

Title:

A resolution amending, clarifying, and further articulating the Student Government's position on the projected purchase price of the Law School's anticipated new location at 2 Court Square.

Short Title:

Amended Resolution on Purchase Price of 2 Court Square

Sponsor:

Bright D Limm, 3L Member

Co-Sponsors:

Suha Dabbouseh (2L), Gabriela Lopez (1L), Rebecca Olson (2L), Marvin Posada (1L), & Jillian Sebastian (2L).

Date of Draft:

February 08, 2010

Text:

WHEREAS, the CUNY central administration, the Law School administration, and the members of the broader Law School community – including faculty members, staff members, current students, future students, and alumni – all have strong and overlapping interests in ensuring that CUNY negotiates the lowest purchase price possible for the property that will become the Law School's new home;

WHEREAS, Like many other students and fellow members of the Law School community, the Members of Student Government are both excited by several aspects of the Law School's anticipated move to Long Island City, including its anticipated greater overall accessibility, and at the same time continue to have serious concerns about others, including the current projected cost of the acquisition of the anticipated new location, i.e., the first through sixth floors of 2 Court Square ("the Property");

WHEREAS, the Members of Student Government, to the best of our knowledge, believe that the CUNY central administration still plans to pay Citigroup \$155 million in order to acquire a condominium interest in the Property;

WHEREAS, The reduction in the purchase price of the Property by even several hundred thousand dollars, let alone several million, would enable CUNY to allocate those savings to any number of other worthwhile expenditures, including, for example: (1) adding the amount of those savings to CUNY's budget for renovating the Property, thereby enabling CUNY to make more ideal improvements that it would otherwise be able; or (2) adding the amount of those savings to CUNY's budget for renovating the Property, thereby decreasing the amount that must be allocated to renovation within the Law School's own budget and allowing the Law School to reallocate an equal amount for other pressing needs, including non-capital expenditures; or (3) creating a fund to help subsidize the cost of travel to the new school location for long-time employees with significant transportation issues;

WHEREAS, In light of the prospect of reduced state funding of the CUNY system, increased tuition imposed on CUNY's students, and an overall increase in budgetary constraints faced by

CUNY's administrative leadership, it is all the more important that all of CUNY's capital expenditures be as cost-effective as possible;

WHEREAS, The Members of Student Government have been presented with claims and evidence by Professor Dinesh Khosla that CUNY may end up paying significantly more than the current fair market value of the Property, have discussed the merits and implications of this claim and supporting evidence in deliberations both within Student Government Committee meetings and numerous General Body Sessions, and, while unable or unwilling to conclude that \$155 million is above the fair market value of the Property, neither are the Members of Student Government able to dismiss Professor Khosla's claim as without merit, and indeed find his claim to be worthy of further factual investigation;

WHEREAS, The Members of Student Government also believe that recent news coverage of and commentary on Citigroup's continued weak financial condition – more specifically, its attempts to sell large amounts of assets in order to raise capital for the purpose of repaying its bailout money as soon as possible, including recent news that Citigroup's second consecutive annual loss – further support the claim that CUNY, as prospective buyer of a Citigroup asset, is in a position to negotiate a purchase price that is extremely favorable to the buyer, and, at the very least, no greater than the Property's fair market value;

WHEREAS, The Members of Student Government are also aware that the prospective seller of the Property, Citigroup, is the recipient of billions of dollars of federal taxpayer bailout funds, as well as the recipient of large city tax subsidies, and we believe that these facts make the prospective purchase of the Property from Citigroup one of significant interest, both financial and ethical, to the general public, meaning that the general public is entitled to expect greater-than-usual transparency regarding CUNY's understanding of key facts regarding the prospective Property acquisition and to expect that CUNY will exploit Citigroup's relatively weak current financial condition in order to negotiate the lowest possible purchase price for this Property;

WHEREAS, the Dean of the Law School has made continuous efforts to provide all current students, faculty, and staff with means of input in the process of planning the anticipated move and has also devoted much of her time to responding to numerous inquiries concerning the anticipated move from many different individuals and entities within the Law School, yet even the Dean of the Law School may not have the specific information concerning the purchase price that is sought by the Student Government;

WHEREAS, While the Dean of the Law School and other CUNY officials have correctly explained that purchasing the Property for approximately \$150 million is a bargain for CUNY when compared with the alternative of constructing a new building at an estimated cost of \$250 million, the Members of Student Government have not, as of yet, received a reasonable explanation of why the Property would cost as much as \$155 million under the current real estate market environment, are unable to formulate such an explanation upon the continued exercise of our own research and other efforts, and still desire such an explanation;

Therefore be it

RESOLVED, That the Student Government hereby makes clear its support for the Law School's efforts, in fulfillment of its educational and service missions, to seek a new physical location

that is more easily accessible to a greater number of current and future students and clinic clients from throughout the city;

RESOLVED, That the Student Government acknowledges the enthusiasm of many current students, faculty, administrators, and alumni, as well as of numerous nonprofit organizations who collaborate regularly with the Law School or individual members of it, about the Law School's anticipated move to Court Square, which enthusiasm is due in large part to this greater overall accessibility, as well as the increased overall size of the anticipated new space; and

RESOLVED, That the Student Government wishes to make clear its belief that the CUNY central administration's choice of relocating the Law School to 2 Court Square would succeed in achieving the worthy goal of greater overall accessibility by students and clients from throughout the five boroughs;

However, be it also

RESOLVED, That it is far from evident to the Student Government that the price that the CUNY central administration plans to pay Citigroup in order to purchase the first through sixth floors of 2 Court Square – i.e., \$155 million – is either substantially equal to or less than the market value of that Property;

RESOLVED, That the Student Government therefore holds that the CUNY central administration ought to prepare, as promptly and in as much detail as reasonably possible, a written explanation of (1) its working assessment of the fair market value of the Property, as well as the grounds for that assessment, and (2) its understanding of the necessity or reasonableness of paying \$155 million for the Property in light of current economic circumstances in a manner other than by mere comparison with the \$250 million projected cost of construction of a new building, and that it ought to send this explanation to the Law School upon receipt of a formal request by the Student Government and/or other representative stakeholders in the Law School;

RESOLVED, That the Student Government has reason to believe that a significant portion of the Law School community – including not only the Members of the Student Government but also other students, faculty members, and staff members – continue to share the aforementioned concern about the projected price of the acquisition, believe it is serious enough to warrant further inquiry, and may join the Student Government in its aforementioned formal request; and finally be it

RESOLVED, That in its aforementioned formal request to the CUNY Central Administration, the Student Government currently intends also to ask the CUNY Central administration to negotiate a lower purchase price for the Property unless and until the CUNY Central provides a reasonable explanation of the current projected price.

Disposition upon adoption:

Upon adoption of this Resolution, the following actions shall be taken:

- (1) By the end of the same day on which the Resolution is adopted, a copy of this

adopted Resolution shall be forwarded by the SG President to the Dean of the Law School and posted by the SG Secretary on the Law School's Forum;

(2) Within three days of the Resolution's adoption, the SG President shall inform the student body of the adopted Resolution via an email, sent through the Student-Events listserv, which shall include an explanation of the process by which the SG deliberated and voted on this Resolution and which shall include a copy of the Resolution by .pdf attachment;

(3) Also within three days of the Resolution's adoption, the SG shall make reasonable efforts to circulate the information in (2) to the remainder of the Law School community, including, but not limited to, the members of the faculty and staff; and

(4) Within one week of the Resolution's adoption, the SG President shall convene a task force of at least five (5) students, including at least three (3) SG Members, which shall solicit comments and feedback regarding this resolution from other student organizations, members of the faculty, staff members, and the deans of the Law school to support this request, with the understanding and expectation that such efforts shall likely continue until the CUNY central administration has actually entered into a purchase and sale agreement with Citigroup for 2 Court Square.