The meeting was called to order at 4:03 p.m.

There were present:

Committee Members:
Hon. Freida D. Foster, Chair
Hon. Wellington Z. Chen
Hon. Charles A. Shorter
Prof. Jay Weiser, faculty member
Mr. Donavan Borington, student member
President Gail O. Mellow, COP Liaison

University Staff:
Chancellor James B. Milliken
Executive Vice Chancellor and Chief Operating Officer Allan H. Dobrin
Interim Vice Chancellor Judy Bergtraum

Trustee Observers:
Hon. Philip Berry
Hon. Terrence Martell

Trustee Staff:
Senior Vice Chancellor and Secretary of the Board Jay Hershenson
Ms. Towanda Lewis
Mr. Anthony Vargas

Cal. No. DISPOSITION

The agenda items were considered and acted upon in the following order:

I. ACTION ITEMS:

A. APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 8, 2014. The minutes were unanimously approved as submitted.

B. POLICY CALENDAR

1. Baruch College – Information and Technology Building Fire Alarm Project. Interim Vice Chancellor Judy Bergtraum asked for the Committee’s approval to amend this item that was adopted in June 2013 to increase a Purchase Order from $900,000 to $1,100,000 for the services to design, purchase and install a fire alarm system at Baruch College under an existing contract. Subsequent to the completion of the design, it was determined that additional funds were needed.

   Prof. Jay Weiser stated that this is a good thing, and the critical maintenance work is very much appreciated; however, going forward it may be better to put these under delegated authority, and then report on cost increases at the end of the year—it is 0.02 percent or $200,000 of CUNY’s capital budget for the year—since the University has been moving toward more delegated authority in many other areas.

2. John Jay College – Lease Renewal, 555 West 57th Street, 6th Floor. Interim Vice Chancellor Bergtraum asked for the Committee’s approval to renew a lease for nine years and eleven months for John Jay College, for approximately 50,000 square feet of space, at 555 West 57th Street. The current lease will expire in 2020, and the Office of Facilities Planning,
Construction and Management (OFPCM) already has an existing lease for 130,000 square feet that also expires in 2030.

In response to a question from Trustee Charles Shorter, Interim Vice Chancellor Bergtraum stated that 555 West 57th Street is located between 10th and 11th Avenues in Manhattan and the current lease rate is $38.00/SF, and the rate for the lease renewal for 2020 will be $55.00/SF.

In response to another question from Trustee Shorter, Chief of Real Estate Operations Alfred Toscano stated that the landlord, SL Green, is revising CUNY’s real estate taxes and operating escalations, which will be a big savings for the University in 2020. The original lease was in 1999, the base year for the operating escalations and real estate taxes. Those will be up as a result of renewing early, and CUNY will also be getting some Tenant Installations (TI) from the landlord as well. The space that John Jay College occupies on the 6th floor is in very good condition. One of the major benefits for the University in renewing this lease long-term is not to have to go anywhere else and redo an installation. Right now, commercial lease installations are running between $150.00/$175.00 per rentable square foot. Securing a location that is within the radius of the College is yet another benefit for CUNY because it is very difficult to find one in this area; this is predominately a residential area with very little commercial vacancies around that have 50,000 square foot floors. This location is a very unique space for the Central Administration, as well as for John Jay College. Presently, rental rates at this building are $55.00 a square foot.

In response to a question from Prof. Weiser, Chief of Real Estate Operations Toscano stated that the University will be getting the base year step-up as well.

In response to a question from Trustee Shorter, Chief of Real Estate Operations Toscano stated that this lease renewal will cost approximately $2,000,000 annually and will not need the usual TI to upgrade it.

In response to another question from Trustee Shorter, Chief of Real Estate Operations Toscano stated that the $150.00/$175.00 per rentable square foot is for new spaces only; the upgrading of existing space will cost $20.00 per rentable square foot.

Prof. Weiser stated that this is a great deal, locking it out to 2030. This is something the University needs to consider long-term.

In response to a question from Mr. Donovan Borington, Interim Vice Chancellor Bergtraum stated that John Jay College already has offices at this location; there is also a training center for cadets of the New York City Police Department at this site.

In response to another question from Mr. Borington, Interim Vice Chancellor Bergtraum stated that vital departments of John Jay College should be operating close to the college; however, if CUNY should find something inexpensive further away, it may be necessary to move them.

Following discussion, items I.B.1 and I.B.2 were approved for submission to the Board.

***PRESENTATION OF BY INTERIM VICE CHANCELLOR BERGTRAUM ON THE CITY UNIVERSITY OF NEW YORK FY 2015-16 THROUGH FY 2019-20 CAPITAL BUDGET REQUEST***

In response to a question from Committee Chair Freida Foster, Interim Vice Chancellor Bergtraum stated that the largest and most expensive critical maintenance issues for the University are central plant and electrical upgrades which amount to $40 million each year. Critical maintenance for Queensborough Community College amounts to $35 million and LaGuardia Community College’s critical maintenance amounts to $118 million. The Bronx Community College utility project, which has been in progress for seven years, is going to cost $150 million.

In response to another question from Committee Chair Foster, Interim Vice Chancellor Bergtraum stated that the University has received $32 million from the State for critical maintenance, and the community colleges have received $9 million of it. All of CUNY’s new buildings are ADA compliant; however, many of CUNY’s buildings are at least 50 years old, so it is a real challenge. The University gets quite a bit of money to progress current building projects, so improvements are certainly being done. She added that new building projects are great for economy, but not so good for the University’s budget.

In response to a question from Prof. Weiser, Interim Vice Chancellor Bergtraum stated that hard dollars are not bonded and come from the State. The University used to get a certain amount for maintenance for colleges, and each college received a small piece of it, but now CUNY gets nothing.

In response to a question from Mr. Donavan Borington, Executive Vice Chancellor and Chief Operating Officer Allan Dobrin stated that the process of including student government leaders in discussions of facility planning was not centrally required, as it was with the Compact that mandates students to be involved in recommendations to CUNY College presidents on how funds should be spent; however, each president handles these responsibilities differently.

In response to a question from Trustee Shorter, Interim Vice Chancellor Bergtraum stated that new capital project priorities start every spring when plans are looked at for sustainability. The plans that CUNY has now are not from ten years ago. She added that the names of engineering firms for infrastructure upgrades will be mentioned going forward.

Prof. Weiser stated that the financing complexity of assembling money from many different sources makes this a challenging task. He added that OFPCM does an amazing job.

Chancellor James Milliken reiterated that the Committee on Facilities Planning and Management does a tremendous job of honing in on the issues of these individual projects of some significance. Between now and the next five-year rolling plan, it would be helpful to take a broader look at CUNY’s planning in general, looking at how to maximize CUNY’s physical assets, the financial structure of its Facilities Plan—including the bonding process—to determine opportunities for new spaces and for public-private partnerships going forward. In January, this Committee is going to develop a plan for the Chair to begin some briefing
sessions at a pretty high level about the management of this significant enterprise and all of the factors that go into that.

Trustee Shorter stated that the CUNY real estate budget reaches into every aspect of New York City's economy as well as that of the University. Trustees should be very knowledgeable about the planning process because a lot of it comes from the priorities set by the individual presidents.

Following discussion, the item was approved for submission to the Board.

The meeting was adjourned at 4:45 p.m.