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ASSEMBLY FLOOR ALERT
AB 2726 (Daly) – Assembly Third Reading File

May 22, 2014

TO: Members of the California State Assembly

RE: AB 2726 (Daly), as amended March 28th, 2014**Position: SUPPORT (SPONSOR)**

On behalf of the University of California (UC), I am pleased to communicate our support for AB 2726 (Daly), a measure which will reduce administrative costs associated with the sale or disposition of University-owned property. UC is the sponsor of this bill, and we believe it merits your support when it's taken up on the Assembly Floor on Friday, May 23rd.

The Stull Act currently requires the University to accept the highest price that is offered when it sells UC-owned property. The University cannot consider other relevant factors, such as the ability of the highest bidder to close the transaction or to secure development entitlements, nor can the University negotiate non-monetary terms as part of a sale. This proposal would amend the Public Contract Code to allow UC to consider factors other than price when selling real property. For example, the University could take into account a potential buyer's financial capacity, ability to secure local zoning changes and/or other development entitlements – factors that are equally important to determine whether a winning bidder can actually complete the transaction.

The Stull Act also requires UC to dispose of any surplus property worth more than \$500,000 through a competitive sealed bid process. AB 2726 would increase that threshold to \$1 million. Because many properties in this price range are single family residences, this change would facilitate sales to the broader range of buyers represented by the traditional real estate brokerage community, easing administrative burden on UC staff, increasing the number of responsive buyers, and therefore increasing revenue realized from such sales.

We believe the modest changes outlined above will promote the efficient use of University real estate resources, while continuing to ensure the openness and transparency of any such sales. Should you have any questions regarding the University's position on this measure, please don't hesitate to contact Jason Murphy at (916) 445-5584.

UC urges a "AYE" vote on AB 2726 (Daly)