



**MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE OFFICER
COUNTY OF PLACER**

To: Honorable Board of Supervisors

From: David Boesch, County Executive Officer
By: Jim Durfee, Director of Special Projects

Date: December 10, 2013

Subject: Regional University Donation Agreement

ACTION REQUESTED

It is recommended that your Board take the following action:

Direct staff to prepare documentation relinquishing the County's potential interests in the Regional University Project as contained in the Agreement for Irrevocable Offer of Donation between Angelo K. Tsakopoulos, and William C. Cummings (the Donors) and Drexel University and to return to the Board for final action at a future date.

BACKGROUND

As your Board is aware, in December 2008 the Board of Supervisors approved the Regional University Specific Plan (RUSP), a 1,157.5 acre Plan Area located in unincorporated Placer County west of the City of Roseville. The RUSP concept is a mixed use community with two primary components; a 600 acre University campus (the University Property) and an adjacent 557.5 acre mixed use community (the Community Property). The intent of the property owners (now Placer University Project, LLC and Placer University Community Property, LLC, both managed by W.M. Corporation, a 501 (c)(3) non-profit) is that the proceeds from developing the mixed use community would fund an endowment that would provide funding to develop the University.

At the time of the Board's 2008 approval, Drexel University was in discussions with the Donors to develop a four-year university, and had entered into an Agreement for Irrevocable Offer of Donation of the University Property with the Donors. This Agreement set forth the terms and conditions and timing for the donation of property to Drexel for the establishment of a University Campus and for the acceptance of that property by Drexel.

The Agreement provided Drexel five years to accept the offer, and included provisions for Drexel to assign the offer to another University (Alternate Donee) or relinquish its interests. The Agreement also provided that, in the event that Drexel failed to exercise or relinquished its rights, and no Alternate Donee was identified and under contract, then the County could elect to become the Alternate Donee and assume ownership of the donation property and either develop and operate the property or assign those rights to a Replacement University.

In the ensuing years, the recession delayed progress on the project. In 2011, Drexel notified the County that it no longer intended to develop the site and subsequently relinquished its interests in the project. In December of 2012 and March of 2013, the entire 1,157.5 acre property was donated to the property owners identified above. The property owners took the property subject to all previous agreements and are committed to the vision of developing a university on the site. With the recent actions by Donors to place the property under control of the WM Corporation specifically to facilitate the development of the University, staff recommends that your Board not exercise its option to assume ownership and that the County formally relinquish its rights to do so. Staff believes that the successful development of the RUSP and the University is ultimately a business venture to be undertaken with private funding. The County's primary interest in the donation agreement was, and continues to be, to assure that a University be developed. Transfer of the donation property to the private non-profit, unencumbered by potential County rights, is in furtherance of that outcome.

If it is your Board's desire to relinquish potential County rights to assume ownership, staff will prepare the requisite documentation for action by your Board at an upcoming meeting.

Environmental Clearance:

The requested action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). Final action by your Board at a future meeting will be subject to separate CEQA review.

Fiscal Impact:

There is no direct impact to the General Fund associated with the recommended action.