPU, as described in the EIR, the MVCPU designates the Master Plan site as a site that will be redeveloped through a Campus Master Plan, which will include detailed information on the land uses, mobility system, and recreation facilities; further, the MVCPU assumed land uses for the existing SDCCU Stadium site (i.e., the Master Plan site), and the Master Plan's land uses fall within the envelope identified in the MVCPU. As to Master Plan alternatives, the Draft EIR appropriately considered the alternatives referenced by C-3; the Stadium Re-Use Alternative was selected for analysis but was determined to be infeasible and not meet the Master Plan objectives.

San Diego Environment + Design Council (ED+C) is a coalition of organizations whose primary interest is to promote environmentally-sustainable land use policies that create healthy, green neighborhoods and great public spaces in the San Diego-Tijuana region. ED+C did not comment on Master Plan specifics because it believes SDSU did not put forward a Master Plan with sufficient detail; however, ED+C is in general agreement with the C-3 comments. ED+C also expresses agreement with a September 27, 2019 Voice of San Diego Op-Ed article, which is included in ED+C's comment letters.

SDSU Response: EIR Section 2.0, Project Description, contains extensive detail concerning the project and its characteristics, and the comment does not indicate what details are lacking.

Promise Posterity is an organization concerned about the protection and preservation of the environment, in light of the global climate crisis. Promise Posterity commented that the Project will have significant adverse impacts on both biological and human systems. They note that the Project site is bordered by the San Diego River and Murphy Canyon Creek, and is located 5 miles upstream from the mouth of the San Diego River, which provides important habitat for special-status species under the federal and California Endangered Species Acts. Promise Posterity claims that the Draft EIR fails to consider the project's reasonably foreseeable impacts to biological resources, including resources downstream from the site. They also state that the project site is located in an area of "extreme flood hazard" and with the effects of climate change, the magnitude for flood hazard will only worsen. Finally, Promise Posterity notes the Master Plan's proximity to the Kinder Morgan Mission Valley Terminal and states that the Master Plan may pose a fire hazard and threat to the individuals carrying out construction.

SDSU Response: The EIR fully analyzes the potential impacts to biological resources, including the referenced special-status species and their habitats. The EIR notes that while none of these species has the potential to occur on site or in the surrounding habitats, these species will likely benefit from the Master Plan, which will reduce the impervious surface runoff and associated contaminant discharge into the San Diego River. The Project also incorporates low impact

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development (LID) design and best management practices (BMPs), and would comply with all applicable permit requirements to reduce or eliminate potential water quality-related impacts. As to flood hazards and climate change, the EIR hydrology analysis acknowledges that current climate projections for the San Diego region suggest an increase in extremes in the future, with the potential for increased rainfall intensity during the biggest storms, but do not predict wetter winters or an increase in annual precipitation overall. As to the Project's proximity to the Mission Valley Terminal, the EIR provides an extensive hazards analysis in Section 4.8, Hazards and Hazardous Materials, and recommends mitigation measures to reduce potentially significant impacts to a less-than-significant level.

SDSU Associated Students Green Love Sustainability Commission (Green Love) provided comments identifying key areas SDSU should improve upon regarding the Master Plan, including sustainability goals & Climate Action Plan, Leadership in Energy & Environmental Design (LEED), energy, safety, air quality, transportation, water, and zero waste.

SDSU Response: In response to comments, SDSU added and refined Project Design Features (PDFs) to further limit natural gas usage, electrify buildings and vehicles, increase recycling, and increase solar photovoltaic energy generation. Importantly, one of the new PDFs require SDSU to include "Sustainability" as part of the scoring system for each new building in the SDSU Mission Valley campus. The new and/or refined PDFs result in quantified and qualitative benefits, including lower GHG and criteria air pollutant emissions, and lower natural gas, gasoline and diesel consumption, as compared to the information presented in the Draft EIR. SDSU has also met with Green Love on various occasions and Green Love expressed a positive reaction to the responses and refined PDFs.

San Diego Green Building Council (SDGBC) is a 501(c)3 environmental nonprofit made up of a community of building industry professionals and sustainability advocates. SDGBC's comments focus on green building strategies. SDGBC states that the building and street layout does not "fit" LEED-ND credit for solar due to the project layout's north/south orientation. SDGBC also encourages SDSU to investigate water capture and reuse to reduce water demand.

SDSU Response: The Master Plan would achieve LEED Version 4 at a Silver or better certification level for non-stadium buildings and LEED Version 4 at a Gold or better certification level for the stadium, as well as a LEED-ND designation for sitewide design. LEED certification is based on standards that encourage the development of energy-efficient and sustainable buildings. The layout of the Master Plan's development areas has been designed to maximize the unique infill opportunity presented at this Mission Valley location. This includes benefits from the existing MTS trolley Green Line that runs through the project, as well as the planned Purple Line transit line and station. The Master Plan is designed to install photovoltaic panels that are expected to generate a quantity of electricity that is equivalent to approximately 15 percent of the Master Plan's total electricity demand. The design commitments contained in the EIR ensure that the Master Plan's buildings would achieve "beyond code" sustainability and efficiency targets, and result in

less-than-significant energy impacts. Further, those design commitments establish a “floor” for project-related development; additional sustainability and efficiency enhancements will be evaluated and considered during the building-specific design phase. As to water capture and reuse, the Final EIR includes a new PDF regarding installation of “purple pipes” for future connection to a reclaimed water system should the City of San Diego develop such a system.

San Diego County Archaeological Society reviewed the cultural resources aspects of the Draft EIR and their only comment is to note that Mitigation Measure MM-CUL-1 calls for Historic American Buildings Survey (HABS) documentation and asks for clarification regarding the level of documentation required. The comment also notes that efforts should be made to include interior spaces not normally accessible to the public.

SDSU Response: SDSU provided clarifying information regarding HABS documentation levels. In addition, the proposed HABS photography will include both exterior and interior views and details of the stadium.

The San Diego River Park Foundation is a non-profit dedicated to protecting and enhancing the river’s valuable natural and cultural resources and implementing a vision of a river-long park system. Their comments focused on compliance with the City’s Multi-Species Conservation Plan (MSCP), Biological Guidelines and Sensitive Lands Ordinance and specifically concern regarding buffers from wetlands, a 100-foot buffer between the river and any active development uses and potential impacts from amplified noise in park areas.

SDSU Response: SDSU states that although it is not a permittee under the City’s MSCP Subarea plan, or the Biological and Sensitive Lands Ordinance it does intend the Master Plan to be as consistent with regional planning programs as possible. An analysis was performed and indicated that the Master Plan is substantially consistent with both documents to the extent that the city would require in order to use the Final EIR for any action leading to approval of the PSA. Specific to the amplified noise concern, the response notes that the areas with amplified noise are 500 feet or more from the river and separated from the river by a berm that is tall enough to buffer noise. In addition, the response highlights two mitigation measures that address noise and activity buffers.

The Sierra Club, San Diego Chapter focused its comments on 15 environmental recommendations that it previously raised in response to the Notice of Preparation (NOP) of the Draft EIR. Sierra Club requested additional information concerning: (1) the Master Plan’s recreational and cultural components, including the riparian habitat along Murphy Canyon Creek; (2) recycling of the existing Qualcomm/SDCCU Stadium; (3) a 10-inch active fuel pipeline along the eastern project boundary; (4) electrification of buildings; (5) eliminating the use of natural gas and related energy consumption issues; (6) renewable energy generation; (7) availability of recycling bins, and maintenance and emptying of recycling bins during stadium events; (8) compatibility of the River Park and the San Diego River, including adequacy of the 100-foot buffer and removal of non-native species; (9) River Park designs and amenities; (10) plans to protect proposed buildings

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during flooding, and evacuation plans that would be needed during these events; (11) plans to mitigate the high water traditional to Mission Valley; (12) analysis and mitigation of greenhouse gas generated by the Master Plan; (13) plans to reduce VMT, including dividend account parking, plans for other (non-trolley) transit, and reconsideration of the amount of parking provided; (14) California’s “Buy Clean” law; and (15) detailed plans and logistics of the proposed affordable housing units.

SDSU Response: SDSU provided detailed responses to each of the 15 requests for more information and carefully considered the input provided. In response to this comment letter and those of several other environmental organizations, as well as input provided by SDSU’s Associated Students’ organization Green Love as noted above, additional Project Design Features (PDFs) have been added to the Master Plan to further limit natural gas usage, electrify buildings and vehicles, increase recycling including of the existing SDCCU Stadium demolition debris, and increase solar photovoltaic energy generation. The new and/or refined PDFs result in environmental benefits including reduced GHG and criteria air pollutant emissions and reduced natural gas, gasoline and diesel consumption compared to the information presented in the Draft EIR. SDSU has also revised the Master Plan to relocate a proposed road away from Murphy Canyon Creek and elevate it to create an additional buffer along the creek and facilitate pedestrian and wildlife connectivity.

The San Diego Audubon Society expressed concerns over impacts on Murphy Canyon Creek and its function as a wildlife corridor, as well as concerns with migrating birds flying into glass buildings. The Audubon Society requested that the Master Plan include improvements to the creek either as project features or as alternative mitigations to those proposed in the Draft EIR. The Audubon Society provided multiple technical comments and questions on the timeline, process and qualifications of staff involved in identifying and developing measures to avoid and mitigate impacts to nesting birds as well as how construction staff will be qualified or trained to implement and monitor the mitigation measures. The Audubon Society also commented on potential light and noise impacts on wildlife and nesting birds once the project is in operation.

SDSU Response: See Murphy Canyon Creek comments summary in the Potential Contested CEQA Issues section which addresses why the Master Plan does not require or propose improvements to the creek. SDSU clarified that while a portion of Murphy Canyon Creek is included within the Master Plan site boundaries and River Park, no work is planned within the creek nor are any capital improvements required as a condition of SDSU ownership, and therefore permanent, direct impacts to Murphy Canyon Creek are not anticipated as a result of the proposed Master Plan. The response directed the commenter to the specific mitigation measures required to reduce this potential impact to migrating birds. The response acknowledges the potential impacts of light and noise on wildlife and nesting birds, and noted that adequate mitigation measures limiting light spill-over and adjacent uses have been included. Some minor revisions to these mitigations were made to clarify and strengthen the measures in response to the comment, specifically to clarify the timeline, process and qualifications of biologists involved in

the surveys, identification of impacts and development of measures to avoid or mitigate the impacts as well as training and qualification of construction staff to implement and monitor the mitigation measures.

Alternatives Studied in the EIR

The Final EIR evaluated 16 alternatives in accordance with the CEQA Guidelines. Eleven alternatives were initially considered but ultimately eliminated from further consideration. The alternatives were considered but rejected from further analysis because they either failed to reduce environmental impacts, failed to comply with most of the Master Plan objectives, or are not considered feasible. The eleven alternatives rejected from further consideration include the following:

City Stadium Reconstruction EIR Project (Alternatives 1 through 7): These alternatives were originally studied in the City of San Diego’s own Stadium Reconstruction EIR for the Mission Valley property (SCH No. 2015061061, City of San Diego, 2015) and re-evaluated. These alternatives included a park-only option, a stadium for up to 72,000 seats, a stadium plus parking structure, and alternatives that considered different timelines for demolition and replacement of the stadium. These were evaluated in the interest of considering the broadest possible range of project alternatives to determine whether any changes in existing conditions, etc., had occurred since their initial consideration by the City.

NFL Stadium (Alternative 8): This alternative would be similar to the proposed Master Plan but would have included an NFL stadium in lieu of the currently proposed 35,000-person capacity stadium.

All Park (Alternative 9): This alternative would have developed the entire Master Plan site for parks, recreational uses, and open space.

“Single Channel” Murphy Canyon Creek (Alternative 10): This alternative would have widened the channelized Murphy Canyon Creek south of San Diego Mission Road, where it crosses the project site and proposed River Park, to accommodate the projected 100-year flood flows.

Existing SDSU On-Campus Project Location (Alternate 11): This alternative would have developed certain components of the proposed Master Plan on the existing SDSU campus.

Five alternatives were analyzed in detail in the Draft EIR, including the following:

- (1) A “No Project Alternative” which assumes the proposed Master Plan is not approved or implemented. This alternative fails to meet one of the primary goals of the Master Plan, which is to provide for the long-term growth of SDSU. In addition, this alternative is inconsistent with the City’s MVCPU and the San Diego River Master Plan, and the City’s

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Climate Action Plan (CSDCAP), which calls for development of the Master Plan site with a density and variety of land uses, similar to the proposed Master Plan.

- (2) A “*Stadium Re-Use Alternative*” would restore SDCCU Stadium to the original configuration of approximately 51,000 seats, as first constructed in 1968. The proposed Master Plan would be re-configured around the existing SDCCU Stadium to the extent feasible based on existing grades, topography, and accommodating the floodplain. This alternative would be inconsistent with the City’s planning documents noted in the No Project Alternative above. In addition, this alternative would significantly reduce the potential growth of SDSU and would not accommodate 15,000 FTE students.
- (3) The “*Reduced Density Alternative*” would develop a similar mix of uses as the Master Plan, but with specific uses reduced in size. Under this alternative, the following would be developed:
 - a. Stadium with a capacity of 35,000 (same as the proposed Master Plan)
 - b. Up to 550 apartment units compared to 4,600 units under the proposed Master Plan
 - c. Up to 10,000 square feet of neighborhood commercial space compared to 95,000 under the proposed Master Plan
 - d. Up to 130,000 square feet of campus/office space compared to 1.6 million square feet under the proposed Master Plan
 - e. Up to 100 hotel rooms (300 less rooms than the proposed project)
 - f. Similar Parks, recreation and open space as the proposed Master Plan

This alternative was evaluated to address transportation and GHG emissions. It would not accommodate the long-term growth for SDSU. This alternative would also be inconsistent with the City planning documents noted above such as the MVCPU, River Park Master Plan, and CSDCAP, each of which addresses a considerably higher density on the site.

- (4) The “*Stadium and River Park Only Alternative*” would develop a 35,000-person capacity multipurpose Stadium and a surface parking lot containing approximately 6,050 parking spaces, with the remainder of the project site developed as the River Park. This alternative was evaluated to address air quality, greenhouse gas, and transportation impacts. It would not be consistent with the City’s MVCPU, River Park Master Plan, or Climate Action Plan.
- (5) The “*Alternative Stadium Location Alternative*” would construct a new 35,000-person capacity multipurpose Stadium on SDSU’s existing main campus, in a location east of College Avenue and north of Interstate 8. The remainder of the proposed Master Plan’s non-stadium land uses would still be developed on the Mission Valley property, including 4,600 residential units, up to 1.6 million square feet of office space, approximately 95,000 square feet of commercial/retail uses, up to 400 hotel rooms, and 86 acres of parks, recreational spaces, and open space. To accommodate these land uses, the existing SDCCU Stadium would be demolished. This alternative would still result in significant

transportation impacts at local intersections, roadway segments, and freeway segments by promoting an increase in traffic in the project area, and result in additional traffic at off-site roadways and intersections near the existing SDSU campus due to the operation of a new stadium at the existing campus. Overall, project impacts would not be avoided under the Alternative Stadium Location Alternative and may increase compared to the proposed project.

Environmentally Superior Alternative

The Stadium and River Park Only Alternative was identified as the Environmentally Superior Alternative because it would reduce impacts to the greatest degree, particularly transportation impacts, which would be reduced from significant and unavoidable to less than significant with mitigation. However, as previously stated, this alternative would not support the long-term growth of SDSU or be consistent with the City's planning documents for the Mission Valley Campus, including the MVCPU, River Park Master Plan, or Climate Action Plan.

Preferred Project

The five alternatives evaluated in detail in the EIR were ultimately rejected because they conflicted with applicable City planning documents for the Mission Valley Campus or did not achieve the Master Plan's underlying purpose, to implement a SDSU Mission Valley campus, including a new multi-purpose Stadium and a range of land uses, to support SDSU's academic, educational and cultural mission, and/or a majority of Master Plan objectives. For these reasons, the proposed Master Plan, as defined in the EIR Project Description and evaluated in detail in the EIR's technical chapters, is recommended for adoption as the Master Plan for the Mission Valley Campus.



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THE PRESIDENT

October 28, 2019

Mayor Kevin Faulconer
City of San Diego
202 C Street
11th Floor
San Diego, CA 92101

Subject: Proposed Sale of the Mission Valley Stadium Property

(Please note an earlier version of this letter had a clerical error, which has been fixed in this updated version.)

Dear Mayor Faulconer,

San Diego State University (“SDSU”) wants to thank you and your staff for a tremendous amount of work since the passage of Measure G. SDSU has listened to the comments of the City Council and greatly values the input of our City leaders. SDSU believes a great opportunity awaits the citizens of San Diego with the transformation of the Mission Valley stadium site into a vibrant campus community. SDSU’s proposed Mission Valley Campus Master Plan project (“Project”) has the opportunity to provide our region with increased educational access, advance our innovation economy and realize a vision that will serve San Diego for generations to come.

It is with these thoughts in mind, that SDSU offers the following revisions to the terms of the “Offer to Purchase Mission Valley Stadium Site” delivered to the City on October 14, 2019.

- **Parties:** The City of San Diego, as seller, and San Diego State University/California State University (“CSU”),¹ as buyer.
- **Property:** Contains 135.12 acres, as generally depicted on the map attached to the Measure G initiative and in the appraisal from David Davis dated October 11, 2019 (“Property”).
- **Purchase Price:** \$86,200,000, plus a time value adjustment on the Public Utilities Department 37% portion of the Property, using a 2.149% annual index factor from 9/30/17 through the actual close of escrow (“Closing Date”) (estimated adjustment of \$1,500,000).
- **Murphy Canyon Creek:** The Murphy Canyon Creek parcel will be included in the sale “as is”, and SDSU will not be required to make any improvements to Murphy Canyon Creek.

¹ The Board of Trustees of the California State University, the State of California acting in its higher education capacity, on behalf of San Diego State University.

- Stadium Demolition and Maintenance: Upon the Closing Date, SDSU will assume responsibility for ongoing maintenance, up-keep and demolition of the existing stadium.
- Fenton Parkway Bridge: The Draft Environmental Impact Report (“DEIR”) does not include the Fenton Parkway Bridge (“Bridge”) as a Project component. Nevertheless, SDSU understands the City desires the Bridge as a separate facility, that is part of its long-term traffic circulation plan for the Mission Valley Community Plan area, and the City therefore believes that the Bridge has independent utility without regard to the Project. SDSU does not have detailed information from the City regarding the Bridge. With the cooperation, collaboration and support of SDSU, the City will pursue the Fenton Parkway Bridge as a separate City facility in the future and the Bridge must be and remain a separate City project for CEQA and all other purposes. Subject to the necessary CEQA compliance having been completed by or through the City and all other necessary parties, SDSU will construct a 2-lane, all weather, at grade with the trolley crossing (with turn lane) Bridge and fund its environmental review, design, permitting and construction. SDSU believes the Project’s share of future traffic under the DEIR’s “with bridge” scenario is approximately 25%, and on that basis, SDSU’s allocated contribution for Bridge costs would be approximately 25% of the total costs. SDSU will receive development impact fee credits. SDSU will also be entitled to use the City’s existing capital improvement project funds allocated to the Bridge (approximately \$1.3 million) for Bridge costs. The City will grant SDSU an easement, license and/or other rights necessary for SDSU to construct the Bridge. SDSU agrees it will construct the Bridge before occupancy of more than 65% of planned equivalent dwelling units for the Project. SDSU requests that the City allocate a maximum \$8.5 million of the purchase price proceeds towards construction of the Bridge. This represents the maximum City contribution for the bridge apart from applicable DIF credits.
- Additional Project Improvements: SDSU requests that the City allocate \$1.5 million of the purchase price proceeds in a separate account jointly controlled by the City and SDSU to be held for other related Project improvements.
- Transportation Improvements: In addition to the transportation mitigation responsibilities under the Final Environmental Impact Report (“FEIR”), SDSU will provide \$5,000,000 for additional traffic improvements in coordination with the City.
- River Park: SDSU will design, construct and maintain in perpetuity, the 34-acre River Park, and pay 100% of those costs. The River Park improvements will be completed no later than seven (7) years after the Purchase and Sale Agreement’s (“PSA”) effective date and prior to occupancy of any building on the Property, other than the new stadium.
- Additional 22 Acres of Parks: SDSU will design, construct and maintain at least 22 acres of population-based park facilities, owned by SDSU and available for general community use and enjoyment.
- Future City Recreation Center Site: SDSU will reserve an approximately one-acre site upon which the City may construct and operate a recreation center in the future, as called for in the Mission Valley Community Plan.

- Development Impact Fees: SDSU's non-state private development partners constructing non-SDSU facilities will pay development impact fees ("DIF"), but SDSU and other publicly developed and occupied facilities will be exempt. Because of the timing of construction of the River Park and the additional park improvements, it is anticipated the Project will contain completed parks in excess of the City's requirements and therefore it is anticipated no party constructing any improvements in the Project will be required to pay park DIF fees. SDSU shall be entitled to cash reimbursement or DIF credits for the reimbursable costs expended by SDSU and approved by the City in accordance with the PSA and the Mission Valley Impact Fee Study.
- Affordable Housing: SDSU will provide onsite, 10% of the total number of housing units developed to be set aside as affordable housing units, which may include student housing units. Affordable housing units will be reasonably phased in to coincide with market-rate units.
- Groundwater Management: SDSU will grant appropriate easements to the City, without expense to the City, to install groundwater wells and related facilities within the agreed upon easement location on the Property, and to allow retention of two existing monitoring wells. SDSU will also acknowledge the City's continued retention of its Pueblo water rights.
- Removal of Kinder Morgan Wells: The City will use reasonable efforts to cause Kinder Morgan to timely remove and close all monitoring and extraction wells and related facilities on the Property.
- Environmental Contamination: SDSU will purchase the Property "as is", with all faults. SDSU will defend and indemnify the City against all claims regarding Property's condition and waive all environmental claims against the City. Without incurring any expense or liability, the City will tender written claims to Kinder Morgan for reimbursement of any Property remediation costs arising from Kinder Morgan's environmental contamination.
- Compliance with CEQA: The execution and closing of the PSA is conditioned upon compliance with CEQA, which will include the Board of Trustees of the California State University's certification of the Mission Valley Campus Master Plan FEIR and the City's making of responsible agency findings under the FEIR, among other things. SDSU, by delivering this offer, and the City, by accepting this offer, are not bound or committed to a definite course of action with respect to the PSA or the Project. Consistent with CEQA Guidelines 15004(b)(4), nothing in this offer shall commit or be interpreted to commit SDSU or the City formally or as a practical matter to a definite course of action, to preclude the consideration of feasible mitigation measures and alternatives, or to restrict denial of the PSA or the Project, prior to the certification or approval of said FEIR. The terms proposed in this offer are subject to CEQA compliance through the DEIR and FEIR, and do not constrain meaningful consideration during the CEQA review process of all feasible mitigation measures or alternatives, including the "No Project" alternative required by CEQA.
- Possessory Interest and Other Taxes: SDSU's non-state private development partners constructing improvements in the Project solely for private use and not for the benefit of or in support of SDSU's governmental mission will be required to pay sales tax, possessory interest tax, and/or transit occupancy tax, as required by applicable law. SDSU and other publicly developed property will be exempt from paying property or possessory interest taxes.

- Legal Challenges: SDSU will defend and indemnify the City for all legal challenges with respect to approval of the FEIR, PSA, and Campus Master Plan.
- Sovereignty: Consistent with SDMC section 22.0908 and CSU's status as a sovereign state public agency, nothing in the PSA will abrogate the authority of the California State University Board of Trustees. CSU alone will issue all development related permits and collect all DIFs (for disbursement to the City if required by SDMC section 22.0908) for all aspects of the Project.
- Measure G Compliance: The PSA will incorporate all other conditions and requirements as required by SDMC section 22.0908 and related Measure G campaign promises.

Other proposed PSA details will include:

- CSU Approval: The California State University Board of Trustees must accept and approve if at all, the FEIR, Campus Master Plan and PSA. The target date for such California State University Board of Trustees action is January 28, 2020.
- Council Approval: The City Council must accept and approve if at all, the Final EIR findings and related mitigation measures, and PSA. The target month for such City Council action is February 2020. Such action will require the introduction and adoption of a Charter section 221 ordinance.
- Closing Date: The closing will occur shortly after the parties enter into the PSA with a target Closing Date of no later than March 27, 2020.
- Potential Delay in Closing: If the Closing Date does not occur by June 30, 2020, through no fault (including unreasonable delays) of either party, (a) the City will lease the Property to SDSU for \$1.00 per month; (b) SDSU will assume all ongoing costs of maintaining and operating the Property, including the stadium; and (c) unless the delay is the City's fault, the purchase price will increase on prorated basis, applying an index factor of 2.149% from July 1, 2020 until the Closing Date.

SDSU is truly excited about the opportunity to purchase the Property and develop this transformational Project. We are hopeful the changes we are proposing to our offer will be acceptable. We stand ready to move forward and again, we appreciate all the hard work you, the Council and the City staff have provided to get us to this point.

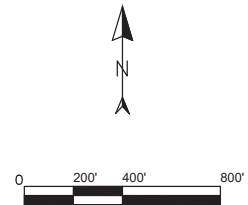
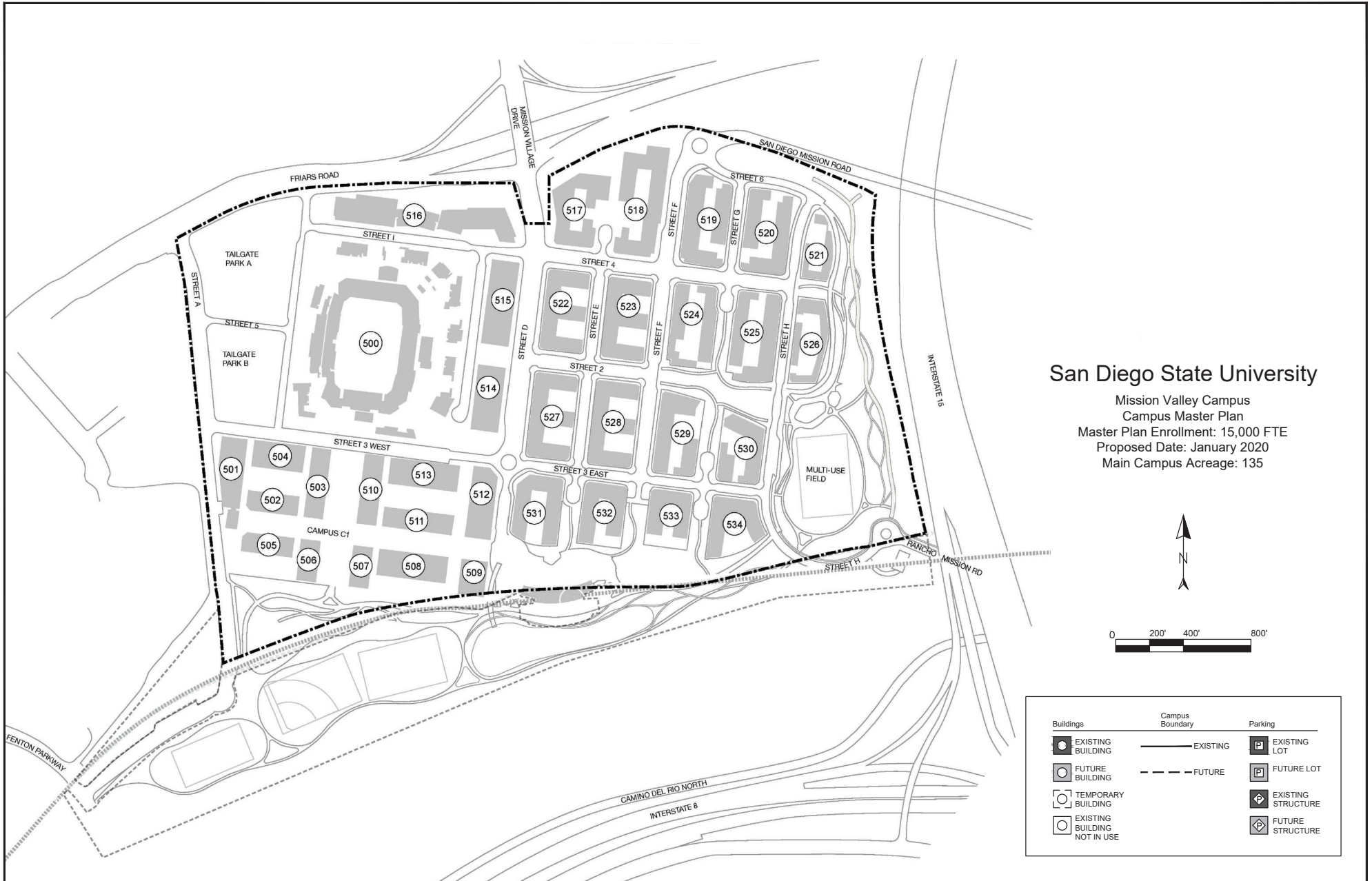
Sincerely,



Adela de la Torre, Ph.D.
President
San Diego State University

cc:

Honorable Council President Georgette Gómez
Council President Pro-Tem Barbara Bry
Councilmember Jennifer Campbell
Councilmember Chris Ward
Councilmember Monica Montgomery
Councilmember Mark Kersey
Councilmember Chris Cate
Councilmember Scott Sherman
Councilmember Vivian Moreno
Mara Elliott, City Attorney
Aimee Faucett, Chief of Staff
Kris Michell, Chief Operating Officer
Mike Hansen, Director, Planning Department
Cybele Thompson, Director, Real Estate Assets
Kevin Reisch, Senior Chief Deputy City Attorney
Melissa Ables, Deputy City Attorney



Buildings	Campus Boundary	Parking
EXISTING BUILDING	EXISTING	EXISTING LOT
FUTURE BUILDING	FUTURE	FUTURE LOT
TEMPORARY BUILDING		EXISTING STRUCTURE
EXISTING BUILDING NOT IN USE		FUTURE STRUCTURE

San Diego State University
Mission Valley Campus

Master Plan Enrollment: 15,000 FTE

500. Stadium	531. Campus Residential/Retail
501. Campus Office/Research and Innovation	532. Campus Residential
502. Campus Office/Research and Innovation	533. Campus Residential
503. Campus Office/Research and Innovation	534. Campus Residential
504. Campus Office/Research and Innovation	(Garage parking structures integral
505. Campus Office/Research and Innovation	to Campus Residential buildings)
506. Campus Office/Research and Innovation	
507. Campus Office/Research and Innovation	
508. Campus Office/Research and Innovation	
509. Campus Office/Research and Innovation/Retail	
510. Campus Office/Research and Innovation	
511. Campus Office/Research and Innovation	
512. Campus Office/Research and Innovation/Retail	
513. Campus Office/Research and Innovation	
514. Campus Office/Research and Innovation/Retail	
515. Campus Office/Research and Innovation/Retail	
(Garage parking structure below Campus Office/Research Buildings)	
516. Campus Hospitality	
517. Campus Residential	
518. Campus Residential	LEGEND:
519. Campus Residential	Existing Facility / Proposed Facility
520. Campus Residential	
521. Campus Residential	NOTE: Existing building numbers correspond with building
522. Campus Residential/Retail	numbers in the Space and facilities Data Base (SFDB)
523. Campus Residential	
524. Campus Residential	
525. Campus Residential	
526. Campus Residential	
527. Campus Residential/Retail	
582. Campus Residential	
529. Campus Residential	
530. Campus Residential	