



Dialogue

SEPTEMBER 2015

CAPITAL PROGRAMS

CAPITAL ASSET STRATEGIES AND FINANCE

UC OFFICE OF THE PRESIDENT

CA Supreme Court: “Yes, you must mitigate off campus impacts”



The California Supreme Court **recently issued a decision** on the long awaited San Diego State University (SDSU) CEQA case related to the requirement to mitigate significant off-campus impacts. The decision is that public agencies are responsible for mitigating all significant project impacts no matter where they occur.

The SDSU Master Plan (similar to our Long Range Development Plans) projected a 11,385 student increase by 2025, and associated facility growth. The Environmental Impact Report for the Master Plan concluded that the growth would have a significant impact on traffic in the surrounding area. California State University (CSU) argued that they would request funding from the legislature for mitigation, but if funds were not allocated, they had no further obligation to mitigate off campus impacts. The Supreme Court decision stated that options for mitigation could include changing the project, adopting conditions of approval or adopting an alternative to the project.

There is a second Supreme Court case, City of Hayward vs. CSU East Bay, that was on hold pending the San Diego case decision. The Hayward case relates to the issue of impact on fire service. Stay tuned!

Charlotte Strem



ICAMP Update

Over the past few months, UCOP has been working on securing new resources to help lead the ICAMP program forward after Paul Reynolds’ and Eddy Johnson’s departures. Please welcome Marc Heckman and Rich Powers to the team.

Marc and Rich are currently at UCSF and have spent the last two years implementing IBM’s Maximo Computerized Maintenance Management System (CMMS) for the medical center and campus facilities teams. The final phase of the UCSF Maximo system rollout occurs in October 2015. Marc and Rich will be splitting their time between the ICAMP Program and the UCSF implementation until the end of 2015. Starting in 2016, the new team will be fully dedicated to managing and implementing the ICAMP program.

Prior to Paul’s departure, Paul, Marc and Rich (pictured) worked on the initial transition and transfer of program knowledge, activities and reviewing the software evaluation selection process. Moving forward, Marc and Rich will be defining a plan for securing and implementing Facility Condition Assessment software, as well as planning for the inventory audit and condition surveys required to baseline the UC’s Real Property Inventory and subsequent facility assessments.

Over the next few months, the ICAMP team will be working with leadership at the Office of the President and the Campus’ to develop a comprehensive plan to ensure that the ICAMP objectives are achieved. In the meantime, please welcome Marc and Rich to the team!



Photo L-R: Paul Reynolds, with new ICAMP Team Members Marc Heckman and Rich Powers

Paul Reynolds

Best Value Legislative Report

January 1st 2016 is fast upon us – it is the deadline for UC to deliver a Best Value (BV) report to the Legislature to discuss successes, issues, and lessons learned through the pilot program. BV allows the University to consider, via an objective points system, a contractor's value to a project in addition to providing the lowest price possible. Six campuses have utilized this progressive contractor selection method, bidding 40 projects with a combined value of over \$272 Million. UCOP will work with our Governmental Relations group on legislation for continued access to the Best Value process. UCOP Construction Services will be seeking data and anecdotal evidence from campuses and contractors to demonstrate BV's success. Please support our efforts as we work on continued use of Best Value.

Vini Bhargava

TM1 Capital Projects Database

The TM1 Capital Projects Database is used by OP, campuses and medical centers and:

- Provides a shared, automated, central information site that is available to stakeholders at all locations.
- Facilitates project tracking with timely program level information.
- Reports on the UC Capital Program.

In June 2015, we had a very successful Capital Projects Database training, with on-going positive feedback. The training demonstrated a few reports available to campuses and medical centers including the Cost Comparisons, Major Cap Summary, and Capital Projects reports. The Cost Comparisons Report provides Building, Construction and Group 2 & 3 Equipment Costs as well as ASF, GSF and important cost ratios. This report does not have restricted data which allows users to view project data from other locations. This cost report can be used to plan budgets and develop UC comps for Regents' Items.

The Major Cap Summary report displays cumulative budget and schedule changes after project approval for all active projects. Users may drill down to see the projects, and into project data to see the how the budget is composed by phase and source. The Capital Projects Reports supplement the year-end Major Cap Report. Other reports include tools to develop the Ten Year Capital Plan, Project Planning Guides, and dashboard reports that summarize capital project data. If you have any questions, please contact Linneth at linneth.cox@ucop.edu or Trish Dolan at patricia.dolan@ucop.edu.

Dana Santa Cruz

Beware of SNDAs

A Subordination, Non-Disturbance, and Attornment agreement (SNDA) is a three party agreement between the landlord, landlord's lender and tenant. SNDAs confirm:

- tenant's subordination of its leasehold rights to the mortgage lien
- lender's commitment not to disturb tenant's lease rights if lender forecloses on its mortgage; and
- tenant's agreement to recognize lender or successful foreclosure sale bidder as tenant's new landlord.

The University is a tenant in over 1,000 leases triggering numerous requests to approve an SNDA. Some lenders seek to have the tenant also relinquish rights in SNDAs which accordingly must be carefully reviewed to reject such changes. For example, lenders may seek to be released from the obligation to pay for incomplete tenant improvements, or to have the tenant acknowledge that the lender is not liable for landlord's defaults under the lease or to require no lease amendments be made without lender's consent.

Careful review of proposed SNDAs is necessary to guard against attempts to void or limit the University's rights as tenant including, without limitation, for tenant improvement allowances, options and termination rights. These changes could have serious implications following a landlord default resulting in foreclosure. In order to make sure the lender (and any successor landlord) is obligated to honor tenant's lease rights; SNDAs that modify lease provisions must be rejected.

Shauna Brown

Key Dates

SEPTEMBER

29

Webinar



General Conditions Decoded - A Six Part Webinar Series: Part 1

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UC Riverside



Post Disaster Emergency Assessment

OCTOBER

15-16

UC Merced



UC Physical and Environmental Planner's Conference

19-20

UC San Diego



Contract Administrator's Conference

NOVEMBER

19-20

San Francisco
Mission Bay

REGENTS MEETING

