


THE CALIFORNIA STATE UNIVERSITY
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Date: June 1, 2000
To: CSU Presidents
From: Charles B. Reed 
Chancellor
Subject: Real Property Development Projects -- Revision of Policy
Executive Order No. 747

At the May 9-10, 2000 meeting of the Board of Trustees, the Board rescinded the policy and procedures for public/private (public/public) real estate partnerships approved at the March 22-23, 1994 meeting, and directed the chancellor to issue policies and procedures for projects involving real property development consistent with the principles contained in agenda item six of the Committee on Finance (RFIN 05-08-00). This executive order fulfills that directive and contains the policies and procedures for projects involving real property development. Campus presidents are required to implement these policies and procedures for all such projects.

In accordance with the policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

Enclosure

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Executive Order No.: 747
Title: Policy for Real Property Development Projects
Effective Date: June 1, 2000
Supersedes: No prior executive order

Purpose

This policy applies to projects involving long-term contractual relationships that use or develop campus real property to further the educational mission of the campus through the acquisition of physical assets, income, and/or educationally related opportunities for students and faculty.

Roles and Procedures

Campus presidents are responsible for the planning and execution of all matters related to real property development projects on their respective campuses. The Executive Vice Chancellor and Chief Financial Officer is responsible to assist campuses in planning projects and for staff review and analysis prior to action by the Board of Trustees. The Chancellor and the Executive Vice Chancellor and Chief Financial Officer shall make the decision if there are questions as to the applicability of the policy to a specific project.

Approval of Concept

Early in the process the campus will present a conceptual plan to the Board of Trustees for approval describing the campus aspirations for a real property development.

The process leading to ultimate approval of the project by the Board of Trustees requires early and continuing involvement of the chancellor's office. Therefore, the campus should contact the land development review committee established by the Executive Vice Chancellor and Chief Financial Officer that includes finance, campus planning and legal staff at the beginning of the conceptual phase. Upon notification of the project, the Executive Vice Chancellor and Chief Financial Officer will issue a set of specific procedures to be used by the campus in developing the project. The letter will indicate the steps and process to be followed leading to approval of the development plan. Campuses will be responsible for notifying the land development committee of project developments as they occur.

Approval of Development Plan

Before execution of any commitments for use of the property, the campus will seek final approval of the real property development project from the trustees. An action item will be presented to the Board of Trustees that will provide detailed information on the project including:

1. an update of the conceptual plan presented to the trustees that describes how the project will further the educational mission of the campus,

2. the results of due diligence studies including an assessment of risks associated with the project,
3. a summary of the important terms and conditions of all proposed substantive agreements, and
4. a multi-year financial plan.

The campus will seek approval of the trustees for the development plan after all terms and conditions have been negotiated by the campus, finalized in appropriate legal documents, and reviewed and analyzed by the chancellor's office. Further approvals by the Board will be sought as necessary to accommodate master plan changes, and schematic design review and approval.



Charles B. Reed, Chancellor

Dated: June 1, 2000