THE UNIVERSITY OF CALIFORNIA'S AND THE IRVINE COMPANY'S HISTORIC AGREEMENT

The journey that brought University and Company together began in 1956 as the State as a whole and Southern California in particular were experiencing unprecedented population growth. Home builders and developers were lining up at the Company's door seeking to buy a hunk of the ranch. The handwriting was on the wall. The Company knew that what lay in the future was a far different world from that which James Irvine presided over when he passed away in 1947. For both University and Company predictions of dramatic change were no longer a question of when but how.

As inevitable was the need to face up to those external pressures to open the Ranch to development and for the University to expand the next 3-1/2 years was to become one of the most intense times in their respective histories. As momentous and important were the common issues and decisions both faced each also had their own respective constituencies to convince and unique problems to resolve.

The Regents and administration knew they needed to expand. But Governor Pat Brown made it clear that before he would support any new campuses for either the University or State College systems they must resolve long standing conflicts emanating from their respective overlapping missions. And within the 17 member board of Regents different members with different constituents had conflicting views of where in Southern California a new campus should be located. Some favored LA County. Others expressed reservations about favoring the "rich" Irvine Company. Others thought the Ranch too far removed from the population it was to serve.

The University/Irvine Company courtship begins

The first step in the recorded process occurred in December 1956 when the Regents and the State Board of Education presented to the State Legislature a report prepared by the Joint Staff of their Liaison Committee entitled: "A Study of the Need for Additional Centers of Public Higher Education in California." It pointed out "the urgent need for expansion of junior colleges, state colleges and the University of California." It recommended that priority be given to the establishment of three new university campuses. One to be located in the Santa Clara valley area of northern California and the other two in Southern California.
So at their June 1957 meeting the Regents authorized the university's administration to begin looking for appropriate sites. As a first step the administration established an in-house committee charged with establishing specific criteria against which prospective sites could be measured. Four months later the Charles Luckman planning firm was authorized to begin the site search. By December the planning firm had identified 20 sites but withheld any judgments between them until the administration's site criteria committee had made its recommendations.

**The New Campus Location Criteria**

By Feb. 1958 the University administration's site selection committee had completed their work and submitted their report titled "New Campus Location Criteria." The importance of this report cannot be underestimated because in addition to declaring a need for 1000 acres to accommodate an ultimate enrollment of 25,000 students and establishing specific criteria on such subjects as geology, soil, climate, utilities and services the report put on the table the importance of considering the development immediately surrounding the future campus and the cost of faculty housing. By so doing they expanded the concept of "university community" by including concern for the quality and character of development outside campus boundaries.

**The Location Debate**

The argument in favor of the Los Angeles County site was a strong one. The center of the existing population and its potential students was clearly not in Orange County let alone at its southern fringe. As Luckman's firm visited more communities in Orange County and it became obvious that what Orange County had to counter the location advantage of South Eastern L.A. County were a number of sites that fit the 1000 acre goal for the campus plus undeveloped land surrounding them. And, perhaps, even more important land owned by one entity.

By early September Luckman's firm had narrowed the number of prospective sites to three, Site 9 (one of six on the Irvine Ranch), Site 11 (Yorba Linda) and Site 17 (La Mirada).

By the Company's Oct. 23, '58 Company Board meeting it was obvious from the position that the Company took they believed that the one and perhaps only factor that might overcome the location advantage of La Mirada was the one unique position the Company could offer, namely to present a plan for the land surrounding the campus.

As anxious as the Company was to attract the new campus its’ opening position was it would "sell" the site for its *fair market value.*

The differences between the two sites narrowed down to two issues. The Yorba Linda site was centrally located within the south LA. and north Orange County area the campus was expected to serve. The Irvine Ranch site was beyond the southern edge of development requiring greater commuting time. Furthermore, some Regents argued that to build
a new campus on land surrounded by property owned by one company potentially would unfairly enrich an already rich land owner, namely The Irvine Company.

At the same time the Regents weren't about to commit to either site until they had secured firm conditions on both the acquisition of the 1000 acres for the campus and the development of the surrounding land.

Irvine Makes an Offer

After much discussion, at the Company's Oct. 23, 1958 board meeting, the directors passed the following resolution: the Irvine Company would "cooperate with the University if the University decided to locate on property of this Company submitted as site No. 9 (the Board's preference)."

At that meeting President Myford Irvine was authorized to "meet with representative of the Regents to agree that this Company hire Pereira and Luckman or other competent land planners to recommend a plan for the development of a one mile radius from the perimeter of the University site...." As for the 1000 acres needed for the campus the Board agreed to set a price of "fair market value."

In retrospect a huge step had been taken by the Company. It now was preparing to not only aggressively attempt to attract the University but to begin to plan an orderly transition from ranching to urban development. However, the Directors weren't yet ready to offer the University more than the right to buy the land and perhaps participate in the planning of the land around it. Agreeing, however, to plan the land around the campus site in coordination with University plans clearly signaled to the University that the Company wanted the campus on its land and was prepared to negotiate terms acceptable to both parties. It also tipped the scale in favor of those who considered surrounding development as important as the precise location of the campus itself.

However, from minutes of that Oct., 1958 Company Board meeting it is clear President Myford Irvine was authorized to pursue the University. But less than three months after the Oct. board meeting tragic circumstances suddenly threw the Company into a leadership vacuum. On Jan. 9, 1959 in the basement of the Irvine family home on Myford Avenue, Myford Irvine was found dead from self inflicted gun shots. Those shots not only ended the life of James Irvine's last living son they also confronted the directors with the task of selecting a new president.

The Board acted quickly to fill the vacuum left by Myford's death and elected A.J. McFadden President of The Irvine Company. According to minutes of their meeting McFadden's election was an interim step to provide stability to the Company until permanent leadership could be found.

Two months later at another special board meeting held on March 15, 1959 President McFadden reviewed with his fellow board members
the results of meetings he had held with University officials. He shared with his fellow directors that the Company's offer to sell 1000 acres to the University had met with less than enthusiasm. He then recommended the proposal be revised and that the Company agree to donate 650 acres with an option to the University to buy an additional 350 acres at appraised value. The new motion was unanimously approved.

Two months later at a meeting held on July 16, 1959 the Regents of the University of California adopted a resolution by which the University and The Irvine Company jointly retain the firm of William L. Pereira and Associates as planning consultants to make a detailed study of the proposed campus site.

It was agreed that the study should proceed in two phases. Phase one was to determine the economic feasibility of establishing a University campus on the Irvine site, and then to establish fundamental agreements toward developing a tentative Master Plan for a university-oriented community surrounding the campus.

Within three months the Phase I study was completed and on October 15, 1959 it was presented to both the University and The Irvine Company. It concluded that:

1. That development of a University campus on The Irvine Company property is economically feasible,
2. That the site affords unique opportunities for development of an integrated University Community, and
3. That support and cooperation from neighboring cities and governmental agencies are assured.

At the time of the presentation of Pereira's report the Regents were also informed that The Irvine Company was now offering (subject to approval by the Irvine Company Shareholders) to donate the entire 1000 acres required for the development of the contemplated campus.

The Phase I study having reached a satisfactory conclusion, the Regents, on December 11, 1959, adopted a resolution which, in association with The Irvine Company, William L. Pereira and Associates were authorized to proceed with Phase II, a plan for the surrounding community.

With authorizations from both the University and the Company Pereira and his associates began the important phase II study. Pereira identified the "basic purpose ...of the study" was to "prepare a refined University Community master plan which will serve as a framework for development and a basis for firm agreements between the University of California, The Irvine Company, County authorities, utility agencies and others...."

With the approval by the Regents and the Irvine Company Pereira's firm began the task of preparing the Phase II plan in mid-December 1959.
By May 15, 1960 William Pereira had completed his Phase II study and it had been reviewed by both Company and University officials. Pereira’s University Community plan completed in less than six months is an amazing document. In addition to the normal land use designations for a balanced community Pereira’s two phase study recommended the new community ultimately become incorporated as a city, that it’s city boundaries become coterminous with a new unified school district boundary.

And in a suggestion that directly addressed one of the Universities greatest needs Pereira recommended an additon of 610-acres be set within the campus boundary for housing affordable to university staff and faculty. On the later point he suggested the Irvine Company either provide such housing or if not sell the site to the University for them to provide the housing. Pereira called such a housing area: inclusionary housing. With the Company agreeing to gift the 1000-acres for campus use and the 610-acres inclusionary offer it became clear that Irvine’s offer clearly exceeded any of the other sites.

It was now time for the Company and University to fish or cut bait. The first step was for the Company’s shareholders to ratify the Board’s offer of a gift of 1000 acres of Company land to the University. Next the University had to decide whether to accept it. The regular Company annual meeting of shareholders was scheduled for June 20 and the shareholders had been informed that authorization for the gift was on the agenda.

Following approval by the Company’s shareholders on June 20th the Board of Directors authorized the Company to convey 1000 acres to the University of California and approval of Pereira’s plan for the surrounding 10,000 acres. All that was left was for the University to accept the gift. That took an additional six months.

So while the agreement reached in June of 1960 may have been the successful culmination of one phase of this joint endeavor it immediately became the launching date for intense efforts of both parties to sort out what they had mutually agreed to do. The Company and University each had their respective missions. The Company's job was to build the "town." The University's to build a new campus. But the agreement that had been borne from the three year gestation period also had committed them to each other.

In June of 1960 that commitment was little more than a promise and a $32,500 planning study. The two fiercely independent entities had agreed to coordinate their independent efforts toward the goal of building what Pereira loosely described as "a university-oriented city." Aside from vague references to places like Oxford, Heidelberg, Princeton, Palo Alto and Cambridge neither had much notion on precisely what they each had committed to. A commitment that continues to this date, some 44 years after it was made.